Mobeus Income & Growth VCT plc

A Venture Capital Trust

Annual Report & Financial Statements
for period ended 30 September 2024

Gresham House
Specialist investment

Mobeus Income & Growth VCT plc ("the Company" or "MIG VCT") is a Venture Capital Trust ("VCT") listed on the London Stock Exchange. Its investment portfolio is advised by Gresham House Asset Management Limited ("Gresham House" or "Investment Adviser").

Merger with Mobeus Income & Growth 2 VCT plc

The Company merged with Mobeus Income & Growth 2 VCT plc ("MIG 2 VCT") on 26 July 2024 ("Merger") and following the transfer of its assets and liabilities amounting to £57,709,937 to the Company, MIG 2 VCT was placed in members' voluntary liquidation. As consideration on 26 July 2024 the Company issued 102,889,464 new ordinary 1 pence shares at a price of 56.09 pence per share to each MIG 2 VCT Shareholder. Accordingly, each MIG 2 VCT Shareholder received 1.065 shares in MIG VCT for each MIG 2 VCT share that they held at the date of the Merger (rounded down to the nearest whole number).

Contents

YOUR PRIVACY

We are committed to protecting and respecting your privacy. To understand how we collect, use and otherwise process personal data relating to you, or that you provide to us, please read our privacy notice, which can be found at www.migvct.co.uk.

Financial Highlights

For the period ended 30 September 2024

Net assets: **£144.32 million**
Net asset value ("NAV") per share: **54.70 pence**

- Net asset value ("NAV") total return[1] per share was 0.5%[2].
- Share price total return[1] per share was 4.5%[3].
- A dividend of 4.00 pence per share was declared and paid on 31 May 2024 in respect of the financial period. Cumulative dividends paid to date since inception in 2004 amount to 170.3 pence per share.
- The Merger completed on 26 July 2024 and the results were combined from that date.
- £5.13 million was invested into two new growth capital investments and five existing portfolio companies during the period.
- Net unrealised losses were £(0.11) million in the period.
- The Company realised investments totalling £3.49 million of cash proceeds.

[1] Definitions of key terms and alternative performance measures shown above and throughout this report are shown in the Glossary of terms on pages 85 and 86.

[2] Further details on the NAV total return are shown in the Performance and Key Performance Indicators section of the Strategic Report on pages 23 to 26.

[3] The difference in NAV and share price total returns arises principally due to the timing of NAV announcements.

Performance Summary

Cumulative NAV Total return[1] performance over the last 3, 5 and 10 years is (11)%, 46% and 62% respectively (calculated up to 30 September 2024 for the period under review).

The table below shows the cumulative performance since launch as at the end of each of the last five reporting periods.

Reporting date as at	Net assets (£m)	NAV per share (p)	Share price (mid-market price)[2] (p)	Cumulative dividends paid per share (p)	Cumulative total return per share to Shareholders (NAV basis) (p)	Cumulative total return per share to Shareholders (Share price basis) (p)[2]	Dividends paid and proposed per share in respect of each year/period[1] (p)
30 September 2024	144.32	54.70	53.50	170.30	225.00	223.80	4.00
31 December 2023	95.99	58.43	55.00	166.30	224.73	221.30	9.50
31 December 2022	100.32	64.01	61.00	156.80	220.81	217.80	8.00
31 December 2021	112.96	90.31	80.00	144.80	235.11	224.80	9.00
31 December 2020	84.69	67.03	57.50	139.80	206.83	197.30	11.00

[1] Definitions of key terms and alternative performance measures shown above and throughout this report are shown in the Glossary of terms on pages 85 and 86.

[2] Source: Panmure Liberum Limited (mid-market price). The discount on the Company's shares at 30 September 2024 was 4.6% as the share price was based on the NAV per share at 26 July 2024 of 56.09 pence.

Detailed performance data for previous fundraising rounds and for former Matrix Income & Growth 3 VCT and Mobeus Income & Growth 2 VCT Shareholders are shown in a table on pages 81 and 83 of this Annual Report. The tables, which give cumulative total return per share information for the first allotment date for each previous fundraising on both a NAV and share price basis, are also available on the Company's website at www.migvct.co.uk where they can be downloaded by clicking on "table" under "Reviewing the performance of your investment".

Chair's Statement

I am pleased to present the results for Mobeus Income & Growth VCT plc for the period ended 30 September 2024.

Overview

On completion of the Merger of the Company with Mobeus Income & Growth 2 VCT plc ("MIG 2 VCT") on 26 July 2024 ("Merger") the accounting reference date of the Company changed from 31 December to 30 September. This was for consistency with The Income & Growth VCT plc and to promote calendar year end administration and audit efficiencies. The Company is therefore reporting for the nine month financial period from 1 January 2024 to 30 September 2024 and will report annually to 30 September hereafter.

This period has been set against a backdrop of challenging geopolitical and UK economic conditions although equity markets as a whole have delivered modest growth. Inflation has started to reduce but higher interest rates continue to impact on consumer and business confidence and to affect trading performance in the portfolio companies. We have not yet seen the full effect of the recent Bank of England interest rate cuts from a peak of 5.25% and there may be further interest rate cuts in the event that inflation continues to meet the Bank of England's 2% target. The political uncertainty and distraction associated with the general election and subsequent budget has now subsided bringing the prospect of a welcome period of relative stability in the UK, albeit with continued pressures on companies from tax increases and ongoing global economic and geopolitical risk including the potential impacts of the change in US Administration.

The positive NAV performance reported for the first six months of the period for a number of portfolio companies was blunted somewhat by a challenging final quarter of the period for some assets. However, overall, due to continued strong performance of the portfolio's larger assets, the Company's NAV total return remained marginally positive, increasing by 0.5% for the nine months (year ended 31 December 2023: 6.1%).

The Company has been an active investor in the period and provided funding to two new companies: SciLeads and OnSecurity, whilst in February 2024 a highly successful partial exit of Master Removers Group ("MRG") was delivered. Follow-on investments were also made into five existing portfolio companies: MyTutor, Orri, ActiveNAV, VivaCity and Dayrize. Please see the 'Investment portfolio' section later in my Statement for further details. After the period-end, two new investments were made into Mobility Mojo and Gentianes Solutions (trading as Much Better Adventures), and three further follow on investments were made into Branchspace, Preservica and FocalPoint.

Early in 2024 the portfolio companies, with the support and guidance of Gresham House's portfolio directors, took steps to reposition their cost bases in anticipation of medium-term challenges. Overall, the investee companies are adequately funded although it is expected that some of the newer additions to the portfolio are likely to bring forward their requirement for further funding. The Company's successful fundraising after the period-end ensures strong liquidity is available to seek opportunities within the existing portfolio together with new investments.

Despite the uncertainty recently experienced the portfolio is resilient and diversified. However there is a degree of concentration as the top five assets now represent c.57.0% of total portfolio value. As is the nature of growth assets, the risk of company failures is ever present although the upside for successful investments can be significant which is resulting in value concentration amongst these larger and more stable assets.

Merger Update

The Merger of the Company with MIG 2 VCT, as set out in the announcement on 18 June 2024, was approved by Shareholders on 18 July 2024 and completed on 26 July 2024. The assets and liabilities of MIG 2 VCT were transferred to the Company in consideration for shares being issued to the MIG 2 VCT Shareholders upon a relative net asset basis. We welcome those new Shareholders to the Company.

On completion of the Merger, Ian Blackburn, former chair of MIG 2 VCT, and Sarah Clark, former director of MIG 2 VCT were appointed and welcomed to the Board. Ian has assumed the role of Senior Independent Director of the Company and Sarah has assumed the role of chair of the new Investment Committee. Existing Director, Lucy Armstrong, remains chair of the Audit Committee. We look forward to working together on behalf of the Company's Shareholders. We would also like to thank Bridget Guerin for her extensive contributions and service to the Company until her retirement on 26 July 2024.

The Merger payback period of under 18 months, as outlined in the Prospectus, is on track to being achieved. This is based upon Merger costs incurred to date compared with annual cost savings.

Performance

The Company's NAV total return per share increased by 0.5% for the nine months (year ended 31 December 2023: 6.1%) after adding back a dividend of 4.00 pence per share paid during the period. The increase was principally the result of valuation uplifts and income returns from cash balances held. Positive valuation contributions by Veritek Global, Active Navigation and MPB were offset by falls from MyTutor and Bella & Duke. The proceeds received on the successful portfolio partial exit of MRG were already reflected in the Company's NAV at 31 December 2023. Income generated from cash held awaiting investment and loan stocks resulted in a positive revenue return.

At the period-end, the Company was ranked 1st out of 26 Generalist VCTs over ten years, 4th out of 32 Generalist VCTs over five years and 21 out of 32 Generalist VCTs over three years in the Association of Investment Companies' ("AIC") analysis of NAV Total Return (assuming dividends are reinvested). Shareholders should note that, due to the lag in the disclosed performance figures available each quarter, the AIC ranking figures do not fully reflect the latest position at 30 September 2024, or those of our peers.

Dividends

For the period up to the date of the Merger, the Company's annual dividend target was at least 4.00 pence per share payable in respect of each financial year. The Board was therefore pleased to be able to declare an interim dividend of 4.00 pence per share in respect of the period-ended 30 September 2024 to reflect gains and income generated as well as ensuring compliance with the VCT regulations. The interim dividend was paid on 31 May 2024 to Shareholders on the Register on 3 May 2024. This achieved the Company's annual target of 4.00 pence per share despite being over a shorter nine-month period. No further dividends will be paid in respect of the period to 30 September 2024. This dividend payment has brought cumulative dividends paid per share since inception to 170.30 pence.

Shareholders should note that following the Merger, and as detailed in the Prospectus, the Company's annual dividend target was amended to 7% of the NAV per Share at the start of each relevant financial year. This target amount could be paid in one or several dividend payments over the year.

The portfolio consists mainly of younger growth capital investments which carry a greater risk than the historic Management Buy-Out portfolio and are very likely to result in increased volatility in returns Shareholders receive in any given year. Shareholders should also note that there may be circumstances where the Company is required to pay dividends in order to maintain its regulatory status as a VCT, for example, to stay above the minimum percentage of assets required to be held in qualifying investments. Such dividends paid in excess of net income and capital gains achieved will cause the Company's NAV per share to reduce by a corresponding amount.

Dividend Investment Scheme

Further to the Merger and a review by the Board, the Company has established a Dividend Investment Scheme ("DIS") to allow Shareholders, should they so wish, to receive additional shares in the Company by re-investing their total dividend payment into new shares at the latest published NAV. Shareholders must register their whole shareholding in the DIS, a partial election is not permitted under the Rules of the DIS which can be found on the Company's website: https://www.mobeusvcts.co.uk/ under the Dividend section along with the mandate form. Shareholders who hold their shares in a Nominee company can still join the DIS scheme by instructing the Nominee provider to elect for the DIS Shares on their behalf. Shareholders can opt-out of the DIS by contacting City Partnership, using their details provided under Corporate Information on page 90. The new shares are also eligible for Income Tax Relief.

Investment Portfolio

The enlarged closing portfolio incorporates MIG 2 VCT's assets reflecting the aggregate performance since 26 July 2024. Despite the continuing uncertain macroeconomic conditions, several investee companies have demonstrated positive revenue and profits growth, in particular Veritek Global, Active Navigation and MPB. However, the more consumer facing businesses, such as MyTutor and Bella & Duke, have found delivery of growth to be harder. The net result has been marginally negative and the overall portfolio value in the period decreased by a modest £(0.21) million (year ended 31 December 2023: £6.43 million), or (0.15)% (year ended 31 December 2023: 11.8%) on a like-for-like basis, compared to the opening portfolio value at 1 January 2024 of £64.14 million and the assets acquired from MIG 2 VCT of £47.71 million. This net decrease was comprised of an unrealised decrease in portfolio valuations of £0.11 million and net realised losses of £0.10 million.

The portfolio movements across the period were as follows:

	2024 (9 mths to 30 Sept) £m	2023 (Year to 31 Dec) £m
Opening portfolio value	64.14	54.69
MIG 2 VCT acquisition	47.71	-
New and further investments	5.13	5.72
Disposal proceeds	(3.49)	(2.70)
Net realised (losses)/gains	*(0.10)*	*0.40*
Valuation movements	*(0.11)*	*6.03*
Net investment portfolio (losses)/gains	(0.21)	6.43
Portfolio value at 30 September	**113.28**	**64.14**

During the period, the Company invested a total of £5.13 million into two new and five existing portfolio companies (year ended 31 December 2023: £5.72 million; eight new, four existing). New investments totalling £1.55 million (year ended 31 December 2023: £4.79 million) were made in:

SciLeads	**£0.71 million** Digital platform within the life science vertical
OnSecurity	**£0.84 million** B2B cybersecurity business providing independent third-party penetration testing services

Additional funding totalling £3.58 million (year ended 31 December 2023: £0.93 million) was provided in five existing portfolio companies during the period:

MyTutor	**£0.54 million** A digital marketplace connecting school pupils seeking one to one online tutoring
Orri	**£0.23 million** An intensive day care provider for adults with eating disorders
ActiveNAV	**£1.79 million** A global provider of file analysis software for information governance, security and compliance
VivaCity Labs	**£0.88 million** An AI and Urban Traffic Control business
Dayrize	**£0.14 million** A provider of a rapid sustainability impact assessment tool

At the period-end, the portfolio was valued at £113.28 million (year ended 31 December 2023: £64.14 million) including the assets acquired from MIG 2 VCT as part of the Merger. The portfolio substantially comprises growth capital investments, and, as Shareholders will be aware, these younger, less proven investments have a more variable return profile.

Shareholders should continue to note therefore that whilst the potential upside for the Company's Shareholders of these type of investments may be higher, conversely the likelihood of investee company failures also increases. The Company's largest five assets by value represent over 50% of the portfolio's value, with Preservica accounting for 27.5%. The overall portfolio value is greatly affected by the performance of these investments and these higher value assets continue to be monitored closely by the Investment Adviser as part of its risk mitigation measures.

The VCT's portfolio valuation methodology has continued to be applied consistently and in line with International Private Equity and Venture Capital Valuation ("IPEV") guidelines with four of the top ten largest holdings by value also triangulated by an independent external valuation in the period.

Following the period-end, two new investments were made, £0.42 million into Mobility Mojo, a software platform supporting accessibility audits, and £0.97 million into Gentianes Solutions (trading as Much Better Adventures), an Adventure Travel Marketplace, and three further follow on investments comprising £0.27 million into Branchspace, £0.46 million into Preservica and £0.10 million into FocalPoint.

The Company generated £3.49 million in proceeds from the partial exit of MRG, whose value was fully reflected at the previous year-end. Over the life of this investment, the Company has received total proceeds of £6.62 million (including £0.42 million received after the period-end) which equates to a multiple on cost of 3.3x and an IRR of 26.0%. Conversely, the Company was unable to support further investment into Bleach Holdings Limited and was required to exit its holding for minimal proceeds. The Company had reduced its valuation of Bleach in previous periods such that a modest £0.04 million realised loss was incurred on disposal in the period. Further, the Company's holding in Northern Bloc was fully impaired recognising a loss of £0.06 million in the period.

Further details of this investment activity and the performance of the portfolio are contained in the Investment Adviser's Review and the Investment Portfolio Summary on pages 6 to 20.

Revenue account

The results for the period are set out in the Income Statement on page 55 and show a revenue return (after tax) of 0.24 pence per share (year ended 31 December 2023: 0.73 pence per share).

The revenue return for the period of £0.45 million compares to the comparative full year figure of £1.22 million. This movement in revenue return is not directly comparable due to the current period reflecting nine months rather than the full year.

Liquidity & Fundraising

Cash and liquidity fund balances as at 30 September 2024 amounted to £31.26 million representing 21.7% of net assets. The majority of cash resources are held in liquidity funds with AAA credit ratings, the returns on which have benefitted from higher levels of interest rates and will help support future returns to Shareholders. The Board continues to monitor credit risk in respect of all its cash and near cash resources and still prioritises the security and protection of the Company's capital.

On 2 September 2024, the Company launched a Joint Offer for Subscription alongside The Income & Growth VCT plc ("I&G") to each raise an initial amount of up to £35 million, as well as an over-allotment facility of £10 million for the tax year 2024/25. Following strong demand, the Company received applications for the full amount sought of £45 million (including the over-allotment facility). Two allotments took place after the period-end, on 1 October and 28 October 2024, issuing a total of 77,500,488 new Ordinary shares at an average effective offer price of 58.06 pence per share, raising net funds for the Company of £43.47 million. These additional funds will allow the Company to take advantage of new investment opportunities, fund further expansion of existing portfolio businesses, provide attractive returns for Shareholders in the form of dividend payments and buy back its shares from those Shareholders who may wish to sell.

Share buybacks

During the period, the Company bought back and cancelled 3,321,634 of its own shares (year ended 31 December 2023: 4,413,159), representing 2.0% of the shares in issue at the beginning of the period (year ended 31 December 2023: 2.8%), at a total cost of £1.80 million, inclusive of expenses (year ended 31 December 2023: £2.55 million).

It is the Company's policy to cancel all shares bought back in this way. The Board regularly reviews its buyback policy and seeks to maintain the discount at which the Company's shares trade at no more than 5% below the latest published NAV.

Change of Auditor

Under current legislation an Auditor can only serve for 20 years and BDO has reached this length of tenure. Following a comprehensive and robust audit tender process, the Board has decided to recommend the appointment of Johnston Carmichael as the Company's Auditors at the forthcoming AGM for the year ending 30 September 2025.

Shareholder Communications & Annual General Meeting

May I remind you that the Company has its own website: www.migvct.co.uk.

The Investment Adviser held another virtual shareholder event on 1 March 2024, showcasing some exciting portfolio company growth journeys as well as a presentation by the Investment Adviser and representatives of the Mobeus VCTs, a recording of which is available on the Company's website or by registering for access here: https://mvcts.connectid.cloud/. It is anticipated that the next Shareholder Event will take place in September 2025.

The Board is pleased to be able to hold the next Annual General Meeting ("AGM") of the Company in person at 1.00 pm on 5 March 2025 at First Floor, 8 Fenchurch Place, London, EC3M 4PB. The Board is aware that a number of Shareholders also hold shares in the other Mobeus VCT, I&G, which shares a 30 September year-end. A joint presentation by the Investment Adviser to the Company and I&G Shareholders will therefore take place at 1.30 pm and a light lunch will be available. The I&G AGM will be held following the presentation at 2.30 pm for joint Shareholders to attend.

A webcast will also be available at the same time for those Shareholders who cannot attend in person. However, please note that you will not be able to vote via this method and you are encouraged to return your proxy form before the deadline of 1.00 pm on Monday, 3 March 2025. There will however be the ability to send questions into the meeting via the link.

Information setting out how to join the meeting by virtual means will be shown on the Company's website a few days before the AGM. Directions to the AGM venue will also be available on the website. For further details, please see the Notice of the Meeting which can be found at the end of this Annual Report & Financial Statements, on pages 87 to 89.

VCT Regulations - Retirement Date of the UK Government's Venture Capital Schemes

The Board and Investment Adviser were pleased to see the European Commission approve the extension of the VCT scheme until 5 April 2035. This was formalised by UK legislation on 3 September 2024. The regulations bring into effect the extension of the Enterprise Investment Scheme ("EIS") and the Venture Capital Trust ("VCT") Scheme sunset clause to 2035. The Board welcomes this news and would like to thank the Investment Adviser, The Venture Capital Trust Association ("VCTA"), the Association of Investment Companies ("AIC") and other parties involved for their help in getting the new legislation enacted.

Consumer Duty

The Financial Conduct Authority's ("FCA") new Consumer Duty regulation came into effect on 31 July 2023. Consumer Duty is an advance on the previous concept of 'treating customers fairly', which sets higher and clearer standards of consumer protection across financial services and requires all firms to put their customers' needs first.

As previously notified, the Company is not regulated by the FCA and does not therefore directly fall into the scope of Consumer Duty. However, Gresham House, as the Investment Adviser, and any IFAs or financial platforms used to distribute fundraising offers, are subject to Consumer Duty.

The Board will ensure that the principles behind Consumer Duty are upheld and will work with the Investment Adviser on the information now available to assist consumers and their advisers to discharge their obligations under Consumer Duty.

Environmental, Social and Governance ("ESG")

The Board and the Investment Adviser believe that the consideration of environmental, social and corporate governance ("ESG") factors throughout the investment cycle will contribute towards enhanced Shareholder value.

Gresham House has a dedicated sustainable investment team which conducts an annual survey of our unquoted portfolio companies to understand how they are responding to relevant ESG risks and opportunities. The results of the November 2023 survey of investee companies highlighted that the portfolio companies who participated were taking further action on implementing a range of sustainability initiatives within their businesses. Each portfolio company in the survey identified areas for improvement over the next 12 months which are being monitored by the Investment Adviser and their progress tracked throughout the year.

The FCA reporting requirements consistent with the Task Force on Climate-related Financial Disclosures ("TCFD") do not currently apply to the Company but will be kept under review, the Board being mindful of any recommended changes. The Board is aware of the FCA's Sustainability Disclosure Requirements and investment labels (together the "rules"). As the Company is classified as a Collective Investment Undertaking, the scope of the rules capture such UK-domiciled unauthorised funds, however given that the shares in the Company (the "product") do not have a sustainable investment objective, the rules only apply on a very limited basis (through the Investment Adviser) in relation to the Company. The Gresham House TCFD Report can be found on its website at: TCFD report – Gresham House.

Fraud Warning

Shareholders continue to be contacted in connection with sophisticated but fraudulent financial scams which purport to come from or to be authorised by the Company. This is often by a phone call or an email usually originating from outside of the UK, claiming or appearing to be from a corporate finance firm offering to buy your shares at an inflated price.

The Board strongly recommends Shareholders take time to read the Company's Fraud warning section, including details of who to contact, contained within the Information for Shareholders section on pages 79 to 80.

Outlook

Despite a recent return to some stability on the domestic front following the UK election and subsequent budget, the wider geopolitical and economic environment remains uncertain. The Company's portfolio companies have been operating under challenging economic conditions for some time now and the Board and Investment Adviser are encouraged with the level of resilience shown. With a more certain fiscal roadmap now laid out and the prospect for further interest rate reductions, the Board has cautious optimism that portfolio performance can be maintained and improved. The Investment Adviser continues to target new opportunities in exciting new businesses and is reporting a strong pipeline under current review.

The sole successful partial exit of MRG represents a somewhat quiet period for the Mobeus VCT portfolio in terms of realisations compared to past periods. Expectations are that the exit environment will likely remain subdued for the time being. However, a period of stability should facilitate more measured growth which will ultimately lead to exits but with no fixed timescale associated with the Company's investments, there is no imperative to force an exit, and the Investment Adviser is able to influence the best time to sell to optimise value.

In summary, the Company continues to add to its large, well-diversified portfolio which is managed by a professional and experienced investment team. The Board and Investment Adviser will continue to work together to drive shareholder returns further.

I would like to take this opportunity once again to thank all Shareholders for their continued support and to extend a warm welcome to our new members of the Company.

Clive Boothman
Chair

13 January 2025

Chair's Statement

Investment Portfolio

Investment Adviser's Review

Portfolio Review

The period has been marked by continuing uncertainty, against which markets have delivered modest growth. Inflation and interest rates appear to have peaked, but concerns regarding geo-political tensions in Europe and the Middle East persist. The UK and US election results will hopefully allow more clarity on the future economic and political landscape although the impact of the UK Government's first budget has caused an element of market turbulence, potential inflationary pressures and pausing of interest rate reductions.

Despite this unsettled environment, it is encouraging to see that the majority of the portfolio companies recorded continued growth in either revenues or profits over the last nine months. This steady positive progress contrasts with the observation that the companies within the portfolio have many projects under consideration with several companies contemplating top up rounds to enable them to reach a delayed breakeven. The ability to invest further VCT capital is a useful opportunity to build meaningful stakes as well as enhancing the Company's influence and protecting the VCTs' position. Over 70% of the portfolio recorded profit increases or reduced losses versus the previous year which is very encouraging and demonstrates the responsiveness and effectiveness of portfolio company boards in maintaining close cost management.

It is in the nature of VCT assets that many portfolio companies are seeking to prove and develop nascent business models. Most of the recent group of earlier stage investments are steadily building out their pipelines and capability as they balance investment with the rate of commercial development. At this stage of their development Gresham House is still hopeful that the majority will deliver the relevant commercial proof points, albeit it may take longer and probably require additional capital earlier than had originally been envisioned. In some cases, this could be a positive by allowing the Company to build more significant stakes on possibly more advantageous terms.

We are pleased to have been able to provide new funding to two significant investments during the period as well as follow on funding for a number of portfolio companies. The exit environment remains subdued, but the partial exit of Master Removers Group at the start of the period illustrates that investee companies can still be realised at attractive prices. Unless there is a change in market dynamics, it is likely that portfolio companies will be held for longer periods although looking forward, there are a number of assets starting to plan for exit in 2025. Gresham House believes that these are realistic prospects which could deliver significant realised value to the Company.

The Company's recent successful fundraise after the period-end will provide strong liquidity to take advantage of the improving new investment environment for the Company as the UK is starting to see some stability post the election and budget. Gresham House is seeing a number of interesting investment propositions which are expected in time to be value accretive to the VCT's portfolio.

The portfolio movements in the period/year are summarised as follows:

	Period ended 30 September 2024 £m	Year ended 31 December 2023 £m
Opening portfolio value	64.14	54.69
MIG 2 VCT acquisition	47.71	-
New and further investments	5.13	5.72
Disposal proceeds	(3.49)	(2.70)
Net investment portfolio movement in the period/year	(0.21)	6.43
Portfolio value at period/year-end	**113.28**	**64.14**

The value of the Company's portfolio has materially increased in size due to the acquisition of MIG 2 VCT's portfolio of assets, the vast majority in which the Company had existing holdings.

The Company made new and follow-on investments totalling £5.13 million (year ended 31 December 2023: £5.72 million) during the period, of which £1.55 million was into two new growth capital investments and £3.58 million was into five follow-on investments. Further details of these investments are on the following pages. After the period-end, new investments were made into Mobility Mojo and Much Better Adventures, as well as follow-ons into Branchspace, Preservica and FocalPoint.

The portfolio's largest investments have experienced some strong revenue growth which has continued to drive values over the period, in particular MPB, Active Navigation and Caledonian Leisure. Pleasingly, Veritek Global, an historic MBO investment, has started to see material traction having pivoted its business model in recent years and returned to profitability. By contrast, there are also some portfolio companies that are experiencing a tough environment such as MyTutor and IPV reflecting the ongoing difficulties for consumer facing businesses to deliver growth. The portfolio companies continue to be focused on establishing a path to profitability.

During the period, the MRG partial exit generated proceeds of £3.49 million resulting in a return of 3.3x and an IRR of 26% over the life of the investment.

The portfolio's valuation changes in the period/year are summarised as follows:

Investment Portfolio Capital Movement	Period ended 30 September 2024 £m	Year ended 31 December 2023 £m
Increase in the value of unrealised investments	6.51	11.40
Decrease in the value of unrealised investments	(6.62)	(5.37)
Net (decrease)/increase in the value of unrealised investments	**(0.11)**	**6.03**
Realised gains	-	0.62
Realised losses	(0.10)	(0.22)
Net realised (losses)/gains in the period/year	**(0.10)**	**0.40**
Net investment portfolio movement in the period/year	**(0.21)**	**6.43**

New Investments during the period

The Company made two new investments totalling £1.55 million during the period, as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
SciLeads	SciLeads	Digital platform within the science verticals	March 2024	0.71

Based in Belfast, SciLeads (https://scileads.com) is a data and lead generation platform operating within life science verticals, allowing customers to identify, track and convert potential leads. SciLeads has grown ARR significantly and this investment will be used to accelerate new customer acquisition and professionalise the product and customer success functions to cross-sell opportunities within the existing customer base.

	Company	Business	Date of investment	Amount of new investment (£m)
onsecurity	OnSecurity	B2B cybersecurity business providing independent third-party penetration testing	June 2024	0.84

Based in Bristol, OnSecurity (https://www.onsecurity.io) is a B2B cybersecurity business providing independent third-party penetration testing services, a type of ethical hacking that simulates a real-world attack on a computer system, network, or web application to identify and remediate vulnerabilities that could be exploited by malicious actors. OnSecurity is an agile and collaborative platform solution that provides high quality human pentesting with elements of automation to minimise low value, menial tasks. This investment will be used to drive growth through developing their platform to target larger potential clients and develop economies of scale.

Further investments during the period

A total of £3.58 million was invested into five existing portfolio companies during the period, as detailed below:

	Company	Business	Date of investment	Amount of further investment (£m)
MyTutor	MyTutor	Digital marketplace for online tutoring	January 2024	0.54

MyTutorweb (trading as MyTutor) (https://www.mytutor.co.uk/) is a digital marketplace that connects school age pupils who are seeking private online tutoring with university students. The business is aiming to satisfy a growing demand from both schools and parents to improve pupils' exam results. This further investment will aim to drive changes in product and margin through operating business improvements and seek to expand its offering to school and channel partners.

	Company	Business	Date of investment	Amount of further investment (£m)
Orri	Orri	Specialists in eating disorder support	March 2024, July 2024	0.23

Orri Limited (https://www.orri-uk.com/) is an intensive daycare provider for adults with eating disorders. Orri provides an alternative to expensive residential in-patient treatment and lighter-touch outpatient services by providing highly structured day and half day sessions either online or in-person at its clinic on Hallam Street, London. This additional funding represents a bridging round to provide sufficient funding to allow the business to reach break-even. Potential further funding will allow a targeted geographic roll out once the core business is proven.

	Company	Business	Date of investment	Amount of further investment (£m)
ACTIVENAV	ActiveNav	A provider of a rapid sustainability impact assessment tool	May 2024	1.79

Data Discovery Solutions, trading as ActiveNav (https://activenav.com), is a data analysis software solution which makes it easier for companies to clean up network drives, respond to new data protection laws and dispose of redundant and out-dated documents. ActiveNav's solution is used by significant blue-chip customers, particularly those in highly regulated industries such as energy and professional services, as well as government entities in the USA, Canada, Australia and the UK. This further funding will assist the development of ActiveNav's exciting new cyber breach response division 'Actfore', which was established in late 2022.

	Company	Business	Date of investment	Amount of further investment (£m)
dayrize	Dayrize	A provider of a rapid sustainability impact assessment tool	June 2024, September 2024	0.14

Founded in 2020, Amsterdam-based Dayrize (https://dayrize.io/) has developed a rapid sustainability impact assessment tool that delivers product-level insights for consumer goods brands and retailers. Its proprietary software platform and methodology bring together an array of data sources to provide a single holistic product level sustainability score that is comparable across product categories in under two seconds. This funding round is to help refine its business plan, establish greater product-market fit and drive conversion of its customer pipeline. Capital structure terms have also been amended to encourage further funding from its existing angel network.

	Company	Business	Date of investment	Amount of further investment (£m)
VIVA CITY	VivaCity	Provider of artificial intelligence & urban traffic control systems	August 2024	0.88

VivaCity (https://VivaCitylabs.com) develops camera sensors with on-board video analytics software that enables real-time anonymised data gathering of road transport system usage. It offers city transport authorities the ability to manage their road infrastructure more effectively, enabling more efficient monitoring of congestion and pollution levels as well as planning for other issues, such as the changing nature of road usage (e.g. the increasing number of cyclists). The technology and software represent a significant leap forward for local planning authorities which have traditionally relied upon manual data collection.

Valuation changes of portfolio investments still held

The total valuation increases were: £6.51 million, with the main increases being:

Veritek Global: **£1.17 million**

Active Navigation: **£0.84 million**

MPB Group: **£0.73 million**

Caledonian Leisure: **£0.59 million**

Veritek Global has undertaken a marked turnaround having pivoted its business model in recent years. Active Navigation continues to gain momentum for its incident response platform. MPB continues to grow revenues internationally and Caledonian is performing well through its demand for UK travel holidays.

The main reductions within total valuation decreases of £(6.62) million were:

MyTutor: **£(2.65) million**

Bella & Duke: **£(1.02) million**

IPV: **£(0.58) million**

Dayrize B.V.: **£(0.58) million**

MyTutor and Bella & Duke have been impacted by a challenging environment for consumer facing businesses. IPV has experienced delays in securing new contracts and partnerships, although through cost-saving initiatives has improved its profitability.

Dayrize has secured several new contracts, however its cash requirement has been higher than anticipated. Unfortunately, Dayrize's need for further capital has accelerated over recent months such that, post the period-end, the VCT has agreed to a capital structure plan to facilitate further funding from its existing angel network without requiring further funding from the VCT. This offers the prospect of a staged recovery of the VCT's loan capital over the next two years, but only a nominal recovery for the VCT's equity instruments. Although disappointing, this is believed to be the best outcome for Shareholders.

The Company's investment values have been partially insulated from market movements and lower revenue growth by the preferred investment structures utilised in the financing of many of the portfolio companies. This acts to moderate valuation swings and the net result can be more modest falls when portfolio company values decline. Conversely, this can mean value growth above the VCT's preference amounts may be limited for a time as enterprise values increase through the catch-up structure.

Growth capital investing involves companies which often have not achieved profitability and as a result, have to be measured on other metrics.

The table below shows the proportion of the portfolio that is represented by pre-profit companies (often valued by reference to revenue multiple), compared with more mature, established companies with a history of profitability and which are therefore valued on an earnings multiple:

Valuation methodology	30 September 2024 £m	% of total investments	31 December 2023 £m	% of total investments
Revenue multiple	78.27	69.1%	35.81	55.8%
Gross profit multiple	15.31	13.5%	8.77	13.7%
Earnings multiple	10.29	9.1%	9.33	14.5%
Bid Price	3.52	3.1%	2.24	3.5%
Net asset value	3.19	2.8%	2.09	3.3%
Cost less impairment	2.02	1.8%	1.02	1.6%
Estimated Realisation proceeds	0.68	0.6%	-	0.0%
Recent investment price (subsequently calculated as appropriate)	-	0.0%	4.88	7.6%
Total	**113.28**		**64.14**	

Realisation during the period

The Company completed one exit during the period, as detailed below:

	Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
	Master Removers Group	A specialist logistics, storage and removals business	December 2014 to February 2024	£6.62 million 3.3x cost

The Company sold its investment in Master Removers Group (2019) Limited ("MRG") to Elanders AB and alongside this, sold its shares in MRG's domestic removals business to management. The Company received £3.49 million from the sale plus £0.68 million after the period-end. Total proceeds received by the Company to date over the life of the investment are £6.62 million compared to an original investment cost of £2.03 million. On a combined MIG and MIG 2 VCT basis (MIG 2 VCT amounts being received prior to the Merger), including amounts received after period-end, total proceeds are £10.60 million compared to an original cost of £3.25 million. Overall, this investment generated a multiple on cost of 3.3x and an IRR of 26%.

Other losses during the period

The Company realised its investment in Bleach Holdings Limited ("Bleach") during the period. Bleach had significantly underperformed in the face of issues such as Covid-19 and the subsequent consumer downturn. Despite a restructuring in 2023, against a challenging backdrop across the retail sector, Bleach required further funding to support its scaling which the VCTs could not provide under current VCT rules. A well-known hair-care provider agreed to acquire the business and safeguard important jobs but disappointingly only at a level that generated a minimal return for the VCTs. The Company had reduced its valuation of Bleach materially in previous periods such that upon realisation a modest loss of just £0.04 million was recognised in the period. Northern Bloc Ice Cream has had similar trading difficulties such that this investment was recognised as a permanent impairment resulting in a £0.06 million realised loss in the period.

Portfolio income and yield

In the period under review, the Company received the following amounts in interest and dividend income:

Investment Portfolio Yield	Period ended 30 September 2024 £m	Year ended 31 December 2023 £m
Interest received in the period	0.47	0.54
Dividends received in the period	0.02	0.09
OEIC and bank interest received in the period	1.10	2.03
Total portfolio income in the period	**1.59**	**2.66**
Net Asset Value at period	**144.32**	**95.99**
Income Yield (Income as a % of Net asset value at period-end*	**1.1%**	**2.8%**

* Yield appears lower due to a shorter period under review, as well as the acquisition of MIG 2 VCT's assets being reflected in the net asset value at the period-end with interest and dividend income only reflected for the period since the Merger.

Investments after the period-end

The Company made two new and three further investments totalling £2.22 million after the period-end, as detailed below:

New:

	Company	Business	Date of investment	Amount of new investment (£m)
Mobility Mojo	Mobility Mojo	A software platform supporting accessibility audits	October 2024	0.42

Based in Dublin, Mobility Mojo (https://www.mobilitymojo.com/) was founded in 2018 and empowers organisations worldwide to create more accessible and inclusive spaces. Mobility Mojo's innovative software platform enables companies to capture, track, enhance, promote and benchmark the accessibility of their buildings in a standardised and cost-effective way across their entire portfolio. The solution significantly reduces the time and expense typically associated with traditional paper-based accessibility audits and it is adaptable to a diverse set of environments, including office spaces, hotels and retail banks. The funding will support Mobility Mojo in expanding its marketing and sales teams, enhancing its SaaS platform with new AI-driven capabilities and recruiting key talent to its leadership team.

	Company	Business	Date of investment	Amount of new investment (£m)
much better adventures	Much Better Adventures	Online travel operator specialising in creating unique 'adventure' group trips	November 2024	0.97

Much Better Adventures (https://www.muchbetteradventures.com/) has developed a reliable, engaging, user-friendly platform that resonates with customers. This is reflected in the positive customer reviews and strong repeat rates. It has built a strong organic search presence in the UK through a combination of a high-quality website and social content, and curating trips that appeal to its clear Ideal Customer Profile, a highly marketable segment that fits with the product offering. With this investment the business will be robustly funded with the ability to tune expenditure to market conditions.

Existing:

	Company	Business	Date of investment	Amount of further investment (£m)
branchspace digital reinvented	Branchspace	Digital retail software provider to aviation and travel industry	November 2024	0.27

Branchspace (https://www.branchspace.com/) is a well-established specialist digital retailing consultancy and software provider to the aviation and travel industry. Branchspace's offering helps customers to transform their technology architecture to unlock best-in-class digital retailing capabilities, driving distribution efficiencies and an improved customer experience. Across two complementary service offerings, Branchspace can effectively cover the entire airline tech stack and has carved a defensible position as sector experts, serving clients including IAG, Lufthansa and Etihad. This funding round will seek to accelerate product development, increasing the customer reach of their SaaS offering to establish itself as the leading choice for airline digital retailing solutions.

	Company	Business	Date of investment	Amount of further investment (£m)
Preservica Digital Preservation	Preservica	Seller of proprietary digital archiving software	December 2024	0.46

Preservica (https://preservica.com) is a SaaS software business with blue chip customers and strong recurring revenues. It has developed market leading software for the long-term preservation of digital records, ensuring that digital content can remain accessible, irrespective of future changes in technology. The business has seen annual recurring revenues nearly double over the last two financial years. This additional funding will give the business extra headroom to deliver 20-25% ARR growth whilst seeking an exit in 2025.

	Company	Business	Date of investment	Amount of further investment (£m)
FocalPoint	FocalPoint	GPS enhancement software provider	December 2024	0.10

Focal Point Positioning Limited (https://focalpointpositioning.com/) is a deep tech business with a growing IP and software portfolio. Its proprietary technology applies advanced physics and machine learning to dramatically improve the satellite-based location sensitivity, accuracy, and security of devices such as smartphones, wearables, and vehicles and reduce costs. The further investment was agreed at the time of the original funding in September 2022.

Environmental, Social, Governance considerations

The Board and the Investment Adviser believe that the consideration of environmental, social and corporate governance ("ESG") factors throughout the investment cycle should contribute towards enhanced shareholder value.

The Investment Adviser has a dedicated team which is focused on sustainability as well as the Investment Adviser's Sustainability Executive Committee who provide oversight and accountability for the Investment Adviser's approach to sustainability across its operations and investment practices. This is viewed as an opportunity to enhance the Company's existing protocols and procedures through the adoption of the highest industry standards. Each investment executive is responsible for setting and achieving their own individual ESG objectives in support of the wider overarching ESG goals of the Investment Adviser.

The Investment Adviser's Private Equity division has its own Sustainable Investment Policy, in which it commits to:

- Ensure its team understands the imperative for effective ESG management and is equipped to carry this out through management support and training.
- Incorporate ESG into the monitoring processes of the unquoted portfolio companies.
- Engage with the dedicated sustainable investment team and conduct regular monitoring of ESG risks, sustainability initiatives and performance in its investments.

Further detail on ESG can be found in the Chair's statement on page 5 and in the Director's Report on page 36.

Outlook

Geo-political flux is likely to persist throughout 2025, although domestically the economic landscape is expected to be on a surer footing. This environment should also present attractive opportunities for your Company but, as a selective investor, it still has the advantage of being able to take a longer-term view of both new and portfolio follow-on investments. The early-stage cohort of investments are taking on the challenges presented and are expected to accelerate their funding plans, however this should also produce attractive further investment opportunities.

The first Budget under the new Labour Government was held after the period-end, the content of which weighed heavily on the overall health of the UK economy. Of particular note and concern for the portfolio and its companies, there is an expected impact of increased Employer's National Insurance contributions.

Gresham House's seasoned investment managers and advisers are a vital source of knowledge and experience available to support the Company's portfolio of management teams. In this respect, Gresham House is well placed by having one of the largest and most experienced portfolio teams in the industry with an average of over 18 years' relevant industry experience.

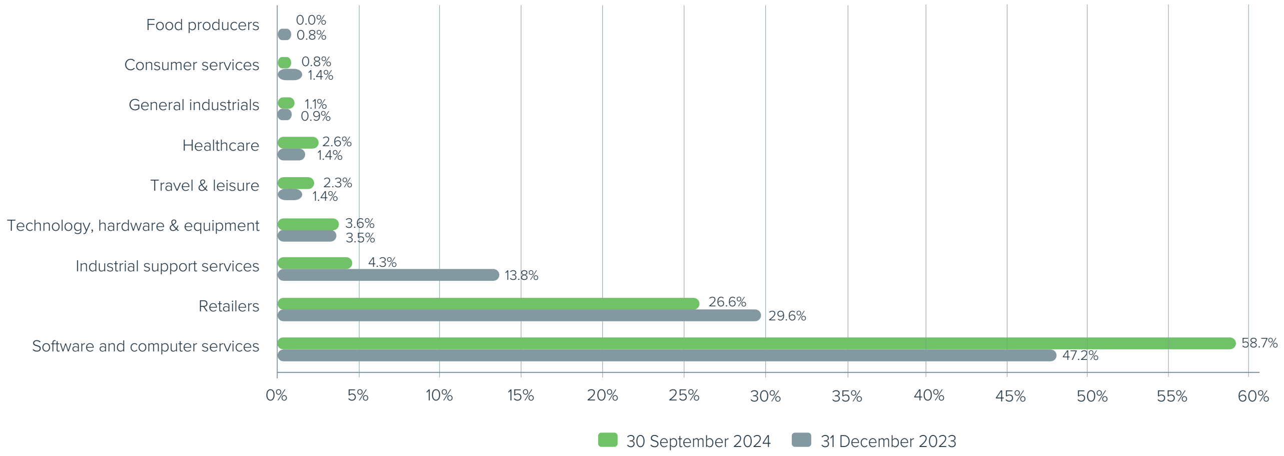
Pleasingly, the portfolio continues to perform in delivering growth against a challenging backdrop, although the early-stage companies will need careful monitoring and guidance. The new and further investment landscape should provide continued opportunities to expand the portfolio with assets with the potential to generate strong returns for investors. The Company's strong liquidity provides Gresham House with ample capacity to fulfil these prospects.

Gresham House Asset Management Limited
Investment Adviser

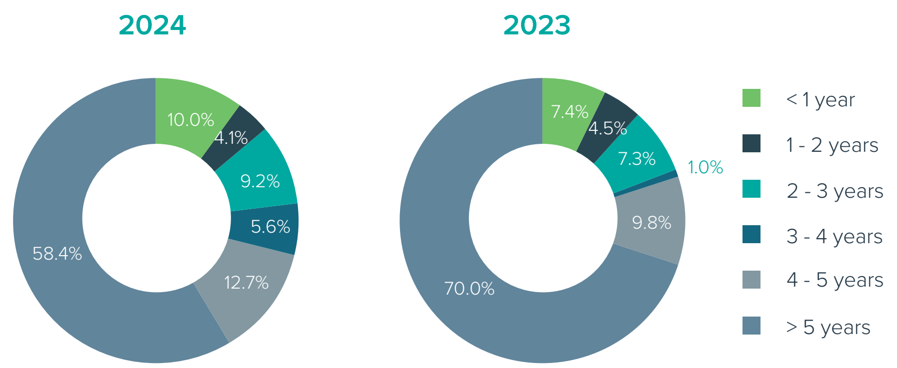
13 January 2025

Investments by market sector by value

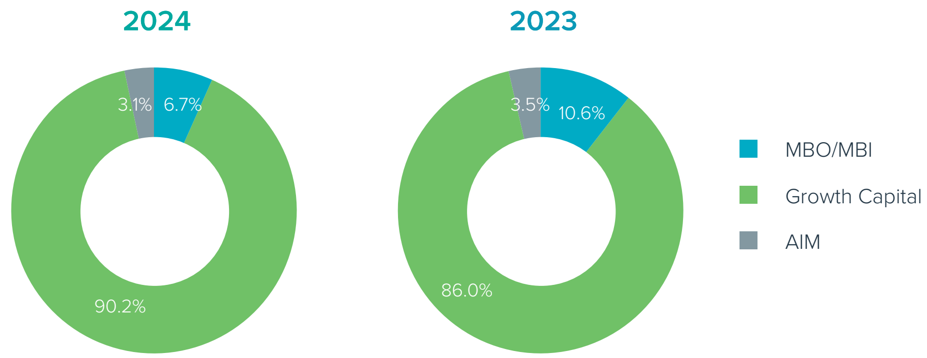
Investments by value remain spread across a number of FTSE sectors, primarily in software and computer services, retailers and industrial support services. Although the portfolio appears concentrated on three main sectors, the range of companies contained within these sectors is considered to be very diverse. The Investment Adviser continues to target further investments to complement these sectors.



Age of the portfolio by value



Type of investment by value



Investments made after the 2015 rule changes are all growth capital investments which are young businesses using the Company's investment for growth and development purposes (as defined under VCT legislation).

Investments made before the 2015 rule change include all investments made under the Investment Adviser's management buyout ("MBO") strategy and management buy in ("MBI") strategies. This typically includes MBO and MBI investments which are more mature, but also contains some growth capital investments.

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Principal investments in the portfolio at 30 September 2024 by valuation

Preservica Limited

www.preservica.com

Book cost	£15,426,000
Valuation	£31,174,000

Basis of valuation
Revenue multiple

Equity % held
26.7%

Income receivable in period
£93,971

Business
Seller of proprietary digital archiving software

Location
Abingdon, Oxfordshire

Original transaction
Growth capital

Audited financial information

Year ended	31 March 2024
Turnover	£13,711,000
Operating loss	£(2,881,000)
Loss before taxation	£(3,291,000)
Net liabilities	£(5,988,000)

Year ended	31 March 2023
Turnover	£11,542,000
Operating loss	£(4,343,000)
Loss before taxation	£(4,731,000)
Net liabilities	£(4,197,000)

Additions/disposals

None.

MPB Group Limited

www.mpb.com

Book cost	£7,224,000
Valuation	£15,313,000

Basis of valuation
Revenue multiple

Equity % held
6.4%

Income receivable in period
Nil

Business
Online marketplace for used photographic equipment

Location
Brighton

Original transaction
Growth capital

Audited financial information

Year ended	31 March 2024
Turnover	£172,622,000
Operating loss	£(2,080,000)
Loss before taxation	£(8,166,000)
Net assets	£23,888,000

Year ended	31 March 2023
Turnover	£136,763,000
Operating loss	£(4,057,000)
Loss before taxation	£(8,987,000)
Net assets	£19,949,000

Additions/disposals

None.

Data Discovery Solutions Limited (trading as Active Navigation)

www.activenavigation.com

Book cost	£7,214,000
Valuation	£9,097,000

Basis of valuation
Revenue multiple

Equity % held
20.7%

Income receivable in period
Nil

Business
Provider of a global market leading file analysis software for information governance, security and compliance

Location
Winchester

Original transaction
Growth capital

Audited financial information

Year ended	29 June 2023
Turnover	£12,051,000
Operating profit	£1,623,000
Profit before taxation	£991,000
Net assets	£5,851,000

Year ended	29 June 2022
Turnover	£6,345,000
Operating loss	£(59,000)
Loss before taxation	£(1,769,000)
Net assets	£4,305,000

Additions/disposals

Follow on investment of £1.79 million.

Financial information above and opposite is derived from publicly available Report and Accounts. The valuation of each investee company is derived in line with the valuation methodology detailed in Note 8 and is typically based upon each investee company's latest management accounts information not yet disclosed to public sources.

Arkk Consulting Limited

www.arkksolutions.com

Book cost	£3,771,000
Valuation	£4,505,000

Basis of valuation
Revenue multiple

Equity % held
14.2%

Income receivable in period
£41,316

Business
Provides financial automation platforms for businesses

Location
London

Original transaction
Growth capital

Audited financial information

Year ended	31 December 2023
Turnover	£7,003,000
Operating profit	£1,816,000
Loss before taxation	£(62,000)
Net liabilities	£(1,151,000)

Year ended	31 December 2022
Turnover	£6,360,000
Operating profit	£1,229,000
Loss before taxation	£(521,000)
Net liabilities	£(1,202,000)

Additions/disposals

None.

Bella & Duke Limited

www.bellaandduke.com

Book cost	£5,473,000
Valuation	£4,453,000

Basis of valuation
Revenue multiple

Equity % held
10.2%

Income receivable in period
£Nil

Business
A premium frozen raw dog food provider

Location
Edinburgh

Original transaction
Growth capital

Audited financial information

Year ended	31 March 2024
Turnover	£25,938,000
Operating profit	£353,000
Loss before taxation	£(558,000)
Net assets	£1,944,000

Year ended	31 March 2023
Turnover	£22,945,000
Operating profit	£458,000
Loss before taxation	£(622,000)
Net assets	£2,431,000

Additions/disposals

None.

VivaCity Labs Limited

www.VivaCitylabs.com

Book cost	£4,063,000
Valuation	£4,128,000

Basis of valuation
Revenue multiple

Equity % held
15.7%

Income receivable in period
Nil

Business
Provider of artificial intelligence & urban traffic control systems

Location
London

Original transaction
Growth capital

Audited financial information

Year ended	31 December 2023
Turnover	£6,011,000
Operating loss	£(6,950,000)
Loss before taxation	£(7,054,000)
Net liabilities	£(1,229,000)

Year ended	31 December 2022
Turnover	£5,937,000
Operating loss	£(6,148,000)
Loss before taxation	£(6,351,000)
Net assets	£3,591,000

Additions/disposals

Follow on investment of £0.88 million.

Further details of the investments in the portfolio may be found on the Gresham House Ventures website: www.greshamhouseventures.com.

Operating profit is stated before charging depreciation and amortisation, where appropriate, for all investee companies.

Book cost figures above include the fair value of assets acquired from Mobeus Income & Growth 2 VCT plc acquired on 26 July 2024. Valuation represents the fair value of the Company's and former MIG 2 VCT instruments at 30 September 2024.

Principal investments in the portfolio at 30 September 2024 by valuation

End Ordinary Group Limited (trading as Buster and Punch)

www.busterandpunch.com

Book cost	£3,388,000
Valuation	£3,692,000

Basis of valuation
Earnings multiple

Equity % held
16.2%

Income receivable in period
Nil

Business
Industrial inspired lighting and interiors retailer

Location
Stamford, Lincolnshire

Original transaction
Growth capital

Audited financial information

Year ended	31 March 2023
Turnover	£23,832,000
Operating profit	£2,153,000
Profit before taxation	£1,468,000
Net assets	£12,984,000
Year ended	31 March 2022
Turnover	£21,678,000
Operating profit	£2,899,000
Profit before taxation	£2,474,000
Net assets	£11,684,000

Additions/disposals

None.

Rapunzel Newco Limited (trading as Virgin Wines UK plc)

www.virginwines.co.uk

Book cost	£1,382,000
Valuation	£3,480,000

Basis of valuation
Bid price (AIM quoted)

Equity % held
16.0%

Income receivable in period
Nil

Business
Online wine retailer

Location
Norwich

Original transaction
Management buyout

Audited financial information*

Year ended	30 June 2024
Turnover	£59,005,000
Operating profit	£2,544,000
Profit before taxation	£1,681,000
Net assets	£23,320,000
Year ended	30 June 2023
Turnover	£58,998,000
Operating profit	£473,000
Loss before taxation	£(737,000)
Net assets	£21,822,000

* Trading information above related to Virgin Wines UK plc.

Additions/disposals

None.

Rota Geek Limited

www.rotageek.com

Book cost	£2,959,000
Valuation	£3,316,000

Basis of valuation
Revenue multiple

Equity % held
8.8%

Income receivable in period
£24,745

Business
Workforce management software developer

Location
London

Original transaction
Growth capital

Unaudited financial information

Year ended	31 December 2023
Turnover	Not disclosed
Operating profit/(loss)	Not disclosed
Profit/(loss) before taxation	Not disclosed
Net liabilities	£(4,072,000)
Year ended	31 December 2022
Turnover	Not disclosed
Operating profit/(loss)	Not disclosed
Profit/(loss) before taxation	Not disclosed
Net liabilities	£(1,247,000)

Additions/disposals

None.

Caledonian Leisure Limited

www.caledonian.com

Book cost	£1,824,000
Valuation	£2,980,000

Basis of valuation
Earnings multiple

Equity % held
14.4%

Income receivable in period
£39,709

Business
UK leisure and experience breaks provider

Location
Glasgow

Original transaction
Growth capital

Audited financial information

Year ended	31 December 2023
Turnover	£55,006,000
Operating profit	£1,455,000
Profit before taxation	£1,665,000
Net assets	£3,254,000
Year ended	31 December 2022
Turnover	£40,060,000
Operating profit	£450,000
Profit before taxation	£359,000
Net assets	£1,852,000

Additions/disposals

None.

Ozone Financial Technology Limited

www.ozoneapi.com

Book cost	£2,445,000
Valuation	£2,847,000

Basis of valuation
Revenue multiple

Equity % held
2.8%

Income receivable in period
Nil

Business
Open banking software developer

Location
London

Original transaction
Growth capital

Unaudited financial information

Year ended	30 September 2023
Turnover	Not disclosed
Operating profit/(loss)	Not disclosed
Profit/(loss) before taxation	Not disclosed
Net liabilities	£(1,136,000)
Year ended	30 September 2022
Turnover	Not disclosed
Operating profit/(loss)	Not disclosed
Profit/(loss) before taxation	Not disclosed
Net liabilities	£(455,000)

Additions/disposals

New investment of £1.28 million.

Veritek Global Holdings Limited

www.veritekglobal.com

Book cost	£1,610,000
Valuation	£2,417,000

Basis of valuation
Revenue multiple

Equity % held
21.8%

Income receivable in period
£98.186

Business
Maintenance of imaging equipment

Location
Polegate, East Sussex

Original transaction
Management buyout

Audited financial information

Year ended	31 March 2023
Turnover	£10,517,000
Operating loss	£(72,000)
Loss before taxation	£(161,000)
Net liabilities	£(116,000)
Year ended	31 March 2022
Turnover	£7,130,000
Operating loss	£(200,000)
Loss before taxation	£(252,000)
Net assets	£45,000

Additions/disposals

None.

Financial information above and opposite is derived from publicly available Report and Accounts. The valuation of each investee company is derived in line with the valuation methodology detailed in Note 8 and is typically based upon each investee company's latest management accounts information not yet disclosed to public sources.

Further details of the investments in the portfolio may be found on the Gresham House Ventures website: www.greshamhouseventures.com.

Operating profit is stated before charging depreciation and amortisation, where appropriate, for all investee companies.

Book cost figures above include the fair value of assets acquired from Mobeus Income & Growth 2 VCT plc acquired on 26 July 2024. Valuation represents the fair value of the Company's and former MIG 2 VCT instruments at 30 September 2024.

Investment Portfolio Summary

as at 30 September 2024

	Market sector	Date of investment	Total book cost[2] £'000	Valuation £'000	Like for like valuation increase/ (decrease) over period[1]	% value of net assets	% of equity held by funds managed and advised by Gresham House
Investment Portfolio							
Preservica Limited Seller of proprietary digital archiving software	Software and computer services	Dec-15	15,426	31,174	1.5%	21.6%	57.8%
MPB Group Limited Online marketplace for used photographic and video equipment	Retailers	Jun-16	7,224	15,313	5.0%	10.6%	13.7%
Data Discovery Solutions Limited (trading as Active Navigation) Provider of global market leading file analysis software for information governance, security and compliance	Software and computer services	Nov-19	7,214	9,097	13.0%	6.3%	44.0%
Arkk Consulting Limited (trading as Arkk Solutions) Provider of services and software to enable organisations to remain compliant with regulatory reporting requirements	Software and computer services	May-19	3,771	4,505	7.8%	3.1%	30.1%
Bella & Duke Limited A premium frozen raw dog food provider	Retailers	Feb-20	5,473	4,453	(18.6)%	3.1%	21.2%
VivaCity Labs Limited Provider of artificial intelligence & urban traffic control systems	Technology, hardware & equipment	Feb-21	4,063	4,128	6.9%	2.9%	32.5%
End Ordinary Group Limited (trading as Buster and Punch) Industrial inspired lighting and interiors retailer	Retailers	Mar-17	3,388	3,692	(7.7)%	2.6%	34.6%
Rapunzel Newco Limited (trading as Virgin Wines UK plc (AIM quoted)) Online Wine retailer	Retailers	Nov-13	1,382	3,480	(1.8)%	2.4%	41.6%
Rota Geek Limited Workforce management software developer	Software and computer services	Aug-18	2,959	3,316	11.1%	2.3%	18.9%
Caledonian Leisure Limited Provider of UK leisure and experience breaks	Travel & leisure	Mar-21	1,824	2,980	20.9%	2.1%	30.0%
Ozone Financial Technology Limited Open banking software developer	Software and computer services	Dec-23	2,445	2,847	16.6%	2.0%	11.8%
Veritek Global Holdings Limited Maintenance of imaging equipment	Industrial support services	Jul-13	1,610	2,417	60.8%	1.7%	50.0%
Legatics Holdings Limited SaaS LegalTech software provider	Software and computer services	Jun-21	2,271	2,390	6.1%	1.7%	28.5%
EOTH Limited (trading as Equip Outdoor Technologies) Branded outdoor equipment and clothing (Rab and Lowe Alpine)	Retailers	Oct-11	2,096	2,070	-	1.4%	0.0%
OnSecurity Technology Limited Cybersecurity services business	Software and computer services	Jun-24	1,556	1,940	New investment	1.3%	20.0%

Blue — Investment made prior to 2015 VCT rule change
Green — Investment made after 2015 VCT rule change

	Market sector	Date of investment	Total book cost[2] £'000	Valuation £'000	Like for like valuation increase/ (decrease) over period[1]	% value of net assets	% of equity held by funds managed and advised by Gresham House
Connect Childcare Group Limited Nursery management software provider	Software and computer services	Dec-20	1,887	1,865	43.1%	1.3%	10.6%
Orri Limited An intensive day care provider for adults with eating disorders	Healthcare	Sep-22	1,727	1,770	(8.6)%	1.2%	38.3%
My TutorWeb Limited (trading as MyTutor) Digital marketplace connecting school pupils seeking one-to-one online tutoring	Industrial support services	May-17	5,033	1,754	(85.8)%	1.2%	24.1%
Scileads Limited A data and lead generation platform operating within life science verticals	Software and computer services	Mar-24	1,209	1,209	New investment	0.8%	16.5%
CGI Creative Graphics International Limited Vinyl graphics to global automotive, recreational vehicle and aerospace markets	General industrials	Jun-14	2,263	1,204	(0.7)%	0.8%	26.9%
Other investments made prior to 2015 VCT rule change outside Top 20[2]			1,785	676		0.5%	
Other investments made after 2015 VCT rule change outside Top 20[4]			19,157	11,003		7.6%	
Total investments			**95,763**	**113,283**		**78.5%[5]**	
Current asset investments and cash at bank[6]			31,257	31,257		21.7%	
Total investments			**127,020**	**144,540**		**100.2%**	
Other assets				258		0.2%	
Current liabilities				(480)		(0.4)%	
Net assets				**144,318**		**100.0%**	
Portfolio split by type							
Investment made prior to 2015 VCT rule change			**9,136**	**9,847**		**8.7%**	
Investment made after 2015 VCT rule change			**86,627**	**103,436**		**91.3%**	
Total investment portfolio			**95,763**	**113,283**		**100.0%**	

[1] This percentage change in 'like for like' valuations is a comparison of the 30 September 2024 valuations with the 31 December 2023 valuations (or where a new investment has been made in the year, the investment amount), having adjusted for any partial disposals, loan stock repayments or new investments in the year. This includes valuation movements in respect of assets acquired from Mobeus Income & Growth 2 VCT plc on 26 July 2024 to 30 September 2024.

[2] Book cost includes the fair value of investments acquired from Mobeus Income & Growth 2 VCT plc ("MIG 2 VCT") of £47,706,877 where still held at 30 September 2024.

Other notes are overleaf.

Blue — Investment made prior to 2015 VCT rule change
Green — Investment made after 2015 VCT rule change

Investment Portfolio Summary

as at 30 September 2024

[3] Other investments made prior to the 2015 VCT rule change comprise: Master Removers Group 2019 Limited (trading as Anthony Ward Thomas, Bishopsgate and Aussie Man & Van), Racoon International Group Limited and SEC Group Limited (formerly RDL Corporation Limited).

[4] Other investments made after the 2015 VCT rule change comprise: Cognassist UK Limited, Huddl Mobility Limited (trading as CitySwift), Manufacturing Services Investment Limited (trading as Wetsuit Outlet), Branchspace Limited, Lads Store Limited (trading as Bidnamic), Proximity Insight Holdings Limited, FocalPoint Positioning Limited, Pets' Kitchen Limited (trading as Vet's Klinic), Mable Therapy Ltd, IPV Limited, Azarc.io, Connect Earth Limited, Dayrize B.V., Parsley Box Limited (formerly Parsley Box Group plc), Northern Bloc Ice Cream Limited, Spanish Restaurant Group Limited (trading as Tapas Revolution) (in administration), BookingTek Limited and Kudos Innovations Limited.

[5] At 30 September 2024, the Company held more than 80% of its total investments in qualifying holdings and therefore complied with the VCT qualifying investment test. For the purposes of the VCT qualifying investment test, the Company is permitted to disregard disposals of investments for twelve months from the date of disposal. It also has up to three years to bring in new funds raised, before these need to be included in the qualifying investment test.

[6] Disclosed as Current asset investments and Cash at bank within Current assets in the Balance sheet on page 56.

Strategic Report

Company Objective

The Objective of the Company is to provide investors with a regular income stream, by way of tax-free dividends generated from income and capital returns, while continuing, at all times, to qualify as a VCT.

Summary of Investment Policy

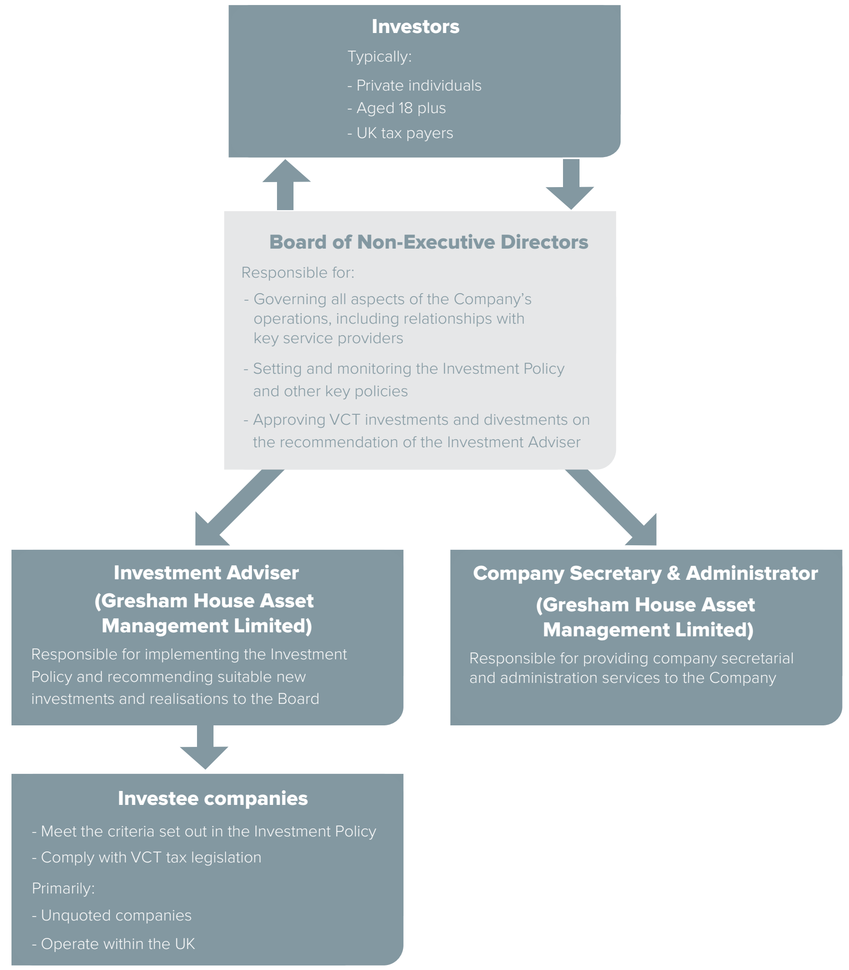
The Company's policy is to invest primarily in a diverse portfolio of UK unquoted companies. Investments are generally structured as part loan and part equity in order to receive regular income, to generate capital gain upon sale and to reduce the risk of high exposure to equities. To spread the risk further, investments are made in a number of businesses across different industry sectors.

The Company's cash and liquid resources are held in a range of investments which can be of varying maturities, subject to the overriding criterion that the risk of loss of capital be minimised.

The Company seeks to make investments in accordance with the requirements of VCT regulation. A summary of this is set out on page 22.

The full text of the Company's Investment Policy is available in Key Policies on page 26 of this Strategic Report.

The Company's business model is set out in the diagram below:



The Company and its business model

The Company is a Venture Capital Trust and its Objective and Investment Policy are designed to ensure that it continues to qualify as a VCT, and continues to be approved as such by HM Revenue & Customs ("HMRC"), whilst maximising returns to Shareholders from both income and capital. A summary of the most important rules that determine VCT approval is contained in the panel headed "Summary of VCT regulation" overleaf.

As a fully listed company on the London Stock Exchange, the Company is required to comply with the listing rules governing such companies. The listing also fulfils a requirement for VCT approval to maintain its VCT status.

The Company is an externally advised Fund with a Board comprising Non-Executive Directors only. The Board has overall responsibility for the Company's affairs including the determination of its Investment Policy (material changes to which are subject to approval by Shareholders). Investment advice and operational support are outsourced to external service providers (including the Investment Adviser, Company Secretary and Administrator and Registrar), with the key strategic and operational framework and key policies set and monitored by the Board. Investment and divestment proposals are originated, negotiated and recommended by the Investment Adviser and are then subject to comment, approval or rejection by the Directors. Further details are contained in the Stakeholder Engagement and Directors' Duties section on pages 27 to 29.

The Company usually co-invests alongside the Baronsmead VCTs and the other Mobeus VCT managed or advised by Gresham House, in new unquoted investments in proportion to the relative net assets of each VCT (excluding direct AIM investments).

The total percentage of equity held in each investment by all funds advised by the Investment Adviser is shown in the Investment Portfolio Summary on pages 18 to 20.

Private individuals invest in the Company to benefit from both income and capital returns from the portfolio. By subscribing for shares in a VCT they also receive immediate income tax relief (currently 30% of the amount subscribed by an investor). Investors receive tax-free dividends from the Company and incur no capital gains tax upon the eventual sale of the shares. These tax benefits are subject to the VCT maintaining its approved VCT status and the shares being held for a minimum of five years from the date of subscription.

Summary of VCT regulation

To maintain its status as a VCT, the Company must meet a number of conditions, the most important of which are that:

- the Company must hold at least 80%, by VCT tax value[1], of its total investments (shares, securities and liquidity) in VCT qualifying holdings, within approximately three years of a fundraising;
- all qualifying investments made by VCTs after 5 April 2018, together with qualifying investments made by funds raised after 5 April 2011 are, in aggregate, required to comprise at least 70% by VCT tax value in "eligible shares", which carry no preferential rights (save as may be permitted under VCT rules);
- no investment in a single company or group of companies may represent more than 15% (by VCT tax value) of the Company's total investments at the date of investment;
- the Company must pay sufficient levels of income dividend from its revenue available for distribution so as not to retain more than 15% of its income from shares and securities in a year;
- the Company's shares must be listed on the London Stock Exchange or a regulated European stock market;
- non-qualifying investments cannot be made, except for certain exemptions in managing the Company's short-term liquidity;
- VCTs are required to invest 30% of funds raised in an accounting period beginning on or after 6 April 2018 in qualifying holdings within 12 months of the end of the accounting period; and
- the period for reinvestment of proceeds on disposal of qualifying investments is 12 months.

To be a VCT qualifying holding, new investments must be in companies:

- which carry on a qualifying trade;
- which have no more than £15 million of gross assets at the time of investment and no more than £16 million immediately following investment from VCTs;
- whose maximum age is generally up to seven years (ten years for knowledge intensive businesses);
- that receive no more than an annual limit of £5 million and a lifetime limit of £12 million (for knowledge intensive companies the annual limit is £10 million and the lifetime limit is £20 million), from VCTs and similar sources of State Aid funding; and
- that use the funds received from VCTs for growth and development purposes.

In addition, VCTs may not:

- offer secured loans to investee companies and any returns on loan capital above 10% must represent no more than a commercial return on the principal; and
- make investments that do not meet the 'risk to capital' condition (which requires a company, at the time of investment, to be an entrepreneurial company with the objective to grow and develop, and where there is a genuine risk of loss of capital).

[1] VCT tax value means as valued in accordance with prevailing VCT legislation. The calculation of VCT tax value is arrived at using tax values, based on the cost of the most recent purchase of an investment instrument in a particular company, which may differ from the actual cost of each investment shown in the Investment Portfolio Summary on pages 18 to 20.

Performance and Key Performance Indicators

The Board has identified six key performance indicators that it uses to assess the Company's progress. Some of these are classified as alternative performance measures ("APMs") in line with Financial Reporting Council ("FRC") guidance. See Glossary of terms for details on pages 85 and 86. APMs are measures of performance in addition to the data reported in the Financial Statements:

1. **Relative shareholder total returns;**
2. **Relative and Absolute NAV total returns;**
3. **Dividends paid compared with the dividend target;**
4. **Management of share price discount to NAV;**
5. **Compliance with VCT legislation; and**
6. **Management of expenses.**

1 Relative shareholder total returns

The Board monitors the total returns received by Shareholders. These total returns take into account both income received (dividends) and capital (share price) movements. The Company's total returns are then compared with those achieved by other similar VCTs. The Company has a target of maintaining performance in the top quartile of this peer group with particular emphasis placed upon the longer-term five and ten-year periods.

The total returns of the Company and its rankings against other companies in an Index of generalist VCTs which are members of the Association of Investment Companies ("AIC") have been as follows:

Period to 30 September 2024	Total return (share price basis) %	Ranking (AIC generalist VCTs)
3 years	4.2	17 out of 32
5 years	74.7	2 out of 32
10 years	194.1	1 out of 26

Source: AIC 30 September 2024

The above data was prepared by Morningstar on behalf of the AIC on the basis that dividends were reinvested in shares in the Company on the last trading day of the month in which the shares were quoted ex-dividend.

Overall, the Board considers the long term relative shareholder total returns to be very good. The nature of VCT investing reflects a medium to long-term horizon particularly by reference to the five-year hold period for investors to be eligible for upfront income tax relief.

2 Relative and Absolute NAV total returns

The Board also monitors relative net asset value total returns. These returns are calculated as above but using NAVs rather than share prices. This removes the effects of changes in the discounts/premiums at which share prices trade, relative to NAVs, which the Investment Adviser does not directly control. The Board uses NAV total returns to measure the relative performance of the Investment Adviser. The Company has a target of maintaining performance in the top quartile of its peer group with particular emphasis placed upon the longer-term five and ten-year periods.

The returns of the Company and its rankings against other companies in an Index of generalist VCTs which are members of the AIC have been as follows:

Period to 30 September 2024	Total return (NAV basis)%	Ranking (AIC generalist VCTs)
3 years	(3.1)	21 out of 32
5 years	64.1	4 out of 32
10 years	144.5	1 out of 26

Source: AIC 30 September 2024

The above data was prepared by Morningstar on behalf of the AIC on the basis that dividends were reinvested in the Company on the last trading day of the month in which the shares were quoted ex-dividend.

Overall, the Board considers the long term relative NAV total returns to be very good. The nature of VCT investing reflects a medium to long-term horizon particularly by reference to the five-year hold period for investors to be eligible for upfront income tax relief.

Absolute NAV Returns for the period/year

		Period ended 30 September 2024 (pence per share)	Year ended 31 December 2023 (pence per share)
Total return (p)	Closing NAV per share	54.70	58.43
	Plus: dividends paid in period/year	4.00[1]	9.50
	NAV Total return for period/year	**58.70**	**67.93**
	Less: opening NAV per share	58.43	64.01
	Increase in NAV Return for period/year per share[2]	**0.27**	**3.92**
	% NAV Total return for period/year	0.5%	6.1%

Note 1 - Dividends paid in the period refers to the interim dividend of 4.00 pence per share paid on 31 May 2024 in respect of the period under review.

Note 2 - The analysis of the source of the NAV Return of 0.27 pence per share is set out below:

NAV Return per share for the period/year is comprised of:	Period ended 30 September 2024 (pence per share)	Year ended 31 December 2023 (pence per share)
Gross portfolio capital returns*	(0.08)	3.91
Gross income returns*	0.53	1.40
Costs (including tax charge)	(0.78)	(1.45)
Other movements	0.60	0.06
Increase in NAV return for the period/year as above	**0.27**	**3.92**

* The contributions from gross portfolio capital returns and gross income returns are shown before deducting attributable costs. They are explained below under Review of financial performance for the period/year. Costs are referred to in section 6 on page 26.

The NAV return for the period of 0.27 pence per share is split between its capital and revenue elements (expressed in £ millions) under Review of financial performance for the year below.

Shareholders should note that the Board assesses these returns against the Company's ability to meets its annual dividend target (explained at page 25 below Dividends paid compared with the dividend target).

Review of financial performance for the period/year

	Period ended 30 September 2024 (£m)	Year ended 31 December 2023 (£m)
Capital return	(1.32)	5.13
Revenue return	0.45	1.22
Total return	**(0.87)**	**6.35**

The capital return for the period of £(1.32) million (0.50 pence decrease in NAV return for the period per share, plus costs charged to capital) is primarily due to a net decrease in the unrealised valuation of portfolio companies and by Investment Adviser fees charged to capital. The decrease in capital return from £5.13 million to £(1.32) million is principally due both to net unrealised gains in 2023 being higher (£6.14 million decrease), as well as due to lower realised gains on disposals in 2024 compared to 2023 (£0.49 million decrease).

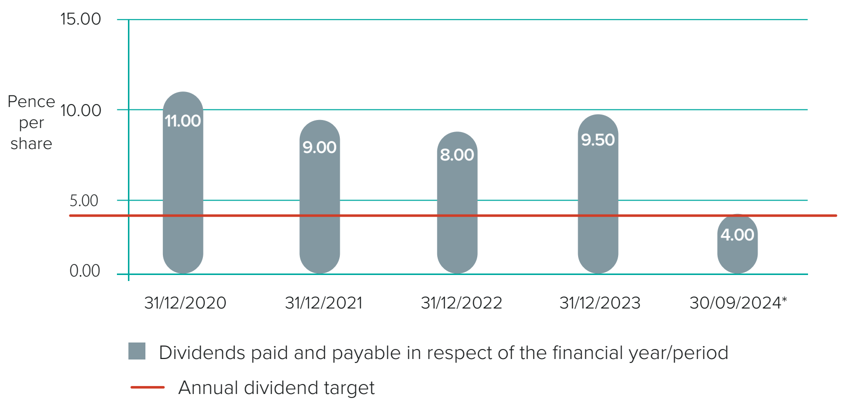
The revenue profit for the period of £0.45 million (0.17 pence of NAV return for the period per share, net of costs charged to revenue) is derived from income, primarily liquidity fund and loan interest and dividends, outweighing revenue expenses. There was a decrease due to higher investment adviser fees generated from higher net assets resulting from the merger as well as merger costs. Additionally, the decrease was in part due to the period under review reflecting only a nine-month period to 30 September 2024 compared to a full year to 31 December 2023.

3 Dividends paid compared with the dividend target

Up to the date of the acquisition of MIG 2 VCT plc on 26 July 2024, the Company had a target of paying an annual dividend of at least 4.00 pence per share in respect of each financial year. Since this date, the Board has a revised dividend target of 7% of the opening NAV per share.

The previous 4.00 pence per share target was met during the period under review by the dividend payment of 4.00 pence per share on 31 May 2024, the Company having met or exceeded this target for each of the last fifteen years. As the NAV per share of the Company is expected to continue to vary, the Board considers it appropriate to adopt an annual dividend target set as a percentage rather than a fixed pence per share amount. The Board intends to continue to maximise the stream of dividend distributions to its Shareholders from the income and capital gains generated by the portfolio or from other distributable reserves. However, the ability of the Company to pay dividends in the future cannot be guaranteed and will be subject to performance and available cash and reserves.

Dividends paid and payable in respect of the financial period/year



Dividends per share paid and declared in respect of the financial period-ended 30 September 2024 are 4.00 pence.

* Note that the dividend policy was amended on 26 July 2024. In future Reports, this table will be by reference to the updated dividend target of 7% of opening NAV per share.

4 Management of share price discount to NAV

The Board recognises that Shareholders may wish to sell their shares from time to time and that the secondary market for VCT shares can be limited. Subject to applicable regulation and market conditions and the Company having sufficient available funds and distributable reserves, it is the Board's current intention to pursue a buy back policy with the objective of maintaining the discount to the latest published NAV per share at which the shares trade at approximately 5%. The Board's priority will remain to act prudently and in the interests of remaining Shareholders.

The discount for the Company's shares at 30 September 2024 was 4.6% (year ended 31 December 2023: 4.6%) based upon the share price shown in the Performance Summary on page 1 and the NAV at 26 July 2024 of 56.09 pence per share.

Shareholders granted the Directors authority to buy back up to 51,168,897 of the Company's shares, representing 14.99% of the shares in issue at the date of the notice of the meeting, at the AGM held on 29 February 2024. Shares bought back under this authority are cancelled and the Directors do not intend to exercise this authority unless they believe that in doing so it would result in an increase in net assets per share, which would be in the interests of Shareholders generally. A resolution to renew this authority will be proposed at the forthcoming AGM, further details of which can be found on page 37.

During the period-ended 30 September 2024, the Company bought back 3,321,634 shares, representing 2.0% of its issued share capital at the beginning of the period. The Company agreed to purchase shares from Panmure Liberum at a discount to the latest previously announced NAV per share in line with the stated discount policy at the time. The Company subsequently purchased these shares at prices ranging from 52.29 pence to 57.11 pence per share and cancelled them.

5 Compliance with VCT legislation

In making their investment in a VCT, Shareholders become eligible for a number of tax benefits under VCT tax legislation, as long as the Company also complies with VCT tax legislation. To achieve this, the Company must meet a number of tests set by the VCT tax legislation.

The principal tests are summarised in the panel entitled "Summary of VCT regulation" on page 22. Throughout the period-ended 30 September 2024, and at the date of this Report, the Company continued to meet these tests.

6 Management of expenses

Shareholders will be aware there are a number of costs involved in operating a VCT. Shareholders do not bear costs in excess of the expense cap of 3.00% (3.60% prior to Merger).

The Board monitors costs using the Ongoing Charges Ratio which is set out in the table below:

Financial period/year	2024	2023	2022	2021	2020
Ongoing Charges Ratio	**2.29%**	2.54%	2.58%	2.28%	2.56%

The Ongoing Charges Ratio has been calculated using the AIC recommended methodology except that closing net assets has been used as the basis rather than an average as this more accurately reflects the level of net assets of the Company in future.

The Ongoing Charges Ratio for the period has decreased from last year resulting from the cost savings achieved and expected following the Merger.

Investment Adviser fees and other expenses

Investment Adviser fees have decreased from £2.19 million to £1.72 million, charged to both revenue (decrease of £0.12 million) and capital (decrease of £0.35 million). This is primarily due to the reflection of fees over a nine-month period rather than a full year. Other expenses (all charged to revenue) have decreased from £0.54 million to £0.40 million, again resulting from a shorter period under review. There are Merger costs incurred of £131,410 as shown on the Income Statement, for further details see Note 4. Further details of these expenses and Merger costs are contained in the Financial Statements on pages 55 to 78.

Key policies

The Board has put in place the following policies to be applied to meet the Company's overall Objective and to cover specific areas of the Company's business:

Investment policy

The Investment policy is designed to meet the Company's overall Objective:

Investments

The Company invests primarily in a diverse portfolio of UK unquoted companies. Investments are made selectively across a number of sectors, principally in established companies. Investments are usually structured as part loan stock and part equity in order to produce a regular income stream and to generate capital gains from realisations.

There are a number of conditions within the VCT legislation which need to be met by the Company and which may change from time to time. The Company will seek to make investments in accordance with the requirements of prevailing VCT legislation.

Asset allocation and risk diversification policies, including the size and type of investments the Company makes, are determined in part by the requirements of prevailing VCT legislation. No single investment may represent more than 15% (by VCT tax value) of the Company's total investments at the date of investment.

Liquidity

The Company's cash and liquid funds are held in a portfolio of readily realisable interest-bearing investments, deposit and current accounts, of varying maturities, subject to the overriding criterion that the risk of loss of capital be minimised.

Borrowing

The Company's Articles of Association permit borrowings of amounts up to 10% of the adjusted capital and reserves (as defined therein). However, the Company has never borrowed, and the Board would only consider doing so in exceptional circumstances.

Other key policies

Diversity policy

The Directors have considered diversity in relation to the composition of the Board and have concluded that the Board's membership in the period to 30 September 2024 was diverse in relation to gender and experience. The Company comprises two male and two female directors and does not have any senior managers or employees. The Board has made a commitment to always consider diversity in making future appointments. As part of the Merger discussion and appointment of two directors from MIG 2 VCT, the Board took this opportunity to re-emphasise the commitment it made to continue to consider diversity when making all future appointments.

Further policies

In addition to the Investment policy and Diversity policy above and the policies on payment of dividends and share buybacks which were discussed earlier in this section, the Board has considered its obligations and responsibilities as a VCT and where appropriate the Company has adopted a number of further policies relating to:

- Anti-bribery;
- Whistleblowing;
- Social and environmental responsibility;
- Global greenhouse emissions;
- Human Rights;
- Financial risk management; and
- Anti-tax evasion

These further policies are explained in the Directors' Report on pages 35 to 38 of this Annual Report.

Stakeholder Engagement and Directors' Duties

The Board has discussed the discharge of their Directors' duties under Section 172 of the Companies Act 2006 having regard to the factors set out under Provision 5 of the Association of Investment Companies ("AIC") Code and in line with the Corporate Governance Code. The views and the impact of the Company's activities on the key stakeholders are an important consideration for the Board when making relevant decisions. The Board, in normal circumstances, engages directly with stakeholder groups through annual meetings and investor presentations to assist the Directors in understanding the issues to which they must have regard.

The table below sets out the interests of key stakeholders that have been considered throughout the period during the Board's discussions and in decision making.

Stakeholders	Engagement Type	Outcome
Shareholders	The key mechanisms of Shareholder engagement include: ● Annual General Meeting ● Annual, Half-year Reports and Interim Management Statements ● Annual Investor Events ● Share buybacks ● RNS Announcements ● Website ● Offers for Subscription ● Appointment of Directors	● During the early part of 2024, the Board entered into discussions with the other three Mobeus advised VCTs in respect of merging the four VCTs into two enlarged VCTs to achieve, amongst other things, cost savings, administration efficiency and simplicity for the benefit of all Shareholders. Once agreement in principle to implement the Merger was reached, proposals were put to the respective VCTs' Shareholders so as to be able to implement the Merger. A prospectus was issued on 18 June 2024 and all Shareholders written to individually explaining the Merger proposals and the proxy voting methods for the General Meeting for Shareholders which took place on 18 July 2024. The Board was delighted with the increased shareholder engagement and the Mergers were overwhelmingly approved. The effective date of the Merger was 26 July 2024. ● In conjunction with the Merger, the Board also considered a joint Offer for Subscription with The Income & Growth VCT plc for the 2024/2025 tax year which was conditional on the Merger being approved. As part of the discussions, the Board reviewed and considered: the current liquidity of the Company; the impact of dilution of Shareholder's holdings; the ability to adhere to the dividend policy of the Company; the effect on the Net Asset Value and the ability of the Company and its liquidity levels to be able to meet HMRC's VCT investment rules and timeline; the costs involved in issuing a prospectus and charges to Shareholders; the risk to performance and the equal treatment of investors across the two enlarged Mobeus VCTs and those investors that the Company co-invests with. A fundraise of £35 million with an over-allotment facility of £10 million was approved by the Board. ● The fundraise opened on 2 September 2024 and was announced to the London Stock Exchange as fully subscribed on 15 October 2024. The fundraise closed on 28 October 2024 following the final allotment of shares to applicants. The Board welcomes further investment from existing Shareholders as well as new Shareholders. ● The Company's AGM will be held on Wednesday, 5 March 2025. There will also be a live stream providing access to view the meeting remotely, although only Shareholders physically attending will be able to formally take part in the meeting and vote on resolutions by a show of hands. Shareholders unable to attend are therefore encouraged to submit their votes on the resolutions via proxy forms ahead of the meeting. A recording of the AGM webcast will be available on the Company's website under Key Shareholder Information. See the Notice of Meeting on page 87.

Strategic Report

Stakeholders	Engagement Type	Outcome
		• The Board decided in 2024 to hold the Company's AGM on the same day as the Mobeus Income & Growth 2 VCT Plc AGM so that Shareholders in both companies could attend on one day with a joint presentation by the Investment Adviser which reduced the amount of travel required by the Directors, Investment Adviser and Shareholders. It also saves time for Shareholders by allowing them to attend one rather than two meetings on different dates in the same month if invested in both VCTs. This worked well in 2024 with an increased number of shareholders attending and will be replicated for the AGM to be held in March 2025 with The Income & Growth VCT plc. • Shareholders are provided with Annual and Half-Yearly Reports in hard or soft copy according to their choice, which are also available on the Company's website. Voluntary Interim Management Statements are released in the quarters between reports to ensure that Shareholders are kept up to date with events. The website is an important source of information for Shareholders and announcements are also regularly made through the London Stock Exchange. • The Share buyback programme has continued to be offered throughout the period. This provides Shareholders with liquidity if they wish to sell their shares, at a price close to the latest announced NAV per share, the Board having considered the interests of remaining Shareholders. Further details are contained in the Chairman's Statement on page 4 and in the Director's Report on page 35. • Shareholders are welcome to contact the Chairman or the Investment Adviser by email as advised on page 90 of this Report. • The Annual Shareholder Event was successfully held on 1 March 2024 as a virtual event with a live Q&A session to encourage interaction between the Shareholders and the Board. A similar event is planned for September 2025. • Following a realisation and a successful fundraising, the liquidity level of the Company has remained strong and is managed with the primary aim of preserving capital, as discussed at each Board meeting. Liquidity levels are managed after considering, inter alia, applicable annual dividend commitments as well as the provision of the buyback facility. • The Company seeks to create value for Shareholders by generating good returns which are eventually distributed to Shareholders as dividends. The importance of tax-free dividends to Shareholders is recognised by the Board and is considered at each quarterly meeting. A decision was made to declare an interim dividend totalling 4.00 pence per share for payment in respect of the period. Following the Merger, the Board determined that it would be more appropriate for its annual dividend target to be based on a percentage rather than a fixed pence per share figure. The revised annual dividend target is 7% of the opening NAV per share. • In maintaining the dividend policy, the Board considered the payment of dividends and the liquidity of the Company at each quarterly meeting and between meetings when necessary. During the period the Board agreed to achieve the target dividend policy by the payment of an interim dividend totalling 4.00 pence per share in May 2024.

Stakeholders	Engagement Type	Outcome
		• Post the Merger, the Company established a Dividend Investment Scheme offering Shareholders the ability to continue to invest to receive income tax relief and tax-free dividends on the new shares issued.
Suppliers	Including: Registrar, Broker, Auditor, Lawyer, Sponsor, Banker and the VCT Status Adviser.	• The Investment Adviser regularly communicates with each of the professional advisers and secures an annual confirmation of the policies they have in place. • The Board reviews the performance of each provider on an annual basis.
Government & Regulators	The Board is committed to conducting business in line with the appropriate laws and regulation. Mobeus Income & Growth VCT plc does not provide financial contributions to political parties or lobby groups.	• The Adviser complies with the Companies Act, the UKLA, HMRC, UK Accounting Standards and FCA regulatory requirements in addition to the Alternative Investment Fund Managers Directive, in order to ensure the Company can continue to trade. Non-compliance with the VCT regulations in particular is viewed as a principal risk for the Company. The Company continued to comply with these regulations throughout the period and to the date of this Report.
Investee Companies	The Investment Adviser, on behalf of the Company, provides support to the portfolio companies through continued communications, providing assistance such as the Gresham House Talent Team.	• The Board has delegated authority for the day-to-day management of the Company to the Investment Adviser and engages with the Investment Adviser in setting, approving and overseeing the execution of the business strategy and related policies. • The Board aims to have a diverse mix of companies across a range of different sectors and regularly reviews the composition of the portfolio. • The Investment Adviser reports at the Company's quarterly Board meetings on each of the portfolio companies. Members of the Investment Adviser also sit on the majority of the portfolio companies' boards. This is to provide input on key matters such as advancing the shareholder value agenda, ensuring class leading corporate governance and encouraging best practice in areas such as ESG. • Gresham House organises seminars and events that involve portfolio companies to benefit from the Gresham House network.
Investment Adviser	The Investment Adviser's performance is vital for the Company to deliver its investment objectives and generate investment returns for Shareholders, and is a crucial relationship for the Board.	• The Investment Adviser meets with the Board at each quarterly meeting and is in regular contact throughout the periods in between meetings e.g. to consider and approve or reject investment proposals. All key strategic and operational topics are discussed in detail and a close dialogue is maintained with the Board. The Board takes an active interest in the challenges faced by the portfolio companies and considers each potential disposal based on the company's performance, market conditions and the offer(s) received in its decision to sell the Company's holding. The Investment Adviser's performance is evaluated annually. • The Company is not itself directly in-scope of the FCA's Consumer Duty regulations as it is not authorised and regulated by the FCA. The Company is however indirectly impacted as a result of the regulated activities conducted through other regulated businesses on behalf of retail customers, the Shareholders of the Company, including through the Investment Adviser, IFAs and financial platforms, which do themselves have an obligation. Fair value assessments were carried out for the shares in the Company and the Board worked closely with the Investment Adviser to understand and get comfortable that the Consumer Duty obligations had been met and complied with.

Strategic Report

Principal and Emerging risks, risk management and regulatory environment

The Directors acknowledge the Board's responsibilities for the Company's internal control systems and have instigated systems and procedures for identifying, evaluating and managing the significant risks faced by the Company. The principal and emerging risks identified by the Board, a description of the possible consequences of each risk and how the Board manages the risk are set out below.

The risk profile of the Company changed as a consequence of the VCT regulations introduced in 2015. As the Company is required to focus its investment on growth capital investments in younger companies it is anticipated that investment returns will be more volatile and will have a higher risk profile. The Board remains confident that the Company and the Investment Adviser will continue to adapt to changes in investment requirements and put in place appropriate resource to identify and make suitable investments as has been experienced in the period under review.

The Board regularly sets and reviews policies for financial risk management and full details of these can be found in Note 15 to the Financial Statements on pages 71 to 77. There have been no changes to the principal or emerging risks of the Company during the period as listed below:

Risk	Possible consequence	How the Board manages risk
Macroeconomic risk The potential for losses in the value of financial instruments or portfolios resulting from fluctuations in market prices. It encompasses several types of risks, including: • Equity Risk • Interest Rate Risk • Foreign Exchange Risk • Commodity Risk • Derivative Risk Macroeconomic factors significantly influence market risk.	Events such as the wars in the Middle East and Ukraine, pandemics, an economic recession, elections, supply shortages or a movement in sterling and increasing inflation and interest rates could affect trading conditions for smaller companies and consequently the value of the Company's qualifying investments. A downturn in the UK economy may impact the ability for the Company to exit portfolio companies. There may also be less opportunity to invest in qualifying companies which could make it more difficult to meet the VCT 30% investment test. Movements in UK Stock Market indices may affect the valuation of the Company's investments, as well as affecting the Company's own share price and its discount to net asset value. A failure to respond to latest industry practices, e.g. in respect of Consumer Duty, may lead to a decline in demand for the Company's shares.	• The Board monitors: (1) the portfolio as a whole to ensure that the Company invests in a diversified portfolio of companies as protection from large impacts; (2) developments in the macro-economic environment such as movements in interest rates or general fluctuations in stock markets; and (3) the Investment Adviser continues to hold ongoing discussions with all the portfolio companies to ascertain where support is required as well as monitoring which investee companies are able to receive further VCT funding within the guidelines set out by HMRC. The interpretation of such guidelines by HMRC can change over time, which the Company's VCT status adviser monitors as well as making representations, as needed, to policy makers on behalf of the Company and the VCT Industry as a whole. Cash comprises a significant proportion of net assets of the Company, further to the successful exits and the fund raise in the period giving the Company a strong liquidity position. The portfolio has assets across a range of sectors limiting the exposure to any area of the economy.

Risk	Possible consequence	How the Board manages risk
Portfolio risk Refers to the unique and individualised risks associated with the particular investments / assets within a portfolio and is not related to broader market movements. Specific risks can include company-specific events, portfolio management decisions, competitive pressures, supply chain disruptions, regulatory changes, or other factors that impact the performance of a specific investment.	Investment in VCT qualifying earlier stage unquoted small companies involves a higher degree of risk than investment in fully listed companies. Smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals. External events or factors may have more impact as they are outside of their control. As the securities of such smaller companies held by the Company are unquoted, they are less liquid, which may cause difficulties in valuing and realising these securities. HMRC's stricter interpretation of VCT rules, such as the Financial Health Test, may lead to the inability of the Company to invest further in a portfolio company which may result in company failure or dilution if other non-VCT shareholders invest.	• The Board regularly reviews the Company's Strategy including its Investment Policy. • Careful selection, appropriate due diligence and review of the diverse portfolio takes place on a regular basis. • The Board seeks to ensure the Company has an adequate level of liquidity at all times through review at each board meeting. • A member of the Investment Adviser is usually appointed to the board of an investee company and regular monitoring reports are assessed by the Investment Adviser. • Support provided to the portfolio companies is ongoing.
Strategic & Business risk Refers to potential financial loss or reputational damage as a result of internal strategic decisions made by the management and leadership team. This may include risks associated with business model changes, market positioning, or competitive strategy.	A breach of the VCT Tax Rules may lead to the Company losing its approval as a VCT, which would result in qualifying Shareholders who have not held their shares for the designated period having to repay the income tax relief they obtained plus future dividends paid by the Company would be subject to taxation. The Company would also lose its exemption from corporation tax on capital gains. Poor portfolio performance may result in low returns delivered to shareholders.	• The Company's VCT qualifying status is continually reviewed by the Board and the Investment Adviser and is reported to each Board meeting. • The Board receives regular reports from its VCT Status Adviser, Philip Hare & Associates LLP who have been retained by the Board to monitor the Company's compliance with the VCT Rules. • The Board receives regular updates on portfolio performance and investee company developments.
Financial controls & liquidity risk Involves ensuring effective management of funds, assets, and liabilities. Financial control focuses on accurate financial reporting and compliance with prudential regulatory requirements. Liquidity risk pertains to the ability to meet financial obligations promptly without incurring excessive costs. Counterparty credit risk specifically pertains to the risk of financial loss resulting from the failure of a counterparty to meet its contractual obligations.	The potential inadequacy of cash reserves or excessive accumulation of uninvested funds within the VCT, which may impede the fund's ability to seize investment opportunities and meet operational needs. Insufficient cash reserves limit investment flexibility, while excessive uninvested funds may lead to cash drag, significantly impacting portfolio performance and investor value. Banking concentration risk may result in a threat to the VCT resulting from a significant portion of its deposits being held with a limited number of financial institutions. This concentration increases the vulnerability of the fund to adverse events such as bank failures, financial instability, or disruptions in banking services. Inadequate development, implementation, and maintenance of models used in various processes such as risk assessment, valuation, forecasting, etc. could result in substantial financial loses, regulatory fines, or reputational damage.	• The Board monitors cash levels and expected deployment. The VCT undertakes regular fundraisings to ensure adequate liquidity is held. The Board has a share buyback policy which is monitored regularly with the Company's broker. • The Board reviews its liquidity holdings at each board meeting. The majority of cash and liquid assets are held within OEICs which are spread across a number of underlying credit-worthy instruments. • The Investment Adviser has robust processes in respect of its portfolio monitoring and valuation methodology which is reviewed by the Board. Quarterly updates are provided by Gresham House at each Board meeting and ad hoc as necessary.

Strategic Report

Risk	Possible consequence	How the Board manages risk
Operational risk Refers to the potential loss arising from inadequate or failed internal processes, systems, people, or external events. It includes risks related to fraud, errors or disruptions.	Failure of the systems (including breaches of cyber security) at any of the third-party service providers that the Company has contracted with could lead to inaccurate reporting or monitoring. Inadequate controls could lead to the misappropriation or insecurity of assets. Outsourcing and the increase in remote working could give rise to cyber and data security risk and internal control risk.	• The Board carries out a bi-annual review of the financial and non-financial internal controls in place, reviews the risks facing the Company at Board meetings and receives reports by exception. • The performance of the service providers is reviewed annually and assurances that each provider has controls in place to reduce the risk of breaches of their cyber security are obtained.
Legal & Regulatory risk The risk of financial loss, reputational damage, or regulatory intervention arising from inappropriate or unethical behaviour by employees, management, or the organisation as a whole. It includes risks that arise from violations of laws, regulations, contracts, or legal agreements. It encompasses the risk of legal actions, lawsuits, or regulatory sanctions due to non-compliance with applicable laws and regulations	VCT's business is not responsive to changes in the law or regulation. Existing portfolio may not comply with new regulations. The government might also enact changes that make VCTs less attractive to investors. The Government may not sufficiently adapt regulation restricting the VCT's ability to support the portfolio companies. The VCT may face fines from regulatory authorities with consequent reputational damage which may affect shareholder returns.	• The Board ensures that Gresham House maintains a robust and comprehensive compliance monitoring plan designed to ensure adherence to regulatory obligations, including but not limited to Market Abuse, Financial Crime, Financial Promotions, and Conflicts of Interest. The results of the monitoring program are regularly reported to Gresham House Asset Management Limited's Board and directly to the Board of the VCT, promoting transparency, accountability, and regulatory compliance across the organisation.
ESG & Climate change risk ESG risk considers environmental, social and governance factors that could cause an actual or potential material negative impact on the value of an investment. Climate-related risk specifically refers to risks related to the transition to a lower-carbon economy and risks related to the physical impacts of climate that could cause an actual or potential material negative impact on the value of an investment.	Increasing focus on the impact of global warming on climate change may lead to increased obligations on businesses within the portfolio as well as shifting demands on the Company from Shareholders and/or regulators. At present, it is pertinent to note that our Company is not subject to ESG (Environmental, Social, and Governance) commitments or particularly onerous regulatory requirements in this regard.	• Gresham House continually monitors the potential impact on investee companies of any proposed new legislation regarding environmental matters, reporting on these as necessary. • The Company Secretary monitors any proposed changes in legislation affecting the Company's disclosure requirements and reports on these as necessary. • The Investment Adviser uses Gresham House's ESG Decision Tool, to analyse how a broad range of ESG and Climate-related risks may impact upon a proposed investment.

Going Concern and Long-Term Viability of the Company

The Board has assessed the Company's operation as a going concern. The Company's business activities, together with the factors likely to affect its future development, performance and position are set out earlier in this Strategic Report. The Directors have satisfied themselves that the Company continues to maintain a sufficient cash position to meet its liabilities as they fall due. The majority of companies in the portfolio are well funded and the portfolio taken as a whole remains resilient and well diversified, although the challenging economic environment may impose further demands upon the liquidity and trading prospects of some of these companies in the near-term. The recent Budget may also have a detrimental impact on the portfolio companies.

In light of this, and in keeping with the ongoing need to take advantage of opportunities for further investment within the portfolio, the Company announced its intention to raise further funds in the 2024/25 tax year, reaching full subscription in October 2024. The major cash outflows of the Company (namely investments, share buybacks and dividends) are within the Company's control. The Board's assessment of liquidity risk and details of the Company's policies for managing its capital and financial risks are shown in the Notes to the Financial Statements.

Furthermore, the Directors have considered whether there are any material uncertainties that the Company may face during the twelve months from the date of approval of the financial statements that may impact on its ability to operate as a going concern. No further material uncertainties have been identified by the Board.

Viability Statement

The UK Corporate Governance Code ("Code") includes a requirement for companies to include a "Viability Statement" in the Annual Report addressed to Shareholders with the intention of providing an improved and broader assessment of long-term solvency and liquidity. The Code does not define "long term" but expects the period to be longer than twelve months with individual companies choosing a period appropriate to the nature of their own businesses. The Directors have chosen a period of three years, as explained further below.

The Directors have carried out a robust assessment of the Company's emerging and principal risks and the disclosures in the annual report that describe the principal risks and the procedures in place to identify emerging risks and explain how they are being managed or mitigated. Subsequent to this review, they have a reasonable expectation that the Company will continue to operate and meet its liabilities as they fall due, for the next three years. The Directors believe a three-year period is appropriate given the frequency with which it is necessary to review and assess the impact of past, current and proposed regulatory changes. The Directors' assessment has been made with reference to the Company's current position and prospects, the Company's present strategy, the Board's risk appetite and the Company's principal risks and how these are managed, as described on pages 30 to 32. The Board is mindful of the risks contained therein, but considers that its actions to manage those risks provide reasonable assurance that the Company's affairs are safeguarded for the stated period.

The Directors have reached this conclusion after giving careful consideration to the Company's strategy. They believe the Company's current strategy of "maximising the stream of tax-free dividend distributions from the income and capital gains from a diverse and carefully selected portfolio of investments" remains valid. The Board has focused upon the range of future investments that the Company will be permitted to fund under current VCT legislation.

The Board expects that positive returns should continue to be achievable from future investments and from the existing portfolio. The Company made two new investments during the period and the Investment Adviser continues to build a healthy pipeline of such investment opportunities. The Board will continue to monitor this assumption on a regular basis.

Shareholders should be aware that, under the Company's Articles of Association, it is required to hold a continuation vote at the next AGM falling after the fifth anniversary of last allotting shares. As shares were last allotted in October 2024, this factor has not affected the Board's assumptions for the next three years.

Future Prospects

For a discussion of the Company's future prospects, please see the Chair's Statement on pages 2 to 5.

By order of the Board

Clive Boothman
Chair

13 January 2025

Board of Directors

Clive Boothman

Independent, Non-Executive Chair

Date of Appointment: 1 August 2015

Clive has over 40 years' experience in the financial services industry, initially qualifying as a Chartered Accountant. He was with Schroders from 1983 for seventeen years during which time he was variously Managing Director of Schroder Unit Trusts Limited for ten years and Managing Director of their international Private Client Group for the final two years. Since leaving Schroders, he has been Chief Executive of the stockbroker Gerrard Limited (2000 – 2001) and the fund platform Cofunds Limited (2002 – 2003). From 2004 – 2014 he helped establish and was Non-Executive Chair of Investment Funds Direct Limited, an investment wrap platform. Since 2014 he has been Non-Executive Chair of Platform One Group Limited, a UK wrap platform and a director of a number of its subsidiaries.

Ian Blackburn

Independent, Non-Executive Director and Chair of Management Engagement Committee and Nomination & Remuneration Committee

Date of Appointment: 26 July 2024

Ian was appointed to the Board in July 2024 on completion of the Merger and is the Senior Independent Director. He is an FCA who specialised in Corporate Finance at KPMG before building and selling two listed food groups. He has extensive UK and European strategic, operations and finance experience as CEO and FD of Perkins Foods Plc and Zetar Plc. Currently he is an active investor in a number of SMEs including Chairman and Non-Executive roles with Mood Foods Limited, SlimLine Wine Limited and Pink Prosecco Limited. He is also treasurer of The Thomas Fryer Charity and a trustee of The Rutland Learning Trust (Multi Academy Trust).

Lucy Armstrong

Independent, Non-Executive Director and Chair of Audit Committee

Date of Appointment: 1 March 2022

Lucy has spent over 30 years working with mid-corporate businesses to accelerate their development and success by focussing on shareholder and management development and succession. Her experience ranges from funding start-up and early- stage manufacturing businesses in the North East through to mergers and disposals of international operations. The organisations she is currently engaged with include Port of Tyne, Holker Estates, Cyberhawk and Caspian Learning. She is also Chair at Everflow Holdings Limited. Her early career was in private equity, corporate development and headhunting with 3i plc, Courtaulds Textiles and Tyzack. Lucy was educated at Oxford University and holds an MBA and an MSc in forensic psychology and criminology.

Sarah Clark

Independent, Non-Executive Director and Chair of Investment Committee

Date of Appointment: 26 July 2024

Sarah was appointed to the Board in July 2024 on completion of the Merger. She has broad international commercial experience in a variety of industries including travel, retail, financial services, fintech and e-commerce in markets spanning Europe, the USA, and the Middle East and Africa combined with a deep understanding of digital technologies. Her experience ranges from running Central Europe, the Middle East & Africa at PayPal Inc to setting up and running European subsidiaries of North American start-ups, LootCrate and Clearco, one of the largest providers of revenue-based finance to ecommerce businesses. She is also a Non-Executive Director of the Gynaecology Cancer Research Fund and a member of the supervisory board of VeloBank S.A.

Directors' Report

The Directors present the Annual Report and Audited Financial Statements of the Company for the period-ended 30 September 2024.

The Corporate Governance Statement on pages 39 and 41, and the Report of the Audit Committee on pages 42 and 43, form part of this Directors' Report.

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

The Company is registered in England and Wales as a Public Limited Company (registration number 5153931).

The Company has satisfied the requirements for full approval as a Venture Capital Trust under section 274 of the Income Tax Act 2007 ("ITA"). It is the Directors' intention to continue to manage the Company's affairs in such a manner as to comply with section 274 of the ITA.

To enable capital profits to be distributed by way of dividends, the Company revoked its status as an investment company as defined in section 833 of the Companies Act 2006 ("the Companies Act") on 19 December 2007. The Company does not intend to re-apply for such status.

Share capital

The Company's Ordinary shares of 1 penny each ("shares") are listed on the London Stock Exchange ("LSE").

Issued share capital

The issued share capital of the Company as at 30 September 2024 was £2,638,531 (year ended 31 December 2023: £1,642,852) and the number of shares in issue at this date was 263,853,060 (year ended 31 December 2023: 164,285,230).

Buyback of shares

The following disclosure is made in accordance with Part 6 of Schedule 7 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended in 2013).

The reason the Company makes market purchases of its own shares is to enhance the liquidity of the Company's shares and to seek to manage the level and volatility of the discount to Net Asset Value at which the Company's shares may trade.

At the Annual General Meeting of the Company held on 20 May 2024, Shareholders granted the Company authority, pursuant to section 701 of the Companies Act, to make market purchases of up to 24,626,356 of its own shares, representing 14.99% of the issued share capital of the Company at that date.

Such authority has been in place throughout the period under review and a resolution to renew this authority will be proposed to Shareholders at the forthcoming Annual General Meeting to be held on 5 March 2025.

During the period under review, the Company bought back 3,321,634 (year ended 31 December 2023: 4,413,159) of its own shares at an average price of 55.39 (year ended 31 December 2023: 57.16) pence per share and a total cost of £1,803,112 including expenses (year ended 31 December 2023: £2,547,257). All shares bought back by the Company were subsequently cancelled.

Substantial interests

As at the date of the Report, the Company had not been notified of any beneficial interest exceeding 3% of the issued share capital.

Dividends

Shareholders received an interim dividend in respect of the period-ended 30 September 2024 of 4.00 pence per share on 31 May 2024. The Company has met its annual divided target of paying not less than 4.00 pence per share. The Directors are not proposing to pay a final dividend in respect of the period-ended 30 September 2024. Following the Merger, the Company's revised dividend policy is at least 7% of opening NAV per share.

Directors

From the start of the period to 26 July 2024, the Board consisted of three Non-Executive Directors. As of 26 July 2024, and following the Merger being effective and MIG 2 VCT plc going into liquidation, Ian Blackburn and Sarah Clark joined the Board. For the remainder of the period, the Board consisted of four Non-Executive Directors. Clive Boothman remains the Chairman of the Board and Lucy Armstrong remains Chair of the Audit Committee. As of 26 July 2024, Sarah Clark assumed the Chair of the newly formed Investment Committee, and Ian Blackburn assumed the Chair of the Nomination & Remuneration Committee and the Management Engagement Committee. He was also appointed the Senior Independent Director of the Company in September 2024.

The names of and brief biographical details on each of the Directors as at the date of this Report are given on page 34.

Disclosure of Information to the Auditor

So far as each of the Directors that were in office at 30 September 2024 are aware, there is no relevant audit information of which the external auditor is unaware. They have individually taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' and officers' liability insurance

The Company maintains a Directors' and Officers' liability insurance policy. The policy does not provide cover for fraudulent or dishonest actions by the Directors.

Directors' indemnity

The Directors have individually entered into Deeds of Indemnity with the Company which indemnifies each Director, subject to the provisions of the Companies Act 2006 and the limitations set out in each deed, against any liability arising out of any claim made against him or her in relation to the performance of their duties as Directors of the Company. Copies of each Deed of Indemnity entered into by the Company for the Directors are available from the Company Secretary at 5th Floor, 80 Cheapside, London, EC2V 6EE.

Policies

Anti-bribery policy

The Company has adopted a zero-tolerance approach to bribery and has established an anti-bribery policy and procedures, copies of which are available in the Corporate Governance section of the Company's website: www.migvct.co.uk.

Anti-Tax Evasion

The Company has also adopted a zero-tolerance approach to tax evasion in compliance with the Criminal Finance Act 2017 and the corporate criminal offence of failing to take reasonable steps to prevent the facilitation of tax evasion. The Company has applied due diligence procedures, taking an appropriate risk-based approach, in respect of persons who perform or will perform services on behalf of the Company, in order to mitigate risks.

Whistleblowing policy

The Board has considered the recommendation made in the UK Corporate Governance Code with regard to a policy on whistleblowing and has reviewed the arrangements at the

Directors' Report

Investment Adviser under which staff may, in confidence, raise concerns. It has concluded that adequate arrangements are in place at the Investment Adviser for the proportionate and independent investigation of such matters and, where necessary, for appropriate follow-up action to be taken by the Investment Adviser. The Board has also asked each of its service providers to confirm that they have a suitable whistle-blowing policy in place.

Financial Risk Management

The main risks arising from the Company's financial instruments are due to investment risk, fluctuations in the market price and interest rates, credit risk and liquidity risk. The Board regularly reviews and agrees policies for managing these risks and full details can be found in Note 15 to the Financial Statements on pages 71 to 77 of this Annual Report.

Environmental and social responsibility, climate change, human rights and global greenhouse gas emissions

The reporting requirements consistent with the Task Force on Climate-related Financial Disclosures, which do not currently apply to the Company, will be kept under review in light of any recommended changes. The Board has reviewed the Company's responsibilities in respect of these issues and concluded that, as an externally administered investment company, it is not appropriate for a company of its size and operations to develop policies on environmental and social responsibility, human rights and greenhouse emissions.

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

The Board does however seek to maintain high standards of conduct in respect of ethical, environmental, governance and social issues and to conduct the Company's affairs responsibly. It seeks to comply with appropriate industry standards and considers these matters carefully when making investment decisions. It encourages good practice within the companies in which the Company invests and seeks to avoid investing in certain opportunities which it considers to be unethical. This includes giving particular consideration to the inherent reputation of the sector (including past history, scandal or adverse media coverage), rapidly changing public perceptions of industry sectors or potential ethical concerns for wider stakeholders. The Investment Adviser has aligned its current ESG procedures and protocols to the high standards of Gresham House Limited. The Investment Adviser believes that this approach will contribute towards the enhancement of shareholder value going forward.

The Company does not fall within the scope of The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 effective as of 1 April 2019 which implements the Government's policy on Streamlined Energy and Carbon Reporting, replacing the Carbon Reduction Commitment Scheme. The 2018 Regulations require companies that have consumed over 40,000 kilowatt-hours of energy to include energy and carbon information in their Directors' Report. This does not apply to the Company as it qualifies as a low energy user.

Post balance sheet events

For a full list of the post balance sheet events that have occurred since 30 September 2024, please see Note 19 to the Financial Statements on page 78.

Articles of Association

The Company may amend its Articles of Association by special resolution in accordance with section 21 of the Companies Act. No amendments are proposed for approval at the forthcoming AGM.

Annual General Meeting

The Notice of the Annual General Meeting of the Company, to be held at First Floor, 8 Fenchurch Place, London EC3M 4PB at 1.00 pm on Wednesday, 5 March 2025 is set out on pages 87 to 89 of this Annual Report.

A webcast of the Annual General Meeting will also be available and details of how to join the webcast will be shown on the Company's website. If possible, Shareholders intending to join the Meeting by means of the webcast (which would be as an attendee only) are requested to join at least ten minutes prior to the commencement of the Annual General Meeting at 1.00 pm on Wednesday, 5 March 2025. Where a member intends to join the Annual General Meeting by means of the webcast, they shall be permitted to ask questions at the Annual General Meeting but shall not be entitled to vote on resolutions at the Annual General Meeting (and are, therefore, encouraged to lodge their proxy vote and appoint the Chair of the Annual General Meeting as their proxy).

A proxy form for the meeting is enclosed separately with Shareholders' copies of this Annual Report.

Proxy votes may be submitted electronically by accessing the 'Vote Here' button on the Company's website: www.migvct.co.uk. Shareholders may also request a hard copy proxy form by contacting the Company's Registrar, City Partnership, using their details as stated on page 90.

Shareholders may send any questions on the resolutions proposed to the following email address: AGM@greshamhouse.com and a response will be provided prior to the deadline for lodging their proxy vote. Voting on the resolutions will be conducted at the meeting on a show of hands.

Resolutions 1 to 8 are being proposed as ordinary resolutions requiring more than 50% of the votes cast at the meeting to be in favour and resolutions 9 and 10 will be proposed as special resolutions requiring the approval of at least 75% of the votes cast at the meeting.

The following is an explanation of the business to be proposed:

Resolution 1 – To receive the Annual Report and Financial Statements

The Directors are required to present the Financial Statements, Directors' report and Auditor's report for the financial period-ended 30 September 2024 to the meeting.

Resolution 2 – To approve the Directors' Annual Remuneration Report

Under section 420 of the Companies Act 2006 (the "Act"), the Directors must prepare an annual report detailing the remuneration of the Directors and a statement by the Chair of the Nomination and Remuneration Committee (together the "Directors' Remuneration Report"). The Act also requires that a resolution be put to Shareholders each year for their approval of that report. The Directors' Remuneration Report can be found on pages 44 to 48. Please note that Resolution 2 is an advisory vote only.

Resolutions 3 to 6 – To re-elect and elect the Directors

All Directors have agreed to retire annually from the Board under the requirements of principle 7 of the AIC Code and the Company's policy on tenure. This is in line with the recommendation of provision 18 of the revised UK Corporate Governance Code. Being eligible, each of the remaining Directors are offering themselves for re-election. As new members of the Board, Ian Blackburn and Sarah Clark are offering themselves for election.

The Board does not believe that the length of service of any of the non-executive directors has a negative effect on their independence and is satisfied with the balance of experience on the current Board.

Clive Boothman - Following a review of his performance, the remaining Directors agree that Clive continues to carry out his duties effectively and makes a substantial contribution to the Company's long- term sustainable success as Chair of the Board. The remaining Directors are confident that he is a strong and effective director and have no hesitation in recommending his re-election to Shareholders.

Lucy Armstrong - Following a review of her performance, the other Directors agree that Lucy carries out her duties effectively and makes a substantial contribution to the Company's long -term sustainable success as Chair of the Audit Committee. The remaining Directors are confident that she is a strong and effective director and have no hesitation in recommending her re-election to Shareholders.

Sarah Clark -Sarah was appointed to the Board in July 2024, and under the Articles is seeking election at this Annual General Meeting. The other Directors believe that Sarah is well positioned to make a substantial contribution to the Company's long-term sustainable success in her capacity as Chair of the newly established Investment Committee and have no hesitation in recommending her election to Shareholders. Her previous experience as Chair of the Mobeus Income & Growth 2 VCT plc Investment Committee will be very helpful to her fellow directors.

Ian Blackburn - Ian was appointed to the Board in July 2024, and under the Articles is seeking election at this Annual General Meeting. The other Directors believe that Ian is very well positioned to make a substantial contribution to the Company's long-term sustainable success in his capacity as the Senior Independent Director and Chair of the Management Engagement and Nomination & Remuneration Committees and have no hesitation in recommending his election to Shareholders. His previous experience as Chair of Mobeus Income & Growth 2 VCT plc will be invaluable to his fellow directors.

Resolution 7 – To appoint Johnston Carmichael LLP as auditor of the Company, to hold office until the conclusion of the next annual general meeting at which accounts are laid before the Company and to authorise the Directors to determine the remuneration of the auditor

At each meeting at which the Company's accounts are presented to its members, the Company is required to appoint an auditor to serve until the next such meeting. The Board, on the recommendation of the Audit Committee, recommends the appointment of Johnston Carmichael LLP. This resolution also gives authority to the Directors to determine the remuneration of the auditor. For further information, please see the report of the Audit Committee on pages 42 to 43 of the Annual Report.

Resolution 8 – Authority to allot shares in the Company; and

Resolution 9 – Disapplication of pre-emption rights of members

These two resolutions grant the Directors the authority to allot shares for cash to a limited and defined extent otherwise than pro rata to existing Shareholders.

Resolution 8 will enable the Directors to allot new shares up to an aggregate nominal value of £1,137,845 representing approximately one-third of the existing issued share capital of the Company as at the date of the notice convening the Annual General Meeting.

Under section 561(1) of the Act, if the Directors wish to allot new shares or sell or transfer treasury shares for cash they must first offer such shares to existing Shareholders in proportion to their current holdings (pre-emption rights). It is proposed by **Resolution 9** to sanction the disapplication of such pre-emption rights in respect of the allotment of equity securities:

i) with an aggregate nominal value of up to £341,354 (representing approximately 10% of the existing issued share capital as at the date of the notice convening the Annual General Meeting) in connection with offer(s) for subscription;

ii) with an aggregate nominal value of up to, but not exceeding, 10% of the issued share capital from time to time pursuant to any dividend investment scheme operated by the Company, at a subscription price per Share which may be less than the net asset value per Share, as may be prescribed by the scheme terms; and

iii) otherwise than pursuant to (i) or (ii) above, with an aggregate nominal value of up to, but not exceeding, 10% of the issued share capital from time to time,

in each case where the proceeds may be used in whole or part to purchase the Company's shares in the market.

The Company normally allots shares at prices based on prevailing net asset value per share of the existing shares on the date of allotment (plus costs, save in relation to the dividend investment scheme). The Directors thus seek to manage any potential dilution of existing Shareholders as a result of the disapplication of Shareholders' pre-emption rights proposed in Resolution 9.

The Company does not currently hold any shares as treasury shares.

Both of these authorities, unless previously renewed, varied or revoked, will expire on the date falling fifteen months after the passing of the relevant resolution or, if earlier, on the conclusion of the Annual General Meeting of the Company to be held in 2026. However, the Directors may allot securities after the expiry dates specified above in pursuance of offers or agreements made prior to the expiration of these authorities. Both resolutions renew previous general authorities approved at the Annual General Meeting of the Company held on 20 May 2024.

Resolution 10 - Authority to purchase the Company's own shares

This resolution authorises the Company to purchase its own shares pursuant to section 701 of the Act. The authority is limited to the purchase of an aggregate of 51,168,897 shares (representing approximately 14.99% of the issued share capital of the Company as at the date of the Notice convening the Annual General Meeting) or, if lower, such number of shares (rounded down to the nearest whole share) as shall equal 14.99% of the issued share capital at the date the resolution is passed. The maximum price that may be paid for a share will be the higher of:

(i) an amount that is not more than 5% above the average of the middle market quotations of the shares as derived from the Daily Official List of the UK Listing Authority for the five business days preceding the date such shares are contracted to be purchased; and

(ii) the price stipulated by Article 5(6) of the Market Abuse Regulation EU) 596/2014 (as such Regulation forms part of UK law and as amended).

The minimum price that may be paid for a share is 1.00 penny, being the nominal value thereof.

Market liquidity in VCTs is normally very restricted. The passing of this resolution will enable the Company to purchase its own shares thereby providing a mechanism by which the Company may enhance the liquidity of its shares and seek to manage the level and volatility of the discount to NAV at which its shares may trade.

Directors' Report

It is the Directors' intention to cancel any shares bought back under this authority. Shareholders should note that the Directors do not intend to exercise this authority unless they believe that to do so would result in an increase in net assets per share, which would be in the interests of Shareholders generally.

This resolution will expire on the date falling fifteen months after the passing of this resolution or, if earlier, on the conclusion of the Annual General Meeting of the Company to be held in 2026, except that the Company may purchase its own shares after this date in pursuance of a contract or contracts made prior to the expiration of this authority.

Recommendation

The Board recommends that Shareholders vote in favour of the resolutions to be proposed at the Annual General Meeting of the Company, as the Directors intend to do in respect of their own beneficial holdings of 266,364 shares (representing 0.07% of the issued share capital as at the date of publication).

Voting rights of Shareholders

Each Shareholder has one vote on a show of hands, and one vote per share held on a poll, at a general meeting of the Company. No member shall be entitled to vote or exercise any rights at a general meeting unless all shares held by them have been paid up in full. Any instrument of proxy must be deposited at the place specified by the Directors no later than 48 hours before the time fixed for the meeting (ignoring any part of a day that is not a working day).

Restrictions on voting rights

There are no restrictions on voting rights and no agreements between holders of securities that may prevent or restrict the transfer of securities or voting rights.

By order of the Board

Gresham House Asset Management Limited
Company Secretary

13 January 2025

Corporate Governance Statement

This Corporate Governance Statement forms part of the Directors' Report.

The Directors have adopted the Association of Investment Companies (AIC) Corporate Governance Code ("the AIC Code") for the financial period-ended 30 September 2024.

The Board has considered the principles and recommendations of the AIC Code by reference to the AIC Corporate Governance Guide for investment companies ("AIC Guide"). As well as setting out additional principles of the AIC Code, the AIC Guide provides an overview of best practice with reference to the UK Corporate Governance Code ("the UK Code") and considers how each of the UK Code's principles applies to Investment Companies. The AIC Code also includes additional principles and recommendations on issues that are of specific relevance to the Company as an investment company. The Board therefore considers that reporting against the AIC Code provides more relevant information to Shareholders.

The current version of the AIC Code has been endorsed by the Financial Reporting Council ("FRC"). The FRC has confirmed that in adopting the AIC Code, the Company will meet its obligations in relation to the reporting requirements of the Financial Conduct Authority's Listing and Disclosure and Transparency Rules on corporate governance and the UK Corporate Governance Code.

The AIC Code can be viewed on the AIC's website at www.theaic.co.uk/aic-code-of-corporate-governance.

Statement of compliance

The Board considers that the Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code throughout the period under review in accordance with the FCA's Disclosure and Transparency Rule (DTR) 7.2. A table providing further explanations of how the Company has complied with the AIC Code during the period is available in the Corporate Governance section of the Company's website: www.migvct.co.uk.

As an externally managed VCT, most of the Company's operations are delegated to third parties and the Company has no executive directors, employees or internal operations. The Board has therefore concluded, for the reasons set out in the AIC Guide, and explained in the UK Code, that the specific provisions of the UK Code that relate to the requirements for an internal audit function, the role of the chief executive, and executive directors' pay are not relevant to the Company. The Company has therefore not reported further in respect of these provisions.

Internal control

The Board acknowledges that it is responsible for the Company's system of internal control and for reviewing its effectiveness. Internal control systems are designed to manage the specific needs of the Company and the risks to which it is exposed and can by their nature only provide reasonable and not absolute assurance against material misstatement or loss.

The system aims to ensure the maintenance of proper accounting records, the reliability of the financial information used for publication and upon which business decisions are made, and that the assets of the Company are safeguarded. The financial controls operated by the Board include the authorisation of the investment strategy and regular reviews of the financial results and investment performance.

The Board has put in place ongoing procedures for identifying, evaluating and managing the significant risks faced by the Company. As part of this process, an annual review of the control systems is carried out. The review covers a consideration of the key business, operational, compliance and financial risks facing the Company and includes a review of the risks in relation to the financial reporting process. The Board reviews a schedule of key risks and the management accounts at each quarterly board meeting. Assisted by the Audit Committee, it carries out separate assessments in respect of the annual and half-year reports and other published financial information.

The Board has contractually delegated to Gresham House the management of the investment portfolio, the day-to-day accounting, company secretarial and administration requirements and to City Partnership (UK) Limited for the registrar services.

The system of internal control and the procedure for the bi-annual review of control systems has been in place and operational throughout the period under review and up to the date of this Report. An assessment of the effectiveness of internal controls in managing risk was conducted on the basis of reports from Gresham House on 11 December 2024. The Board has identified no significant problems with the Company's internal control mechanisms.

Financial risk management

The main risks arising from the Company's financial instruments are investment risk, fluctuations in the market price and interest rates, credit risk and liquidity risk. The Board regularly reviews and agrees policies for managing these risks and full details can be found in Note 15 to the Financial Statements on pages 71 to 77 of this Annual Report.

Section 172 Director Duties

The Directors continue to have regard to the interests of the Company's Shareholders and other stakeholders, including the impact of its activities on the community, environment and the Company's reputation, when making decisions. The Directors, acting fairly and in good faith, consider what is most likely to promote the success of the Company for its members and stakeholders in the long-term. Further details can be found in the table on pages 71 to 77.

Investment management and service providers

The Directors carry out an annual review of the performance of and contractual arrangements with the Investment Adviser. The annual review of the Investment Adviser forms part of the Board's overall internal control procedures discussed above. As part of this review, the Board considers the quality and continuity of the investment management team, investment performance, quality of information provided to the Board, remuneration of the Investment Adviser, the investment process and the results achieved to date. A review of the performance of the Company is included in the Strategic Report on pages 21 to 33. The Board concluded that the Investment Adviser had performed consistently well over the medium-term and delivered target dividend returns to Shareholders in the period under review. The Company remains informed and well-positioned to maintain compliance with VCT tax legislation.

The Board places significant emphasis on the Company's performance against its peers and further information on this has been included in the Strategic Report on page 23. The Board further considered the Investment Adviser's commitment to the promotion of the Company and was satisfied that this was well prioritised by the Investment Adviser as evidenced by, inter alia, the Mobeus VCT fundraisings which have taken place between 2010 and 2024 and the annual Shareholder events.

The Board considers that the Investment Adviser continued to exercise independent judgement while producing valuations which reflect fair value.

Overall, the Board has continued to believe that the Investment Adviser possesses the experience, knowledge and resources that are required to

Corporate Governance Statement

support the Board in achieving the Company's long term investment objectives. The Directors therefore believe that the continued appointment of the Investment Adviser to the Company on the terms currently agreed is in the interests of Shareholders, and this was formally approved by the Management Engagement Committee and the Board on 12 September 2024.

The principal terms of the Company's Investment Advisory Agreement are set out in Note 4 to the Financial Statements on pages 61 to 62 of this Annual Report. The Board seeks to ensure that the terms of these agreements represent an appropriate balance between cost and the incentivisation of the Investment Adviser.

Fees paid to the Investment Adviser

The fees paid to the Investment Adviser are set out in Note 4 to the Financial Statements on pages 61 to 62.

In addition, the Investment Adviser received fees totalling £409,725 during the period-ended 30 September 2024 (year ended 31 December 2023: £415,975), being £125,722 (year ended 31 December 2023: £128,836) in advisory and arrangement fees and £284,004 (year ended 31 December 2023: £287,139) in Non-Executive Directors' fees for its partners, and other senior managers, to sit on a number of investee company boards. These amounts are the share of such fees attributable to investments made by the Company. These figures are not part of the Financial Statements.

Alternative Investment Fund Manager ("AIFM")

The Board appointed the Company as its own AIFM in compliance with the European Commission's Alternative Investment Fund Management Directive with effect from 22 July 2014. The Company is registered as a small AIFM and is therefore exempt from the principal requirements of the Directive. Gresham House continues to provide investment advisory and administrative services to the Company.

However, in order for the Company to continue to discharge its safekeeping responsibilities for the documents of title to its investments, it has contracted a third-party, Apex Group, to act as custodian.

The Board and its Committees

The Directors of the Company are all independent Non-Executive Directors.

Operation of the Board

In regard to the tenure of the Board, the length of service of all directors is considered on an ongoing basis, with the Nomination and Remuneration Committee giving consideration to succession and composition at its period or year-end meeting, in compliance with the AIC Code of Corporate Governance guidance.

Performance Review

In accordance with The UK Corporate Governance Code, each year a formal performance review is undertaken of the Board as a whole, its Committees and each of the directors. The Board consider and discuss the review and an action plan is agreed if appropriate. There were no issues requiring action following the recent review. The performance of the Chair was evaluated by the other Directors. The Board also conducts an evaluation of the Investment Adviser, and feedback of the results is provided to Gresham House.

The Board also annually reviews the constitution and strategy of the Company.

The Board has agreed a schedule of matters specifically reserved for decision by the Board. These include: compliance with the requirements of the Companies Act 2006 and the Income Tax Act 2007, the UK Listing Authority and the London Stock Exchange; strategy and management of the Company; changes relating to the Company's capital structure or its status as a plc; financial reporting and controls; Board and committee appointments as recommended by the Nomination and Remuneration Committee and terms of reference of committees; and considering Shareholder communications, material contracts of the Company and contracts of the Company not in the ordinary course of business.

The Board has agreed that the Investment Adviser takes the initiative on most aspects of the Company's operations, under the guidance and formal approval of the Board. The Board has agreed policies with the Investment Adviser covering key operational issues.

Diversity and inclusion

At the period-end the position was:

	Number of board members	Percentage of the board	Number of senior positions on the Board
Male	2	50.00%	Not applicable
Female	2	50.00%	See paragraph below

In accordance with Listing Rule 6.6.6(9), the Board reports that as an externally managed Company, there are no executive management roles such as CEO or CFO and therefore the Board is not required to report against this target as it is not applicable. However, the roles within the Company which are senior, in addition to the Chair of the Company and the Senior Independent Director, are the Chairs of the Audit, Nomination & Remuneration, Management Engagement and Investment Committees, with the Audit and Investment Committee Chairs held by a woman.

The Board consists of four white directors, of British or Canadian nationality and therefore there is no minority ethnic Board representation. The Board are committed to include diversity and inclusion for all their future recruitment.

Board Committees

The Board has established four Committees: the Nomination and Remuneration Committee, the Management Engagement Committee, the Audit Committee and the Investment Committee, with responsibilities for specific areas of its activity. Each of the Committees has written terms of reference, which detail their authority and duties. Shareholders may obtain copies of these by making a written request to the Company Secretary or by downloading these documents from the Company's website: www.migvct.co.uk. The Board has satisfied itself that each of its Committees has sufficient resources to undertake its duties.

Full descriptions of the work of the Audit and Nomination and Remuneration Committees are set out in the Report of the Audit Committee and the Director's Remuneration Report on pages 42 to 43 and 44 to 47 respectively, of this Annual Report.

Management Engagement Committee

The Management Engagement Committee is chaired by Ian Blackburn and comprises all four independent Directors.

The Committee meets at least annually to review the Company's contracts with its service providers and at other times as and when necessary and makes recommendations to the Board.

By order of the Board

Gresham House Asset Management Limited
Company Secretary

13 January 2025

Reports of the Directors

Report of the Audit Committee

This Report of the Audit Committee forms part of the Directors' Report.

The Audit Committee is chaired by Lucy Armstrong and comprises three of the independent Directors. Due to there only being three directors appointed to the Company until 26 July 2024, it was appropriate that that Board's Chairman should be a member of the Audit Committee. Following the Merger and the appointment of Ian Blackburn and Sarah Clark to the Board and Committees, it was agreed that the Board's Chairman could attend the Audit Committee meetings as an attendee but not as a member in accordance with the recommendation of the 2018 FRC Corporate Governance Code (updated in January 2024) as best practice.

The composition of the Committee, their skills and experience are reviewed annually, or as and when required, and the Committee confirms that the current members are independent and appropriate, and the Chair possesses relevant financial experience.

The Committee's Key objectives are:

- monitoring and governance of the appropriateness of the Company's financial reporting;
- the performance of the auditor; and
- the internal controls and risk management.

The Committee's principal activities during the period are summarised below:

Valuation of investments

The Investment Adviser prepared valuations of the investments in the portfolio at the end of each quarter and these were considered in detail and agreed by the Audit Committee for recommendation to the Board. The Committee continued to monitor the adequacy of the controls over the preparation of these valuations. As part of this process, it focused on ensuring that both the bases of the valuations and any assumptions used were reasonable and in accordance with the IPEV Valuation Guidelines. The Committee received a valuation review within a report from the external auditor as part of the period-end audit process. The report was discussed in full by the Committee, the Investment Adviser and with the Auditor as necessary.

Financial statements

The Committee carefully reviewed the Half-Year and September period-end reports to Shareholders for the period under review before these were submitted to the Board for approval. Besides the subject of valuations referred to above, the Committee also considered whether the accounting policy in respect of revenue recognition had been satisfactorily applied, and whether all expenditure in the period had been included.

Income from investee companies

The Committee notes that revenue from investee company loan stock and dividends may be uncertain given the type of companies in which the Company invests. Dividends in particular may be difficult to predict. The payments received do have a direct impact on the level of income dividends the Company is able to pay to Shareholders. The Committee agrees policies for revenue recognition and reviews their application at each of its meetings. It considers schedules of income received and receivable from each of the investee companies and assesses, in consultation with the Investment Adviser, the likelihood of receipt of each of the amounts.

Internal control

The Committee has monitored the system of internal controls throughout the period under review and as described in more detail in the Corporate Governance Statement on page 39. It received reports by exception on the Company's progress against its internal controls at its September period-end and Half-Year results meetings and reviews a schedule of key risks at the same time. A full review of the internal controls in operation by the Company was undertaken by the Committee on 11 December 2024.

The Board has identified the key risks faced by the Company and established appropriate controls. A list of the risks identified is set out on pages 30 to 32 of the Strategic Report. The Committee monitors these controls and reviews any incidences of non-compliance.

Cyber Security

The Board has sought and obtained assurances during the period from the Investment Adviser, the Registrar and other service providers concerning their cyber security procedures and policies.

Compliance with the VCT tests

The Company has engaged Philip Hare & Associates LLP ("PHA") as its VCT Status Tax Adviser to advise on its compliance with the legislative requirements relating to VCTs. PHA produce six-monthly reports on the Company's compliance with the VCT legislation which include a consideration of the Company's position against each of the VCT qualification tests. These reports were considered by the Audit Committee prior to presentation to the Board at the half and period-end stages.

Going concern and long-term viability of the Company

The Board and the Committee monitored the Company's liquidity to satisfy themselves that the Company had an adequate level of resources for the foreseeable future. Consideration is given to cash flow projections which included assumptions on, inter alia, projected levels of new investment and the ability of the Company to realise its existing investments; the Company's cash balances and holdings in money market funds; and projected levels of dividends and share buybacks. The Committee has again considered the requirement to publish a Viability Statement in the Annual Report and has advised the Board on its review of the viability of the Company and the wording of the statement (including the period to which the statement should relate).

Counterparty risk

The Committee has given careful consideration to the credit worthy status of the financial institutions with whom the Company's cash resources have been placed. The Committee took into account factors such as maturity, interest rate and credit rating across a number of financial institutions. The Board has a policy of spreading risk by placing funds across a number of financial institutions. By instruction from the Board, the Company holds the majority of its funds in a number of AAA rated money market funds, as VCT legislation prevents cash being held in bank deposits on more than 7 days' notice.

AIFM registration

The Committee continued to monitor the Company's obligations as its own Alternative Investment Fund Manager ("AIFM") in compliance with the European Commission's Alternative Investment Fund Manager's Directive.

The Company is registered as a small AIFM and is therefore exempt from the principal requirements of the Directive.

Safekeeping of the Company's documents of title to its investments

The Committee has established procedures for the safekeeping of the Company's documents of title under a Safekeeping Agreement dated 17 February 2022 with Apex Fund and Corporate Services (Guernsey) Limited, for accessing and dealing with these documents.

Relationship with the external auditor

The Committee is responsible for overseeing the relationship with the external Auditor, assessing the effectiveness of the external audit process and making recommendations on the appointment and removal of the external Auditor. It makes recommendations to the Board on the level of audit fees and the terms of engagement for the Auditor. The external Auditor is invited to attend Audit Committee meetings, where appropriate, and also meets with the Committee and its Chair without representatives of the Investment Adviser being present if appropriate.

The external auditor engaged with the Audit Committee throughout the period and during the audit planning process. It considers that the audit team is appropriately resourced and has communicated clearly and promptly with members of the Committee and the Investment Adviser during the audit process.

The Committee is satisfied that independence and objectivity has been maintained throughout the audit and the level of fees charged are justifiable and appropriate for the work involved.

As BDO LLP (formerly PKF) have reached the 20-year limit for the provision of audit services to the Company, new auditors have to be appointed and an extensive tender process was undertaken to identify a suitable audit firm.

The Board have appointed Johnston Carmichael LLP to provide the audit services for the year-ending 30 September 2025. Shareholder approval of the appointment is required and will be proposed at the AGM.

Permissible non-audit services

The Board regularly reviews and monitors the external Auditor's independence and objectivity. As part of this it reviews the nature and extent of services supplied by the Auditor to ensure that independence is maintained.

The Committee reviews the implications of the Financial Reporting Council's ("FRC") Revised Ethical Reporting Standard 2019 effective from 5 March 2020. The Committee, based upon the review of this 2019 Ethical Standard, has decided to purchase certain non-audit services, such as tax compliance services and iXBRL tagging, from separate firms. The auditor is permitted to provide audit-related services in respect of the Half-Year Report (if requested by the Board), whereas PHA provides tax compliance services, and Arkk Consulting Limited, one of the Company's investee companies, that provides the iXBRL tagging service, demonstrated that it has appropriate procedures and safeguards in place to maintain its independence and objectivity; charged justifiable fees in respect of the scope of services provided; and handled key audit issues.

Summary of Financial Reporting Council's ('FRC') AQR findings and Actions Taken

In July 2024 the FRC published its annual assessment of quality among the Tier I audit firms. Our external auditor, BDO is one of the six Tier I audit firms, and was therefore subject to a review by the Financial Reporting Council's Audit Quality Review team. The FRC's report identified a number of areas for improvement for BDO, and in response to these findings, BDO has implemented an action plan.

The Audit Committee discussed the FRC's findings along with BDO's action plan in detail with BDO. BDO have confirmed that they remain committed to maintaining the highest standards of audit quality and will continue to work closely with the FRC to address any areas of concern.

The Committee notes the progress BDO has a made to date, and will continue to monitor their progress, until the new Auditor is appointed. I would like to take this opportunity once again to thank all Shareholders for their continued support.

Additional disclosures in the Directors' Report

Disclosures required by certain publicly-traded companies as set out in Part 6 of Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended 2013) are addressed in the Directors' Report on pages 35 to 38.

By order of the Board

Lucy Armstrong
Chair of the Audit Committee

13 January 2025

Directors' Remuneration Report

I am pleased to present the Director's Remuneration Report for the financial period-ended 30 September 2024.

Over the following pages we have set out the Company's forward-looking Directors' Remuneration Policy. The Directors' Annual Remuneration Report details how this Policy is being implemented.

As part of its annual review of Directors' remuneration, at its meeting on 11 December 2024, the Nomination and Remuneration Committee considered the aggregate level of remuneration which, as a consequence of the Merger, is projected to fall as a % of net assets.

Following a review of the composition of the Board as part of the Merger discussions and following the appointment of two new directors to the Board, the Directors have confirmed their belief that the current Board of four directors have the skills and experience to be effective.

The table on page 45 shows the remuneration to be paid to each of the Non-Executive Directors in 2025. The table on page 46 shows the annual percentage change in remuneration paid to each of the Non-Executive Directors who have served during the period. There will be no further changes to the remuneration for the current year.

I would welcome any comments you may have.

Ian Blackburn
Chair of the Nomination and Remuneration Committee

13 January 2025

Introduction

This Report has been prepared by the Directors in accordance with the requirements of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2013, the Companies Act 2006 ("the Companies Act") and the Listing Rules of the UK Listing Authority ("the Listing Rules"). The Company's independent Auditor is required to give its opinion on the specified information provided on Directors' emoluments and Directors' interests on page 46 and this is explained further in its report to Shareholders on pages 50 to 54.

Directors' Remuneration Policy

The Remuneration Policy is set by the Board on the recommendation of the Committee. The level and make-up of remuneration is set at a point which is sufficient to attract, retain and motivate experienced directors of the quality required to run the Company successfully. When considering the level of Directors' fees, the Committee takes account of the workload and responsibilities of each role and the value and amount of time that a Director is required to commit to the Company. It considers the remuneration levels elsewhere in the Venture Capital Trust industry for companies of a similar size and structure and other relevant information.

The Directors' fees are reviewed annually in accordance with the Remuneration Policy. The Committee may choose to take independent advice where and when it considers it appropriate. However, the Committee has not considered it necessary to take any such advice during the period under review.

Since all the Directors are Non-Executive, the Company is not required to comply with the provisions of the Listing Rules, the UK Corporate Governance Code and the AIC Code of Corporate Governance in respect of directors' remuneration, except in so far as they relate specifically to Non-Executive Directors.

Performance related remuneration

Whilst it is a key element of this policy to recruit directors of the calibre required to lead the Company in achieving its short and long-term objectives, no component of the fees paid is directly related to performance.

Additional benefits

The Company does not have any schemes in place to pay any of the Directors' bonuses or benefits in addition to the Directors' fees. No arrangements have been entered into between the Company and the Directors to entitle them to compensation for loss of office. None of the Directors receive pension benefits from the Company and the Company has not granted any Director any options over the share capital of the Company. It is current Company policy not to pay travel or subsistence expenses to Directors in relation to their work for the Company although this is kept under review.

Recruitment Remuneration

Any new director who may subsequently be appointed to the Board will be remunerated in line with the Remuneration Policy and the levels of remuneration stated therein as modified from time to time.

Shareholders' views on remuneration

The Board prioritises the views of Shareholders and encourages free and frank discussion at general meetings of the Company. It takes Shareholders' views into account, where appropriate, when formulating its remuneration policy. Shareholders can contact the Chair or the Company Secretary, Gresham House, at any time by email using the address: mobeusvcts@greshamhouse.com.

Directors' terms of appointment

All of the Directors are non-executive. The Articles of Association of the Company provide that directors may be appointed either by an ordinary resolution of the Company or by the Board, provided that a person appointed by the Board shall be subject to election at the first annual general meeting following their appointment.

The Articles also contain provisions whereby, subject to the Companies Act, one-third of the Directors retire from office by rotation at each annual general meeting. However, the Board has agreed that each of the Directors will offer themselves for re-election annually in accordance with the AIC Code.

All Directors receive a formal letter of appointment setting out the terms of their appointment, their specific duties and responsibilities and the fees pertaining to the appointment.

Appointment letters for new directors stipulate that an assessment of the required time commitment be made prior to acceptance of the appointment to ensure that the individual is able to fulfil the role in light of their other existing commitments.

New directors are asked to undertake that they will have sufficient time to carry out their responsibilities to the Company and to disclose their other significant time commitments to the Board before appointment.

Each of the Director's appointments may be terminated by either party by giving not less than three months' notice in writing and in certain other circumstances. Copies of the Directors' appointment letters will be available for inspection at the place of the Annual General Meeting on 5 March 2025 from 12.30 pm.

Shareholder approval of the Directors' remuneration policy

A resolution to approve the Directors' Remuneration Policy as set out in the Annual Report for the year ended 31 December 2023 was approved by Shareholders at the AGM of the Company held on 20 May 2024. Proxy votes in favour of the resolution represented 94.7% of the votes received (including those who appointed the Chair to vote as his discretion) (against 5.29%). This policy applied throughout the period-ended 30 September 2024.

Future policy

The table below sets out details of each Directors' remuneration package and the maximum amount receivable during the forthcoming year by each Director. The Nomination and Remuneration Committee and the Board review the fees paid to the Directors annually in accordance with the Remuneration Policy set out below and may decide that an increase in fees is appropriate in respect of subsequent years.

Director	Role	Remuneration Package[1]	Maximum payment per annum	Performance conditions
Clive Boothman	**Chair**	**Director's fee**	**£45,000**	None
Ian Blackburn[1]	**Senior Independent Director, Chair of Nomination & Remuneration and Management Engagement Committees**	**Director's fee**	**£39,900**	None
Lucy Armstrong	**Chair of Audit Committee**	**Director's fee**	**£36,750**	None
Sarah Clark[2]	**Chair of Investment Committee**	**Director's fee**	**£36,750**	None
		Total fees payable	**£158,400**	

[1] Following the Merger, the Board has agreed to consolidate supplements paid in respect of chair roles for separate committees in favour of a single, clearer directors' fee.

Directors' Remuneration Report

Company Objective

To provide investors with a regular income stream, by way of tax-free dividends generated from income and capital returns, while continuing at all times to qualify as a VCT.

Remuneration Policy

To ensure that the levels of remuneration are sufficient to attract, retain and motivate directors of the quality required to manage the Company in order to achieve the Company's Objective.

Shareholder approval of the Company's Remuneration Policy

The Board is required to ask Shareholders to approve the Remuneration Policy every three years. The Directors will therefore recommend that Shareholders approve the Policy again at the AGM of the Company to be held in 2026.

Directors' Annual Remuneration Report

This section of the report sets out how the Remuneration Policy, described on the previous pages, is being implemented.

A resolution to approve the Directors' Annual Remuneration Report as set out in the Annual Report for the year ended 31 December 2023 was approved by Shareholders at the AGM of the Company held on 20 May 2024.

The Company also received proxy votes in favour of the resolution representing 98.29% of the votes submitted (including those who appointed the Chair to vote at his discretion) (against: 1.71%).

An ordinary resolution for the approval of the Annual Remuneration Report will be proposed at the AGM of the Company to be held on 5 March 2025.

Nomination and Remuneration Committee

The Committee comprises the full Board and was chaired by Bridget Guerin throughout the period to 26 July 2024, when Ian Blackburn joined the Board and assumed the Chair. All members of the Committee are considered to be independent of the Investment Adviser. The Committee meets at least once a year and is responsible for making recommendations to the Board on remuneration policy and reviewing the Policy's ongoing appropriateness and relevance. It carries out an annual review of the remuneration of the Directors and makes recommendations to the Board on the level of Directors' fees. It is responsible for the appointment of remuneration consultants, if this should be considered necessary, including establishing the selection criteria and terms of reference for such an appointment. However, it was not considered necessary to appoint any such consultants during the period under review. The Committee met twice during the period with full attendance from all its members.

As part of the annual review of directors' remuneration, at its meeting on 3 April 2024, when the Committee noted the economic climate impacting on the Company's performance, and recommended to the Board that there be no fee increase for the forthcoming year.

In considering nominations, the Committee is responsible for making recommendations to the Board concerning the appointment of new directors to the Board and its committees; the periodic review of the composition of the Board and its committees; and the annual performance review of the Board, the Directors and the Chair. This includes the ongoing review of each Director's actual or potential conflicts of interest which may arise as a result of the external business activities of Board members.

Audited information

Annual percentage change In Directors' Remuneration

The following table sets out the annual percentage change in Directors' remuneration for the period to 30 September 2024:

	% change for the period to 30 Sep 2024	% change for the year to 31 Dec 2023	% change for the year to 31 Dec 2022	% change for the year to 31 Dec 2021	% change for the year to 31 Dec 2020
Clive Boothman	4.7%	-	7.5%	-	-
Lucy Armstrong	0.7%	-	-	n/a	n/a
Sarah Clark[1]	n/a	n/a	n/a	n/a	n/a
Ian Blackburn[1]	n/a	n/a	n/a	n/a	n/a
Bridget Guérin[2]	n/a	-	5.0%	-	-
Catherine Wall	n/a	n/a	n/a	-	-

[1] Appointed to the Board on 26 July 2024

[2] Bridget retired as a Director on 26 July 2024.

The remuneration of the Directors contains no performance related variable element. As the Company has no employees, the directors do not consider it relevant to compare director fees against employee pay.

No sums were paid to third parties in respect of any of the Director's services during the period under review.

Directors' interests in the Company's shares

The Company does not require the Directors to hold shares in the Company. The interests of the Directors (and their connected persons) in the shares of the Company at the beginning and end of the period are as set out in the table below:

	Shares held on: 30 September 2024	Shares held on: 31 December 2023
Clive Boothman	188,684[1,2]	188,684[1]
Bridget Guérin[3]	n/a	301,793
Lucy Armstrong	-	-
Ian Blackburn[4]	51,606	-
Sarah Clark[4]	-	-

[1] 27,621 shares are held in a nominee account

[2] 26,074 shares purchased in October 2024

[3] Resigned from the Board on 26 July 2024

[4] Appointed to the Board on 26 July 2024

Relative importance of spend on Directors' fees

	30 September 2024 £	31 December 2023 £
Total directors' fees	92,570	111,000
Dividends paid and payable in respect of the period	6,514,702	15,796,009
Total fees and expenses[1]	2,251,466	2,730,475
Directors' fees as a share of:		
Closing net assets	0.06%	0.12%
Dividends paid and payable in respect of the period	1.42%	0.70%
Total fees and expenses[1]	4.11%	4.07%

[1] This figure is the combined total of Investment Adviser's fees and other expenses disclosed in the Income Statement

Directors' remuneration: 5-year comparison

	2024	2019	Change (%)
Director[1]	45,000	40,000	12.5%

[1] Following the Merger, the Board does not charge fees for chair roles in respect of separate committees. The above analysis represents the fee paid to Clive Boothman as the chair and highest paid director.

Directors' attendance at Board and Committee meetings in 2024

The table below sets out the Directors' attendance at quarterly Board meetings and Committee meetings held during the period to 30 September 2024. In addition to the quarterly Board meetings, the Board met on other occasions to consider specific issues as they arose.

Directors	Board Meetings		Audit Committee Meetings		Nomination and Remuneration Committee Meetings		Management Engagement Committee Meeting	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Clive Boothman	3	3	3	3	2	2	1	1
Bridget Guérin[1]	2	2	2	2	1	1	0	0
Lucy Armstrong	3	3	3	3	2	2	1	1
Ian Blackburn[2]	2	2	1	1	1	1	1	1
Sarah Clark[2]	2	2	1	1	1	1	1	1

[1] Resigned from the Board on 26 July 2024

[2] Appointed to the Board and Committees on 26 July 2024

Reports of the Directors

Directors' Remuneration Report

Company performance

The graph below charts the Share Price total return of the Company (assuming all dividends are re-invested in shares in the Company on the last trading day of the month in which the shares were quoted ex-dividend) over the past ten years compared with that of an index of all VCTs and an index of generalist VCTs which are members of the AIC, based on figures provided by Morningstar. The Board considers these indices to be the most appropriate indices against which to measure the Company's relative performance over the medium to long-term. The total returns have each been re-based to 100 pence at 31 December 2014.

Share Price Total Return Performance Graph

An explanation of the recent performance of the Company is given in the Chair's Statement on page 2, in the Investment Adviser's Review on pages 6 to 11 and in the Strategic Report on pages 23 to 26.

By order of the Board

Gresham House Asset Management Limited
Company Secretary

13 January 2025

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare Financial Statements for each financial period and 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). Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the Financial Statements have been prepared in accordance with United Kingdom accounting standards, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Strategic Report, a Director's Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006.

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

Website publication

The Financial Statements are published on the Company's website at www.migvct.co.uk, which is maintained by the Investment Adviser. The maintenance and integrity of the website maintained by the Investment Adviser is, so far as it relates to the Company, the responsibility of the Investment Adviser. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditor accepts no responsibility for any changes that have occurred to the accounts since they were initially presented to the website. The accounts are prepared in accordance with UK legislation, which may differ from legislation in other jurisdictions.

Directors' responsibilities pursuant to Disclosure and Transparency Rule 4 of the UK Listing Authority

The Directors confirm to the best of their knowledge that:

(a) The Financial Statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice give a true and fair view of the assets, liabilities, financial position and the profit of the Company.

(b) The Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

Having taken advice from the Audit Committee, the Board considers the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and that it provides the information necessary for Shareholders to assess the Company's position, performance, business model and strategy.

Neither the Company nor the Directors accept any liability to any person in relation to the Annual Report except to the extent that such liability could arise under English law.

The names and functions of the Directors are stated on page 34.

For and on behalf of the Board

C. W. Boothman

Clive Boothman
Chair

13 January 2025

Independent Auditor's Report to the Members of Mobeus Income & Growth VCT plc

Opinion on the 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 September 2024 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Mobeus Income & Growth VCT Plc (the 'Company') for the period ended 30 September 2024 which comprise the income statement, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were appointed by the Board of Directors in 2004 to audit the financial statements for the year ended 30 September 2004 and subsequent financial periods. The period of total uninterrupted engagement, including retenders and reappointments is 21 years, covering the year ended 31 December 2004 to the 9 month period ended 31 September 2024. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the Venture Capital Trust ("VCT") compliance reports prepared by management's expert during the period and as at period end and reviewing the calculations therein to check that the Company was meeting its requirements to retain VCT status;
- Consideration of the Company's expected future compliance with VCT legislation, the absence of bank debt, contingencies and commitments and any market or reputational risks;
- Reviewing the forecasted cash flows that support the Directors' assessment of going concern, challenging assumptions and judgements made in the forecasts and assessing them for reasonableness. In particular, we considered the available cash resources relative to the forecast expenditure which was assessed against the prior year for reasonableness; and
- Evaluating the Directors' method of assessing the going concern in light of market volatility and the present uncertainties in economic recovery created by macro-economic factors.

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

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

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

Overview

		2024	2023
Key audit matters	Valuation of unquoted investments	✓	✓
Materiality	*Company financial statements as a whole* £2.91m (2023: £1.92m) based on 2% (2023: 2%) of net assets adjusted for significant fundraising in the period.		

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed the key audit matter
Valuation of unquoted investments (Note 9 to the financial statements)	We consider the valuation of unquoted investments to be the most significant audit area as there is a high level of estimation uncertainty involved in determining the unquoted investment valuations. There is an inherent risk of management override arising from the unquoted investment valuations being prepared by the Investment Manager, who is remunerated based on the value of the net assets of the VCT, as shown in note 4. For these reasons, we identified the valuation of unquoted investments as a key audit matter.	Our unquoted investments valuation testing was risk based where individual investments were assessed based on criteria such as fair value at period end exceeding performance materiality, fair value at period end exceeding performance materiality and untested in detail in the prior year, movement between current period and prior year, fair value exceeding performance materiality, change in the valuation methodology from prior year, change in the multiples (Revenue/Earning) from prior year by 10% or more, change in the gross enterprise value from prior year by 10% or more and any change in the discount/premium from prior year. For 100% of the unquoted portfolio we: • Considered whether the valuation methodology was the most appropriate in the circumstances under the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines. Where there was a change in valuation methodology from prior year, we assessed whether the change was appropriate • Considered the change in market multiples and discount applied from prior year and if they were supported by the performance of the underlying investment • Checked that the valuation was based on recent financial information. Further, for the unquoted investment samples selected for detailed testing we: • Re-performed the calculation of the investment • Corroborated and benchmarked key inputs and estimates to independent information from our own research and against metrics from the most recent investments • Challenged the assumptions inherent to valuation of unquoted investments and assessed the impact of the estimation uncertainty concerning these assumptions and the disclosure of these uncertainties in the financial statements • Where appropriate, we performed sensitivity analysis on the valuation calculations where there was sufficient evidence to suggest reasonable alternative inputs might exist **Key observations** Based on the procedures performed we consider the unquoted investment valuations to be appropriate considering the level of estimation uncertainty.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

Company financial statements	2024 £	2023 £
Materiality	£2,914,000	£1,920,000
Basis for determining materiality	2% of net assets adjusted for significant fundraising in the period.	2% of net assets adjusted for significant fundraising in the period.
Rationale for the benchmark applied	In setting materiality, we have had regard to the nature and disposition of the investment portfolio. Given that the Company's portfolio is comprised of unquoted investments which would typically have a wider spread of reasonable alternative possible valuations, we have applied a percentage of 2% of net assets adjusted for significant fundraising in the period.	In setting materiality, we have had regard to the nature and disposition of the investment portfolio. Given that the Company's portfolio is comprised of unquoted investments which would typically have a wider spread of reasonable alternative possible valuations, we have applied a percentage of 2% of net assets adjusted for significant fundraising in the period.
Performance materiality	£2,185,000	£1,440,000
Basis for determining performance materiality	75% of materiality	75% of materiality
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the period.	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the period.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £140,000 (2023: £64,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

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

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements, or our knowledge obtained during the audit.

Going concern and longer-term viability

- The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 33 and;
- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 33.

Other Code provisions

- Directors' statement on fair, balanced and understandable set out on page 49;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 30;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 30; and
- The section describing the work of the audit committee set out on page 42.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report

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

- the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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

Directors' remuneration

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with the Investment Manager, and those charged with governance and the Audit Committee; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the Companies Act 2006, the FCA listing and DTR rules, the principles of the UK Corporate Governance Code, industry practice represented by the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("the SORP") with consequential amendments and the applicable financial reporting framework. We also considered the Company's qualification as a VCT under UK tax legislation.

Our procedures in respect of the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of the Investment Manager, and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- Obtaining the VCT compliance reports prepared by management's expert during the period and as at period end and reviewing their calculations to check that the Company was meeting its requirements to retain VCT status; and
- Reviewing minutes of meetings of those charged with governance throughout the period for instances of non-compliance with laws and regulations.

Fraud

We assessed the susceptibility of the financial statement to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry with the Investment Manager, and those charged with governance and the Audit Committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the VCT policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Considering performance incentive

Independent Auditor's Report

schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be the valuation of unquoted investments and management override of controls.

Our procedures in respect of the above included:

- In addressing the risk of valuation of unlisted investments, the procedures set out in the key audit matter section in our report were performed;
- In addressing the risk of management override of control, we:
  - Tested journals posted in the preparation of the financial statements, if any, by agreeing to supporting documentation and evaluating whether there was evidence of bias by the Investment Manager that represented a risk of material misstatements due to fraud.
  - Incorporated unpredictability into our testing by selecting a sample of immaterial expenses that would not otherwise have been selected for testing
  - Reviewed the significant judgements made in the unlisted investment valuations and considering whether the valuation methodology is the most appropriate;
  - Considered any indicators of bias in our audit as a whole; and
  - Performed a review of unadjusted audit differences, if any, for indications of bias or deliberate misstatement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, who were deemed to have the appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

BDO LLP

Vanessa-Jayne Bradley
(Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
London, UK
14 January 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Financial Statements

Income Statement for the period ended 30 September 2024

		Period ended 30 September 2024			Year ended 31 December 2023		
	Notes	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Net investment portfolio (losses)/gains	8	-	(209,089)	(209,089)	-	6,428,051	6,428,051
Income	3	1,590,884	-	1,590,884	2,655,018	-	2,655,018
Investment Adviser's fees	4a	(431,061)	(1,293,182)	(1,724,243)	(547,279)	(1,641,827)	(2,189,106)
Other expenses	4c	(395,813)	-	(395,813)	(541,369)	-	(541,369)
Merger expenses	17	(131,410)	-	(131,410)	-	-	-
Profit/(loss) on ordinary activities before taxation		632,600	(1,502,271)	(869,671)	1,566,370	4,786,224	6,352,594
Tax on profit/(loss) on ordinary activities	5	(185,893)	185,893	-	(350,248)	350,248	-
Profit/(loss) for the period/year and total comprehensive income		**446,707**	**(1,316,378)**	**(869,671)**	**1,216,122**	**5,136,472**	**6,352,594**
Basic and diluted earnings per ordinary share	7	**0.24p**	**(0.70)p**	**(0.46)p**	**0.73p**	**3.11p**	**3.84p**

The period relates to 9 months from 1 January 2024 to 30 September 2024 as a part of the accounting period change following the Merger. The revenue column of the Income Statement includes all income and expenses. The capital column accounts for the net investment portfolio (losses)/gains (both realised and unrealised) and the proportion of the Investment Adviser's fee and performance fee charged to capital.

The total column is the Statement of Total Comprehensive Income of the Company prepared in accordance with Financial Reporting Standards ("FRS"). In order to better reflect the activities of a VCT and in accordance with the 2014 Statement of Recommended Practice ("SORP") (updated in July 2022) by the Association of Investment Companies ("AIC"), supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. The revenue column of profit attributable to equity Shareholders is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Section 274 Income Tax Act 2007.

There is no other comprehensive income and therefore the return for the period is also the total comprehensive income for the period.

The notes on pages 60 to 78 form part of these Financial Statements.

Balance Sheet as at 30 September 2024

Company No. 5153931

	Notes	30 September 2024 £	31 December 2023 £
Fixed assets			
Investments at fair value	8	113,282,273	64,143,695
Current assets			
Debtors and prepayments	10	258,085	172,465
Current asset investments	11	30,846,900	31,141,939
Cash at bank and in hand	11	410,392	847,342
		31,515,377	32,161,746
Creditors: amounts falling due within one year	12	(480,498)	(311,630)
Net current assets		31,034,879	31,850,116
Net assets		**144,317,152**	**95,993,811**
Capital and reserves			
Called up share capital	13	2,638,531	1,642,852
Capital redemption reserve		62,837	29,621
Share premium reserve		56,481,935	-
Revaluation reserve		21,590,882	23,361,271
Special distributable reserve		34,744,920	44,587,476
Realised capital reserve		26,952,979	24,159,893
Revenue reserve		1,845,068	2,212,698
Equity Shareholders' funds		**144,317,152**	**95,993,811**
Basic and diluted net asset value per ordinary share	14	**54.70p**	**58.43p**

The notes on pages 60 to 78 form part of these Financial Statements.

The Financial Statements were approved and authorised for issue by the Board of Directors on 13 January 2025 and were signed on its behalf by:

C. W. Boothman

Clive Boothman
Chair

Statement of Changes in Equity for the period ended 30 September 2024

		Non-distributable reserves				Distributable reserves			
	Notes	Called up share capital £	Capital redemption reserve £	Share premium reserve £	Revaluation reserve £	Special distributable reserve (Note a) £	Realised capital reserve £	Revenue reserve £	Total £
At 1 January 2024		**1,642,852**	**29,621**	**-**	**23,361,271**	**44,587,476**	**24,159,893**	**2,212,698**	**95,993,811**
Comprehensive income for the period									
(Loss)/profit for the period		-	-	-	(110,720)	-	(1,205,658)	446,707	(869,671)
Total comprehensive income for the period		**-**	**-**	**-**	**(110,720)**	**-**	**(1,205,658)**	**446,707**	**(869,671)**
Contributions by and distributions to owners									
Shares issued upon merger with Mobeus Income & Growth 2 VCT plc	13, 17	1,028,895	-	56,681,042	-	-	-	-	57,709,937
Stamp duty on shares issued upon merger with Mobeus Income & Growth 2 VCT plc	17	-	-	(199,107)	-	-	-	-	(199,107)
Shares bought back (Note b)	13	(33,216)	33,216	-	-	(1,803,116)	-	-	(1,803,116)
Dividends paid	6	-	-	-	-	(5,700,365)	-	(814,337)	(6,514,702)
Total contributions by and distributions to owners		**995,679**	**33,216**	**56,481,935**	**-**	**(7,503,481)**	**-**	**(814,337)**	**49,193,012**
Other movements									
Realised losses transferred to special reserve (Note a)		-	-	-	-	(2,339,075)	2,339,075	-	-
Realisation of previously unrealised gains		-	-	-	(1,659,669)	-	1,659,669	-	-
Total other movements		-	-	-	(1,659,669)	(2,339,075)	3,998,744	-	-
At 30 September 2024		**2,638,531**	**62,837**	**56,481,935**	**21,590,882**	**34,744,920**	**26,952,979**	**1,845,068**	**144,317,152**

Note a: The Company's special reserve is available to fund buybacks of shares as and when it is considered by the Board to be in the interests of Shareholders, and to absorb any existing and future realised losses and for other corporate purposes. The transfer of £2,339,075 to the special reserve from the realised capital reserve above is the total of realised losses incurred by the Company in the period. As at 30 September 2024, the Company has a special reserve of £34,744,920, £5,055,782 of which arises from shares issued more than three years ago. Reserves originating from share issues are not distributable under VCT rules if they arise from share issues that are within three years of the end of an accounting period in which shares were issued.

Note b: During the period, the Company purchased 3,321,634 of its own shares at the prevailing market price for a total cost of £1,803,116 which were subsequently cancelled.

Financial Statements

Statement of Changes in Equity for the year ended 31 December 2023

	Non-distributable reserves				Distributable reserves			
	Called up share capital	Capital redemption reserve	Share premium reserve	Revaluation reserve	Special distributable reserve	Realised capital reserve	Revenue reserve	Total
	£	£	£	£	£	£	£	£
At 1 January 2023	**1,567,186**	**54,763**	**37,467,699**	**15,194,553**	**3,338,271**	**40,442,486**	**2,250,931**	**100,315,889**
Comprehensive income for the year								
Profit/(loss) for the year	-	-	-	6,033,889	-	(897,417)	1,216,122	6,352,594
Total comprehensive income for the year	**-**	**-**	**-**	**6,033,889**	**-**	**(897,417)**	**1,216,122**	**6,352,594**
Contributions by and distributions to owners								
Shares issued under Offer for Subscription	119,798	-	7,845,211	-	-	-	-	7,965,009
Issue costs and facilitation fees on Offer for Subscription	-	-	(201,626)	-	(94,789)	-	-	(296,415)
Shares bought back	(44,132)	44,132	-	-	(2,547,257)	-	-	(2,547,257)
Dividends paid	-	-	-	-	-	(14,541,654)	(1,254,355)	(15,796,009)
Total contributions by and distributions to owners	**75,666**	**44,132**	**7,643,585**	**-**	**(2,642,046)**	**(14,541,654)**	**(1,254,355)**	**(10,674,672)**
Other movements								
Cancellation of Share Premium Reserve	-	(69,274)	(45,111,284)	-	45,180,558	-	-	-
Realised losses transferred to special reserve	-	-	-	-	(1,289,307)	1,289,307	-	-
Realisation of previously unrealised losses	-	-	-	2,132,829	-	(2,132,829)	-	-
Total other movements	-	(69,274)	(45,111,284)	2,132,829	43,891,251	(843,522)	-	-
At 31 December 2023	**1,642,852**	**29,621**	**-**	**23,361,271**	**44,587,476**	**24,159,893**	**2,212,698**	**95,993,811**

The composition of each of these reserves is explained below:

Called up share capital - The nominal value of shares originally issued, increased for subsequent share issues either via an Offer for Subscription/Corporate transaction or reduced due to shares bought back by the Company.

Capital redemption reserve - The nominal value of shares bought back and cancelled is held in this reserve, so that the Company's capital is maintained.

Share premium reserve - This reserve contains the excess of gross proceeds less issue costs over the nominal value of shares allotted under recent Offers for Subscription as well as the reserve created upon the issue of shares as part of the acquisition of Mobeus Income & Growth 2 VCT plc.

Revaluation reserve - Increases and decreases in the valuation of investments held at the period-end are accounted for in this reserve, except to the extent that the diminution is deemed permanent.

In accordance with stating all investments at fair value through profit and loss (as recorded in note 8), all such movements through both revaluation and realised capital reserves are shown within the Income Statement for the period.

Special distributable reserve - This reserve is created from cancellations of the balances upon the Share premium reserve, which are transferred to this reserve from time to time. The cost of share buybacks and any realised losses on the sale or impairment of investments (excluding transaction costs) are charged to this reserve. 75% of the Investment Adviser fee expense, and the related tax effect, that are charged to the realised capital reserve are transferred to this reserve. This reserve will also be charged any IFA facilitation payments to financial advisers, which arose as part of the Offer for Subscription.

Realised capital reserve - The following are accounted for in this reserve:

- Gains and losses on realisation of investments;
- Permanent diminution in value of investments;
- Transaction costs incurred in the acquisition and disposal of investments; and
- 75% of the Investment Adviser fee expense and 100% of any performance fee payable, together with the related tax effect to this reserve in accordance with the policies.

Revenue reserve - Income and expenses that are revenue in nature are accounted for in this reserve together with the related tax effect, as well as income dividends paid that are classified as revenue in nature.

The notes on pages 60 to 78 form part of these Financial Statements.

Statement of Cash Flows for the period ended 30 September 2024

	Notes	Period ended 30 September 2024 £	Year ended 31 December 2023 £
Cash flows from operating activities			
Profit after tax for the financial period		(869,671)	6,352,594
Adjustments for:			
Net investment portfolio losses/(gains)		209,089	(6,428,051)
Dividend income		(20,439)	(91,406)
Interest income		(1,570,445)	(2,521,018)
Merger expenses		131,410	-
(Increase)/decrease in debtors		(1,876)	26,183
Increase in creditors		(126,110)	8,193.00
Net cash outflow from operations		**(2,248,042)**	**(2,653,505)**
Cash flows from investing activities			
Acquisitions of investments	8	(5,131,985)	(5,721,958)
Disposals of investments	8	3,491,195	2,696,392
Dividend received		20,439	91,407
Interest received		1,556,794	2,530,204
Increase/(decrease) in bank deposits with a maturity over three months		316	(2,046)
Net cash outflow from investing activities		**(63,241)**	**(406,001)**
Cash flows from financing activities			
Shares issued as part of Offer for subscription		-	7,965,009
Issue costs and facilitation fees as part of Offer for subscription		-	(296,415)
Cash received on acquisition of net assets from Mobeus Income & Growth 2 VCT plc		10,384,942	-
Stamp duty on shares issued to acquire the net assets from Mobeus Income & Growth 2 VCT plc		(199,108)	-
Payments to meet merger of Mobeus Income & Growth 2 VCT plc		(288,406)	-
Equity dividends paid	6	(6,514,702)	(15,796,009)
Share capital bought back	13	(1,803,116)	(2,547,257)
Net cash inflow/(outflow) from financing activities		**1,579,610**	**(10,674,672)**
Net decrease in cash and cash equivalents		**(731,673)**	**(13,734,178)**
Cash and cash equivalents at start of period		30,980,954	44,715,132
Cash and cash equivalents at end of period		**30,249,281**	**30,980,954**
Cash and cash equivalents comprise:			
Cash equivalents	11	29,838,889	30,133,612
Cash at bank and in hand	11	410,392	847,342

The notes on pages 60 to 78 form part of these Financial Statements.

Notes to the Financial Statements for the period ended 30 September 2024

1 Company Information

Mobeus Income and Growth VCT plc is a public limited company incorporated in England, registration number 5153931. The registered office is 5 New Street Square, London, EC4A 3TW.

2 Basis of preparation of the Financial Statements

A summary of the principal accounting policies, all of which have been applied consistently throughout the period, are set out at the start of the related disclosure throughout the Notes to the Financial Statements. All accounting policies are included within an outlined box at the top of each relevant note.

These Financial Statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 (“FRS102”), with the Companies Act 2006 and the 2014 Statement of Recommended practice, ‘Financial Statements of Investment Trust Companies and Venture Capital Trusts’ (“the SORP”) (updated in July 2022) issued by the Association of Investment Companies (“AIC”).

The Company has a number of financial instruments which are disclosed under FRS102 s11/12 as shown in Note 15.

After performing the necessary enquiries, the Directors have undertaken an assessment of the Company’s ability to meet its liabilities as they fall due. The Company has significant cash and liquid resources and no external debt or capital commitments. The Company’s cash flow forecasts, which consider levels of anticipated new and follow-on investment, as well as investment income and annual running cost projections, are discussed at each quarterly Board meeting and, in particular, have been considered in light of the current economic environment and the impact of the recent merger. Following this assessment, the Directors have a reasonable expectation that the Company will have adequate resources to continue to meet its liabilities for at least 12 months from the date these Financial Statements are approved. The assessment covers the period from January 2025 to January 2026. The Directors therefore consider the preparation of these Financial Statements on a going concern basis to be appropriate.

3 Income

Dividends receivable on quoted equity shares are brought into account on the ex-dividend date. Dividends receivable on unquoted equity shares are brought into account when the Company’s right to receive payment is established and there is no reasonable doubt that payment will be received.

Interest income on loan stock is accrued on a daily basis. Provision is made against this income where recovery is doubtful or where it will not be received in the foreseeable future. Where the loan stocks only require interest or a redemption premium to be paid on redemption, the interest and redemption premium is recognised as income or capital as appropriate once redemption is reasonably certain. When a redemption premium is designed to protect the value of the instrument holder’s investment rather than reflect a commercial rate of revenue return the redemption premium is recognised as capital. The treatment of redemption premiums is analysed to consider if they are revenue or capital in nature on a company by company basis. Accordingly, the redemption premium recognised in the period-ended 30 September 2024 has been classified as capital and has been included within realised gains on investments.

	Period ended 30 September 2024 £	Year ended 31 December 2023 £
Income from bank deposits	50,089	42,594
Income from investments		
– from equities	20,439	91,406
– from OEIC funds	1,053,227	1,983,432
– from loan stock	467,129	537,586
	1,540,795	2,612,424
Total income	**1,590,884**	**2,655,018**

Total loan stock interest due but not recognised in the period was £184,564 (Year ended 31 December 2023: £483,863). The decrease is due to three companies resuming interest payments again, partially offset by the roll up of the interest within the valuation of two investee companies.

4 Investment adviser’s fees and other expenses

25% of the Investment Adviser’s fee is charged to the revenue column of the Income Statement, while 75% is charged against the capital column of the Income Statement. This is in line with the Board’s expected long-term split of returns from the investment portfolio of the Company.

100% of any performance incentive fee payable for the period/year is charged against the capital column of the Income Statement, as it is based upon the achievement of capital growth.

a) Investment adviser’s fees

	Revenue Period ended 30 September 2024 £	Capital Period ended 30 September 2024 £	Total Period ended 30 September 2024 £	Revenue Year ended 31 December 2023 £	Capital Year ended 31 December 2023 £	Total Year ended 31 December 2023 £
Gresham House Asset Management Limited						
Investment Adviser’s fees	431,061	1,293,182	1,724,243	547,279	1,641,827	2,189,106

Under the terms of a revised Investment Management Agreement dated 18 June 2024 (effective from the date of the acquisition of Mobeus Income & Growth 2 VCT plc (the “Merger”) on 26 July 2024), Gresham House Asset Management Limited (Gresham House) provides investment advisory, administrative and company secretarial services to the Company, for a fee of 2% per annum of closing net assets, paid in advance, calculated on a quarterly basis by reference to the net assets at the end of the preceding quarter, plus a fixed fee of £185,818 per annum (prior to 26 July 2024: £134,168 per annum) and subject to annual increases in RPI (RPI increases are currently being waived until otherwise agreed by the Board), the latter inclusive of VAT.

The Investment Adviser’s fee includes provision for a cap on expenses excluding exceptional items, performance incentive fees and trail commission set at 3.0% of closing net assets at the period-end. In accordance with the Investment Management Agreement, any excess expenses are borne by the Investment Adviser. The excess expenses during the period amounted to £nil (Year ended 31 December 2023: £nil).

In line with common practice, Gresham House retains the right to charge arrangement and syndication fees and directors’ or monitoring fees to companies in which the Company invests. The Investment Adviser received fees totalling £409,725 during the period-ended 30 September 2024 (2023: £415,975), being £125,722 (2023: £128,836) for advisory and arrangement fees and £284,004 (2023: £287,139) for acting as Non-Executive Directors on a number of investee company boards. These fees attributable to the Company are proportionate to the investment allocation applicable to the Company which applied at the time of each investment. These figures are not part of these financial statements.

Incentive agreement

Under a Performance Inventive Agreement dated 18 June 2024, a performance incentive fee will be payable by the Company to Gresham House in respect of each Financial Period commencing on or after 1 October 2024 where the Company has achieved an average annual NAV total return per Share over a five year period (Average Total Return) in excess of an average annual hurdle over that five year period (Average Annual Hurdle). If the Average Annual Hurdle is met in respect of a Financial Year, Gresham House would be entitled to an amount equal to 15% of the amount by which the Average Total Return exceeds the Average Annual Hurdle on a Per Share Basis, but subject to the Annual PIF Cap.

For these purposes:

‘Financial Period’ means each financial period of the Company (save that, for the purposes of the Company, a financial period prior to the Financial Period commencing on 1 October 2024 will be assumed to be a 12 month period-ended on 30 September in each year reflecting the change to its accounting reference date).

‘Average Total Return’ means the movement in NAV per Share over a period covering the relevant Financial Period and the four preceding Financial Periods (Five Year Period), plus cumulative dividends per Share paid during that Five Year Period, divided by five.

‘Average Annual Hurdle’ means an average annual return across the Five Year Period on the NAV per Share at the beginning of the Five Year Period of the higher of (i) 6% per annum and (ii) the weighted average of the Bank of England base rate plus 2% at the end of each month during the Five Year Period.

Financial Statements

Notes to the Financial Statements for the period ended 30 September 2024

'Per Share Basis' means the average number of Ordinary Shares in issue during the Five Year Period (mean average of the Financial Year-end positions during the relevant Five Year Period), and, in respect of Financial Periods prior to the Merger having taken place, taking into account MIG 2 VCT's share capital on an equivalent basis and the number of Consideration Shares that would have been in issue based on the Merger Ratio (so as to give an average historic Enlarged VCT position).

'Annual PIF Cap' means an amount equal to a cap of 1.25% of the VCT's net assets as at the end of the relevant Financial Period. Any performance incentive fee shall be calculated and paid in cash within 30 business days following the date of publication by the Enlarged Acquirer VCT of its annual report and financial statements for the relevant Financial Period. Any amount in excess of the PIF Cap will not, for the avoidance of doubt, be carried forward to any subsequent calculation period.

The first Financial Period to which the performance incentive fee will apply will be the financial period starting on 1 October 2024. The performance would be measured from 1 October 2020 to 30 September 2025 and, if a payment is due, would be paid following the publication of the Company's annual report and financial statements for the year ending 30 September 2025.

b) Offer for subscription fees

	Period ended 30 September 2024 £m	Year ended 31 December 2023 £m
Funds raised by the Company	-	7.67
Offer costs payable to Mobeus at 3.00% of funds raised by the Company	**-**	**0.23**

c) Other expenses

Other expenses are charged wholly to revenue, with the exception of expenses incidental to the acquisition or disposal of an investment, which are written off to the capital column of the Income Statement or deducted from the disposal proceeds as appropriate.

	Period ended 30 September 2024 £	Year ended 31 December 2023 £
Directors' remuneration (including NIC of £3,830 (Year ended 31 December 2023: £4,032)) - (Note a)	96,400	117,753
IFA trail commission	39,531	128,150
Broker's fees	10,819	14,400
Auditor's fees – Audit of Company (excluding VAT)	55,650	57,750
Registrar's fees	46,722	54,332
Custody fees	6,866	12,853
Printing	49,804	57,782
Legal & professional fees	22,482	25,886
VCT monitoring fees	9,000	9,000
Directors' insurance	8,570	12,633
Listing and regulatory fees	36,977	36,867
Sundry	12,992	13,963
Other expenses	**395,813**	**541,369**

Note a): Directors' remuneration is a related party transaction, see analysis of Directors' fees payable and their interests in the shares of the company in the Directors' Remuneration Report within the Annual Report, which excludes the NIC above. The key management personnel are the four Non-Executive Directors. The Company has no employees. There were no amounts outstanding and due to the Directors at 30 September 2024 (2023: £nil).

5 Taxation on profit on ordinary activities

The tax expense for the period comprises current tax and is recognised in profit or loss. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Any tax relief obtained in respect of adviser fees allocated to capital is reflected in the realised capital reserve and a corresponding amount is charged against revenue. The tax relief is the amount by which corporation tax payable is reduced as a result of these capital expenses.

Deferred tax 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 a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the Financial Statements that arise from the inclusion of gains and losses in the tax assessments in periods different from those in which they are recognised in the Financial Statements.

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

A deferred tax asset would be recognised only to the extent that it is more likely than not that future taxable profits will be available against which the asset can be utilised.

Tax relief relating to Investment Adviser fees is allocated between revenue and capital where such relief can be utilised.

	Period ended 30 September 2024 Revenue £	Period ended 30 September 2024 Capital £	Period ended 30 September 2024 Total £	Year ended 31 December 2023 Revenue £	Year ended 31 December 2023 Capital £	Year ended 31 December 2023 Total £
a) Analysis of tax charge:						
UK Corporation tax on profits/(losses) for the period/year	185,893	(185,893)	-	350,248	(350,248)	-
Total current tax charge/(credit)	**185,893**	**(185,893)**	**-**	**350,248**	**(350,248)**	**-**
Corporation tax is based on a rate of 25.00% (2023: 23.50%)						
b) Profit/(loss) on ordinary activities before tax	632,600	(1,502,271)	(869,671)	1,566,370	4,786,224	6,352,594
Profit/(loss) on ordinary activities multiplied by main company rate of corporation tax in the UK of 25.00% (2023: 23.50%)	158,150	(375,568)	(217,418)	368,097	1,124,763	1,492,860
Effect of:						
UK dividends	(5,110)	-	(5,110)	(21,481)	-	(21,481)
Net investment portfolio losses/(gains) not taxable	-	52,272	52,272	-	(1,510,592)	(1,510,592)
Unrelieved expenditure	32,853	-	32,853	3,632	-	3,632
Losses not utilised	-	137,403	137,403	-	35,581	35,581
Actual current tax charge	**185,893**	**(185,893)**	**-**	**350,248**	**(350,248)**	**-**

Tax relief relating to Investment Adviser fees is allocated between revenue and capital where such relief can be utilised. No asset or liability has been recognised for deferred tax in relation to capital gains or losses on revaluing investments as the Company is exempt from corporation tax in relation to capital gains or losses as a result of qualifying as a Venture Capital Trust.

There is no potential liability to deferred tax (2023: £nil). Unrelieved management fees, which are available to be carried forward and set off against future taxable income, amounted to £3,465,000 (2023: £2,915,000). The deferred tax asset, calculated at a rate of 25%, of £866,164 (2023: £728,762) is not recognised because the Company may not generate sufficient taxable income in the foreseeable future to utilise these expenses.

As part of the tax changes from April 2023, the corporation tax rate increased by a third from 19% to 25% for the largest businesses from 1 April and full expensing is available for three years. The effective rate of corporation tax was therefore 25% in the period (year ended 31 December 2023: 23.5%).

Financial Statements

Notes to the Financial Statements for the period ended 30 September 2024

6 Dividends paid and payable

Dividends payable are recognised as distributions in the Financial Statements when the Company's liability to pay them has been established. This liability is established for interim dividends when they are paid, and for final dividends when they are approved by the shareholders, usually at the Company's Annual General Meeting.

A key judgement in applying the above accounting policy is in determining the amount of minimum dividend to be paid in respect of a year. The Company's status as a VCT means it has to comply with Section 259 of the ITA, which requires that no more than 15% of the income from shares and securities in a year can be retained from the revenue available for distribution for the year.

Amounts recognised as distributions to equity Shareholders in the period:

Dividend	Type	For period-ended 30 September / year ended 31 December	Pence per share	Date Paid	Period ended 30 September 2024 £	Year ended 31 December 2023 £
Interim	Income	2023	0.50p	23 May 2023	-	1,254,805
Interim	Capital	2023	4.50p	23 May 2023	-	7,110,559
Interim	Capital	2023	4.50p	08 November 2023	-	7,455,343
Interim	Income	2024	0.50p	31 May 2024	814,337	-
Interim	Capital	2024	3.50p*	31 May 2024	5,700,365	-
Dividends refunded in the year*					-	(24,698)
					6,514,702	**15,796,009**

* These dividends were paid out of or refunded to the Company's special distributable reserve.

Set out below are the total income dividends payable in respect of the financial period/year, which is the basis on which the requirements of Section 259 of the ITA concerning the Company not retaining more than 15% of its income from shares and securities, is considered.

Recognised income distributions in the financial statements for the period/year

Dividend	Type	For period-ended 30 September / year ended 31 December	Pence per share	Date paid/payable	Period ended 30 September 2024 £	Year ended 31 December 2023 £
Revenue available for distribution by way of dividends for the period/year					**446,707**	**1,216,122**
Interim	Income	2023	0.50p	23 May 2023	-	1,254,805
Interim	Income	2024	0.50p	31 May 2024	814,337	-
Total income dividends for the period/year					**814,337**	**1,254,805**

7 Basic and diluted earnings per share

	Period ended 30 September 2024 £	Year ended 31 December 2023 £
Total (loss)/earnings after taxation:	(869,671)	6,352,594
Basic and diluted earnings per share (Note a)	**(0.46)p**	**3.84p**
Revenue earnings from ordinary activities after taxation	446,707	1,216,122
Basic and diluted revenue earnings per share (Note b)	**0.24p**	**0.73p**
Net investment portfolio (losses)/gains	(209,089)	6,428,051
Capital Investment Adviser fees less taxation	(1,107,289)	(1,291,579)
Total capital (loss)/earnings	(1,316,378)	5,136,472
Basic and diluted capital earnings per share (Note c)	**(0.71)p**	**3.11p**
Weighted average number of shares in issue in the period	188,223,916	165,507,623

Notes

a) Basic earnings per share is total earnings after taxation divided by the weighted average number of shares in issue.

b) Basic revenue earnings per share is the revenue return after taxation divided by the weighted average number of shares in issue.

c) Basic capital earnings per share is the total capital return after taxation divided by the weighted average number of shares in issue.

d) There are no instruments that will increase the number of shares in issue in future. Accordingly, the above figures currently represent both basic and diluted earnings per share.

Financial Statements

Notes to the Financial Statements for the period ended 30 September 2024

8 Investments at fair value

The most critical estimates, assumptions and judgements relate to the determination of the carrying value of investments at "fair value through profit and loss" ("FVTPL"). All investments held by the Company are classified as FVTPL and measured in accordance with the International Private Equity and Venture Capital Valuation ("IPEV") guidelines, as updated in December 2022. This classification is followed as the Company's business is to invest in financial assets with a view to profiting from their total return in the form of capital growth and income.

Purchases and sales of unlisted investments are recognised when the contract for acquisition or sale becomes unconditional. For investments actively traded on organised financial markets, fair value is generally determined by reference to Stock Exchange market quoted bid prices at the close of business on the balance sheet date. Purchases and sales of quoted investments are recognised on the trade date where a contract of sale exists whose terms require delivery within a time frame determined by the relevant market. Where the terms of a disposal state that consideration may be received at some future date and, subject to the conditionality and materiality of the amount of deferred consideration, an estimate of the fair value discounted for the time value of money may be recognised through the Income Statement. In other cases, the proceeds will only be recognised once the right to receive payment is established and there is no reasonable doubt that payment will be received.

Unquoted investments are stated at fair value by the Directors at each measurement date in accordance with appropriate valuation techniques, which are consistent with the IPEV guidelines:

(i) Each investment is considered as a whole on a 'unit of account' basis, i.e. that the value of each portfolio company is considered as a whole, alongside consideration of:-

The price of new or follow-on investments made, if deemed to be made as part of an orderly transaction, are considered to be at fair value at the date of the transaction. The inputs that derived the investment price are calibrated within individual valuation models and at subsequent measurement dates, are reconsidered for any changes in light of more recent events or changes in light of more recent events or changes in the market performance of the investee company. The valuation bases used are the following:

– a multiple basis. The enterprise value of the investment may be determined by applying a suitable price-earnings ratio, revenue or gross profit multiple to that company's historic, current or forecasted earnings before interest, tax, depreciation and amortisation, or revenue, or gross profit (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified by the Investment Adviser compared to the sector including, inter alia, scale and liquidity); or:

– where a company's underperformance against plan indicates a diminution in the value of the investment, provision against cost is made, as appropriate.

(ii) Premiums, to the extent that they are considered capital in nature, and that they will be received upon repayment of loan stock investments are accrued at fair value when the Company receives the right to the premium and when considered recoverable.

(iii) Where a multiple or the price of recent investment less impairment basis is not appropriate and overriding factors apply, a discounted cash flow, net asset valuation, realisation proceeds or a weighted average of these bases may be applied.

The methodology applied takes account of the nature, facts and circumstances of the individual investment and uses reasonable data, market input, assumptions and estimates in order to ascertain fair value. Methodologies are applied consistently each year except where a change results in a better estimate of fair value.

Capital gains and losses on investments, whether realised or unrealised, are dealt with in the profit and loss and revaluation reserves and movements in the period are shown in the Income Statement.

All investments are initially recognised and subsequently measured at fair value. Changes in fair value are recognised in the Income Statement.

The key judgements for the Directors are in relation to identifying the most appropriate valuation methodologies for estimating the fair value of unquoted investments. The most relevant methodologies applied are explained above. A further key judgement made related to investments that are permanently impaired. Where the value of an investment has fallen permanently below the price of recent investment, the loss is treated as a permanent impairment and a realised loss, even though the investment is still held. The key estimates involved in determining the fair value of a company can include:

– identifying a relevant basket of market comparables;
– deducing the discount to apply to those market comparables;
– determining maintainable earnings or revenues; or
– identifying surplus cash.

The methods of fair value measurement are classified into hierarchy based on the reliability of the information used to determine the valuation.

– Level 1 – Fair value is measured based on quoted prices in an active market.
– Level 2 – Fair value is measured based on directly observable current market prices or indirectly being derived from market prices.
– Level 3 – Fair value is measured using valuation techniques using inputs that are not based on observable market data.

Movements in investments during the period are summarised as follows:

	Traded on AIM £ Level 1	Unquoted ordinary shares £ Level 3	Unquoted preference shares £ Level 3	Unquoted loan stock £ Level 3	Total £
Cost at 31 December 2023	58,008	33,636,983	2,518,854	9,591,715	45,805,560
Net unrealised gains/(losses) at 31 December 2023	2,163,547	22,490,798	520,009	(1,813,083)	23,361,271
Permanent impairment in cost of investments as at 31 December 2023 (Note c)	-	(4,054,034)	(1,779)	(967,323)	(5,023,136)
Valuation at 31 December 2023	**2,221,555**	**52,073,747**	**3,037,084**	**6,811,309**	**64,143,695**
Purchases at cost	-	3,110,186	-	2,021,799	5,131,985
Investments acquired as part of acquisition of assets and liabilities of Mobeus Income & Growth 2 VCT plc at fair value (see Note)	1,323,565	37,804,094	2,592,887	5,986,331	47,706,877
Sale proceeds (Note a)	-	(3,491,195)	-	-	(3,491,195)
Reclassification at value (Note b)	-	-	150,200	(150,200)	-
Net realised losses on investments (Note a)	-	(98,369)	-	-	(98,369)
Net unrealised (losses)/gains on investments (Note c)	(64,660)	(2,279,553)	301,071	1,932,422	(110,720)
Valuation at 30 September 2024	**3,480,460**	**87,118,910**	**6,081,242**	**16,601,661**	**113,282,273**
Cost at 30 September 2024	1,381,573	71,670,423	5,261,639	17,449,645	95,763,280
Net unrealised gains at 30 September 2024	2,098,887	18,551,564	821,092	119,339	21,590,882
Permanent impairment in cost of investments as at 30 September 2024 (Note d)	-	(3,103,077)	(1,489)	(967,323)	(4,071,889)
Valuation at 30 September 2024	**3,480,460**	**87,118,910**	**6,081,242**	**16,601,661**	**113,282,273**

Note: The original cost of these assets in the books of Mobeus Income & Growth 2 VCT plc was £33,009,005 being £14,697,872 less than the transfer at fair value shown above.

Net realised losses on investments of £(98,369) together with net unrealised losses on investments of £(110,720) equal net investment portfolio losses of £(209,089) as shown on the Income Statement.

See notes on next page.

Notes to the Financial Statements for the period ended 30 September 2024

Note a) Disposals of investment portfolio companies during the period were:

Company	Type	Investment cost £	Disposal proceeds £	Valuation at 31 December 2023 £	Realised loss in year £
Master Removers Group 2019 Limited (trading as Anthony Ward Thomas, Bishopsgate and Aussie Man & Van)	Partial disposal	373,360	3,490,592	3,490,592	-
Bleach London Holdings Limited	Full disposal	1,244,336	603	40,193	(39,590)
Muller EV Limited (trading as Andersen EV)	Liquidation	809,397	-	-	-
Jablite Holdings Limited (in members' voluntary liquidation)	Liquidation	454,049	-	-	-
Northern Bloc Ice Cream Limited	Permanent impairment	-	-	-	(58,779)
		2,881,142	**3,491,195**	**3,530,785**	**(98,369)**

Note b) The amount of £150,200 transferred to unquoted preference shares represents the conversion of an unquoted company's loan stock.

Note c) Within the net unrealised losses of £(110,720) for the period, the significant increases in value compared to last year were as follows: £1,168,887 in Veritek Global Holdings Limited, £841,639 in Data Discovery Solutions Limited (trading as Active Navigation), £727,139 in MPB Group Limited, £592,619 in Caledonian Leisure Limited, and £562,039 in Connect Childcare Limited. These gains were more than offset by unrealised losses in valuation compared to last year, including £(2,647,619) in My Tutorweb Limited (trading as MyTutor), £(1,020,195) in Bella & Duke Limited, and £(579,056) in IPV Limited.

Note d) During the period, permanent impairments of the cost of investments have decreased from £5,023,136 to £4,071,889. The net decrease of £951,247 is due to the removal of £1,245,142 as a result of the liquidation of two companies during the period partially offset by the impairment of one company during the period totalling £293,895.

9 Significant interests

At 30 September 2024 the Company held significant investments, amounting to 3% or more of the equity capital of an undertaking, in the following companies:

	Equity investment (Ordinary Shares) £	Investment in loan stock and preference shares £	Total investment (at cost) £	Percentage of investee company's total equity	% of equity held by all funds managed and advised by Gresham House[1]
Preservica Limited	11,103,255	4,323,124	15,426,379	26.7%	57.8%
MPB Group Limited	7,223,982	-	7,223,982	6.4%	13.7%
Data Discovery Solutions Limited (trading as Active Navigation)	5,080,299	2,134,119	7,214,418	20.7%	44.0%
Bella & Duke Limited	5,472,994	-	5,472,994	10.2%	21.2%
My Tutorweb Limited (trading as MyTutor)	5,033,158	-	5,033,158	10.8%	24.1%
VivaCity Labs Limited	4,062,726	-	4,062,726	15.7%	32.5%
Arkk Consulting Limited (trading as Arkk Solutions)	1,634,474	2,136,865	3,771,339	14.2%	30.1%
End Ordinary Group Limited (trading as Buster & Punch)	3,388,079	-	3,388,079	16.2%	34.6%
Manufacturing Services Investment Limited (trading as Wetsuit Outlet)	1,372,362	1,851,058	3,223,420	12.3%	27.5%
RotaGeek Limited	2,125,958	833,055	2,959,013	8.8%	18.9%
Legatics Holdings Limited	2,270,842	-	2,270,842	13.6%	28.5%
CGI Creative Graphics International Limited	594,236	1,668,751	2,262,987	12.2%	26.9%
Connect Childcare Limited	888,712	998,413	1,887,125	5.3%	10.6%
Caledonian Leisure Limited	1,334,102	489,862	1,823,964	14.4%	30.0%
Orri Limited	525,700	1,201,470	1,727,170	9.8%	38.3%
Veritek Global Holdings Limited	54,950	1,554,820	1,609,770	21.8%	50.0%
OnSecurity Technology Limited	776,175	780,125	1,556,300	4.8%	20.0%
Spanish Restaurant Group Limited (trading as Tapas Revolution)(in administration)	484,229	968,800	1,453,029	13.3%	29.0%
Rapunzel Newco Limited (trading as Virgin Wines plc)	1,381,573	-	1,381,573	16.0%	41.6%
IPV Limited	1,291,976	-	1,291,976	12.6%	26.5%
Proximity Insight Holdings Limited	1,284,500	-	1,284,500	5.3%	20.4%
SciLeads Limited	1,209,357	-	1,209,357	4.1%	16.5%
Pet's Kitchen Limited (trading as Vets' Klinic)	586,091	567,720	1,153,811	9.5%	20.0%
CitySwift Limited (trading as Huddl Mobility Limited)	1,131,316	-	1,131,316	4.2%	17.4%
Cognassist UK Limited	2,960	1,071,918	1,074,878	5.7%	22.2%
Branchspace Limited	914,456	-	914,456	6.3%	25.5%
Dayrize B.V.	694,600	164,675	859,275	8.3%	31.3%
Parsley Box Limited	821,665	-	821,665	3.8%	8.1%
Mable Therapy Limited	811,894	-	811,894	9.1%	34.3%
Azarc.io	695,923	-	695,923	5.5%	23.1%
BookingTek Limited	688,236	-	688,236	6.8%	14.9%
Northern Bloc Ice Cream Limited	587,790	-	587,790	7.7%	12.9%
Connect Earth Limited	460,046	-	460,046	3.8%	14.6%
Kudos Innovations Limited	420,600	-	420,600	5.1%	10.9%
Master Removers Group 2019 Limited (trading as Anthony Ward Thomas, Bishopsgate and Aussie Man & Van)	299,091	-	299,091	13.4%	29.7%
SEC Group Holdings Ltd (formerly RDL Corporation Limited)	272,601	-	272,601	11.5%	22.5%

[1] The percentage of equity held for these companies is the fully diluted figure, in the event that, for example, management of the investee company exercises share options, where available.

It is considered that, under FRS102 s9.9, "Consolidated and Separate Financial Statements", the above investments are held as part of an investment portfolio and that accordingly, their value to the Company lies in their marketable value as part of that portfolio and as such are not required to be consolidated. Also, the above investments are considered to be held as part of an investment portfolio and are accounted for in accordance with FRS102 14.4B.

Notes to the Financial Statements for the period ended 30 September 2024

10 Debtors

	Period ended 30 September 2024 £	Year ended 31 December 2023 £
Amounts due within one year:		
Accrued income	227,115	150,522
Prepayments	30,970	21,943
	258,085	**172,465**

11 Current asset investments and Cash at bank

Cash equivalents, for the purposes of the Statement of Cash Flows, comprise bank deposits repayable on up to three months' notice and funds held in OEIC money-market funds. Current asset investments are the same but also include bank deposits that mature after three months. The OEIC money-market funds are measured at amortised costs. Please see the Credit risk section of Note 15 on page 72 for a breakdown of Cash and Cash equivalents, along with the credit ratings of the liquidity investments. Current asset investments are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at their carrying values at immediate or up to one year's notice. Cash, for the purposes of the Statement of Cash Flows is cash held with banks in accounts subject to immediate access. Cash at bank in the Balance Sheet is the same.

	Period ended 30 September 2024 £	Year ended 31 December 2023 £
OEIC Money-market funds	29,838,889	30,133,612
Cash equivalents per Statement of Cash Flows	29,838,889	30,133,612
Bank deposits that mature after three months but are not immediately repayable	1,008,011	1,008,327
Current asset investments	**30,846,900**	**31,141,939**
Cash at bank	**410,392**	**847,342**

12 Creditors: amounts falling due within one year

	Period ended 30 September 2024 £	Year ended 31 December 2023 £
Trade creditors	27,557	406
Accruals	451,807	311,224
	480,498	**311,630**

13 Called up Share capital

	Period ended 30 September 2024 £	Year ended 31 December 2023 £
Allotted, called-up and fully paid:		
Ordinary Shares of 1p each: 263,853,060 (2023: 164,285,230)	**2,638,531**	**1,642,852**

Note: The Company issued 102,889,464 Ordinary shares to former shareholders in Mobeus Income & Growth 2 VCT plc, as more fully explained in Note 17.

During the period the Company purchased 3,321,634 (2023: 4,413,159) of its own shares for cash (representing 2.0% (2023: 2.8%) of the shares in issue at the start of the year) at the prevailing market price for a total cost of £1,803,116 (2023: £2,547,257). These shares were subsequently cancelled by the Company.

14 Basic and diluted net asset value per share

Net asset value per ordinary share is based on net assets at the end of the period/year and on 263,853,060 (2023: 164,285,230) ordinary shares, being the number of ordinary shares in issue on that date.

There are no instruments that will increase the number of shares in issue in future. Accordingly, the figures currently represent both basic and diluted net asset value per share.

15 Financial Instruments

The Company's financial instruments predominantly comprise investments held at fair value through profit and loss, namely equity and preference shares and fixed and floating rate interest securities that are held in accordance with the Company's investment objective.

Other financial instruments are held at amortised cost comprising loans and receivables being Cash at bank, Current asset investments and short-term debtors and financial liabilities being creditors, all arising directly from the Company's operations.

The principal purpose of these financial instruments is to generate revenue and capital appreciation for the Company's operations, although cash and current asset investments are not held with a view to capital appreciation. The Company has no gearing or other financial liabilities apart from short-term creditors. It is, and has been throughout the period under review, the Company's policy that no trading in derivative financial instruments shall be undertaken.

The accounting policy for determining the fair value of investments is set out in Note 8 to the Financial Statements. The composition of investments held is shown below and in Note 8.

Loans and receivables and other financial liabilities are stated at amortised cost which the Directors consider is equivalent to fair value.

Classification of financial instruments

	Period ended 30 September 2024 (Fair value) £	Year ended 31 December 2023 (Fair value) £
Financial assets		
Assets at fair value through profit and loss:		
Investment portfolio	113,282,273	64,143,695
Loans and receivables		
Accrued income	227,115	150,522
Current asset investments	30,846,900	31,141,939
Cash at bank	410,392	847,342
Financial liabilities		
Liabilities at amortised cost or equivalent		
Other creditors	(480,498)	(311,630)
Total for financial instruments	144,286,182	95,971,868
Non financial instruments	30,970	21,943
Net assets	**144,317,152**	**95,993,811**

There are no differences between book value and fair value as disclosed above.

The investment portfolio consists primarily of unquoted investments 96.9% (2023: 96.5%) and AIM quoted stocks 3.1% (2023: 3.5%). The investment portfolio has a 100% (2023: 100%) concentration of risk towards small UK based, £ denominated companies and represents 78.5% (2023: 66.8%) of net assets at the period-end.

Current asset investments are money market funds and bank deposits which, along with Cash at bank, are discussed under credit risk below and represent 21.7% (2023: 33.3%) of net assets at the period-end.

The main risks arising from the Company's financial instruments are the investment risk and the liquidity risk of the unquoted portfolio. Other important risks are credit risk, fluctuations in market prices (market price risk), and cash flow interest rate risk, although currency risk is also discussed overleaf. The Board regularly reviews and agrees policies for managing each of these risks and they are summarised on the following pages. These have been in place throughout the current and preceding years.

Notes to the Financial Statements for the period ended 30 September 2024

Investment risk

The Company's investment portfolio is made up of predominantly UK companies which are not quoted on any recognised stock exchange, although 3.1% of the portfolio value at the period-end is held in AIM quoted assets. The companies held in the portfolio are usually smaller than those which are quoted on a stock exchange. They are therefore usually regarded as carrying more risk compared to larger companies, as they are more sensitive to changes in key financial indicators, such as a reduction in turnover or an increase in costs. The Board is of the view that the Investment Adviser mitigates this risk as the investment in an investee company is held as part of a portfolio of such companies so that the performance of one company does not significantly affect the value of the portfolio as a whole. The Investment Adviser also usually only recommends companies for investment that have a proven business model, a sound financial record and a strong management team. The Investment Adviser also usually takes a seat on the Board of each investee company such that it is able to monitor its progress on a regular basis and contribute to the strategic direction of the company.

There is a degree of concentration within the portfolio of assets such that over 50% of the portfolio value is represented by five assets. The Investment Adviser continually monitors these investments which are under the responsibility of Gresham House's most experienced portfolio directors. Also, the valuation of these assets have been periodically validated by external valuation firms which have provided the Board comfort that its valuation methodology is appropriate.

Liquidity risk

The investments in equity and fixed interest stocks of unquoted companies that the Company holds are not traded and therefore they are not readily realisable. The ability of the Company to realise the investments at their carrying value may at times not be possible if there are no willing purchasers and, as the Company owns minority stakes, could require a number of months and the co-operation of other shareholders to achieve at a reasonable valuation. The Company's ability to sell investments may also be constrained by the requirements set down for VCTs. The maturity profile of the Company's loan stock investments disclosed within the consideration of credit risk below indicates that these assets are also not readily realisable until dates up to five years from the period/year-end.

To counter these risks to the Company's liquidity, the Investment Adviser maintains sufficient cash and money market funds to meet running costs and other commitments. The Company invests its surplus funds in high quality money market funds and bank deposits, together totalling £31,257,292 (2023: £31,989,281) which are all accessible at varying points over the next 3 months. The Board also receives regular cash flow projections in order to manage this liquidity risk.

The table below shows a maturity analysis of financial liabilities:

Financial liabilities	<3 months £	3-6 months £	6-12 months £	Period ended 30 September 2024 over 12 months £	Total £
Other creditors	435,043	45,455	-	-	480,498

Financial liabilities	<3 months £	3-6 months £	6-12 months £	Year ended 31 December 2023 over 12 months £	Total £
Other creditors	183,480	128,150	-	-	311,630

The Company does not have any derivative financial liabilities.

Credit risk

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

The Company's maximum exposure to credit risk is:

	Period ended 30 September 2024 £	Year ended 31 December 2023 £
Current asset investments	30,846,900	31,141,939
Loan stock investments	16,601,661	6,811,309
Cash at bank	410,392	847,342
Accrued income	227,115	150,522
	48,086,068	**38,951,112**

The Company has an exposure to credit risk in respect of the loan stock investments it has made into investee companies, most of which have no security attached to them, and in a minority of cases, such security ranks beneath any bank debt that an investee company may owe. The loan stock is typically held in companies with turnover under £50 million, which may be considered less stable than larger, longer established businesses. The Investment Adviser undertakes extensive financial and commercial due diligence before recommending an investment to the Board. The Investment Adviser usually takes a seat on the Board of each investee company and the Board of the VCT receives regular updates on each company at each quarter end.

Accrued income shown on the previous page of £227,115 was all due within six months of the period-end.

The following table shows the maturity of the loan stock investments referred to above. In some cases, the loan maturities are not the contractual ones, but are the best estimates using management's expectations of when it is likely that such loans may be repaid.

Repayable within	Period ended 30 September 2024 £	Year ended 31 December 2023 £
0 to 1 year	4,494,787	751,424
1 to 2 years	2,578,980	2,243,390
2 to 3 years	3,039,621	785,495
3 to 4 years	1,204,438	1,839,220
4 to 5 years	5,283,835	1,191,780
Total	**16,601,661**	**6,811,309**

Included within loan stock investments above are loans to three investee companies at a carrying value of £6,614,762 which are past their repayment date but have been renegotiated. Loans to one other company with a value of £1,121,943 are now past their repayment date but have not yet been renegotiated. The loan stock investments are made as part of the qualifying investments within the investment portfolio, and the risk management processes applied to the loan stock investments are set out under market price risk below.

An aged analysis of the value of loan stock investments included above, which are past due but not individually impaired, is set out below. The loans set out below are not individually impaired at the year end, as it is reasonable to assume that the company will recover their value in full, given that the loans are high in the distribution ranking in the event of a sale or liquidation. For this purpose, these loans are considered to be past due when any payment due under the loan's contractual terms (such as payment of interest or redemption date) is received late or missed. We are required to report in this format and include the full value of the loan even though, in some cases, it is only in respect of interest that they are in default.

Past due loan stock assets:

	0-6 months £	6-12 months £	over 12 months £	Period ended 30 September 2024 Total £
Loans to investee companies past due	-	-	2,326,381	2,326,381

	0-6 months £	6-12 months £	over 12 months £	Year ended 31 December 2023 Total £
Loans to investee companies past due	-	-	1,575,167	1,575,167

Credit risk also arises from cash and cash equivalents, deposits with banks and amounts held in liquidity funds. There is a risk of liquidity fund defaults such that there could be defaults within their underlying portfolios that could affect the values at which the Company could sell its holdings. However, as the six OEIC money market funds holding £29,838,894 are all AAA rated funds and the bank deposits of £1,418,398 are at a financial institution with a credit rating of A1, A2 or A3, credit risk is considered to be relatively low in current circumstances. The Board manages credit risk in respect of these money market funds and cash by ensuring a spread of such investments such that none should exceed 15% of the Company's total investment assets. The Company's current account totalling £410,391 is held with NatWest Bank plc (credit rating A1), so the risk of default is considered to be low.

There could also be a failure by counter-parties to deliver securities which the Company has paid for, or pay for securities which the Company has delivered. This risk is considered to be small as most of the Company's investment transactions are in unquoted investments, where investments are conducted through solicitors, to ensure that payment matches delivery. In respect of any quoted investment transactions that are undertaken, the Company uses brokers with a high credit quality and these trades usually have a short settlement period. Accordingly, counterparty risk is considered to be relatively low.

Notes to the Financial Statements for the period ended 30 September 2024

Market price risk

Market price risk arises from uncertainty about the future valuations of the unquoted portfolio held in accordance with the Company's investment objectives. These future valuations are determined by many factors but include the operational and financial performance of the underlying investee companies (investment risk), as well as market perceptions of the future performance of the UK economy and its impact upon the economic environment in which these companies operate. This risk represents the potential loss that the Company might suffer through holding its investment portfolio in the face of market movements, which was a maximum of £113,282,273, the fair value of the investment portfolio.

The investments in equity and fixed interest stocks of unquoted companies that the Company holds are not traded and as such the prices are more uncertain than those of more widely traded securities. As, in a number of cases, the unquoted investments are valued by reference to multiples, such as price earnings ratios or revenue multiples, prevailing in quoted comparable sectors (discounted for points of difference from quoted comparators), their valuations are exposed to changes in the multiples that exist in the quoted markets.

The Board's strategy in managing the market price risk inherent in the Company's portfolio of equities and loan stock investments is determined by the requirement to meet the Company's objective, as set out in the Strategic Report. As part of the investment management process, the Board seeks to maintain an appropriate spread of market risk and also has full and timely access to relevant information from the Investment Adviser. No single investment is permitted to exceed 15% of total investment assets at the point of investment. The Board meets regularly and reviews the investment performance, financial results and prevailing market conditions as well as compliance with the Company's objectives. The Company does not use derivative instruments to hedge against market risk.

Market price risk sensitivity

The Board believes that the Company's assets are mainly exposed to market price risk, as the Company is required to hold most of its assets in the form of sterling denominated investments in small companies.

Although some assets are quoted on AIM, most portfolio assets are unquoted. All of the investments made by the Investment Adviser in unquoted companies, irrespective of the instruments the Company actually holds, (whether shares, preference shares or loan stock) carry a full market risk, even though some of the loan stocks may be secured on assets, but behind any prior ranking bank debt in the investee company.

The Board considers that the value of investments in equity and loan stock instruments are ultimately sensitive to changes in their trading performance (discussed under investment risk above) and to changes in quoted share prices, insofar as such changes eventually affect the enterprise value of unquoted companies. The table below shows the impact on profit and net assets if there were to be a 20% (2023: 20%) movement in overall share prices, and has used a 20% change in the bid price or quoted market comparator multiple as a proxy for this.

The sensitivity analysis below assumes the actual portfolio of investments held by the Company is perfectly correlated to this overall movement in share prices. However, Shareholders should note that this level of correlation is unlikely to be the case in reality, particularly in the case of small, unquoted companies which may have other factors which may influence the extent of the valuation change, e.g. a strong niche brand may limit the valuation fall compared to comparators, or may be more affected by external market factors than larger companies. The exit environment for portfolio companies is, in the Board's view likely to be subdued in future, however the Board and Investment Adviser remain open to any potential offers for portfolio companies should the circumstances be beneficial for shareholders.

For each of the companies in the investment portfolio that are valued on a multiple basis, the calculation below has applied plus and minus 20% to the multiple (such as earnings or revenue) derived from quoted market comparators that are used to value the companies. The companies valued on a bid price or multiple basis represent £107.36 million (2023: £56.12 million) of the total investment portfolio of £113.28 million (2023: £64.14 million). The remainder of the portfolio is valued at either price of recent investment, net asset value, or cost less impairment, as shown below.

The impact of a change of 20% (2023: 20%) has been selected as this is considered reasonable given the level of volatility observed both on a historical basis and market expectations for future movement.

Valuation Technique	Base Case*	Change in input	Change in fair value of investments (£'000)	Change in NAV (pence per share)
Revenue Multiple	3.11	+20% -20%	13,155 (14,064)	4.99p (5.33p)
EBITDA Multiple	5.62	+20% -20%	1,235 (1,235)	0.47p (0.47p)
Bid price		+20% -20%	696 (696)	0.26p (0.26p)
Recent Investment Price			-	-

* As detailed in the accounting policies, the base case is based on market comparables, discounted where appropriate for marketability, in accordance with the IPEV guidelines.

Cash flow interest rate risk

The Company's fixed and floating rate interest securities, its equity and preference equity investments and net revenue may be affected by interest rate movements. Investments are often in relatively small businesses, which are relatively high risk investments sensitive to interest rate fluctuations.

Due to the short time to maturity of some of the Company's floating rate investments, it may not be possible to re-invest in assets which provide the same rates as those currently held. The Company's assets include fixed and floating rate interest instruments, as shown below. The rate of interest earned is regularly reviewed by the Board, as part of the risk management processes applied to these instruments, already disclosed under market price risk above.

The interest rate profile of the Company's financial net assets at 30 September 2024 was:

	Financial net assets on which no interest paid £	Fixed rate financial assets £	Variable rate financial assets £	Total £	Weighted average interest rate (see Note) %	Average period to maturity (years)
Equity shares	90,599,370	-	-	90,599,370		
Preference shares	-	6,081,242	-	6,081,242	6.7	2.0
Loan stocks	-	13,091,468	3,510,193	16,601,661	7.3	2.2
Current asset investments	-	-	30,846,900	30,846,900	4.7	
Cash	-	-	410,392	410,392	2.1	
Debtors	227,115	-	-	227,115		
Creditors	(480,498)	-	-	(480,498)		
Total for financial instruments	90,345,987	19,172,710	34,767,485	144,286,182		
Non-financial instruments	30,970	-	-	30,970		
Net assets	**90,376,957**	**19,172,710**	**34,767,485**	**144,317,152**		

The interest rate profile of the Company's financial net assets at 31 December 2023 was:

	Financial net assets on which no interest paid £	Fixed rate financial assets £	Variable rate financial assets £	Total £	Weighted average interest rate (see Note) %	Average period to maturity (years)
Equity shares	54,295,302	-	-	54,295,302		
Preference shares	-	3,037,084	-	3,037,084	7.8	2.4
Loan stocks	-	6,811,309	-	6,811,309	5.1	2.7
Current asset investments	-	-	31,141,939	31,141,939	5.2	
Cash	-	-	847,342	847,342	1.7	
Debtors	150,522	-	-	150,522		
Creditors	(311,630)	-	-	(311,630)		
Total for financial instruments	54,134,194	9,848,393	31,989,281	95,971,868		
Non-financial instruments	21,943	-	-	21,943		
Net assets	**54,156,137**	**9,848,393**	**31,989,281**	**95,993,811**		

Note: Weighted average interest rates above are derived by calculating the expected annual income that would be earned on each asset (but only for those sums that are currently regarded as collectible and would therefore be recognised), divided by the values for each asset class at the balance sheet date. Floating rate cash earns interest based on SONIA rates.

The Company's investments in equity shares have been excluded from the interest rate risk profile as they do not yield interest and have no maturity date and their inclusion would distort the weighted average period information above.

Cash flow interest rate sensitivity

Although the Company holds investments in loan stocks that pay interest, the Board does not consider it appropriate to assess the impact of interest rate changes in isolation upon the value of the unquoted investment portfolio, as interest rate changes are only one factor affecting the market price movements that are discussed above under market price risk. However, as the Company has a substantial proportion of its assets in money market funds, the table below shows the sensitivity of income earned to changes in interest rates:

	Period ended 30 September 2024 Profit and net assets £	Year ended 31 December 2023 Profit and net assets £
If interest rates rose / fell by 5% (2023: 5%), with all other variables held constant – increase / (decrease)	1,303,781 / (1,303,781)	1,199,598 / (1,199,598)
Increase / (decrease) in earnings, and net asset value, per Ordinary share (in pence)	0.49p / (0.49)p	0.73p / (0.73)p

Currency risk

All assets and liabilities are denominated in sterling and therefore there is no currency risk.

Fair value hierarchy

The tables below set out fair value measurements using FRS102 s11.27 fair value hierarchy.

Financial assets at fair value through profit and loss At 30 September 2024	Level 1 £	Level 2 £	Level 3 £	Total £
Equity investments	3,480,460	-	87,118,910	90,599,370
Preference shares	-	-	6,081,242	6,081,242
Loan stock	-	-	16,601,661	16,601,661
Total	**3,480,460**	**-**	**109,801,813**	**113,282,273**

Financial assets at fair value through profit and loss At 31 December 2023	Level 1 £	Level 2 £	Level 3 £	Total £
Equity investments	2,221,555	-	52,073,747	54,295,302
Preference shares	-	-	3,037,084	3,037,084
Loan stock	-	-	6,811,309	6,811,309
Total	**2,221,555**	**-**	**61,922,140**	**64,143,695**

There are currently no financial liabilities at fair value through profit and loss.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

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

The valuation techniques used by the Company are explained in the accounting policies in Note 8 to these Financial Statements.

A reconciliation of this and fair value measurements in Level 3 is set out below:

Level 3 valuation movements	Equity investments £	Preference shares £	Loan stock £	Total £
Opening balance at 1 January 2024	52,073,747	3,037,084	6,811,309	61,922,140
Purchases	3,110,186	-	2,021,799	5,131,985
Investments acquired as part of acquisition of assets and liabilities of MIG 2 VCT plc at fair value	37,804,094	2,592,887	5,986,331	46,383,312
Sales	(3,491,195)	-	-	(3,491,195)
Reclassification at value	150,200	-	(150,200)	-
Total (losses)/gains included in the Income Statement:				-
- on assets sold	(98,369)	-	-	(98,369)
- on assets held at the period-end	(2,279,553)	301,071	1,932,422	(46,060)
Closing balance at 30 September 2024	**87,269,110**	**5,931,042**	**16,601,661**	**109,801,813**

As detailed in the accounting policy for Note 8, where investments are valued on an earnings-multiple basis, the main inputs used for this basis of valuation are earnings and a price-earnings ratio taken from a comparable sector on the quoted market, which is then appropriately adjusted for points of difference. Thus, any change in share prices can have a significant effect on the fair value measurements of the Level 3 investments, as they may not be wholly offset by the adjustment for points of difference.

Level 3 unquoted equity and loan stock investments are valued in accordance with the IPEV guidelines as follows:

	30 September 2024 £	31 December 2023 £
Valuation methodology		
Multiple of revenues	78,273,599	35,807,032
Multiple of gross margin	15,312,532	8,766,382
Multiple of earnings	10,293,477	9,325,182
Net asset value	3,192,002	2,094,063
Cost less impairment	2,015,628	1,024,474
Estimated Realisation proceeds	676,154	-
Average share price	38,421	23,351
Recent investment price (subsequently calculated as appropriate)	-	4,881,656
	109,801,813	**61,922,140**

The unquoted equity and loan stock investments had the following movements between valuation methodologies between 31 December 2023 and 30 September 2024:

Change in valuation methodology (2023 to 2024)	Carrying value as at 30 September 2024 £	Explanatory note
Recent investment price to multiple basis	5,934,532	Sufficient time has elapsed since investment to move to a more appropriate basis for determining value.
Cost less impairment to multiple basis	2,766,913	More appropriate basis for determining fair value.
Recent investment price to cost less impairment basis	1,629,532	Cost less impairment is a more appropriate basis for determining fair value.
Multiple basis to cost less impairment basis	386,096	Cost less impairment is a more appropriate basis for determining fair value.

The valuation will be the most appropriate valuation methodology for an investment within its market, with regard to the financial health of the investment and the December 2023 IPEV guidelines. The Directors believe that, within these parameters, these are the most appropriate methods of valuation which would be reasonable as at 30 September 2024.

Notes to the Financial Statements for the period ended 30 September 2024

16 Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders. It aims to provide an adequate return to shareholders by allocating its capital to assets commensurate with the level of risk.

The Company is required to maintain 80% of its capital invested in the relatively high-risk asset class of small UK companies within three years of that capital being subscribed, as measured by VCT tax legislation. The Company accordingly has limited scope to manage its capital structure in the light of changes in economic conditions and the risk characteristics of the underlying assets. Subject to this overall constraint upon changing the capital structure, the Company may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares, or sell assets if so required to maintain a level of liquidity to remain a going concern.

Although, as the Investment Policy implies, the Board would consider levels of gearing, there are no current plans to do so. It regards the net assets of the Company as the Company's capital, as the level of liabilities are small and the management of them is not directly related to managing the return to Shareholders. There has been no change in this approach from the previous year.

17 Acquisition of assets and liabilities of Mobeus Income & Growth 2 VCT plc

On 26 July 2024, the assets and liabilities of Mobeus Income & Growth 2 VCT plc were transferred to the Company in exchange for the issue of a further 102,889,464 Ordinary Shares in the Company, at a total value of £57,709,937. Subsequently and on the same day, Mobeus Income & Growth 2 VCT plc was placed into members' voluntary liquidation pursuant to a scheme of reconstruction under section 110 of the Insolvency Act 1986.

The net asset values per share of each fund used for the purposes of conversion at the calculation date of 25 July 2024, and the resultant conversion ratios into Ordinary Shares were:

	NAV per share (pence)	Conversion ratio applied to Mobeus Income & Growth 2 VCT plc Ordinary Shares to obtain new number of Mobeus Income & Growth VCT plc Ordinary Shares
Mobeus Income & Growth VCT plc	56.08925784	
Mobeus Income & Growth 2 VCT plc	59.72771366	1.06486903

Share certificates reflecting the new shareholdings totalling 102,889,464 Ordinary Shares in Mobeus Income & Growth VCT plc were sent to shareholders on 9 August 2024.

Based upon estimated total Merger costs of £504,894 to merge the Company with Mobeus Income & Growth 2 VCT plc, the Company's share of these costs is £330,518. This includes £199,107 of stamp duty, charged to the share premium account, as shown in The Statement of Changes in Equity. £131,410 is disclosed as Merger costs in the Income Statement and a balance of £20,018 relates to Merger expenses not yet invoiced.

18 Related parties

During the period, Gresham House Asset Management Ltd received fees of £409,725 during the period-ended 30 September 2024 (2023: £415,975), being £125,722 (2023: £128,836) for advisory and arrangement fees and £284,004 (2023: £287,139) of directors' fees for services provided to companies in the investment portfolio.

19 Post balance sheet events

On 1 October 2024, the Company allotted 56,023,733 Ordinary Shares at prices of between 57.53 and 61.05 pence per share raising net funds of £31.4m under the Offer for Subscription launched on 2 September 2024.

On 02 October 2024, further proceeds of £0.68 million were received in respect of the sale of Master Removers Group 2019 Limited (trading as Anthony Ward Thomas, Bishopsgate and Aussie Man & Van) as part of the terms of the transaction in February 2024.

On 25 October 2024, a new investment of £0.42 million was made into Mobility Mojo Limited.

On 28 October 2024, the Company allotted 21,476,755 Ordinary Shares at prices of between 57.53 and 60.31 pence per share raising net funds of £12.1m under the Offer for Subscription launched on 2 September 2024.

On 14 November 2024, a new investment of £0.97 million was made into Gentianes Solutions Ltd (trading as Much Better Adventures).

On 18 November 2024, a follow-on loan investment of £0.27 million was made into Branchspace Limited.

On 18 December 2024, a follow-on loan investment of £0.46 million was made into Preservica Limited.

On 20 December 2024, a follow-on investment of £0.10 million was made into Focal Point Positioning Limited.

Shareholder Information

Communication with Shareholders

We aim to communicate regularly with our Shareholders. The annual general meetings provide a useful platform for the Board to meet Shareholders and exchange views and we are pleased to invite Shareholders to attend the Annual General Meeting of the Company on 5 March 2025 to give you the opportunity to meet the Directors and representatives of the Investment Adviser who will give a joint Investment Adviser presentation with The Income & Growth VCT plc who will hold their Annual General Meeting at 2.30 pm. A light lunch will be provided. For those Shareholders unable to attend the AGM, we will also offer a facility whereby you can view the meeting and submit questions remotely via a live stream. Details of how to join will be on the Company's website. The Company releases Interim Management Statements in respect of those quarters where it does not publish half or full year accounts via the London Stock Exchange RNS service. The Investment Adviser held its third annual virtual Shareholder event on 1 March 2024 which was very successful and plans to hold another such event in 2025. Further details will be available on the Company's website prior to the meeting: www.migvct.co.uk.

Shareholders wishing to follow the Company's progress can visit its website at: www.migvct.co.uk. The website includes up-to-date details on fund performance and dividends as well as publicly available information on the Company's portfolio of investments and copies of company reports. There is also a link to the London Stock Exchange's website at: www.londonstockexchange.com where Shareholders can obtain details of the share price and latest NAV announcements.

Financial calendar

5 March 2025	Annual General Meeting
June 2025	Announcement of Half-Year Results and circulation of Half-Year Report for the six months ended 31 March 2025 to Shareholders
September 2025	Virtual Shareholder Event
30 September 2025	Year-end
January 2026	Annual Report for the year ended 30 September 2025 to be circulated to Shareholders

The Company's next Annual General Meeting will be held on **Wednesday, 5 March 2025 at 1.00 pm** at First Floor, 8 Fenchurch Place, London, EC3M 4PB and will also be available by webcast for those Shareholders who are unable to attend in person. Details of how to join the meeting by virtual means will be shown on the Company's website. Shareholders joining virtually should note you will not be able to vote at the meeting and therefore you are encouraged to lodge your proxy form, which is included with Shareholders' copies of this Annual Report, or on-line by accessing the 'Vote Here' button on the Company's website: www.migvct.co.uk.

A copy of the notice of the meeting is included on pages 87 to 89. Shareholders may send any questions on the resolutions proposed to the following email address: AGM@greshamhouse.com. A response will be provided prior to the deadline for lodging your proxy vote. Questions for the Annual General Meeting can also be submitted using the same email address or there will be a facility to type in a question at the meeting itself if you are not attending in person.

Dividend

Shareholders who wish to have dividends paid directly into their bank account rather than sent by cheque to their registered address can complete a mandate for this purpose. Mandates can be obtained by contacting the Company's Registrars, City Partnership (UK) Ltd at the address given on page 90.

Shareholders are encouraged to ensure that the Registrar maintains up-to-date details for yourselves and to check whether you have received all dividends payable to you. This is particularly important if you have recently moved house or changed bank details. We are aware that a number of dividends remain unclaimed by Shareholders and whilst we will endeavour to contact Shareholders if this is the case, we cannot guarantee that we will be able to do so if the Registrar do not have an up-to-date postal or email address for you.

Dividend Investment Scheme

Those Shareholders who wish to participate in the DIS can do so by visiting www.migvct.co.uk and click the Dividends tab or by contacting the Registrar directly using the details on page 90. Please note that Shareholders' elections to participate or amendments to participation in the Scheme require 15 days to become effective.

Shareholder Information

Selling your shares

The Company's Shares are listed on the London Stock Exchange and as such they can be sold in the same way as any other quoted company through a stockbroker. Shareholders are also advised to discuss their individual tax position with their financial advisor before deciding to sell their shares.

The Company is unable to buy back shares direct from Shareholders, so you will need to use a stockbroker to sell your shares. If you do not have a broker already, the following links may be useful to help you identify a suitable broker: Find a Broker | London or Unbiased. You can check that they are FCA registered on the FCA website at: fca.org.uk.

If you are considering selling your shares or trading in the secondary market, please contact the Company's Corporate Broker, Panmure Liberum Limited ("Panmure"). Panmure is able to provide details of close periods (when the Company is prohibited from buying in shares) and details of the price at which the Company has bought in shares.

Panmure can be contacted as follows:

Chris Lloyd	0207 886 2716	chris.lloyd@panmureliberum.com
Paul Nolan	0207 886 2717	paul.nolan@panmureliberum.com

Further details on how to sell your shares can be found here: How to sell Baronsmead and Mobeus VCT shares - Gresham House.

Common Reporting Standard ("CRS") and Foreign Account Tax Compliance Act ("FATCA")

Tax legislation was introduced with effect from 1 January 2016 under the Organisation for Economic Co-operation and Development Common Reporting Standard for Automatic Exchange of Financial Account Information. The legislation requires investment trust companies to provide personal and financial account information to HMRC on certain investors who purchase their shares including details of their shareholding and income from the shares. As an affected entity, the Company has to provide information annually to HMRC relating to a number of non- UK based certificated Shareholders who are deemed to be resident for tax purposes in any of the 90 plus countries who have joined CRS. All new Shareholders, excluding those whose shares are held in CREST, who are entered onto the share register from 1 January 2016 will be asked to provide the relevant information. Additionally, HMRC changed its policy position on FATCA in June 2016. We understand that this means, as a result of the restricted secondary market in VCT shares, the Company's shares will not be considered to be "regularly traded". This means the Company is also an affected entity for the purposes of this legislation and as such will have to provide information annually to HMRC relating to Shareholders who are resident for tax purposes in the United States.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders: https://www.gov.uk/government/publications/exchange-of-information-account-holders.

Managing your shareholding online

The Company changed its Registrar to City Partnership (UK) Ltd on 4 December 2023. For details on your individual shareholding and to manage your account online, Shareholders may log into or register with the City Shareholder Portal at: https://gresham-house- vcts.cityhub.uk.com/login. You can use the portal to change your address details, check your holding balance and transactions, view the dividends you have received, and add and amend your bank details. Details of how to access the Hub can also be found on the Company's website: www.migvct.co.uk.

Fraud Warning

Boiler Room fraud and unsolicited communications to Shareholders.

We have been made aware of a number of Shareholders being contacted in connection with sophisticated but fraudulent financial scams which purport to come from the Company or to be authorised by it. This is often by a phone call or an email usually originating from outside of the UK, often claiming or appearing to be from a corporate finance firm and typically offering to buy their VCT shares at an inflated price.

Further information on boiler room scams and fraud advice, plus who to contact, can be found first in the answer to a question "What should I do if I receive an unsolicited offer for my shares?" within the section "A guide to VCTs" itself within the VCT Investor area of the Company's website: www.mobeusvcts.co.uk and secondly, a link to the FCA's ScamSmart site: www.fca.org. uk/scamsmart

We strongly recommend that you seek financial advice before taking any action if you remain in any doubt. You can also contact the Investment Adviser on 0207 382 0999, or email mobeusvcts@greshamhouse.com to check whether any claims are genuine.

Shareholders are also encouraged to ensure their personal data is always held securely and that data held by the Registrar of the Company is up to date, to avoid cases of identity fraud.

Shareholder enquiries

For enquiries concerning the investment portfolio or the Company in general, please contact the Investment Adviser, Gresham House Asset Management Limited. To contact the Chair or any member of the Board, please contact the Company Secretary, also through Gresham House, in the first instance.

The Registrar, City, may be contacted via their Investor portal, post or telephone for queries relating to your shareholding or dividend payments, dividend mandate forms, change of address etc.

Full contact details for each of Gresham House Asset Management and City Partnership are included under Corporate Information on page 90 of this Annual Report.

Performance Data at 30 September 2024

(unaudited)

The following table shows, for investors in the first allotment of each fundraising in Mobeus Income & Growth VCT plc, the former Matrix Income & Growth 3 VCT plc, and former Mobeus Income & Growth 2 VCT plc (including former O and C share classes), how their investment has performed since they were originally allotted shares in each fundraising.

Mobeus Income & Growth VCT plc (formerly Matrix Income & Growth VCT plc)("MIG VCT") acquired the assets and liabilities of Matrix income & Growth 3 VCT plc ("MIG 3 VCT") on 20 May 2010. MIG 3 VCT shareholders received 1.0655 shares in MIG VCT for each MIG 3 VCT ordinary share they held.

The former Mobeus Income & Growth 2 VCT plc ("MIG 2 VCT") originally comprised of O and C share classes. These share classes were merged on 10 September 2010. Shareholders in the former Ordinary Share fund received 0.827 shares in MIG 2 VCT for each former Ordinary share they held.

On 26 July 2024, MIG VCT acquired the assets and liabilities of MIG 2 VCT. Former MIG 2 VCT shareholders received 1.0649 shares in MIG VCT for every former MIG 2 VCT share they held.

Total return data, which includes cumulative dividends paid to date, is shown on both a share price and a NAV basis as at 30 September 2024. The NAV basis enables shareholders to evaluate more clearly the performance of the Investment Adviser, as it reflects the underlying value of the portfolio at the reporting date. This is the most widely used measure of performance in the VCT sector.

MIG VCT Fundraisings

Share price as at 30 September 2024 53.50p[1]

NAV per share as at 30 September 2024 54.70p

Allotment date(s)	Allotment price (p)	Net allotment price[2] (p)	Cumulative dividends paid per share[3] (p)	Total return per share to Shareholders since allotment (Share price basis) (p)	(NAV basis) (p)
Funds raised 2004/05	100.00	60.00	170.30	223.80	225.00
Funds raised 2011 (Linked offer)	98.00	68.60	149.00	202.50	203.70
Funds raised 2012 (Linked offer)	101.20	70.84	143.50	197.00	198.20
Funds raised 2013 (Linked offer)	94.60	66.22	132.25	185.75	186.95
Funds raised 2014 (Linked offer)	100.01[4]	70.01	126.25	179.75	180.95
Funds raised 2015 (Joint offer)	96.90[4]	67.83	106.00	159.50	160.70
Funds raised 2017 (Joint offer)	74.70[4]	52.29	65.50	119.00	120.20
Funds raised 2020 (Joint offer)	65.20[4]	45.64	41.50	95.00	96.20
Funds raised 2021/22 (Joint offer)	81.74[4]	57.22	21.50	75.00	76.20
Funds raised 2022/23 (Joint offer)	66.47[4]	46.53	13.50	67.00	68.20

[1] Source: Panmure Liberum Limited (mid-price basis), when the latest announced NAV was 56.09 pence.

[2] Net allotment price is the allotment price less applicable income tax relief. Income tax relief was 40% from 6 April 2004 to 5 April 2006, and 30% thereafter.

[3] For each fundraising, the allotment price, net allotment price, cumulative dividends paid, share price and NAV Total Return figures are based upon the first allotment in each fundraising.

[4] Average effective offer price. Shares were allotted pursuant to the 2014, 2015, 2017, 2020, 2021/22, and 2022/23 Offers at individual prices for each investor in accordance with the allotment formula as set out in each Offer's Securities Note.

Performance Data at 30 September 2024

(unaudited)

MIG 3 VCT Fundraising

Share price as at 30 September 2024 57.00p[1]

NAV per share as at 30 September 2024 58.28p

Shareholders in the former Matrix Income & Growth 3 VCT plc received approximately 1.0655 shares in the Company for each MIG 3 VCT share that they held on 20 May 2010, when the two VCTs merged. Both the share price and the NAV per share shown above have been adjusted using this merger ratio.

Allotment date(s)	Allotment price (p)	Net allotment price[2] (p)	Cumulative dividends paid per share[3] (p)	Total return per share to Shareholders since allotment (Share price basis) (p)	(NAV basis) (p)
Funds raised 2006					
Between 24 January 2006 and 5 April 2006	100.00	60.00	168.30	225.30	226.58

[1] Source: Panmure Liberum Limited (mid-price basis), as adjusted for the merger ratio.
[2] Net allotment price is the allotment price less applicable income tax relief. Income tax relief was 40% from 6 April 2004 to 5 April 2006, and 30% thereafter.
[3] Dividends received since the merger date on 20 May 2010 have been converted using the merger ratio.

Former Mobeus Income & Growth 2 VCT plc

Share price as at 30 September 2024 56.97p[1]

NAV per share as at 30 September 2024 58.25p

Shareholders in the former MIG 2 VCT received approximately 1.0649 shares in MIG VCT for each MIG 2 VCT share that they held on 26 July 2024, when the two VCTs merged. Both the share price and the NAV per share shown above have been adjusted by using this figure.

Allotment date(s)	Allotment price (p)	Net allotment price[2] (p)	Cumulative dividends paid per share[3] (p)	Total return per share to Shareholders since allotment (Share price basis) (p)	(NAV basis) (p)
Funds raised 2005/06	100.00	60.00	164.00	219.50	223.88
Funds raised 2008/09	92.39	64.67	160.00	215.50	219.88
Funds raised 2013/14	117.92[4]	82.54	146.00	201.50	205.88
Funds raised 2014/15	118.44[4]	82.91	127.00	182.50	186.88
Funds raised 2017/2018	104.73[4]	73.31	95.00	150.50	154.88
Funds raised 2019/20	93.03[4]	65.12	66.00	121.50	125.88
Funds raised 2021/2022	95.01[4]	66.51	30.00	85.50	89.88
Funds raised 2022/2023	82.54[4]	57.78	24.00	79.50	83.88

Former Ordinary Share Fund

Share price as at 30 September 2024 47.11p

NAV per share as at 30 September 2024 48.17p

Shareholders in the former MIG 2 Ordinary Share Fund received 0.827 shares in MIG 2 for each former Ordinary share that they held on 10 September 2010, when the two share classes merged. Subsequently, when MIG VCT merged with MIG 2 VCT, former MIG 2 VCT shareholders received 1.6049 shares for each MIG 2 VCT share they held. Both the share price and the NAV per share shown above have been adjusted using these merger ratios.

Allotment date(s)	Allotment price (p)	Net allotment price[2] (p)	Cumulative dividends paid per share[3] (p)	Total return per share to Shareholders since allotment (Share price basis) (p)	(NAV basis) (p)
Funds raised 2000/01[5]	100.00	80.00	157.49	204.60	207.01

[1] Source: Panmure Liberum Limited (mid-price basis), as adjusted for merger ratio.
[2] Net allotment price is the allotment price less applicable income tax relief. The tax relief was 20% up to 5 April 2004, 40% from 6 April 2004 to 5 April 2006, and 30% thereafter.
[3] Dividends received since the Merger date on 26 July 2024 have been converted using the merger ratio.
[4] Average effective offer price. Shares were allotted pursuant to the 2013/14, 2014/15, 2017/18, 2019/20, 2021/22, and 2022/23 Offers at individual prices for each investor in accordance with the allotment formula as set out in each Offer's Securities Note.
[5] Investors in this fundraising may also have enhanced returns if they had also deferred capital gains tax liabilities.

Information for Shareholders

Timeline of the Company

July 2004	Company launched as Matrix Income & Growth VCT plc advised by Matrix Private Equity Partners LLP
June 2005	Company completed first fundraising
September 2005	Matrix Income & Growth 3 VCT plc launched and advised by Matrix Private Equity Partners LLP
April 2006	Matrix Income & Growth 3 VCT plc completed first fundraising
May 2010	Matrix Income & Growth 3 VCT plc merged into Matrix Income & Growth VCT plc
June 2012	Matrix Private Equity Partners LLP becomes a fully independent firm owned by its partners and renames itself Mobeus Equity Partners LLP. Matrix Income & Growth VCT plc changed its name to Mobeus Income & Growth VCT plc to be consistent with the Investment Adviser's change of name
November 2013	The Company is awarded 'VCT of the Year' at the 2013 Investment Week Investment Company of the Year Awards
2010 – 2015	The Company launched and completed five successful fundraisings with the other Mobeus VCTs
May 2016	New Investment Policy approved by Shareholders to provide growth capital to investee companies
September 2017	The Company launched a fundraising to raise up to £25 million
March 2018	The Company closed its fundraising, having raised £25 million
October 2019	The Company launched a fundraising to raise up to £15 million
January 2020	The Company announced the fundraise was fully subscribed
April 2020	The Company closed its fundraising, having raised £15 million
October 2021	Gresham House Asset Management Limited acquires VCT fund and investment management business from Mobeus Equity Partners LLP. The Mobeus-advised VCTs' investment advisory arrangements are novated from Mobeus to Gresham House.
January 2022	The Company launched a fundraising to raise up to £10 million
January 2022	The Company announced the fundraise was fully subscribed
March 2022	The Company closed its fundraising, having raised £10 million
October 2022	The Company launched a fundraising to raise up to £22 million
December 2022	The Company announced the fundraise was fully subscribed
July 2024	The Company merged with Mobeus Income & Growth 2 VCT plc following shareholder approval
September 2024	The Company launched a joint fundraising with The Income & Growth VCT plc in which it sought to raise £35 million, with an optional over-allotment facility of a further £10 million
October 2024	The Company closed a successful fundraising with The Income & Growth VCT plc for which £45 million, including the over-allotment facility, was raised for the Company

Glossary of terms

Alternative performance measure ("APM")

A financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the Company's financial reporting framework. These APMs tend to be industry specific terms which help Shareholders to understand and assess the Company's progress. A number of terms contained within this Glossary have been identified as APMs.

Cumulative dividends paid (APM)

The total amount of dividend distributions by the Company over the time period specified. A list of all dividends paid since launch of the Company is shown as part of the Performance data appendix on page 81. Dividends paid in the period/year and dividends paid in respect of a period/year are shown in Note 6.

Cumulative total return (APM)

Cumulative total return per share comprises the NAV per share (NAV basis) or the mid-market price per share (Share price basis) both at the end date of a period under review, plus cumulative dividends paid up to that end date since launch in October 2004.

EBITDA

Earnings before interest, tax, depreciation and amortisation. It can be seen as a proxy for the level of cash flow generated by a business.

Gross Profit

The profit a company makes after deducting the costs associated with making and selling its products, or the costs associated with providing its services.

Internal Rate of Return ("IRR") (APM)

The internal rate of return is the annual discount rate that equates the original investment cost with the value of subsequent cash flows (such as receipts/dividends or further investment) and the latest valuation/exit proceeds. Generally speaking, the higher an investment's IRR, the more successful it is.

Net asset value or NAV

The value of the Company's total assets less its total liabilities. It is equal to the total equity Shareholders' funds.

Net asset value per share or NAV per share

The net asset value per share is calculated as total equity Shareholders' funds divided by the number of Ordinary shares in issue.

NAV Total Return (APM)

This measure combines two types of returns received by Shareholders. Firstly, as income in the form of dividends and secondly, as capital movements (net asset value) of the value of the Company.

It is a performance measure that adjusts for dividends that have been paid in a period or year. This allows Shareholders to assess the returns they have received both in terms of the performance of the Company but also including dividends they have received from the Company which no longer form part of the Company's assets.

It is calculated as the percentage return achieved after taking the closing NAV per share and adding dividends paid in the period/year and dividing the total by the opening NAV per share. The Directors believe that this is the most meaningful method for Shareholders to assess the investment performance of the Company.

To aid comparison with the wider Investment Trust market, the Annual Report also contains a Total Return performance measure which assumes dividends are reinvested. This assumes that dividends paid are reinvested at the date of payment at a price equivalent to the latest announced NAV at the ex-dividend date. Where this is referred to it will be specified in the Notes.

Ongoing charges ratio (APM)

This figure, calculated using the AIC recommended methodology, shows Shareholders the annual percentage reduction in shareholder returns as a result of recurring operational expenses, assuming markets remain static and the portfolio is not traded. Although the Ongoing Charges figure primarily is based upon historic information, it provides Shareholders with an indication of the likely level of costs that will be incurred in managing the Company in the future. This is calculated by dividing Investment Adviser fees (calculated as 2% of closing net assets) and running costs (comprising revised annual post merger figures), the latter being reduced by IFA Trail commission fees and one off professional fees, by closing net assets of £144,317,152 (as this more accurately reflects likely the level of net assets in future).

Realised gain/(losses) in the period/year

This is the profit or loss that arises following the full or partial disposal of a holding in a portfolio company. It is calculated by deducting the value of the holding as at the previous year-end from the proceeds received in respect of such disposal.

Revenue

The total amount of income generated by the sale of goods or services related to a company's primary operations.

Share price Total Return (APM)

As NAV Total Return, but the Company's mid-market share price (source: Panmure Liberum) is used in place of NAV. This measure more reflects the actual return a Shareholder will have earned, were they to sell their shares at the year/period's end date. It includes the impact of any discounts or premiums at which the share price trades compared to the underlying net asset value of the Company. If the shares trade at a discount, the returns could be less than the NAV Total Return, but if trading at a premium, returns could be higher than the NAV Total Return.

Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Mobeus Income & Growth VCT plc will be held at First Floor, 8 Fenchurch Place, London, EC3M 4PB at **1.00 pm on Wednesday, 5 March 2025**, for the purposes of considering and, if thought fit, passing the following resolutions of which resolutions 1 to 8 will be proposed as ordinary resolutions and resolutions 9 and 10 will be proposed as special resolutions. An explanation of the business to be proposed is included in the Directors' Report on pages 35 to 38 of this Annual Report:

1. To receive and adopt the annual report and financial statements of the Company for the period-ended 30 September 2024 ("Annual Report"), together with the auditor's report thereon.

2. To approve the directors' annual remuneration report as set out in the Annual Report.

3. To re-elect Clive Boothman as a director of the Company.

4. To re- elect Lucy Armstrong as a director of the Company.

5. To elect Ian Blackburn as a director of the Company.

6. To elect Sarah Clark as a director of the Company.

7. To appoint Johnston Carmichael LLP of Bishop's Court, 29 Albyn Place, Aberdeen AB10 1YL as auditor of the Company until the conclusion of the next annual general meeting at which accounts are laid before the Company and to authorise the directors to determine the remuneration of the auditor.

8. That, in substitution for any existing authorities, the directors of the Company be and hereby are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 ("the Act") to exercise all the powers of the Company to allot ordinary shares of 1 penny each in the capital of the Company ("Shares") and to grant rights to subscribe for, or convert any security into, Shares ("Rights") up to an aggregate nominal value of £1,137,845, provided that the authority conferred by this resolution shall (unless renewed, varied or revoked by the Company in general meeting) expire on the date falling fifteen months after the passing of this resolution or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2026, but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require Shares to be allotted or Rights to be granted after such expiry and the directors of the Company shall be entitled to allot Shares or grant Rights pursuant to any such offers or agreements as if the authority conferred by this resolution had not expired.

9. That, subject to the passing of resolution 8 set out in this notice and in substitution for any existing authorities, the directors of the Company be and hereby are empowered in accordance with sections 570 and 573 of the Act to allot or make offers or agreements to allot equity securities (as defined in section 560(1) of the Act) for cash, pursuant to the authority conferred upon them by resolution 8 set out in this notice, or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such sale or allotment, provided that the power conferred by this resolution shall be limited to the allotment of equity securities:

   i) with an aggregate nominal value of up to, but not exceeding, £341,354 in connection with offer(s) for subscription;

   ii) with an aggregate nominal value of up to, but not exceeding, 10% of the issued share capital of the Company from time to time pursuant to any dividend investment scheme operated by the Company, at a subscription price per Share which may be less than the net asset value per Share, as may be prescribed by the scheme terms; and

   iii) otherwise than pursuant to sub-paragraph (i) above, with an aggregate nominal value of up to, but not exceeding, 10% of the issued share capital of the Company from time to time,

   in each case where the proceeds of the allotment may be used, in whole or in part, to purchase the Company's Shares in the market and provided that this authority shall (unless renewed, varied or revoked by the Company in general meeting) expire on the date falling fifteen months after the passing of this resolution or, if earlier, on the conclusion of the annual general meeting of the Company to be held in 2026, except that the Company may, before the expiry of this authority, make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities in pursuance of such offers or agreements as if the power conferred by this resolution had not expired.

10. That, in substitution for any existing authorities, the Company be and hereby is authorised pursuant to and accordance with section 701 of the Act to make one or more market purchases (within the meaning of section 693(4) of the Act) of its own Shares provided that:

    (i) the aggregate number of Shares which may be purchased shall not exceed 51,168,897 or, if lower, such number of Shares (rounded down to the nearest whole Share) as shall equal 14.99% of the Shares in issue at the date of passing of this resolution;

    (ii) the minimum price which may be paid for a Share is 1 penny (the nominal value thereof);

Notice of the Annual General Meeting

(iii) the maximum price which may be paid for a Share (excluding expenses) shall be the higher of (a) an amount equal to 5% above the average of the middle market quotations for a Share in the Company taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Share is contracted to be purchased and (b) the amount stipulated by Article 5(6) of the Market Abuse Regulation (EU) 596/2014 (as such Regulation forms part of the UK law and as amended);

(iv) the authority conferred by this resolution shall (unless renewed, varied or revoked by the Company in general meeting) expire on the date falling fifteen months after the passing of this resolution or, if earlier, on the conclusion of the annual general meeting of the Company to be held in 2026; and

(v) the Company may make a contract or contracts to purchase its own Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of its own Shares in pursuance of any such contract.

By order of the Board

Gresham House Asset Management Limited
Company Secretary

Dated: 13 January 2025

Registered Office:
5 New Street Square
London
EC4A 3TW

Notes to the Notice of the Annual General Meeting

The following Notes explain your general rights as a Shareholder and your right to attend and vote at this Meeting or to appoint someone else to vote on your behalf.

A webcast of the Meeting will also be available and details of how to join the webcast will be shown on the Company's website. If possible, Shareholders intending to join the Meeting by means of the webcast (which would be as an attendee only) are requested to join at least ten minutes prior to the commencement of the Meeting at 1.00 pm on Wednesday, 5 March 2025. Where a member intends to join the Meeting by means of the webcast, they are permitted to ask questions at the Meeting but shall not be entitled to vote on resolutions at the Meeting (and are, therefore, encouraged to submit their votes by way of proxy). Note 13 below will apply to those who join the meeting (which would be in attendance only) by means of the webcast.

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A Shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a Shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Gresham House Asset Management Limited, the Company Secretary, at 80 Cheapside, London EC2V 6EE or by email to: mobeusvcts@greshamhouse.com or telephone on +44(0) 20 7382 0999.
2. Shareholders may appoint a proxy either by (a) completing a hard copy of the form of proxy or other instrument appointing a proxy and sending it to be received by post (during normal business hours only) or delivering it by hand at the Company's Registrar, The City Partnership (UK) Limited, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH or (b) submitting their votes electronically by accessing the 'Vote Here' button on the Company website: www.migvct.co.uk, please note you will need your City Identification Number (CIN) available from City's Hub if you have registered, and also the access code in the cover letter or email sent to notify you of the publication of the Company's Annual Report. In each case, the proxy votes submitted must be received not later than 1.00 pm on 3 March 2025 or 48 hours before the time appointed for any adjourned meeting (ignoring any part of a day that is not a working day, before the time fixed for the 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.
3. The return of a completed proxy form, other such instrument or any electronic Proxy Instruction will not preclude a Shareholder from attending the Annual General Meeting and voting in person if they wish to do so.
4. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
5. Any person to whom this Notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a "Nominated Person") may, under an agreement between them and the Shareholder by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.
6. If you have been nominated to receive general Shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains as it was (i.e. the registered Shareholder, or perhaps custodian or broker, who administers the investment on your behalf). Therefore any changes or queries relating to your personal details and holding (including any administration thereof) must continue to be directed to your existing contact at your financial adviser or custodian. The Company cannot guarantee dealing with matters that are directed to it in error. The only exception to this is where the Company, in exercising one of its powers under the Act, writes to you directly for a response.
7. The statement of the rights of Shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by Shareholders of the Company.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a 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.
9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must in order to be valid, be transmitted so as to be received by the issuer's agent (ID 8RA57) by 1.00 pm on 3 March 2025. 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 Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. You may submit your proxy electronically using the 'Vote Here' button on the Company website www.migvct.co.uk and will need your City Identification Number (CIN) available from City's Hub if you have registered, and also the access code in the cover letter or email sent to notify you of the publication of the Company's Annual Report.
10. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. 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, 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. Pursuant to Regulation 41 of the Uncertificated Securities Regulation 2001, entitlement to attend and vote at the Annual General Meeting (and the number of votes that may be cast thereat) will be determined by reference to the Register of Members of the Company at the close of business on the day which is two days before the day of the meeting or of the adjourned meeting. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
12. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
13. Any member attending the meeting has the right to ask questions relating to the business being dealt with at the meeting and the Company is obliged to answer any such questions under section 319A of the Act. However, no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on the Company's website www.migvct.co.uk in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
14. Under section 527 of the Act (i) members representing at least 5% of the total voting rights of all the members or (ii) at least 100 members who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum, per member, of at least £100 (in accordance with section 527 of the Act) can require the Company to publish a statement on its website setting out any matter relating to (a) the audit of the Company's financial statements (including the Auditor's Report and the conduct of the audit) that are to be laid before the meeting; or (b) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with section 437 of the Act, that the members propose to raise at the meeting. The Company cannot require the members requesting the publication to pay its expenses in complying with sections 527 or 528 of the Act. Any statement required to be placed on the Company's website must also be sent to the Company's auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website under section 527.
15. By attending the meeting, members and their proxies and representatives are understood by the Company to have agreed to receive any communications relating to the shares of the Company made at the meeting.
16. As at 10 January 2025 (being the last business day prior to the publication of this notice) the Company's issued share capital consisted of 341,353,548 ordinary shares, all of which carry one vote each. Therefore, the total voting rights in the Company as at 10 January 2025 were 341,353,548.
17. The Register of directors' interests and directors' appointment letters shall be available for inspection at the Company's registered office during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) and at the place of the meeting for at least fifteen minutes prior to and during the meeting. The directors do not have any service contracts with the Company.
18. A copy of this notice, and other information required by section 311A of the Act, can be found on the Company's website at www.migvct.co.uk.

Corporate Information

Directors
Clive Boothman
Lucy Armstrong
Ian Blackburn (appointed 26 July 2024)
Sarah Clark (appointed 26 July 2024)
Bridget Guérin (resigned 26 July 2024)

Company's registered office
5 New Street Square
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EC4A 3TW

Adviser, Promoter, Company Secretary and Administrator
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80 Cheapside
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EC2V 6EE
Tel: +44(0) 20 7382 0999
info@greshamhouse.com
greshamhouse.com

Company Registration Number:
5153931

Company LEI number:
213800HKOSEVWS7YPH79

Email
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Website
www.migvct.co.uk

Independent Auditor
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Solicitors
Shakespeare Martineau LLP
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EC3V 0HR

Corporate Broker
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EC2Y 9LY

Bankers
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1 Princes Street
London
EC2R 8PA

Registrar
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Tel: 07484 240 910
https://gresham-house-vcts.cityhub.uk.com/login/

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EC4V 4EG

Gresham House
Specialist investment

Mobeus Income & Growth VCT plc