

**Molten**  
**VCT**

# Molten Ventures VCT plc Annual report

FOR THE YEAR ENDED 31 MARCH 2024



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# Shareholder information

## Share price

The share price for Molten Ventures VCT plc ("Company" or "VCT") can be found on various financial websites with the TIDM/ EPIC code "MVCT". A link to the share price is also available on the VCT's website: [moltenventures.com](https://moltenventures.com).

## Dividends

Dividends will be paid by the Company's registrar, The City Partnership, on behalf of the Company.

**The Board has decided that after the payment of the Final dividend in September 2024 the Company will pay all cash dividends by bank transfer rather than by cheque. Shareholders will have the following options available for future dividends:**

- Complete a bank mandate form and receive dividends via direct credit to a UK domiciled bank account.
- Reinvest the dividends for additional shares in the Company through the Dividend Reinvestment Scheme (DRIS).

For those Shareholders who previously received their dividend by cheque, and who have not provided their bank details to the Registrar, you can update your details through the Investor Hub: [molten-ventures-vct.cityhub.uk.com](https://molten-ventures-vct.cityhub.uk.com).

A Dividend Mandate Form is also available from this site that can be completed and emailed to [registrars@city.uk.com](mailto:registrars@city.uk.com) or sent to:

The City Partnership (UK) Limited  
The Mending Rooms  
Park Valley Mills  
Meltham Road  
Huddersfield  
HD4 7BH

If Shareholders have any questions regarding the completion of the form they are advised to contact the City Partnership on +44 (0)1484 240 910 (lines are open between 9.00 am and 5.30 pm Monday to Friday) or by email: [registrars@city.uk.com](mailto:registrars@city.uk.com).

## Dividend Reinvestment Scheme

The Company has a Dividend Reinvestment Scheme to allow Shareholders to reinvest their dividends in new shares and obtain income tax relief on that new investment. Shareholders can opt-in to the Dividend Reinvestment Scheme through the Molten Ventures VCT plc Investor Hub using the details shown above.

## Selling shares

The Company's shares are listed on the London Stock Exchange and can be bought or sold like any other listed shares using a stockbroker. **Shareholders wishing to sell their shares are advised to contact the Company's stockbroker, Panmure Gordon (UK) Limited, by telephoning 020 7886 2716 or 2717 before agreeing a price with their stockbroker.**

The Company targets several share buybacks a year but these are not guaranteed and availability varies depending on market conditions and VCT rules. Any Shareholder considering selling some or all of their shareholding should ensure that they are fully aware of any tax consequences, especially if they purchased shares within the last five years. If you are in any doubt, please contact your financial adviser.

## SHARE SCAM WARNING

We are aware that a significant number of Shareholders of VCTs continue to receive unsolicited telephone calls from a company purporting to be acting on behalf of a client who is looking to acquire their VCT shares at an attractive price. We believe these calls to be part of a "Boiler Room Scam". Shareholders are warned to be very suspicious if they receive any similar type of telephone call.

Further information can be found on the Company's website. If you have any concerns, please contact ISCA Administration Services Limited on 01392 487056.

## Notification of change of address

Communications with Shareholders are mailed to the registered address held on the share register. In the event of a change of address or other amendment, this should be notified to the Company's registrar, The City Partnership, under the signature of the registered holder.

## Other information for Shareholders

Up-to-date Company information (including financial statements, share price and dividend history) may be obtained from the VCT's website at [moltenventures.com](https://moltenventures.com). If you have any queries regarding your shareholding in Molten Ventures VCT plc, please contact the Registrar using the details above.

# Highlights

## NAV Total return

↓ 5.1 pence  
-6.8% in the year

The NAV decreased by 5.1 pence to 48.2 pence giving a total return of -6.8% after adding back dividends paid in the year.

## FUNDS RAISED in the year

£18.5 million

Total raised in the year net of costs.

36,846,664 Ordinary Shares allotted.

## INVESTED in the year

£16.4 million

£12.1 million invested in 5 new companies.

£4.3 million invested in 4 follow-on investments.

## SHARE PRICE

45.0 pence per  
Ordinary Share

The mid-market share price has decreased by 0.9 pence in the year after adding back dividends paid of 1.5 pence.

## DIVIDENDS PAID in the year

1.5 pence per  
Ordinary Share

Total dividends of £3.3 million paid in the year representing a yield of 2.8% on the opening NAV of 53.3 pence per Ordinary Share.

## DIVIDEND PROPOSED

1.5 pence per  
Ordinary Share

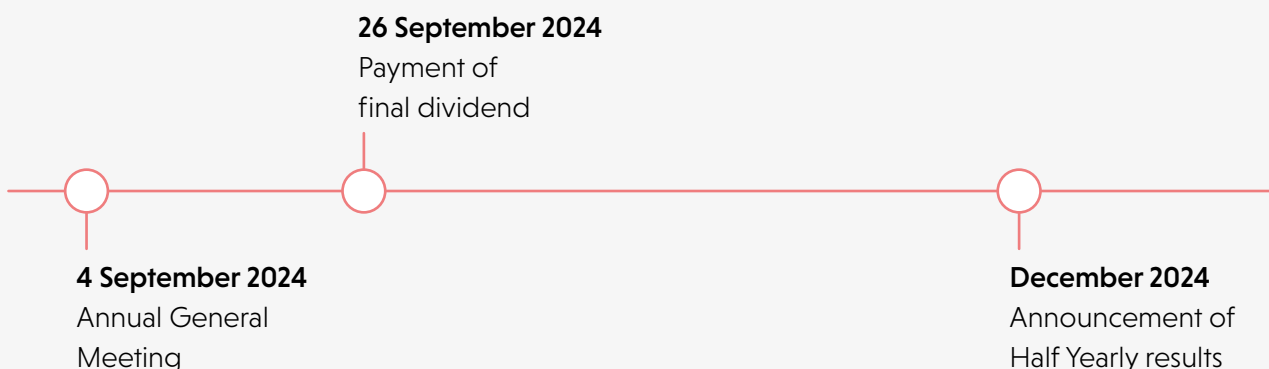
The Directors are recommending a final dividend of 1.5 pence payable on 26 September 2024.

Molten Ventures VCT is a £117 million, steadily growing, investment company that gives a distinctive opportunity to invest with the experienced, technology focused, venture capital team at Molten Ventures plc in early stage companies that have exciting growth prospects whilst also giving investors tax relief, tax free dividends and tax free capital returns.

The Company benefits from the Molten team's exceptional experience in technology with an emphasis on enterprise and consumer technology, differentiated operating systems, machine learning and digital healthcare, all of which add to the portfolio's focus on UK growth and leading-edge expertise.

Through Molten Ventures' co-investment connections in future-focused sectors, and its engagement with investee companies, this VCT provides an enhanced opportunity for investors to make a serious contribution to the future of the UK's vital early stage economy thereby making a key contribution to the UK, whilst at the same time enjoying tax relief on the investment and tax free dividends, in particular as further significant reserves become available for distribution from April 2025. Those reserves will enable the Company to maintain buy-backs and target tax free dividends of at least 5% of net asset value per share.

## Financial calendar



# Financial summary

	31 March 2024 Pence	31 March 2023 Pence
Net asset value per share ('NAV')**	48.2	53.3
Cumulative dividends paid since launch*	115.1	113.6
<b>Total Return</b> (NAV plus cumulative dividends paid per share)**	<b>163.3</b>	166.9

\*Key Performance Indicator.

^Alternative Performance Measure (see page 21).

## Dividends in respect of financial year ended 31 March 2024

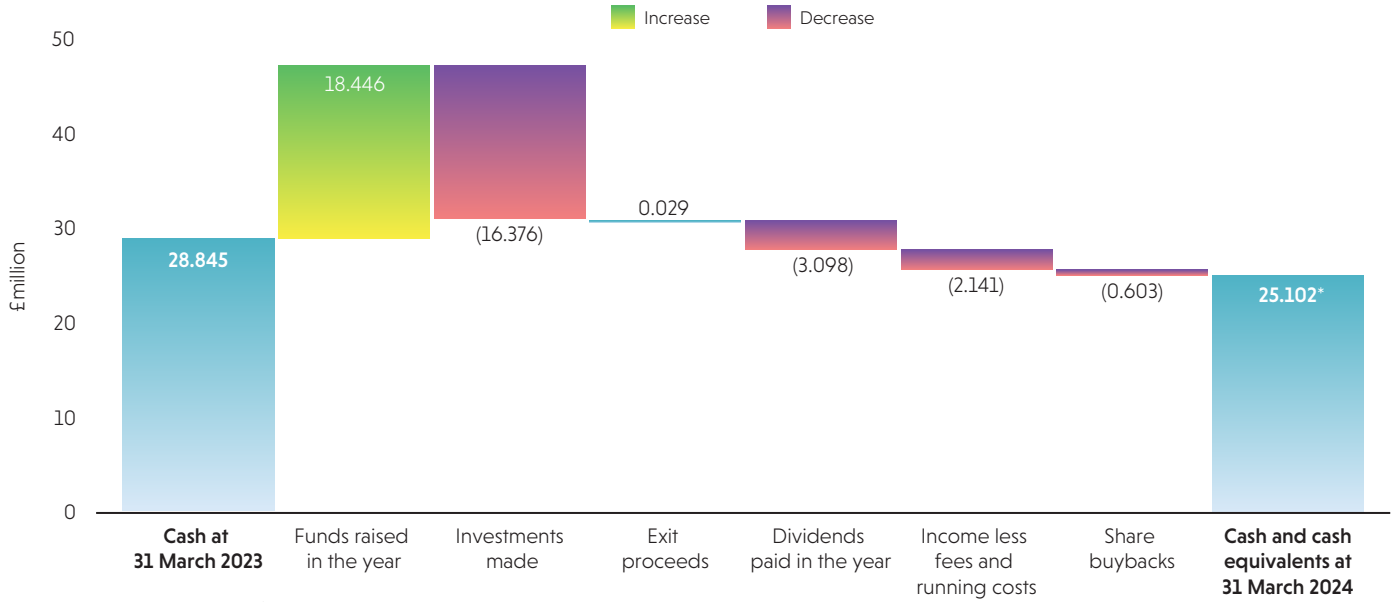
	31 March 2024 Pence	31 March 2023 Pence
Interim dividend paid per share	1.0	1.0
Final dividend per share (payable on 26 September 2024)	1.5	0.5
	<b>2.5</b>	1.5

A full dividend history for the Company can be found at [investors.moltenventures.com/investor-relations/vct](https://investors.moltenventures.com/investor-relations/vct)

# Financial summary CONTINUED...

## Overview of cash movement

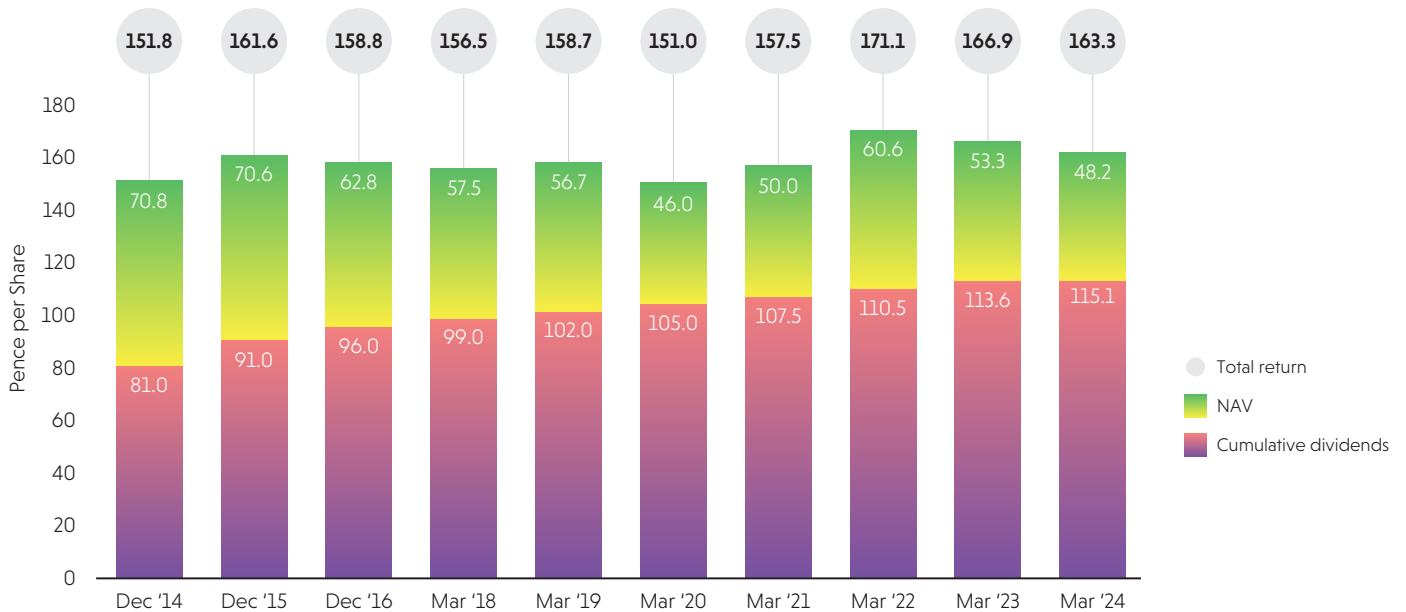
For the year ended 31 March 2024



\*Including money market funds.

## 10-year total returns

As at 31 March 2024



# Financial summary CONTINUED...

## Performance summary based on original investment of £1.00

	Tax relief %	Equivalent dividends received since issue Pence	Equivalent NAV at 31 March 2024 Pence	Gain/(loss) (ignoring income tax relief) %	Gain/(loss) (after initial income tax relief) %	Gain/(loss) (after initial and ESB* income tax relief) %
<b>Eligible for ESB</b>						
EMVCT merger – February 2007	20	93.4	18.4	11.7	39.7	47.5
Original issue	20	115.1	48.2	63.3	104.1	124.7
C Share – April 2005	40	78.2	32.2	10.5	84.1	102.5
March/April 2006	40	124.3	69.9	94.2	223.7	263.6
<b>Not eligible for ESB</b>						
April 2008	30	85.4	52.4	37.8	96.9	n/a
June 2008	30	82.2	52.7	34.9	92.7	n/a
April 2009	30	96.5	64.5	61.0	130.0	n/a
May 2009	30	95.2	64.5	59.7	128.1	n/a
April & May 2010	30	85.9	59.9	45.9	108.4	n/a
March 2011	30	80.3	59.4	39.7	99.6	n/a
April & May 2011	30	83.5	61.8	45.2	107.5	n/a
April & May 2012	30	86.4	68.2	54.6	120.8	n/a
Top up Nov 2012	30	92.6	78.2	70.8	144.0	n/a
April 2013	30	84.6	71.4	56.0	122.8	n/a
December 2014	30	50.0	70.7	20.8	72.5	n/a
March & April 2015	30	47.4	66.9	14.3	63.3	n/a
April 2016	30	34.0	67.9	1.9	45.5	n/a
April 2017	30	30.2	76.1	6.3	51.9	n/a
May 2017	30	30.1	75.9	6.0	51.4	n/a
August 2017	30	28.4	77.8	6.3	51.8	n/a
October 2017	30	26.7	79.8	6.4	52.1	n/a
November 2017	30	26.6	79.6	6.2	51.7	n/a
April 2018	30	26.7	79.8	6.5	52.1	n/a
May 2018	30	26.4	78.9	5.3	50.4	n/a
April 2019	30	23.0	84.5	7.5	53.6	n/a
May 2019	30	22.4	82.5	5.0	50.0	n/a
April 2020	30	24.8	118.1	42.9	104.1	n/a
August 2020	30	22.1	105.6	27.8	82.6	n/a
September 2020	30	22.1	105.7	27.8	82.6	n/a
April 2021	30	13.8	87.4	1.2	44.6	n/a
January 2022	30	7.5	78.7	(13.7)	23.2	n/a
April 2022	30	7.2	74.9	(17.9)	17.2	n/a
August 2022	30	2.6	83.8	(13.6)	23.4	n/a
March 2023	30	2.8	89.8	(7.4)	32.3	n/a
April 2023	30	1.0	93.0	(6.0)	34.2	n/a
September 2023	30	0.0	95.6	(4.4)	36.6	n/a

\*In November 2012, the Company offered an Enhanced Share Buyback ("ESB") which allowed Shareholders who had already held their shares for more than five years to sell their shares and reinvest the proceeds, receiving additional income tax relief at the rate of 30% on the new issue. Offers from April 2008 onwards were not eligible for the ESB in November 2012.

In the table above, initial income tax relief has been deducted from cost for the purpose of calculating gains after income tax relief. In respect of ESB the initial income tax relief has been treated as additional income.

### Original 'C' Shareholders

Shareholders investing under the 'C' Share Offer were issued 0.6691 Ordinary Shares for every one 'C' Share held. Dividends of 30.0p per 'C' Share were paid prior to the merger, equivalent to 44.8p per Ordinary Share.

### Elderstreet Millennium Shareholders

In 2007, Elderstreet Millennium Venture Capital Trust plc ("EMVCT") merged with the Company. Shareholders in EMVCT were issued 0.381 Ordinary Shares in Molten Ventures VCT plc for every one share held. Dividends of 61.5p per EMVCT share were paid prior to the merger, equivalent to 161.5p per Ordinary Share in Molten Ventures VCT plc.



# Investment objectives

The Company's principal investment objectives are to:



invest in a diversified portfolio of smaller unquoted companies with a particular focus on the technology sector;



provide good long-term tax-free returns to Shareholders through a combination of dividends and capital growth;



target those annual dividends to be 5% of net asset value per share (subject to liquidity and regulatory factors); and



maintain its VCT status.

The detailed Investment Policy adopted to achieve the investment objectives is set out in the Strategic Report on page 23.

## Directors

**David Brock** (Chairman) is an experienced company Chairman in both private and public companies and a former main board director of MFI Furniture Group Plc. He is currently Chairman of Hargreave Hale AIM VCT plc and ECS Global Group Limited.

**Hugh Aldous** (Chair of the Audit Committee and Remuneration Committee) is chairman of Downing Strategic Micro-Cap Investment Trust plc and director of Fords Packaging Topco Ltd, and Fords Packaging Systems Ltd. He was a director of Innospec Inc (NASDAQ) from 2005 to 2020 and Polar Capital Holdings plc from 2007 to 2018. He has chaired venture capital backed companies since 2000 including two of this company's more successful investments. He was previously a partner in Grant Thornton UK LLP, a DTI Company Inspector and a Member of the Competition Commission.

**Nicholas Lewis** is a partner of Downing LLP, a business he founded as Downing Corporate Finance Limited in 1986. Downing LLP has in excess of £2 billion of funds under management under a broad range of investment mandates. Prior to founding Downing he was with NatWest Ventures Limited and was with Apax Partners & Co Limited before that.

**Richard Marsh** is Head of Portfolio at Molten Venture plc. He has worked in start-ups and venture capital since 1997 and is an experienced entrepreneur as well as a venture capitalist. He founded and built Datanomic, a Cambridge-based software company which was a pioneer of Data Quality software and was acquired by Oracle. As an investor, Richard has worked across software, hardware, mobile and cleantech sectors. Richard is an Engineering graduate of Cambridge University where he also received his PhD. Richard holds an MBA from IMD Business School, Lausanne, where he was a Sainsbury Management Fellow.

**Sally Duckworth** (Chair of the Nomination Committee) has worked in the financial services sector since 1990 and in the private equity industry since 2000. She qualified as an accountant with Price Waterhouse and has experience in investment banking at J.P. Morgan and in early-stage venture capital at Quester Capital Management. She has been an active angel investor, helped to co-found Endeavour Ventures, an angel network and has held various board and senior operational roles within technology businesses. She is currently chair of the Technical Advisory Committee for International Sustainability Standards, chair of StorMagic Limited, a software defined storage business and audit chair of JPMorgan Japanese Investment Trust plc (JFJ). She is also the audit chair for Mobeus Income and Growth 2 VCT plc (MIG), but will be stepping down from the MIG board later this summer.

All the Directors are non-executive and, with the exception of Richard Marsh, are independent of the Investment Manager.

# Chairman's statement

## Introduction

I present the Company's Annual report for the year ended 31 March 2024.

Your company continues to focus on game-changing technology, particularly leading-edge expertise in enterprise technology, operating systems, machine learning and healthcare much of which is accessed in association with Molten's co-investment connections. This positions your VCT as a leader in supporting UK expertise and early-stage companies. Supporting and nurturing domestic talent to drive future growth in the UK is a core purpose of Venture Capital Trusts.

The portfolio now holds just four significant legacy investments, accounting for just over 11% of net assets. Three of these are software businesses, and the other is a technology enabled engineering business producing high specification machinery for the packaging industry. At the year-end £78.9 million of the portfolio was invested largely in technology and £25 million of cash reflected another successful fund-raising round.

For British companies this has not been the easiest year. Supply chain issues from Brexit and Ukraine have continued, domestic interest rates have normalised and there has been significant uncertainty in the UK financial markets, reflecting the more volatile geopolitical landscape. Significantly the price of gold shot up as investors sought security. As our valuation methodology utilises public market comparables this has led to some declines in valuations, mostly modest. Only one, Fluidic Analytics, active in protein analysis, sadly failed. The rest of the portfolio (as the managers set out on pages 11 to 20) carries some exciting, leading investments. One of these, Endomagnetics, is an example of a remarkable UK breakthrough in cancer location and has been acquired by Hologic Inc (Nasdaq: HOLX), a global leader in women's health, for approximately \$310 million.

## Net asset value and results

As at 31 March 2024, the Company's Net Asset Value per share ("NAV") stood at 48.2p, representing a decrease of 3.6p (6.8%) over the year after adding back dividends paid. In the economic and financial climate of the year, that was to be expected for early-stage investment, but performance is the key and the heart of the Company's portfolio continues to progress and financial performance will follow.

A summary of the total return for Shareholders who invested in the Company's various other fundraisings is included on page 6 of this report.

The loss on ordinary activities after taxation for the year was £8.1 million (2023: £7.6 million), comprising a revenue loss of £0.2 million (2023: £1.0 million) and a capital loss of £7.9 million (2023: £6.6 million).

## Venture capital investments

### Portfolio allocation

In line with the strategy that has been pursued in recent years, the Company's growth technology investments now form a substantial proportion of the investment portfolio. The split with the older legacy investments at the year-end is summarised as follows:

### Portfolio split as at 31 March 2024

	Growth			Total
	Technology	Legacy	Cash	Total
	£'000	£'000	£'000	£'000
Cost	66,216	10,903	25,102	102,221
Unrealised gains	12,732	2,070	–	14,802
Valuation	<b>78,948</b>	<b>12,973</b>	<b>25,102</b>	<b>117,023</b>
Percentage of portfolio	<b>67.4%</b>	<b>11.1%</b>	<b>21.5%</b>	<b>100.0%</b>

### Portfolio activity

There was a steady flow of new investment opportunities from the Manager during the year. The Company made five new investments and four follow-on investments totalling £16.4 million.

There was one investment disposal during the year, clearing out past investments already held at minimal values including that of Lifesize inc, producing proceeds of nil, and a further escrow payment from the sale of Roomex UK Limited, producing proceeds of £29,000.

Further details on the investment activity can be found in the Investment Manager's report on pages 11 and 12.

### Investment valuations

At the year end, the Company held a portfolio of 39 active investments valued at £91.9 million.

The Board has reviewed the unquoted investment valuations at the year end, resulting in a number of movements.

There were some significant uplifts over the year in respect of Fords Packaging, Form3 UK Limited, and Ravelin Technology which contributed £3.3 million between them. There were also some reductions most notably IESO Digital Health Limited, Evonetix Limited, Fluidic Analytics, Apperio, and Thought Machine amounting to £7.3 million between them. Additionally, AIM-quoted Access Intelligence plc (now renamed Pulsar) also saw a significant fall in its share price amounting to £2.1 million. However since the year end, and at the time of writing, Pulsar has recovered all of that value as the AIM market has bounced back.

Overall, the unrealised valuation movements on the portfolio were a net loss of £6.0 million for the year.

Further commentary on the portfolio, together with a schedule of additions, disposals and details of the ten largest investments can be found within the Investment Manager's Report and Review of Investments on pages 11 to 20.

# Chairman's statement CONTINUED..

## Dividends

As Shareholders may be aware, the VCT regulations restrict the payment of dividends out of reserves related to funds raised in the last three to four years (depending on the date shares were allotted). As the Company has raised substantial levels of new funds in recent years, the Board needs to manage reserves carefully in the short term to ensure that this test is not breached, but as current reserves become available for distribution, the Company intends to continue a strong dividend policy for current and future subscribing Shareholders.

The Board is proposing to pay a final dividend of 1.5p per share. This dividend will be paid, subject to Shareholder approval, on 26 September 2024 to Shareholders on the register at 23 August 2024. This will bring the total dividends paid in respect of the year to 2.5p per share.

Shareholders are reminded that the Company operates a Dividend Reinvestment Scheme ("DRIS"), which allows Shareholders to reinvest their dividends in new shares and obtain income tax relief on that new investment. Further details can be found under Shareholder Information on page 2.

## Fundraising

The Company received £19.5 million in April 2023 in respect of the 2022 Offer for Subscription.

The Company launched another successful Offer for Subscription in October 2023.

On 5 April 2024, the Company allotted 26,962,656 Ordinary Shares of 5p each at an average price of 48.99p per Ordinary Share under the terms of the Offer for Subscription dated 3 October 2023.

On 24 April 2024, the Company allotted 587,656 Shares at an average price of 48.58p per Ordinary Share under the terms of the Offer for Subscription dated 3 October 2023.

At the date of this report, a further £2 million has been subscribed and is awaiting allotment.

The Company expects to launch another Offer for Subscription later this year, subject to suitable levels of deal flow.

## Share Buybacks

The Company has a policy of purchasing its own shares that become available in the market at a discount of approximately 5% to the latest published NAV, subject to regulatory and liquidity constraints.

As Shareholders may be aware, the VCT regulations also restrict share buybacks out of reserves related to funds raised in the last three to four years (depending on the date shares were allotted).

Buybacks are expected to be undertaken from time to time, and the Board is working with the Company's broker to ensure that funds are allocated on a fair basis at any time where demand might exceed the funds available.

Any Shareholders who are considering selling their shares will need to use a stockbroker. Such Shareholders should ask their stockbroker to register their interest in selling their shares with Panmure Gordon & Co.

During the year, the Company purchased a total of 1,233,000 shares at an average price of 48.9p per share. Resolution 13 will be proposed at the AGM, to renew the authority for the Company to purchase its own shares.

Since the year end, the agreed sale of Endomagnetics has realised approximately 3x original cost adding a further £6.2 million to the distributable reserves. This deal gives your Company the flexibility to increase the level of share buybacks, subject to normal VCT regulatory qualifying tests.

## Directorate

Several of the Board members have now been on the Board for more than the nine years which is the guideline set by the Corporate Governance Code. With the significant changes in respect of the investment management of the Company that have occurred in recent years, it has not been an appropriate time to make major board changes. After an exercise to identify suitable candidates, Sally Duckworth was appointed to the Board on 22 January 2024. We were delighted to welcome Sally and she brings further technology expertise to the VCT Board having previously had investing and operational roles in the sector.

This is the first step towards a phased succession of the Board and the process will continue.

## Company Secretary

The Board would like to thank Grant Whitehouse who retired as Company Secretary in February 2024 after over 20 years service. He leaves with our best wishes and we welcome ISCA Administration Services Limited as our new Company Secretary.

# Chairman's statement CONTINUED...

## Annual General Meeting ('AGM')

The AGM will take place at 20 Garrick Street, London WC2E 9BT on 4 September 2024 at 11:15 a.m.

Three items of special business are proposed at the AGM:

- one in respect of the authority to buy back shares as noted above; and
- two in respect of the authority to allot shares.

The authority to allot shares provides the Board with the opportunity to issue shares for the next fundraising that is being planned without having to incur the expense of seeking separate approval via a shareholder circular. Any further fundraising decisions will take account of the level of uninvested funds and the rate of investment.

## Outlook

The global economy remains exposed to the effects of the Ukraine and Gaza conflicts and central banks are showing a reluctance to bring down interest rates while core inflation remains. However, so far, this collective impact on the technology sector has been more limited with signs that the trough in private equity technology valuations may now be behind us. M & A activity is on the increase, and the Board believes that the portfolio contains many investments that should be able to take advantage of improving sentiment.

Data from previous downturns suggests that investments made in periods of economic decline have yielded some of the greatest returns of all vintages for technology investors. Your Company continues to support innovation through its fundraising activity, and by offering exposure to investors of privately owned technology assets in the year.

I look forward to updating Shareholders in the Half Yearly Report which will be published towards the end of the year.

## David Brock

Chairman

26 July 2024

# Investment Manager's report

It has been a busy year for Molten Ventures amid an economic backdrop that has been challenging for most technology companies and those who invest in them.

Our focus within this context has been on what we can control. We have maintained discipline around our own investment process and worked closely with our portfolio companies to extend cash runways, control costs, and retain talent. The entrepreneurs we have backed continue to transform the industries in which they operate.

The valuation movements in the first half of the year showed a NAV Total Return decrease of 3.6% (NAVTR - adding back dividends paid in the period).

In the second half of the year we saw a steadying in the majority of the company valuations with a decrease in NAVTR of 3.4%.

The resulting outturn for the year was a NAVTR decrease of 6.8%.

## Exit Highlight

There were no successful exits in the period. However, post the period end we were delighted that portfolio company Endomag Ltd ('Endomag'), the VCT's second highest valued portfolio asset, announced an acquisition offer from NASDAQ listed Hologic Inc. The acquisition values Endomag at approximately \$310 million and values Molten VCT's stake in Endomag modestly above its last released September 2023 interim holding value of £8.69 million. This acquisition completed post-year end and has bolstered the VCT's distributable reserves which are available for paying dividends and share buybacks.

The VCT first invested in Endomag in 2018 and since then the company has grown its revenue fourfold. The acquisition demonstrates our ability to support innovative businesses as they scale and create value for our Shareholders through the cycle. Endomag's platform has been installed in over 1,350 hospitals in over 45 countries globally, and more than 500,000 women have received a better standard of breast cancer surgery with Endomag's technologies. The company received many accolades on its journey and more recently was awarded the King's Award for Enterprise.

To assist with its future portfolio exit strategy Molten have a relationship with a leading investment bank advising international technology and climate companies, developing and executing growth financings and strategic sell-side M&A. Its CEO is well known to the Molten team having worked on many exits with Molten partners in the past.

## Portfolio

At the year end, Molten technology companies represented 67.4% of the portfolio and pre-Molten legacy companies 11.1%. The net asset valuation of £117 million was split 78.5% in investments, and 21.5% in cash and cash equivalents. A more detailed breakdown of the portfolio by sector is given in the chart on page 20.

Within the portfolio our view is that, by value, 68% of the portfolio is performing, or emerging as performing broadly as we might

expect. A further 24% are at an early stage of their commercial journey with reasonable prospects, and the balance require further help to get on to a viable growth path or exit.

All investments of value get close attention and have investor directors or observers on their boards. The Molten Partnership Team boasts extensive cross-sector expertise. Whether facilitating connections or sharing insights, they are dedicated to supporting growth.

The Molten Platform Team handles investment transactions and post-investment portfolio engagement. Supported by legal, compliance, investor relations, finance, and ESG specialists, we work closely to support our portfolio with branding, regulatory compliance, public markets, governance, and implementing sustainable ESG strategies as they scale.

Within the portfolio we have 12 companies with revenues or Annual Recurring Revenue (ARR) above £5 million. Of these 7 companies have revenues/ARR above £10 million and 5 have revenues above £20 million.\*

## Valuation movements

Within the year 8 companies had positive valuation uplifts of £4.4 million and 12 companies had negative valuation movements of £10.4 million.

Positive movements within the portfolio include Form3, Ravelin and Fords Packaging. Form3 is the largest uplift at £1.3 million followed by Fords Packaging where a forecast for much improved trading increased the valuation by £1.2 million.

Detractors are a combination of good companies with sound prospects where in general valuations set by new investors post VCT investment have declined in line with the market multiples. The positive is that these companies have cash reserves to trade forward and grow their businesses.

However, companies in this category do include some companies where the technology build and commercial roll out has taken longer than expected. This includes IESO where a provision of £2.6 million was taken as it navigates a protracted fundraising. While disappointing, the revenue potential from IESO's technology is very large and if the company can commercialise its new AI backed 100% digital mental health platform this could prove to be a very valuable technology. IESO's other service based business, utilising its unique database, grew its revenue in the year from single digit to double digit millions.

Most of our Shareholders will be aware of the development of the Artificial Intelligence ('AI') market and the positive effect on company valuations for those companies operating in the sector. Within the VCT portfolio we have a number of companies developing and leveraging the positive enhancements from this exciting technology. These include AltruistIQ, BeZero Carbon, Causalens, Gardin, IESO, Ravelin and Thought Machine, which together represent £20.8 million of value.

\* Source: latest management accounts of the companies.

# Investment Manager's report CONTINUED...

## New investments

In the second half of the year one new investment and one follow on investment was made taking the total investment in the year to £16.4 million. This compares with a total invested in the previous year of £17.4 million.

New investments alongside the Molten EIS and Molten Ventures plc funds were made during the year into the following qualifying companies:

<b>Oliva Health Holdings Inc</b> Non clinical mental health solutions	<b>£1,627,598</b>
<b>Morressier GmbH</b> Publishers workflow and integrity software	<b>£3,162,375</b>
<b>Binalyze OU</b> Cybersecurity forensics and incident response	<b>£2,161,115</b>
<b>Melio Healthcare t/a IMU bioscience</b> Immune system bio diagnostics	<b>£2,520,000</b>
<b>Anima Group</b> InCare enablement platform	<b>£2,653,401</b>
<b>Focal Point Positioning Limited</b> Correlation Software	<b>£500,000</b>
<b>Total</b>	<b>£12,624,489</b>

## AIM Valuations

The VCT has one AIM legacy technology investment. Since the year end it is pleasing to see a recovery in the share price of AIM listed Pulsar Group plc LSE:PULS (formerly Access Intelligence until May 2024). The share price has risen from 54p at the year end to 79p at the time of writing, which at that price would add a further £2.1 million to the March year end valuation of £4.2 million.

## Deal Flow

At the time of publication two further new and one follow on investment were completed, with two new investments with agreed term sheets awaiting HMRC clearance prior to completion. We continue to be disciplined on our approach to new investments in an environment where valuations have dropped from the previous highs in 2021. We are actively seeking new investments and supporting our existing portfolio companies.

## Fundraising and other matters

In October 2023 the VCT launched a fundraising offer and to date £16.0 million has been subscribed of which £2.0 million is awaiting allotment at the time of writing. It is the intention to launch a new fundraising in Q4 this year, subject to suitable levels of deal flow.

The Investment Manager remains an active member of the VCT Association (VCTA) which represents 14 of the largest VCT fund managers and makes up over 90% of the £6.6 billion VCT industry. The VCTA worked tirelessly to lobby Government for an extension of the Sunset Clause on the VCT scheme which is expected to be extended to 2035 and continues to lobby all political parties as to the merits of the VCT and EIS tax incentives.

The new Labour government has, whilst in opposition, made very positive noises about the venture capital sector. Now that it is in government with a very significant majority and thus a mandate to execute, it has been clear that it plans to finance its increased spending plans by driving Britain's economic growth. We are therefore optimistic that the venture capital sector, which plays a pivotal role in supporting entrepreneurship in the UK may continue to enjoy government support.

## Outlook

Data from previous downturns suggests that investments made in periods of economic decline have yielded some of the greatest returns of all vintages for technology investors. We continue to support innovation through our fundraising activity, and by offering exposure to investors of privately owned technology assets in the year.

In summary the portfolio remains well diversified among the four technology investment sectors with companies at different stages of maturity.

With the next financial year showing promise of delivering a more normalised realisations market we expect divestment proceeds to be meaningfully higher than the last two years. We remain cautiously optimistic for the year ahead as the technology markets continue to stabilise.

## Elderstreet Investments Limited

Part of the Molten Ventures Group

26 July 2024

# Review of investments

## Portfolio of investments

The following investments were held at 31 March 2024. All companies are registered in England and Wales, with the exception of Fulcrum Utility Services Limited, which is registered in the Cayman Islands.

	Cost £'000	Valuation £'000	Valuation movement in year £'000	% of NAV by value	Ownership interest range*
<b>Largest venture capital investments (by value)</b>					
Thought Machine Group Limited <sup>1</sup>	2,400	9,688	(613)	8.3%	A
Endomagnetics Limited <sup>1</sup>	2,147	8,819	184	7.5%	A
Form3 UK Limited (formerly Back Office Technology Ltd) <sup>1</sup>	1,420	7,956	1,350	6.8%	A
Fords Packaging Topco Limited	2,433	7,101	1,234	6.1%	E
Focal Point Positioning Limited <sup>1</sup>	3,800	6,418	357	5.5%	A
Global Satellite Vu Limited <sup>1</sup>	4,089	4,379	274	3.7%	A
Pulsar Group (formerly Access Intelligence plc)**	2,586	4,156	(2,073)	3.5%	B
Riverlane Limited <sup>1</sup>	2,661	4,114	–	3.5%	A
Morressier GmbH <sup>1</sup>	3,162	3,162	–	2.7%	B
Expanding Circle Limited <sup>1</sup>	2,931	2,931	–	2.5%	A
Anima Group Inc <sup>1</sup>	2,653	2,653	–	2.3%	B
Melio Healthcare Limited <sup>1</sup>	2,520	2,520	–	2.2%	B
Juliand Digital <sup>1</sup>	2,439	2,439	–	2.1%	B
Ravelin Technology Limited <sup>1</sup>	1,133	2,187	757	1.9%	A
Binalyze OU <sup>1</sup>	2,161	2,161	–	1.8%	A
	<b>38,535</b>	<b>70,684</b>	<b>1,470</b>	<b>60.4%</b>	
<b>Other venture capital investments</b>	38,584	21,237	(7,440)	18.1%	
<b>Cash and cash equivalents</b>	25,102	25,102	–	21.5%	
<b>Total investments</b>	<b>102,221</b>	<b>117,023</b>	<b>(5,970)</b>	<b>100.0%</b>	

All venture capital investments are unquoted unless otherwise stated.

\* Fully diluted interest categorised as follows: **Cat A:** 0-5%, **Cat B:** 5-10%, **Cat C:** 10-15%, **Cat D:** 15-25%, **Cat E:** >25%.

\*\* Quoted on AIM.

<sup>1</sup> These companies have also received investment from other funds managed by the Molten Ventures Group (Molten Ventures plc and Molten Ventures EIS) as at 31 March 2024.

Within 'Other venture capital investments' are companies which have also received investment from other funds managed by Molten Ventures Group (Molten Ventures plc and Molten Ventures EIS) as at 31 March 2024 as follows:

- Allplants Limited
- Apperio Limited
- AppUx Limited
- BeZero Carbon Limited
- Crowdcube Limited
- Fluidic Analytics Limited
- Freetrade Limited
- Gardin Limited
- Global Satellite Vu Limited
- Guybrush Limited
- Hadean Supercomputing Limited
- IESO Digital Health Limited
- Impulse Innovations (*t/a Causalens*)
- Lifesize Inc  
(formerly *Light Blue Optics Limited*)
- Oliva Health Holdings inc.
- Paragraf Limited
- Primary Bid Limited
- Push Doctor Limited
- RealEyes Holdings Limited
- Resolving Limited
- StreetTeam Software Limited
- Sweepr Technologies Limited
- Those Beyond Limited
- United Authors Publishing Limited
- Valarian Technologies Limited

# Review of investments CONTINUED...

## Investment movements for the year ended 31 March 2024

### Additions

	Cost £'000
<b>Venture capital investments</b>	
Morressier GmbH <sup>1</sup>	3,162
Global Satellite Vu Limited <sup>1</sup>	3,112
Anima Group Inc <sup>1</sup>	2,653
Melio Healthcare Limited <sup>1</sup>	2,520
Binalyze OU <sup>1</sup>	2,161
Oliva Health Holdings Inc <sup>1</sup>	1,628
Focal Point Positioning Limited <sup>1</sup>	500
Allplants Limited <sup>1</sup>	400
Apperio Limited <sup>1</sup>	240
	<b>16,376</b>

### Disposals

	Cost £'000	Value at 1 April 2023 £'000	Proceeds £'000	Gain/(loss) vs cost £'000
<b>Venture capital investments</b>				
Lifesize Inc (formerly Light Blue Optics Limited) <sup>1</sup>	483	42	–	(483)
Roomex UK Limited <sup>1</sup>	–	–	29	29
	<b>483</b>	<b>42</b>	<b>29</b>	<b>(454)</b>

These investments were revalued over time and until sold with any unrealised losses included in the fair value of the investments.

<sup>1</sup> These companies have also received investment from other funds managed by the Molten Ventures Group (Molten Ventures plc and Molten Ventures EIS) as at 31 March 2024.



# Review of investments CONTINUED...

FURTHER DETAILS OF THE TEN LARGEST INVESTMENTS ARE AS FOLLOWS:

## THOUGHT MACHINE GROUP LIMITED



Enabling service of customers in a real-time ecosystem, **Thought Machine** provides cloud-native core banking infrastructure to both incumbent and challenger banks. Thought Machine launched a cloud-native card and payment processing platform in 2022 as part of its "Vault" product offering called Vault Payments. With an existing library of 200+ products, its cloud-native offering – including Vault Core (core banking platform) and Vault Payments (payments processing platform) – is designed to give banks total flexibility in designing products that are scalable. The company's technology provides an alternative, flexible, cloud-based solution that can be configured to provide product, user experience, operating model, or data analysis capability. Emerging as a global category leader in this space, Thought Machine's ability to build and deliver core banking transformations for Tier 1 banks and fintechs is world class. In 2023, Thought Machine announced strategic partnerships with several national and international fintech businesses, including HMBradley, Cordada (Latin America), Form3 (US and EU) and Trafalgar (Mexico). Thought Machine, has partnered with another Molten portfolio company, Form3, to add FedNow, TCH RTP and SEPA Instant Credit Transfer connectivity to Thought Machine's payment platform, Vault Payments. This partnership brings together two next-generation payment solutions, offering banks and financial institutions an end-to-end solution for seamless real-time payment processing. Banks are struggling with siloed information sources in on-premise technology stacks with leading neobanks paving the way towards a real-time world class customer experience, banks have no choice but to adopt a cloud native core banking systems and build a single source of truth, that will help them build highly personalised products early in the journey of interacting with customers and be able to do so at lower costs.

**COST at 31/03/24:** £2,400,000

Cost at 31/03/23: £2,400,000

**Investment comprises:** B1 Preference Shares: £2,400,000

**VALUATION at 31/03/24:** £9,688,000

Valuation at 31/03/23: £10,300,000

**Valuation method:** Last round calibrated

Audited accounts	31/12/22	31/12/21
Turnover	£42.2m	£26.9m
Loss before tax	(£84.3m)	(£58.5m)
Net assets	£181.1m	£153.1m

**Dividend income:** £nil

**Proportion of capital held:** A

**Diluted equity:** A

thoughtmachine.net

## ENDOMAGNETICS LIMITED



**Endomagetics Ltd ("Endomag")** is a global developer of breast cancer technologies, on a mission to improve breast cancer care by preventing unnecessary surgery, improving surgical outcomes, and making treatments more accessible, which can be made available at any hospital. Endomag produces surgical guidance products which allow surgeons to accurately remove cancerous tumours. Its products include the Magseed marker for magnetic tissue localization before surgery, the Magtrace lymphatic tracing injectable for breast cancer staging and the Sentimag platform, which supports both localisation and lymphatic tracings, without the use of radioactive materials. Endomag pioneers the use of magnetic sensing technology to improve surgical guidance and accuracy for breast cancer treatment, through its range of innovative products: Sentimag, Magtrace and Magseed, now adopted in over 300 hospitals globally. It operates in a rapidly growing medical device space, particularly for technologies enhancing breast cancer care standards and patient experience.

On 30 April 2024, Hologic, Inc, a NASDAQ listed entity, signed a definitive agreement to acquire Endomag. The acquisition, which is subject to completion conditions and regulatory approval as well as working capital and other customary closing adjustments, values Endomag at approximately \$310 million, which is modestly above NAV.

**COST at 31/03/24:** £2,147,000

Cost at 31/03/23: £2,147,000

**Investment comprises:** Preference Shares: £2,147,000

**VALUATION at 31/03/24:** £8,819,000

Valuation at 31/03/23: £8,635,000

**Valuation method:** Revenue multiple

Audited accounts	31/12/23	31/12/22
Turnover	£29.7m	£18.3m
Loss before tax	(£0.6m)	(£5.1m)
Net assets	£12.4m	£12.7m

**Dividend income:** £nil

**Proportion of capital held:** A

**Diluted equity:** A

endomag.com

## Review of investments CONTINUED...

### FORM3 UK LIMITED (formerly Back Office Technology Limited)

## FORM3 FINANCIAL CLOUD

Form3 is a cloud native payments-as-a-service platform that designs, builds, and runs the technology that powers the future of payments. Removing reliance on outdated, complex and costly payments infrastructure through provision of a modern, real-time account-to-account payment platform, Form3's product is designed as a single-instance, multi-tenant architecture, meaning a single instance of the software supports multiple clients. In September 2023, Visa announced its investment in Form3 embarking on a partnership to offer Form3's payment technology to its client base. Form3 continues to scale in the UK, Europe and the US, where it has partnered with Thought Machine, another Molten portfolio company, to add FedNow, TCH RTP and SEPA Instant Credit Transfer connectivity to Thought Machine's payment platform, Vault Payments. This partnership brings together two next-generation payment solutions, offering banks and financial and financial institutions an end-to-end solution for seamless real-time payment processing. In 2023, Form3 and its staff won multiple awards – including CEO of the Year (RemoteTech Breakthrough Awards), Payment Tech of the Year (UK Fintech Awards), Team of the Year – Engineering Team (Europe Fintech Awards), and Tech of the Future for Banks & Financial Institutions (Paytech Awards) - also being shortlisted for several others. Payment schemes and systems are largely regional and defined by currency, they are governed by a combination of Governments, central and commercial banks. All major payments schemes around the world are shifting into and/or are looking at building real-time schemes which by design will require cloud-native software to support the implementation and continued maintenance.

**COST at 31/03/24:** £1,420,000

Cost at 31/03/23: £1,420,000

**Investment comprises:** Equity B1 shares: £700,000  
Equity B3 shares: £720,000

**VALUATION at 31/03/24:** £7,956,000

Valuation at 31/03/23: £6,606,000

**Valuation method:** Calibration to price of recent investment

Audited accounts	31/03/24	31/03/23
Turnover	£21.0m	£17.0m
Profit/(loss) before tax	£0.6m	£0.7m
Net assets	£55.2m	£54.4m

Dividend income: £nil

Proportion of capital held: A

Diluted equity: A

form3.tech

### FORDS PACKAGING TOPCO LIMITED

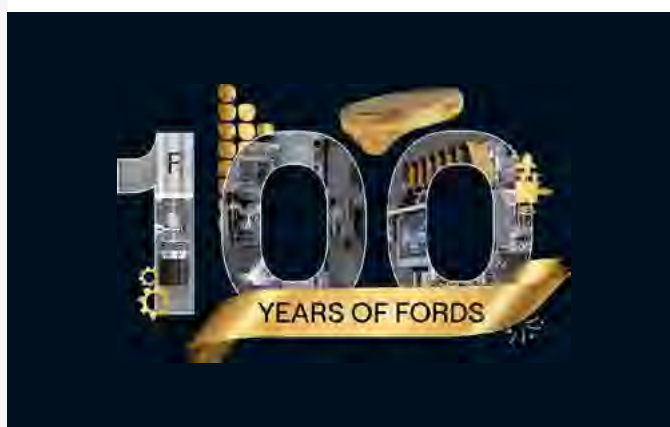
## FORDS

Based in Bedford, Fords is a leading supplier of capping presses and also manufactures Rotary Sealers.

It is widely known for its expertise in sealing and closure technology for food and drink applications where high standards of hygiene are required.

The company has worldwide expertise in developing integrated packaging solutions which incorporate the design, production and capless sealing of foil closures onto containers.

Fords Technology rates highly on sustainability credentials by removing weighty screw caps and over-engineered neck threads, increasing recyclability with single piece foil peels, and reducing packaging weight by up to 60%.



**COST at 31/03/24:** £2,433,000

Cost at 31/03/23: £2,433,000

**Investment comprises:** Equity shares: £2,425,000  
8% loan note: £8,000

**VALUATION at 31/03/24:** £7,101,000

Valuation at 31/03/23: £5,867,000

**Valuation method:** Revenue multiple

Audited accounts	31/12/22	31/12/21
Turnover	£7.4m	£9.3m
Profit before tax	£0.5m	£1.5m
Net assets	£6.7m	£6.3m

Dividend income: £nil

Loan note income: £1,000

Proportion of capital held: E

Diluted equity: E

fordsps.com

# Review of investments CONTINUED...

## FOCAL POINT POSITIONING LIMITED



**FocalPoint** is a deep tech start-up whose IP addresses fundamental weaknesses of GPS and other positioning technologies, enabling new capabilities for hardware and software businesses across mobiles, wearables, autonomous vehicles, security and IoT.

FocalPoint's groundbreaking super correlation software enables a new class of satellite positioning receiver that can measure the directions of the incoming signals, allowing them to ignore reflected signals and fake "spoofed" signals, making them more accurate in cities and more resilient against spoofing attacks.



**Cost at 31/03/24:** £3,800,000

Cost at 31/03/23: £3,300,000

**Investment comprises:** A1 Preference shares: £600,000  
C1 Preference shares: £3,200,000

**VALUATION at 31/03/24:** £6,418,000

Valuation at 31/03/23: £5,561,000

**Valuation method:** Calibration to price of recent investment

Audited accounts	31/12/22	31/12/21
Turnover	-	£21,000
Loss before tax	(£7.0m)	(£3.2m)
Net assets	£19.9m	£4.5m
Dividend income:		£nil
Proportion of capital held:		B
Diluted equity:		A

focalpointpositioning.com

## GLOBAL SATELLITE VU LIMITED



**Satellite Vu's** space-enabled climate technology provides a valuable and incomparable insight into economic activity, energy efficiency and carbon footprint for a range of industries including: Built Environment; Defense and Intelligence and Industrial Activity Monitoring. This data will enable industries, organisations and governments to take critical action towards Net Zero goals.

Founded to capture the high resolution thermal data from space for a safer and more sustainable earth, Satellite Vu will use infrared technology to monitor locations on earth in near real-time to measure the impact of human activity. These images will provide valuable insights into economic activity, energy efficiency and disaster response, monitoring the energy efficiency of buildings, the spread of wildfires, urban heat island effects, and water pollution. Satellite Vu aims to be the Earth's thermometer from space.



**Cost at 31/03/24:** £4,089,000

Cost at 31/03/23: £977,000

**Investment comprises:** A1 Preference shares: £977,000  
A3 Preference shares: £3,112,000

**VALUATION at 31/03/24:** £4,379,000

Valuation at 31/03/23: £993,000

**Valuation method:** Calibration to price of recent investment

Audited accounts	31/12/22	31/12/21
Turnover		Information not published
Loss before tax		Information not published
Net assets	(£1.4m)	£11.0m
Dividend income:		£nil
Proportion of capital held:		A
Diluted equity:		A

satellitevu.com

## Review of investments CONTINUED...

### PULSAR GROUP (formerly Access Intelligence plc)

## PULSAR\*GROUP

**Pulsar Group** is a leading vendor of software for public relations, public affairs and stakeholder communication professionals seeking to identify, understand and engage with the right influencers. Pulsar Group is an AIM-listed SaaS provider, and its technology is used by 6,000 organisations every day, from global blue-chip enterprises and communications agencies to public sector organisations and not-for-profits. Today Pulsar is the third largest software provider to the UK PR and Communications industry known for its commitment to using technology to transform the way in which journalists, politicians and online influencers access trusted, expert insight.



**Cost at 31/03/24:** £2,586,000

Cost at 31/03/23: £2,586,000

**Investment comprises:** Equity shares: £2,586,000  
Equity share options: £nil

**VALUATION at 31/03/24:** £4,156,000

Valuation at 31/03/23: £6,229,000

**Valuation method:** Bid price

Audited accounts	30/11/23	30/11/22
Turnover	£62.4m	£65.7m
Loss before tax	(£10.8m)	(£7.5m)
Net assets	£49.7m	£60.4m

**Dividend income:** £nil

**Proportion of capital held:** B

**Diluted equity:** B

pulsargroup.com

### RIVERLANE LIMITED

## river lane

**Riverlane Limited** are developers of quantum computing software designed to transform experimental technology into commercial products.

Riverlane partner with leading quantum hardware companies, university labs and industry bodies to advance practical knowledge in the design, engineering and benchmarking of the key components of quantum computers.



**Cost at 31/03/24:** £2,661,000

Cost at 31/03/23: £2,661,000

**Investment comprises:** Preference shares: £901,000  
B Preference shares: £1,760,000

**VALUATION at 31/03/24:** £4,114,000

Valuation at 31/03/23: £4,114,000

**Valuation method:** Calibration to price of recent investment

Audited accounts	31/12/22	31/12/21
Turnover	Information not published	
Profit before tax	Information not published	
Net assets	£8.8m	£14.0m

**Dividend income:** £nil

**Proportion of capital held:** A

**Diluted equity:** A

riverlane.com

## Review of investments CONTINUED...

### MORESSIER GMBH LIMITED

## Morressier

**Morressier** provides societies and publishers with workflows for transforming scholarly communications. Driven by the belief that technology can help create a world in which all scientific outputs are traceable and trustworthy, it is headquartered in Berlin and has offices in London and Washington DC. The Morressier platform supports the entire pre-publishing journey, from hybrid and virtual conferences where research is shared in its earliest stages, to journal submissions, peer-review workflows, and AI powered integrity checks.



**Cost at 31/03/24:** £3,162,000

**Investment comprises:** B1 Preference: £3,162,000

**VALUATION at 31/03/24:** £3,162,000

**Valuation method:** Last round price

**Audited accounts** Not yet filed

**Turnover** Not yet filed

**Loss before tax** Not yet filed

**Net assets** Not yet filed

**Dividend income:** £nil

**Proportion of capital held:** B

**Diluted equity:** B

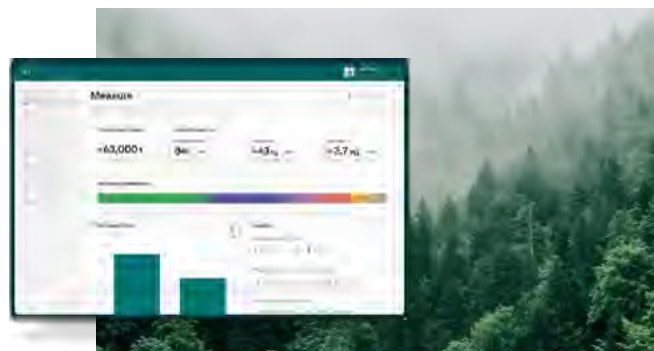
morressier.com

### EXPANDING CIRCLE LIMITED (TRADING AS ALTRUISTIQ)

## ALTRUISTIQ

**Altruistiq** is a climate tech company whose emissions reduction model is leading the change in corporate carbon measurement.

Altruistiq's SaaS platform enables large, complex enterprises to automate sustainability data measurement, management and exchange - with unparalleled accuracy and ease. Altruistiq is aiming to change the standard on carbon reporting from a "carbon accounting and credits" approach to a "carbon abatement" model.



**Cost at 31/03/24:** £2,931,000

Cost at 31/03/23: £2,931,000

**Investment comprises:** Equity Seed 1 shares: £2,931,000

**VALUATION at 31/03/24:** £2,931,000

Valuation at 31/03/23: £2,931,000

**Valuation method:** Calibration to price of recent investment

**Unaudited accounts** 31/12/22 31/01/22

**Turnover** Information not published

**Loss before tax** Information not published

**Net assets** £9.6m £1.0m

**Dividend income:** £nil

**Proportion of capital held:** A

**Diluted equity:** A

altruistiq.com

#### Notes on the Top 10 investment disclosures

Except where disclosed, the proportion of equity held by each investment also represents the level of voting rights held by the Company in respect of the investment.

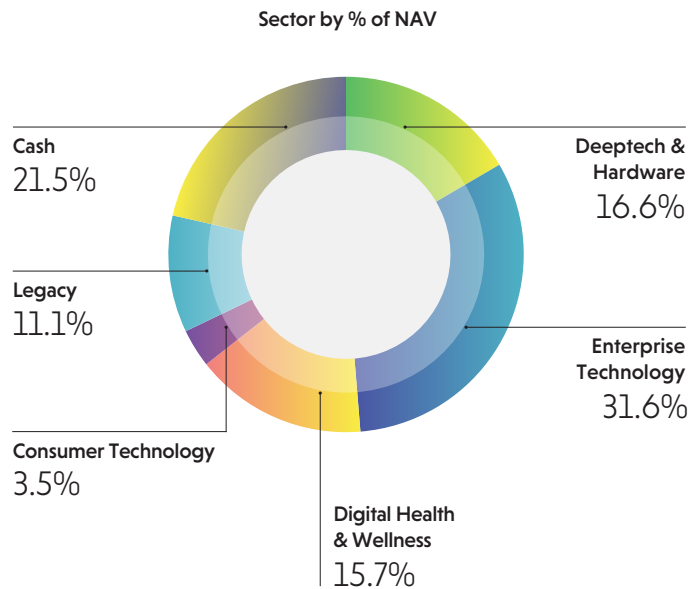
Loan notes disclosed in the above tables are valued at current expected redemption value, which is normally at par.

"Information not published" arises from the fact that the company files small company accounts and does not make turnover and profit before tax figures publicly available.

# Review of investments CONTINUED...

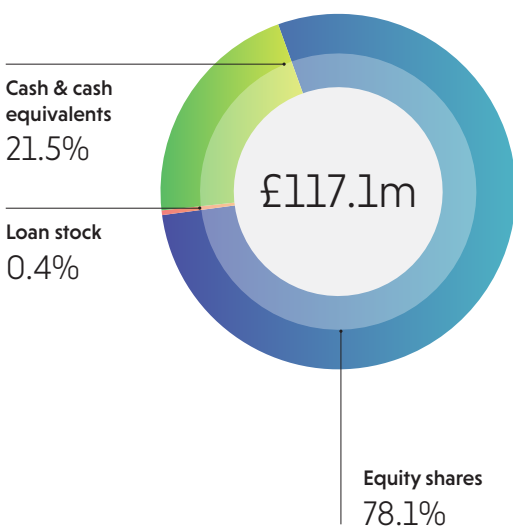
## Analysis of portfolio by investment sector

The split of the venture capital portfolio by investment sector (by value at 31 March 2024) is as follows:



## Analysis of investments by nature of instrument

The following chart summarises the Company's investment portfolio by the nature of instrument held (by value at 31 March 2024):



## VCT Qualifying and non-qualifying investments

The Company's assets have been employed in accordance with the VCT requirements set out in the Investment Policy. The allocation of investments currently included in the HMRC VCT Qualification test is shown below:

### Split of investments by value (according to VCT regulations)

	Actual	VCT requirement
VCT Qualifying investments	94.2%	>80%
Non-qualifying investments (including cash and cash equivalents)	5.8%	<20%
	<b>100.0%</b>	<b>100%</b>

The above table excludes funds raised under the recent Offers for Subscription, which are not yet included in the VCT Qualification test.

# Strategic report

The Directors present the Strategic Report for the year ended 31 March 2024. The Board has prepared this report in accordance with the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

## Principal objectives and strategy

The Company is a Venture Capital Trust whose principal investment objectives are outlined on page 7.

As a Venture Capital Trust, Investors are required to hold their shares for a minimum period of five years in order to retain their income tax relief.

## Business review and developments

As at 31 March 2024 the investment portfolio had increased in value by £10.4 million (2023: £4.7 million) including additions of £16.4 million (2023: £17.4 million). Disposals of investments were £29,000 (2023: £7.8 million) generating realised losses on investment disposals and impairments of £4.5 million for the year (2023: £1.0 million loss). Unrealised losses totalled £1.5 million (2023: £3.9 million).

Total running costs for the year including expenses charged to capital, exceeded revenue income by £2.1 million (2023: £2.6 million). There was no performance fee in 2024 (2023: nil). The annualised ongoing charges ratio is 2.4% (2023: 2.5%).

The total loss for the year was £8.1 million (2023: £7.6 million). Net assets as at 31 March 2024 were £117.1 million (2023: £110.3 million). Dividends paid during the year totalled £3.3 million (2023: £5.9 million).

The cash and cash equivalent balances held by the VCT decreased from £28.8 million as at 31 March 2023 to £25.1 million as at 31 March 2024. The explanation of the decrease is shown in the chart titled "Overview of cash movements" on page 5.

Included in cash equivalents are money market funds totalling £21.9 million

The Company's business and developments during the year are reviewed further in the Chairman's Statement, the Investment Manager's Report and the Review of Investments.

## Key performance indicators

At each Board meeting, the Directors consider a number of performance measures to assess the Company's level of success in meeting its Investment Policy (as shown on page 23). The Board believes the Company's key performance indicators are Net Asset Value (NAV), Total Return (NAV plus cumulative dividends paid to date) and dividends per share (see page 4). The performance of the VCT, measured by historic Share Price Total Return, is shown by the graph on page 32. It is the Board's target to pay a dividend of 5% per annum of net asset value per Ordinary Share.

The net asset value per share and total return is defined as an Alternative Performance Measure and the Board considers these to be the primary measure of shareholder value.

The Chairman's Statement and Investment Manager's Report include further commentary on the Company's activities and future prospects.

## Principal risks and uncertainties

The Board has carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity. The Board has ensured that there are policies in place for managing each of these risks. The principal financial risks faced by the Company, which include interest rate, investment price, credit and liquidity risks, are summarised within note 15 of the financial statements. Note 15 also includes an analysis of the sensitivity of the valuation of the portfolio to changes in key valuation inputs.

Other principal risks faced by the Company have been assessed by the Board and grouped into the key categories outlined below:

- Underperformance;
- Regulatory;
- Operational; and
- Economic, political and other external factors.

### Underperformance

The Company holds investments in unquoted and quoted UK businesses, with a focus on the technology sector. Poor investment decisions, inadequate management teams at investee companies, or a lack of effective monitoring and management of investments could result in a reduction in the NAV of the Company. In addition, as the Company may not be in control of the timing of its exits, owing to its minority shareholding in the portfolio companies, there is a risk that sales prices are not maximised.

The Molten Ventures Group has significant experience in investing in unquoted UK companies and engage reputable and experienced advisers at each stage of the investment process. Furthermore, the Board regularly reviews the performance of the portfolio.

The Molten Ventures Group either has a portfolio company board seat or observer status or confers with co-investment partners for all its material investments. The Investment Manager thereby monitors performance and prospects closely.

### Regulatory

The Company, as a fully listed Company on the London Stock Exchange with a premium listing and as a Venture Capital Trust, operates in a complex regulatory environment and therefore faces related risks. A breach of the VCT Regulations could result in the loss of VCT status and consequent loss of tax reliefs currently available to Shareholders and the Company being subject to capital gains tax. Serious breaches of other regulations, such as the Listing Rules of the Financial Conduct Authority and the Companies Act, could lead to suspension from the Stock Exchange and damage to the Company's reputation.

# Strategic report CONTINUED...

## Principal risks and uncertainties (continued)

### Regulatory (continued)

The Board receives quarterly reports from the Investment Manager and Administrator, who monitor the compliance of these risks, and places reliance on them to give updates in the intervening periods. These policies have remained unchanged since the beginning of the financial year.

Philip Hare & Associates LLP provides regular independent reviews of the Company's VCT status, as well as advice on VCT compliance issues as and when they arise.

In order to further mitigate this risk, the Board monitors regulatory and legislative developments. The Company also has a strong compliance culture and systems in place to ensure that the Company complies with all of its regulatory requirements.

Further commentary on VCT Status is provided on pages 23 and 24.

### Operational

The Company relies on the Investment Manager, Administrator and Company Secretary and other third parties to fulfil many of its operational requirements and duties. A provision of inferior services by one or more of these parties could lead to inadequate systems and controls or inefficient management of the Company, its assets and its reporting requirements.

The Company engages experienced and reputable service providers, the performance of which is reviewed on an annual basis by the Board. In addition, the Audit Committee reviews the Internal Control and Corporate Governance Manual on an annual basis.

### Economic, political and other external factors

Fluctuations in the stock market due to economic recession or monetary policy could affect the valuations of quoted investee companies, even if such companies are performing to plan. The impact of this on the NAV of the Company is mitigated by the portfolio largely consisting of investments in unquoted companies.

Wider political and economic events, sentiment and interest rates also have the potential to impact the performance and valuations of the unquoted companies in the portfolio as a result of a deterioration in business and consumer confidence. This is mitigated by holding a diversified portfolio of investments across a wide range of technology subsectors.

The emerging risks faced by the Company are outlined below:

### Geopolitical risks

There is significant geopolitical uncertainty at present with the ongoing conflicts in Ukraine and Gaza, as well as a number of key elections taking place in the US, EU and elsewhere. This can dampen stock markets thereby impacting both business confidence and thus portfolio trading as well as portfolio valuations. Additionally there can be practical issues when supply chains are impacted or sanctions and other changes impact the status quo.

The Investment Manager's hands on approach with the investee companies ensures that they are well placed to assess the exposure of their business to this uncertainty and/or supply chain impediments or other related issues. The Board considers exposure to be low and any direct impact on the Company's performance is not expected to be significant. The Board along with the Investment Manager shall continue to review the evolving situation as part of its ongoing activities.

### Climate change

The effects of climate change or those of changing legislation as the world looks to transition towards net zero emissions may impact the returns generated by the portfolio companies.

Whilst the Company itself, as a Venture Capital Trust, has negligible exposures to climate change risk, the Investment Manager works with the investee companies to ensure that climate change risk and transition risk is appropriately addressed. The Company encourages Shareholders to receive all communication by electronic means to reduce printing and postage and is moving towards payment of dividends by bank transfer only (see page 2) to further reduce its environmental impact. The Board together with the Investment Manager believe the risks within the current portfolio to be manageable and gives consideration to this in reviewing new investment decisions and will continue to assess developments in legislation and their potential impact on portfolio companies.

Developments in accounting and disclosure regulations impacting the Company are monitored by the Investment Manager to ensure full compliance.

### Viability statement

In accordance with Corporate Governance best practice, the Directors have assessed the emerging and principal risks facing the Company over a longer period than the 12 months required by the 'Going Concern' provision. The Board has conducted this review for a period of six years from the balance sheet date, this being the time horizon after which all investors will have passed their five-year holding period.

The six-year review considers the principal risks facing the Company, which are summarised within note 15 as well as the Company's cash flows, dividend cover and VCT monitoring compliance over the period. This includes the impact of the Ukraine and Gaza conflicts, the cost-of-living crisis and any other risks which may adversely impact its business model, future performance, solvency or liquidity. The six-year review makes assumptions that the capital recycling likely to occur, expenses, dividends and share buybacks will remain at their normal levels.

The Directors believe that the Company is well placed to manage its business risks successfully. Based on the results the Board believes that, taking into account the Company's current position and subject to the emerging and principal risks faced by the business, the Company will be able to continue in operation and meet its liabilities as they fall due for a period of at least six years from the balance sheet date.



# Strategic report CONTINUED...

## Business Model

The Company operates as a Venture Capital Trust to ensure that its Shareholders can benefit from the tax reliefs available.

The business of the Company is to act as an investment company, investing in a portfolio which meets the conditions set within its Investment Policy, as shown below.

## Share Buybacks

The Company operates a policy of buying in shares at a discount of approximately 5% to the latest published NAV, subject to regulatory and liquidity constraints.

During the year the Company purchased a total of 1,233,000 Shares at an average price of 48.9p per share. These Shares were subsequently cancelled.

Resolution 13 will be proposed at the forthcoming AGM, to renew the authority for the Company to purchase its own Shares.

## Investment Policy

The Company's current Investment Policy is as follows:

The Company currently holds a portfolio which is mixed by sector, with new investment activity focused on the technology sector.

The Company will continue to invest in a diversified portfolio of companies, predominantly in the technology sector, with a particular emphasis on unquoted companies which will usually have the following characteristics:

1. Companies which meet the VCT criteria with the ability to grow, which are seeking growth capital;
2. A strong, balanced and well-motivated management team;
3. Investments where the Manager can typically be an active investor and have a board or observer position;
4. Companies with products or services which have the potential to sustain a competitive advantage; and
5. Companies with reasonable prospects of achieving a trade sale or stock market flotation.

Future VCT Qualifying Investments will usually be syndicated alongside other Molten Ventures funds with a focus on the following technology sectors:

6. **Consumer Technology:** companies with exceptional growth opportunities in international markets that are underpinned by new consumer facing products, innovative business models and proven execution capabilities;
7. **Enterprise Technology:** companies developing the software infrastructure, applications and services that drive productivity improvements, convenience and cost reduction for enterprises;
8. **Hardware and Deep Technology:** companies developing different technologies that underpin advances in computing, consumer electronics and other industries; and

9. **Digital Health and Wellness:** companies leveraging digital and other technologies to create new products and services for the health and wellness market.

## Risk Diversification

The Company's portfolio will be diversified by investing in a portfolio of VCT qualifying investments covering a number of technology sectors. The maximum that the Company will hold in a single investment (by value at the time of investment) is 15% of funds invested.

## Non-Qualifying Investments

The Company will invest such funds not utilised in VCT Qualifying Investments in cash and other near cash assets, as permitted under VCT regulations.

## Venture Capital Trust regulations

The Company will be managed with the intention of maintaining its VCT status by satisfying a number of tests set out in Part 6 of the Income Tax Act 2007. Compliance with the applicable VCT Regulations is disclosed on page 24.

## Borrowings

It is not the Company's intention to have any long-term borrowings. However, the Company does have the ability to borrow not more than 10% of the aggregate of the nominal capital of the Company (being issued and paid up) plus the amounts standing to the credit of the consolidated reserves of the Company.

At 31 March 2024 the maximum amount of borrowings allowed, without the previous sanction at a General Meeting, stood at £11.7 million (2023: £11.0 million). There are no plans to utilise this ability at the current time.

## VCT Status

In continuing to maintain its VCT status the Company complies with a number of regulations, as set out in Part 6 of the Income Tax Act 2007.

The Company has retained Philip Hare & Associates LLP to advise it on compliance with VCT requirements, reporting directly to the Board. Philip Hare & Associates LLP works closely with the Investment Manager and Board of the Company, undertaking reviews of the VCT compliance status of new investment opportunities, providing regular compliance updates on the Company's existing portfolio of investments and providing advice on VCT compliance issues as and when they arise.

As stated on page 12, the VCT sunset clause is expected to be extended to 2035.

## Strategic report CONTINUED...

### VCT Status (continued)

Compliance with the main VCT regulations as at 31 March 2024, and for the year then ended, is summarised as follows:

1. 80% of its investments is held in qualifying companies;	<b>94.2%</b>
2. At least 70% of the Company's qualifying investments (by value) are held in 'eligible shares' (funds raised before 5 April 2011 are excluded);	<b>100.0%</b>
3. At least 10% of each investment in a qualifying company is held in 'eligible shares';	<b>Complied</b>
4. No investment constitutes more than 15% of the Company's portfolio (by value at the time of investment);	<b>Complied</b>
5. The Company's income for each financial year is derived wholly or mainly from shares and securities;	<b>99.9%</b>
6. The Company distributes sufficient revenue dividends to ensure that not more than 15% of the income from shares and securities in any one year is retained;	<b>Complied</b>
7. Prior to 5 April 2012, the maximum unit size of £1 million in each VCT qualifying investment (per tax year). Post 5 April 2012 the maximum investment by a VCT in any company is £5 million (£10 million for a 'knowledge-intensive' company) in the twelve months ending on the date of the VCT's investment; and	<b>Complied</b>
8. At least 30% of new funds raised are invested in qualifying holdings within 12 months of the end of the accounting period in which those funds are raised.	<b>Complied</b>

The most recent changes to the VCT Regulations sought to strengthen the availability of capital for innovative growth businesses in the UK. The Board is confident that, with its Manager as part of the Molten Ventures Group, the Company is well placed to comfortably meet the criteria.

### Climate-related matters

The FCA reporting requirements consistent with the Task Force on Climate-related Financial Disclosures ("TCFD") do not currently apply to the Company. The Board and Investment Manager acknowledges the recommendations which will be reviewed over future periods.

### Environmental, social and human rights policy

The Company seeks to conduct its affairs responsibly. Where appropriate, the Board and the Managers take environmental, social and human rights factors into consideration when making investment decisions. The Investment Manager has developed an environmental, social and governance policy which is applied when providing services to the Company.

### Global greenhouse gas emissions

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

### Directors and senior management

The Company does not have any employees, including senior management, other than the Board of the four male and one female non-executive directors. The Company's policy regarding diversity is set out in full in the Corporate Governance Statement on page 35.

Whilst the Board has delegated the day to day operation of the Company to its service providers, details of which are contained within the Report of the Directors, they retain the responsibility of planning, directing and controlling the activities of the Company. Further details are given in the Statement of compliance section on page 33.

### Future Prospects

The Company's future prospects are set out in the Chairman's Statement and Investment Manager's Report.

# Strategic report CONTINUED...

## Section s172(1) statement

This report sets out how the Directors have had regard to promoting the success of the Company for the benefit of its Shareholders as a whole, and in making their decisions to have regard to, but not limited to, a list of six factors contained within this section of the Companies Act 2006:

- the likely consequences of any decision in the long term;
- the interest of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the environment and community;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between Members of the Company.

The Company has no employees (other than its Directors) and no customers in the traditional sense. It is normal practice for Venture Capital Trusts to delegate authority for day-to-day management and administration of the Company to third parties. The Board will then engage with the third parties in setting, approving and overseeing the execution of the business strategy and related policies. In accordance with the Company's nature as a Venture Capital Trust, the Board's principal concern has been, and continues to be, the interest of the Company's Shareholders taken as a whole as well as continuing to monitor portfolio management in light of the Company's objectives.

In addition to this, the Board has a responsible governance culture and has due regard for broader matters so far as they apply including the expectations of its regulators. Specifically, the Board engages with the Investment Manager at every Board meeting where it will review the financial and operational performance of the Company, as well as its legal and regulatory compliance and reviews the oversight of investments undertaken by the Investment Manager. The Board also reviews its relationships with other service providers at least annually as well as other areas over the course of the financial year including the Company's key risks; stakeholder-related matters; diversity and inclusivity; environmental matters; and corporate responsibility and governance.

The Investment Manager regularly engages with Shareholders, by producing half yearly reports and reporting back to the Board. The Board also encourage all Shareholders to attend the AGM and welcomes any other communications from Shareholders. Its main stakeholders therefore comprise of the Shareholders, the Investment Manager, other service providers and investee companies.

The principal decisions made or approved by the Directors during the year include dividend declarations and the launch of a new offer for subscription. In taking these decisions, the Directors considered their duties under section 172(1) of the Act. Principal decisions have been defined as those that have a material impact to the Company and its key stakeholders. The results of the AGM and GM showed that the Director's views were in line with the Shareholders, as both the approval of the final dividend and the authority to allot shares received 97.8% and 90.0% respectively of the Shareholder's votes. The Board involved the Investment Manager closely in discussions on dividends and fundraising and had their support.

## By order of the Board

### ISCA Administration Services Limited

Company Secretary  
The Office Suite  
Den House  
Den Promenade  
Teignmouth TQ14 8SY

26 July 2024

# Report of the Directors

The Directors present the Annual Report and Financial Statements of the Company for the year ended 31 March 2024.

## Share capital

During the year the Company issued a total of 36,846,664 Ordinary Shares of 5p each ("Ordinary Shares") at an average price of 50.3p per share, under the offer that launched in October 2022. The gross proceeds of the Offer were £19.5 million, with issue costs in respect of the Offer amounting to £1.1 million.

Following the payment of a dividend in April 2023, 222,199 Ordinary Shares at an average price of 50.2p were allotted under the Dividend Reinvestment Scheme ("DRIS"). The amount re-invested totalled £112,000.

Following the payment of a dividend in September 2023, 145,421 Ordinary Shares at an average price of 50.4p were allotted under the Dividend Reinvestment Scheme ("DRIS"). The amount re-invested totalled £73,000.

During the year, the Company purchased 1,233,000 Ordinary Shares for cancellation for an aggregate consideration of £0.6 million, equating to an average price of 48.9p per share. The purchases were undertaken at an average discount of 8.5% to the most recently published NAV, as at the date of purchase. These shares were subsequently cancelled.

The total number of Ordinary Shares in issue at 31 March 2024 was 242,913,196.

On 5 April 2024, the Company allotted 26,962,656 Ordinary Shares of 5p each at an average price of 48.99p per Ordinary Share under the terms of the Offer for Subscription dated 3 October 2023.

The Company also allotted 300,379 Ordinary Shares of 5p each in respect of Shareholders who agreed to subscribe for shares under the terms of the Company's Dividend Reinvestment Scheme ("DRIS") in respect of the dividend of 1p per Ordinary Share paid on 5 April 2024. The shares were issued at 47.27p per share (being the unaudited adjusted net asset value as of 4 April 2024, which has been adjusted down for payment of the 1p dividend on 5 April 2024).

On 24 April 2024 the Company allotted 587,656 Shares at an average price of 48.58p per Ordinary Share under the terms of the Offer for Subscription dated 3 October 2023.

On 15 April 2024, the Company purchased 1,047,051 Ordinary Shares for cancellation for an aggregate consideration of £473,000 equating to an average price of 44.9p per share. At the date of this report the total number of Ordinary Shares in issue was 269,716,836. There are no other share classes in issue.

## Results and dividends

	£'000	Pence per share
<b>Loss on ordinary activities after tax for the year ended</b>	<b>(8,054)</b>	<b>(3.3)</b>
<b>Dividends paid in the year</b>		
6 April 2023	<b>2,070</b>	1.0
29 September 2023	<b>1,213</b>	0.5
	<b>3,283</b>	<b>1.5</b>

Your Company will pay a final dividend of 1.5p per Ordinary Share on 26 September 2024, to Shareholders on the register at 23 August 2024, subject to Shareholder approval at the AGM.

## Directors

The Directors of the Company during the year were as follows:

**David Brock** (Chairman)

**Hugh Aldous**

**Sally Duckworth** (Appointed 22 January 2024. Full details of the appointment are given on page 35.)

**Nicholas Lewis**

**Richard Marsh**

In accordance with corporate governance best practice all Directors retire at each AGM, with those wishing to do so putting themselves forward for election or re-election. Accordingly, at the forthcoming AGM all Directors will retire and, offer themselves for election or re-election. The Board recommends that Shareholders take into consideration each Director's considerable experience in VCTs and other areas, as shown in their respective biographies on page 7, together with the performance of the Company over the years, in order to support the resolutions to appoint or re-appoint the Directors.

Each of the Directors has entered into an agreement for services which is terminable on three months' notice by either side. Each Director is required to devote such time to the affairs of the Company as the Board reasonably requires and their powers are bound by the Company's Articles of Association. Appointments of new Directors to the Board are considered by all existing Directors as and when required.

The Company provides Directors' and Officers' liability insurance, giving appropriate cover for legal action brought against its Directors. The Company has also agreed to indemnify Directors in circumstances where they are not considered to be culpable. The indemnity, which is a qualifying third-party indemnity provision for the purpose of the Companies Act, is for the benefit of all of the Company's Directors.

# Report of the Directors CONTINUED...

## Board and Committee membership

	Board	Audit	Remuneration	Nomination
David Brock	Chair	Member	Member	Member
Hugh Aldous	Senior Independent Director	Chair	Chair	Member
Sally Duckworth	Member	Member	Member	Chair (from July 2024)
Nicholas Lewis	Member	n/a	Member	Member
Richard Marsh	Member	n/a	Member	Member

### Investment management fees

Elderstreet Investments Limited is the Investment Manager for the Company and receives a fee of 2.0% of net assets plus future fundraising per annum. The agreement, originally entered into on 30 January 1998 and replaced by a new agreement on 9 February 2021, is terminable by one year's prior written notice by either side after the initial period of three years from the new agreement.

The Board is satisfied with the performance of the Company and with Elderstreet Investments Limited's strategy, approach and procedures in providing investment management services to the Company. The Directors have therefore concluded that the continuing appointment of Elderstreet Investments Limited as Investment Manager remains in the best interest of Shareholders.

### Performance incentive fees

No performance incentive fees are payable to the Investment Manager in respect of the year under review as only one hurdle was met and the investment disposals did not result in any realised gains.

A performance fee shall be payable to the Investment Manager equal to 20% of any realised gains made on the disposal of an investment provided two hurdles are met:

- an IRR hurdle requiring the achievement of at least 7% IRR in respect of investments made within a five-year pool, the first such period starting on 1 April 2021; and
- a NAV per share hurdle requiring the NAV per share at the end of the year in which the gain is made to be higher than the NAV per share at the commencement of the five-year pool period in which the investment was made (after adding back dividends paid in the period).

The performance Incentive fee will also have a catch-up if the hurdles are not met, such that the fee on an investment realisation in a period when hurdles are not met can be paid at a later date if the hurdles are subsequently met.

### Annual running costs cap

The Company's annual running costs (which exclude any performance fees payable) are capped at 3.5% of the net assets. Any excess will be paid by the Manager. The annualised expense ratio for the year, based on weighted net assets during the year ended 31 March 2024, was 2.4% (2023: 2.5%).

### Administration fees

Downing LLP previously provided administration services to the Company for an annual fee calculated as £65,000 per annum plus 0.1% of future funds raised since April 2021 capped at £100,000.

In 2023 our Company Secretary informed the Board of his intention to retire from his role. The Board undertook an assessment of suitable providers as Company Secretary and Fund Administrator to the Company. Meetings were held with providers following which ISCA Administration Services was appointed to the role on 26 February 2024. During the year fees for administration services amounted to £93,000 of which £75,000 was to Downing LLP.

### Substantial interests

As at 31 March 2024, and the date of this report, the Company was not aware of any beneficial interests exceeding three per cent of the issued Ordinary Share capital.

### Independent Auditor

A resolution to reappoint BDO LLP as the Company's Auditor will be proposed at the forthcoming AGM.

### Annual General Meeting

This year's Annual General Meeting will be held at 20 Garrick St, London WC2E 9BT on 4 September 2024 at 11:15 am. The AGM Notice is at the end of this document.

# Report of the Directors CONTINUED...

## Directors' statement pursuant to the Disclosure and Transparency Rules

Each of the Directors, whose names and functions are listed on page 7, confirms that to the best of their knowledge:

- 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 profit or loss of the Company; and
- the Annual Report and Accounts including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company, together with the principal risks and uncertainties that it faces.

## Electronic publication

The financial statements are published on [moltenventures.com](https://moltenventures.com) (maintained by the Investment Manager). Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

## Corporate Governance

The Company's compliance with and departures from the AIC Code of Corporate Governance ([theaic.co.uk](https://theaic.co.uk)), are disclosed on page 37.

## Streamlined Energy and Carbon Reporting ('SECR')

As the Company has no employees and primarily conducts its business at the London offices of the Investment Manager, Elderstreet Investments Limited, the Company is not directly responsible for the consumption of electricity and gas in the UK, nor is the Company responsible for greenhouse gas emissions related to transport in the UK.

As the Company did not consume more than 40,000 kWh of energy during the year ended 31 March 2024, it has nothing to report under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulation 2018.

## Statement as to disclosure of information to the Company's Auditor

The Directors in office at the date of this report have confirmed, as far as they are aware, that there is no relevant audit information of which the Company's Auditor is unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the Company Auditor.

## Other matters

Information in respect of financial instruments, greenhouse emissions and future developments which were previously disclosed within the Report of the Directors have been disclosed within the Strategic Report on pages 21 to 25.

## By order of the Board

### ISCA Administration Services Limited

Company Secretary  
The Office Suite  
Den House  
Den Promenade  
Teignmouth TQ14 8SY

26 July 2024

# Directors' responsibilities statement

The Directors are responsible for preparing the Report of the Directors, the Strategic Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations. They are also responsible for ensuring that the Annual Report includes information required by the Listing Rules of the Financial Conduct Authority.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102, the financial reporting standard applicable in the UK and Republic of Ireland (FRS 102).

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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a directors' report, a strategic report and directors' remuneration report which comply with the requirements of the Companies Act 2006.

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

Each of the Directors considers that the Annual Report, 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 Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

## For and on behalf of the Board

**David Brock**  
Chairman

26 July 2024

# Directors' remuneration report

## Annual statement from the Chairman of the Remuneration Committee: Hugh Aldous

The Remuneration Committee comprises Hugh Aldous (Chair) David Brock, Sally Duckworth (since appointment), Nicholas Lewis, and Richard Marsh .

The Committee last reviewed the remuneration levels when setting the fees payable from 1 April 2024. It considered fees within the financial sector and the demand for non-executive directors within the industry. Inflation over the period was also considered. Furthermore, as the Company is an active investor, the time commitments required of each of the Directors has increased significantly. The Remuneration Committee has satisfied itself that the revised fee structure brings the Company in line with similar VCTs and is commensurate with the time commitments required of each of the Directors. The Remuneration Committee also considers the overall cost to be reasonable.

Following this review, the Board agreed to increase Directors' fees from 1 April 2024, as shown on page 31. Directors' Remuneration consists of a base fee for all Directors with additional fees then set for specific roles and the individual such as Chair of the Board and Audit Committee.

Directors did not participate in setting any additional fee for their own specific role. The Board considers that this process is consistent with the spirit of the AIC Code on the setting of Directors' fees. As with any Board comprised solely of non-executive directors it is not possible for a Director to abstain from any discussion or decision concerning their own fees.

## Remuneration policy report

Below is the Company's remuneration policy which was effective for three years commencing 1 January 2024. Accordingly, the Board will be seeking Shareholder approval of the policy at the AGM in 2026, for the three-year period commencing 1 January 2027.

The Company's policy on Directors' remuneration is to seek to remunerate Board members at a level appropriate for the time commitment required and degree of responsibility involved for a Venture Capital Trust of this size. This includes the determination of the remuneration for new Directors, which is set by the Remuneration Committee.

Non-executive Directors are not entitled to any performance related pay or incentive and therefore Directors' remuneration will not increase with performance.

Directors' remuneration is calculated in accordance with the Company's Articles of Association as follows:

- The Directors shall be entitled to be repaid all reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors, including any expenses incurred in attending meetings of the Board or of Committees of the Board or general meetings and if in the opinion of the Directors it is desirable that any of their number should make any special journeys or perform any special services on behalf of the Company or its business, such Director or Directors may be paid reasonable additional remuneration and expenses as the Directors may from time to time determine.
- The Directors shall be paid out of the funds of the Company by way of fees for their services an aggregate sum not exceeding £1,000,000 per annum. The Directors shall also receive by way of additional fees such further sums (if any) as the Company in general meeting may from time to time determine.
- Such fees and additional fees shall be divided among the Directors in such proportion and manner as they may determine and in default of determination equally.

A remuneration payment or payment for loss of office can only be made to a current or former director that is within the scope of the approved policy (subject to the Articles), unless approved by a separate Shareholder resolution.

A Director is not required to hold shares in the Company. Any dealings in the Company's shares are notified to the Chairman beforehand for approval.

The Board receives feedback from Shareholders from time to time via direct correspondence, telephone calls and at the AGM. The Remuneration Committee takes account of any comments in respect of the remuneration policy when it undertakes its regular review of the policy.

## Agreement for services

Each of the Directors has signed an agreement for services with the Company which specifies a notice period of three months. Each Director is required to devote such time to the affairs of the Company as the Board reasonably requires.



## Directors' remuneration report CONTINUED...

### Annual report on remuneration (audited)

The Directors' remuneration and share interests disclosure below are required to be audited under the requirements of section 497. The audit opinion thereon is contained within the Auditor's Report on pages 38 to 44.

The directors' remuneration consists of fixed salary and fees and for the year under review was as follows:

	Year to 31 March 2024 £'000	% change in gross fees <sup>5</sup>	Year to 31 March 2023 £'000	% change in gross fees <sup>6</sup>	Year to 31 March 2022 £'000	% change in gross fees <sup>7</sup>	Year to 31 March 2021 £'000
David Brock	35.0	–	35.0	16.7%	30.0	–	30.0
Hugh Aldous	31.5	–	31.5	18.9%	26.5	–	26.5
Nicholas Lewis	29.0	–	29.0	20.8%	24.0	–	24.0
Sally Duckworth <sup>1</sup>	5.7	n/a	n/a	–	n/a	–	n/a
Michael Jackson <sup>2</sup>	n/a	–	n/a	(100.0%)	8.7	(64.0%)	24.0
Richard Marsh <sup>3</sup>	nil	–	nil	–	nil	–	n/a
Barry Dean <sup>4</sup>	n/a	–	n/a	–	n/a	(100.0%)	11.5
	<b>101.2</b>		<b>95.5</b>		<b>89.2</b>		<b>116.0</b>

<sup>1</sup> Appointed 22 January 2024.

<sup>2</sup> Resigned 11 August 2021.

<sup>3</sup> Appointed 11 August 2021, representative of the Investment Manager.

<sup>4</sup> Resigned 22 September 2020.

<sup>5</sup> Between the years ending 31 March 2023 and 31 March 2024.

<sup>6</sup> Between the years ending 31 March 2022 and 31 March 2023.

<sup>7</sup> Between the years ending 31 March 2021 and 31 March 2022.

No variable remuneration, benefits, pension contributions or life assurance contributions were paid by the Company to, or on behalf of, any Director. The Company does not have any share options in place.

### Statement of implementation of remuneration policy in the current financial year

	Annual fees from 1 April 2024 £'000
David Brock	40.0
Hugh Aldous	36.5
Sally Duckworth	34.0
Nicholas Lewis	34.0
Richard Marsh	–
	<b>144.5</b>

### Statement of voting at the AGM

Shareholders' views in respect of Directors' remuneration are communicated at the Company's AGM and are taken into account in formulating the Directors' remuneration policy. At the last AGM on 20 September 2023 the votes in respect of the resolution to approve the Directors' Remuneration Report were as follows:

In favour	<b>93.2%</b>
Against	<b>6.8%</b>
Withheld	<b>79,370 votes</b>

At the 2023 AGM, where the remuneration policy was last put to a Shareholder vote, 86.3% voted for the resolution and 13.7% voted against, showing significant Shareholder support.

# Directors' remuneration report CONTINUED...

## Statement of implementation of remuneration policy in the current financial year (continued)

### Directors share interests (audited)

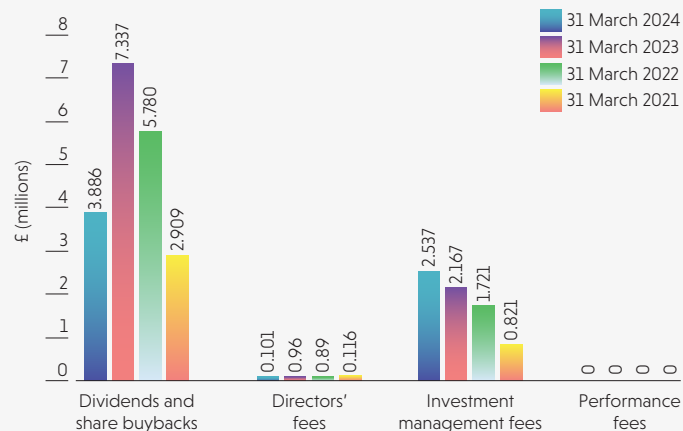
The beneficial interests of the Directors in the issued Ordinary Shares in the Company at each period end and the date of this report were as follows:

	31 March 2024	31 March 2023	26 July 2024
David Brock	533,043	484,024	533,043
Hugh Aldous	105,850	75,970	105,850
Nicholas Lewis	48,498	48,498	48,498
Richard Marsh	1,103,990	705,584	1,103,990
Sally Duckworth <sup>1</sup>	–	n/a	–

<sup>1</sup> Appointed 22 January 2024.

## Relative importance of spend on fees

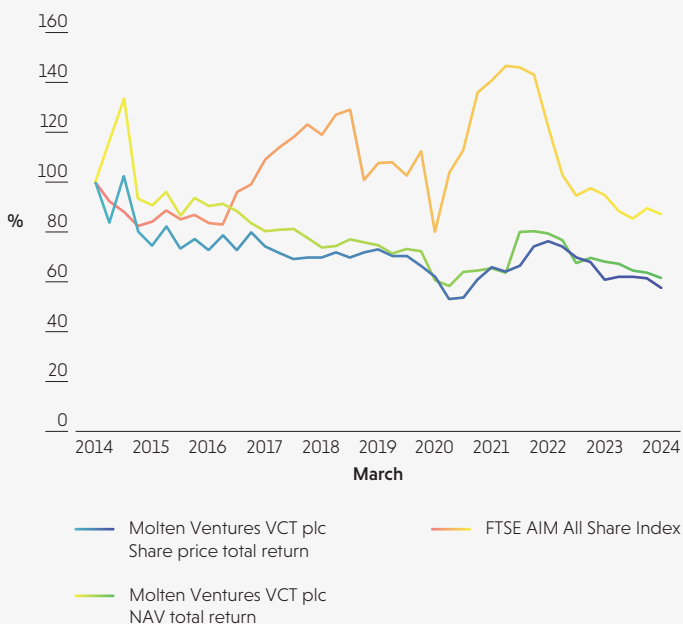
The differences in actual spend between 31 March 2024 and 31 March 2023 on remuneration for all directors, in comparison to distributions (dividends and share buybacks) and other significant spending, are set out in the tabular graph below:



## Performance graph

The graph below charts the total cumulative Shareholder return of the Company (assuming all dividends are re-invested) ("NAV Total Return") and Total Return of the Company's Share Price ("Share Price Total Return") over the past ten years, compared to FTSE AIM All Share Index, each of which has been rebased to 100 pence as at 31 March 2014.

The Board believes that NAV Total Return provides Shareholders with a fairer reflection of the Company's long-term value than the Company's share price, due to the long-term nature of an investment in Venture Capital Trust shares. The FTSE AIM All Share Index ("FTSE Index") is not a benchmark for the Company and its components include a much broader range of quoted investments than the Company is able to invest in. As a result, the Company's performance is not expected to be closely correlated to the FTSE Index. However, of the publicly available indexes that can be used by the Company without incurring disproportionate costs, the FTSE Index is considered to be the most appropriate broad equity market index to use for this chart.



## By order of the Board

### Hugh Aldous

Chairman of the Remuneration Committee,  
Molten Ventures VCT plc

Registered office:  
The Office Suite  
Den House  
Den Promenade  
Teignmouth TQ14 8SY

26 July 2024

# Corporate governance statement

The Board has considered the principles and provisions of the AIC Code of Corporate Governance ("AIC Code"). The AIC Code addresses all principles and provisions set out in the UK Corporate Governance Code, as well as setting out additional provisions on issues that are of specific relevance to investment companies.

The Board considers that reporting against the principles and provisions of the AIC Code, which incorporates the UK Corporate Governance Code, will provide better information to Shareholders.

The Board is aware of the revisions to the UK Governance Code, announced in January 2024. The Company follows the AIC Code not the UK Code and once these revisions are incorporated into the AIC Code the Company will report against the updated AIC Code.

## Statement of compliance

The Board has made the appropriate disclosures in this report to ensure that the Company meets its continuing obligations. It should be noted that, as a Venture Capital Trust, most of the Company's day-to-day responsibilities are delegated to third parties, the Company has no employees, and all of the Directors are non-executive. Therefore, not all of the provisions of the UK Code are directly applicable to the Company.

Other than this, the Board considers that the Company has complied with the provisions and recommendations of the AIC Code for the year ended 31 March 2024.

As an investment company managed by third parties, the Company does not employ a chief executive, nor any executive directors. The systems and procedures of the Investment Manager and the Administrator and the annual statutory audit as well as the size of the Company's operations, gives the Board confidence that an internal audit function is not appropriate. The Company is therefore not reporting further in respect of these areas.

## The Board

The Company has a Board comprising of five non executive Directors. The Chairman is David Brock and the Senior Independent Director is Hugh Aldous. Biographical details of all Board members (including the significant commitments of the Chairman) are shown on page 7.

The Board considers the independence of each of the Directors on an ongoing basis. Whilst three of the Directors has served on the Board for longer than nine years, each Director, with the exception of Richard Marsh, is considered to be independent of the Company in accordance with the provisions and recommendations set out in the AIC Code. The majority of the Board is therefore considered independent of the Company and the Investment Manager.

In accordance with Company Policy and in the interest of good Corporate Governance, all Directors will retire at the forthcoming AGM and will, being eligible, offer themselves for election or re-election.

Full Board meetings take place quarterly and the Board meets or communicates more regularly to address specific issues. The Board has a formal schedule of matters specifically reserved for its decision which includes but is not limited to; considering recommendations from the Investment Manager, making decisions concerning the acquisition or disposal of investments outside of the scope of the discretionary management agreement and annually reviewing the terms of engagement of all third-party service providers (including the Investment Manager and Administrator).

As the Company has a small Board of non-executive Directors, all Directors sit on the Nomination Committee (chaired by Sally Duckworth) and the Remuneration Committee (chaired by Hugh Aldous). The Audit Committee comprises Hugh Aldous (Chairman), David Brock and Sally Duckworth. A formal Management Engagement Committee is not necessary as the majority of the Board is independent of the Investment Manager.

Committee meetings are held in conjunction with the Board meetings. All Committees have defined terms of reference and duties.

The Board has also established procedures whereby Directors wishing to do so in the furtherance of their duties may take independent professional advice at the Company's expense.

All Directors have access to the advice and services of the Company Secretary. The Company Secretary provides the Board with full information on the Company's assets and liabilities and other relevant information requested by the Chairman, in advance of each Board meeting.

## Share capital

The Board has authority to make market purchases of the Company's own Shares. This authority for up to 14.99% of the Company's issued share capital was granted at the last AGM. A resolution will be put to Shareholders to renew this authority at the forthcoming AGM. The Board will also seek authority at the forthcoming AGM to issue new Shares up to an aggregate nominal amount of £6.6 million.

The capital structure of the Company is disclosed in note 12.

As disclosed in the Report of the Directors, there were no Shareholders with a substantial interest in the Company at the year-end or at the date of this report.

# Corporate governance statement CONTINUED...

## Formal Board and Committee meetings

The following table sets out the Directors' attendance at the Board and Committee meetings held during the year.

	Board Meetings attended  (4 held)	Audit Committee Meetings attended  (2 held)	Remuneration Committee meetings attended  (1 held)
David Brock	4	2	1
Hugh Aldous	4	2	1
Sally Duckworth <sup>1</sup>	1	n/a	–
Nicholas Lewis	4	n/a	1
Richard Marsh	4	n/a	1

<sup>1</sup> Appointed 22 January 2024.

Nomination Committee meetings were held as part of the Board Meetings when appropriate.

## Audit Committee

The Company has an Audit Committee comprising Hugh Aldous (Chairman), David Brock and Sally Duckworth. This Committee has defined terms of reference and duties and normally meets twice yearly.

David Brock was considered independent on appointment as Chairman of the Company and is therefore also a member of the Audit Committee.

The Audit Committee is responsible for reviewing the Half-Yearly and Annual Reports before they are presented to the Board, the terms of appointment of the Auditor together with their remuneration and a full review of the effectiveness of the Company's internal control and risk management systems.

In particular the Committee reviews, challenges (where appropriate) and agrees the basis for the carrying value of the unquoted investments, as prepared by the Investment Manager for presentation within the Half-Yearly and Annual Reports.

The Committee also takes into careful consideration comments on matters regarding valuation, revenue recognition and financial statement disclosures arising from the Auditor's Report to the Audit Committee.

As part of its annual review procedures the Committee has obtained sufficient assurance by reviewing audit feedback documentation, holding discussions with the Engagement Partner and undertaking its own evaluation.

The Audit Committee met twice during the year. The Committee reviewed the internal financial controls and concluded that they remained appropriate.

## Internal audit and control

The Committee has considered the need for an internal audit function and concluded that this would not be appropriate for a company of this size and structure. The Committee seeks to satisfy itself that there is a proper system and allocation of the responsibilities for the day-to-day monitoring of financial controls by receiving representations and information either upon request or voluntarily from the Manager and Administrator. This is covered more fully under Risk Management and Internal Control.

## Whistleblowing procedures

As the Company has no staff other than the Directors, there are no procedures in place in respect of whistleblowing. The Audit Committee understands that the Investment and Administrator have whistleblowing procedures in place.

## External auditor

The Committee reviews and agrees the audit strategy paper, presented by the Auditor in advance of the audit, which sets out the key risk areas to be covered during the audit and confirms their status of independence.

The Committee confirms that the most significant audit areas, in respect of the financial statements for the year under review, is the carrying value of unquoted investments. The internal controls in place to mitigate these risks are set out in the Risk Management and Internal Control section on pages 36 and 37.

After taking into consideration comments from the Investment Manager and the Administrator regarding the effectiveness of the audit process, immediately before the conclusion of the annual audit the Committee will recommend to the Board that the Auditor either be re-appointed or removed.

Under the Competition and Markets Authority regulations, there is a requirement that an audit tender process be carried out every ten years and mandatory rotation at least every twenty years. The audit of the financial statements for the year ended 31 March 2024 is the seventeenth year undertaken by BDO. The mandatory re-tendering rules were applied during 2017 and resulted in the Board taking the decision to reappoint BDO.

Following assurances received from the Managers at completion of the audit for the year ended 31 March 2024, and taking discussions held with the Engagement Partner at BDO LLP into consideration, the Committee has recommended they be re-appointed at the forthcoming AGM.

# Corporate governance statement CONTINUED...

## Audit Committee (continued)

### Non-audit services

Any non-audit services provided by the Auditor are reviewed and approved by the Committee prior to being undertaken, to ensure that the Auditor's objectivity and independence are safeguarded.

In addition, the Auditor confirms their independent status on an annual basis.

The Auditor may perform ad-hoc work to the extent the work is considered a permitted service in accordance with independence rules at the request of the Board. The Board will agree the maximum expected fee before such work being undertaken, to ensure that auditor objectivity and independence is safeguarded. The Auditor has not provided any non-audit services in respect of the year ended 31 March 2024. The fees paid to the Auditor for the year are disclosed in Note 4 of the financial statements.

## Nomination Committee

The Nomination Committee's primary function is to make recommendations to the Board on all new appointments and to advise generally on issues relating to the Board composition and balance. The Committee met a number of times during the year.

As reported in last year's Annual Report the Company started a process to refresh the Board through new appointments. The Directors looked to identify the key skills likely to be possessed by a suitable candidate and an external recruitment agency was engaged to provide a list of potential candidates. Shortlisted candidates were interviewed in late 2023, following which Sally Duckworth was appointed on 22 January 2024 as a Director and member of the Audit Committee. The process to refresh the Board continues and further changes are expected to be announced over the forthcoming year.

With effect from July 2024, Sally Duckworth was appointed Chair of the Committee.

## Diversity policy

When considering a new appointment to the Board, the Committee's responsibility is to ensure that Shareholders are safeguarded by appointing the most appropriate person for the position, (irrespective of gender, race, age) giving due regard to past and present experience in the sectors in which the Company invests. The Company therefore does not have a diversity policy in place.

The Board is required to disclose their compliance in relation to the targets on board diversity set out under paragraph 9.8.6R (9) of the Listing Rules which are as follows:

1. at least 40% of the individuals on the Board of Directors are women;
2. at least one of the senior positions on the Board of Directors is held by a woman; and
3. at least one individual on the Board of Directors is from a minority ethnic background.

The table below sets out the composition of the Board at the year end based on the prescribed criteria.

Gender Identity	Number of Board Members	Percentage of Board	Number of senior positions on Board
Men	4	80%	2
Women (appointed 22 January 2024)	1	20%	–
White British or other White (including minority White groups)	5	100%	100%
Mixed Multiple Ethnic Groups	–	–	–
Asian/Asian British	–	–	–
Other ethnic group including Arab	–	–	–
Not specified/prefer not to say	–	–	–

The Board therefore does not currently meet the criteria above, however the recruitment of Sally Duckworth during the year has looked to direct recruitment towards meeting the diversity criteria. When undertaking all recruitment the Board will be mindful of this criteria, providing a suitable candidate possesses the key skills and experience required for the position.

More details on the Directors can be found in the Board of Directors section on page 7.

# Corporate governance statement CONTINUED...

## Remuneration Committee

The Committee meets as and when required to review the levels of Directors' remuneration. Details of the specific levels of remuneration to each Director are set out in the Directors' Remuneration Report on page 31, and this is subject to Shareholder approval.

## Anti-bribery policy

The Company operates an anti-bribery policy to ensure that it meets its responsibilities arising from the Bribery Act 2010. This policy can be found on the Company's website at [moltenventures.com](https://moltenventures.com).

## Director tenure policy

Given the size of the Company and the complexity of the VCT regulations, the Board does not impose a limit in respect of the tenure of the Company's non-executive Directors, including the Chairman. However, in accordance with Corporate Governance best practice, the policy of the Company requires that all Directors be subject to annual re-election.

## Relations with Shareholders

Shareholders have the opportunity to meet the Board at the AGM. The Board is also happy to respond to any written queries made by Shareholders during the course of the year.

In addition to the formal business of the AGM, representatives of the Investment Manager and the Board are available to answer any questions a Shareholder may have.

Separate resolutions are proposed at the AGM on each substantially separate issue. The Company's Registrar collates proxy votes and the results (together with the proxy forms) are forwarded to the Company Secretary immediately prior to the AGM. In order to comply with the AIC Code, proxy votes are announced at the AGM following each vote on a show of hands, except in the event of a poll being called. Shareholders have the opportunity to vote on the resolutions proposed at the AGM using the proxy form or electronically online.

The terms of reference of the Committees and the conditions of appointment of non-executive Directors are available to Shareholders upon request.

## Financial reporting

The Directors' responsibilities statement for preparing the accounts is set out on page 29 and a statement by the Auditor about their reporting responsibilities is set out in the Independent Auditor's Report on pages 43 and 44.

## Risk management and internal control

The Board has adopted a Corporate Governance and Internal Control Manual ("Manual") for which they are responsible, which has been compiled in order to comply with the AIC Code. The Manual is designed to provide reasonable but not absolute assurance against material misstatement or loss, which it achieves by detailing the perceived risks and controls to mitigate them. The Board reviews the perceived risks, in line with relevant guidance, on an annual basis and implements additional controls as appropriate.

The Board reviews the Company's Risk Register and that of the Administrator on an annual basis. The main aspects of internal control in relation to financial reporting by the Board were as follows:

- Review of quarterly reports from the Investment Manager on the portfolio of investments held, including additions and disposals;
- Quarterly reviews by the Board of the Company's investments (including a detailed review of unquoted investment valuations), other assets and liabilities and revenue and expenditure;
- Quarterly reviews of the compliance with the Venture Capital Trust regulations, including a review of the twice-yearly reports from Philip Hare & Associates LLP;
- A separate review of the Annual Report and Half-Yearly report by the Audit Committee, prior to Board approval; and
- A review by the Board of all financial information prior to publication.

The Board is responsible for ensuring that procedures to be followed by the Directors, the Investment Manager and the Administrator are in place. Following the conclusions of the Audit Committee, the Board reviews the effectiveness of the Corporate Governance Manual on an annual basis to ensure that the controls remain relevant and were effective throughout the year.

The last formal review took place in July 2024. The Board has not identified any issues with the Company's internal controls.

# Corporate governance statement CONTINUED...

## Risk management and internal control (continued)

Although the Board is ultimately responsible for safeguarding the assets of the Company, the Board has delegated, through written agreements, the day-to-day operation of the Company (including the Financial Reporting Process) to the following service providers:

### Investment Management

Elderstreet Investments Limited (Part of the Molten Ventures Group)

### Administrator and Company Secretary

ISCA Administration Services Limited (from 26 February 2024)

## Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement on pages 8 to 10, the Investment Manager's Report on pages 11 and 12 and the Strategic Report on pages 21 to 25. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are shown in the Balance Sheet on page 46, the Statement of Cash Flows on page 48 and the Strategic Report on page 23. In addition, note 15 to the financial statements includes the Company's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and its exposures to credit risk and liquidity risk.

The Company has sufficient financial resources at the year end and holds a diversified portfolio of investments. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully, despite the uncertain economic outlook.

The Company has little direct exposure to the conflict in Ukraine and the impact of sanctions placed on Russian business and individuals. The Investment Manager works closely with all investee companies to ensure that they are well placed to assess the exposure of the business to the Ukraine conflict and associated developments. As a result, direct impact of the sanctions on the Company's performance is not expected to be significant.

After reviewing the Company's forecasts and projections, the Directors have a reasonable expectation that the major cash outflows of the Company (notably new investments, share buybacks and dividends) are within the Company's control. Therefore, the Board is confident that the current situation will not threaten the going concern status.

The Board is satisfied that the Company has adequate resources to continue in business for at least twelve months from the date of approval of these financial statements. For this reason, they believe that the Company continues to be a going concern and that it is appropriate to apply the going concern basis in preparing the financial statements.

## Compliance statement

Paragraph 9.8.6 of the Listing Rules requires the Board to report on compliance with the provisions of the UK Corporate Governance Code throughout the accounting period. Following discussions with the AIC on an update to the AIC Code, the Financial Reporting Council (FRC) confirmed that member companies who report against the AIC Code will be meeting their obligations in relation to the 2018 UK Corporate Governance Code and paragraph 9.8.6 of the Listing Rules.

With the exception of the item outlined below, the Company has complied, throughout the accounting year ended 31 March 2024, with the Principles set out in Sections 5 to 9 of the AIC Code of Corporate Governance:

- d) Although the Company has no major Shareholders, representatives of panels for bodies of Shareholders are given the opportunity to meet or confer with the Board during the course of the year. (5.2.3)
- e) A formal and rigorous performance evaluation of the Board, its Committees, the individual Directors and the Chairman has not been undertaken. Specific performance issues are dealt with as they arise. (6.2.14, 7.2.26)
- f) Due to the size of the Board and the nature of the Company's business, the Board considers it appropriate for the entire Board, including the chair, to fulfil the role of the nomination and the remuneration committee. (7.2.22, 9.2.37)

## By order of the Board

### ISCA Administration Services Limited

Company Secretary  
The Office Suite  
Den House  
Den Promenade  
Teignmouth TQ14 8SY

26 July 2024

# Independent auditor's report to the members of Molten Ventures 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 31 March 2024 and of its loss for the year 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 Molten Ventures VCT plc (the 'Company') for the year ended 31 March 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 on 5 April 2007 to audit the financial statements for the year ended 31 December 2007 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 17 years, covering the years ended 31 December 2007 to 31 March 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 VCT compliance reports prepared by management's expert as at year 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 as well as contingencies and commitments;
- 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 conditions.

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.



# Independent auditor's report to the members of Molten Ventures VCT plc CONTINUED..

## Overview

		2024	2023
<b>Key audit matters</b>	Valuation of unquoted investments	✓	✓
<b>Materiality</b>	Company financial statements as a whole £2.3m (2023: £2.2m) based on 2% (2023: 2%) of Net assets.		

### 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
<p><b>Valuation of unquoted investments</b></p> <p>(Note 9 of the financial statements)</p> <p>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.</p> <p>There is also an inherent risk of management override arising from the unquoted investment valuations being prepared by the Investment Manager, who is remunerated based on net assets of the fund, as shown in Note 3.</p> <p>For these reasons we considered the valuation of unquoted investments to be a key audit matter.</p>	<p>Our sample for the testing of unquoted investments was stratified according to risk considering, inter alia, the value of individual investments, the nature of the investment, the extent of the fair value movement and the subjectivity of the valuation technique.</p> <p>For all unquoted investments in our sample we:</p> <p>Challenged whether the valuation methodology was the most appropriate in the circumstances under the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines and the applicable accounting standards. We have recalculated the value attributable to the Company, having regard to the application of enterprise value across the capital structures of the investee companies.</p> <p>For investments sampled that were valued using less subjective valuation techniques (cost and price of recent investment reviewed for changes in fair value) we:</p> <ul style="list-style-type: none"> <li>• Verified the cost or price of recent investment to supporting documentation;</li> <li>• Considered whether the investment was an arm's length transaction through reviewing the parties involved in the transaction and checking whether or not they were already investors of the investee Company;</li> <li>• Considered whether there were any indications that the cost or price of recent investment was no longer representative of fair value considering, inter alia, the current performance of the investee company and the milestones and assumptions set out in the investment proposal; and</li> <li>• Considered whether the price of recent investment is supported by alternative valuation techniques.</li> </ul>

# Independent auditor's report to the members of Molten Ventures VCT plc CONTINUED...

Key audit matter		How the scope of our audit addressed the key audit matter
<p><b>Valuation of unquoted investments</b> (continued)</p> <p>(Note 9 of the financial statements)</p>	<p>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.</p> <p>There is also an inherent risk of management override arising from the unquoted investment valuations being prepared by the Investment Manager, who is remunerated based on net assets of the fund, as shown in Note 3.</p> <p>For these reasons we considered the valuation of unquoted investments to be a key audit matter.</p>	<p>For investments sampled that were valued using more subjective techniques (earnings multiples and revenue multiples) we:</p> <ul style="list-style-type: none"> <li>• Challenged and corroborated the inputs to the valuation with reference to management information of investee companies, market data and our own understanding and assessed the impact of the estimation uncertainty concerning these assumptions and the disclosure of these uncertainties in the financial statements;</li> <li>• Reviewed the historical financial statements and any recent management information available to support assumptions about maintainable revenues, earnings or cash flows used in the valuations;</li> <li>• Considered the revenue or earnings multiples applied and the discounts applied by reference to observable listed company market data; and</li> <li>• Challenged the consistency and appropriateness of adjustments made to such market data in establishing the revenue, cash flow or earnings multiple applied in arriving at the valuations adopted by considering the individual performance of investee companies against plan and relative to the peer group, the market and sector in which the investee company operates and other factors as appropriate.</li> </ul> <p>Where appropriate, we performed a sensitivity analysis by developing our own point estimate where we considered that alternative input assumptions could reasonably have been applied and we considered the overall impact of such sensitivities on the portfolio of investments in determining whether the valuations as a whole are reasonable and free from bias.</p> <p><b>Key observations</b></p> <p><b>Based on the procedures performed we consider the unquoted investment valuations to be appropriate considering the level of estimation uncertainty.</b></p>

## 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.

# Independent auditor's report to the members of Molten Ventures VCT plc CONTINUED..

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
<b>Materiality</b>	<b>£2.3 million</b>	£2.2 million
<b>Basis for determining materiality</b>	<b>2% of Net assets</b>	2% of Net assets
<b>Rationale for the benchmark applied</b>	In setting materiality, we have had regard to the nature and disposition of the investment portfolio. Given that the VCT'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 year.	In setting materiality, we have had regard to the nature and disposition of the investment portfolio. Given that the VCT'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 year.
<b>Performance materiality</b>	<b>£1.7 million</b>	£1.6 million
<b>Basis for determining performance materiality</b>	<b>75% of materiality</b>	75% of materiality
<b>Rationale for the percentage applied for performance materiality</b>	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 year.	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 year.

## Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £117,000 (2023: £110,000). 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.

# Independent auditor's report to the members of Molten Ventures VCT plc CONTINUED...

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.

<b>Going concern and longer-term viability</b>	<ul style="list-style-type: none"> <li>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 37; and</li> </ul>
<b>Other Code provisions</b>	<ul style="list-style-type: none"> <li>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 22.</li> <li>Directors' statement on fair, balanced and understandable set out on page 29;</li> <li>Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 21;</li> <li>The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 36 and 37; and</li> <li>The section describing the work of the audit committee set out on pages 34 and 35.</li> </ul>

## 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.

<b>Strategic report and Directors' report</b>	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none"> <li>the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and</li> <li>the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.</li> </ul> <p>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.</p>
<b>Directors' remuneration</b>	<p>In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.</p>
<b>Corporate governance statement</b>	<p>In our opinion, based on the work undertaken in the course of the audit the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.</p> <p>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 this information.</p> <p>In our opinion, based on the work undertaken in the course of the audit information about the Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.</p> <p>We have nothing to report arising from our responsibility to report if a corporate governance statement has not been prepared by the Company.</p>
<b>Matters on which we are required to report by exception</b>	<p>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:</p> <ul style="list-style-type: none"> <li>adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or</li> <li>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</li> <li>certain disclosures of Directors' remuneration specified by law are not made; or</li> <li>we have not received all the information and explanations we require for our audit.</li> </ul>

# Independent auditor's report to the members of Molten Ventures VCT plc CONTINUED..

## Responsibilities of Directors

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

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

## 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

We gained an understanding of the Company and the industry in which it operates and held discussions with the Investment Manager and those charged with governance in order to obtain an understanding of the Company's policies and procedures regarding compliance with laws and regulations. We have therefore 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') and updated in 2022 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:

- obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- 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 year and as at year end and reviewing their calculations to check that the Company was meeting its requirements to retain VCT status; and
- reviewing minutes of meeting of those charged with governance and a sample of legal invoices 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 administrator, investment manager and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's 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 meeting 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 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.

# Independent auditor's report to the members of Molten Ventures VCT plc CONTINUED...

Our procedures in respect of the above included:

- In addressing the risk of valuation of unquoted investments, the procedures set out in the Key Audit Matters section above in our report were performed.
- In addressing the risk of management override of control, we:
  - considered the opportunity and incentive to manipulate accounting entries and target tested relevant adjustments made in the period end financial reporting process;
  - reviewed for significant transactions outside the normal course of business;
  - reviewed the significant judgements made in the unquoted 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 all deemed to have 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:  
[frc.org.uk/auditorsresponsibilities](https://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.

**Elizabeth Hooper** (Senior Statutory Auditor)

For and on behalf of:

BDO LLP

Statutory Auditor

London

United Kingdom

26 July 2024

BDO LLP is a limited liability partnership registered in England and Wales.  
Registered number OC305127.

# Income statement

FOR THE YEAR ENDED 31 MARCH 2024

	Note	31 March 2024			31 March 2023		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income	2	980	–	980	1	–	1
Losses on investments	9	–	(5,983)	(5,983)	–	(4,926)	(4,926)
		980	(5,983)	(5,003)	1	(4,926)	(4,925)
Investment management fees	3	(634)	(1,903)	(2,537)	(542)	(1,625)	(2,167)
Other expenses	4	(514)	–	(514)	(468)	–	(468)
<b>Loss on ordinary activities before tax</b>		<b>(168)</b>	<b>(7,886)</b>	<b>(8,054)</b>	(1,009)	(6,551)	(7,560)
Tax on loss	6	–	–	–	–	–	–
<b>Loss attributable to equity shareholders, being total comprehensive income for the period</b>	8	<b>(168)</b>	<b>(7,886)</b>	<b>(8,054)</b>	(1,009)	(6,551)	(7,560)
		Pence	Pence	Pence	Pence	Pence	Pence
<b>Basic and diluted loss per share</b>	8	<b>(0.1)</b>	<b>(3.2)</b>	<b>(3.3)</b>	(0.5)	(3.5)	(4.0)

All Revenue and Capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued during the year.

The total column within the Income Statement represents the Statement of Total Comprehensive Income of the Company prepared in accordance with Financial Reporting Standards ('FRS 102'). The supplementary revenue and capital return columns are prepared in accordance with the Statement of Recommended Practice issued in July 2022 by the Association of Investment Companies ('SORP').

There has been no other comprehensive income in the period.

# Balance sheet

AS AT 31 MARCH 2024

	Note	31 March 2024		31 March 2023	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Investments	9		91,921		81,557
<b>Current assets</b>					
Debtors	10	213		27	
Cash at bank and in hand		3,226		28,845	
Money market funds		21,876		–	
		25,315		28,872	
<b>Creditors: amounts falling due within one year</b>	11	(182)		(117)	
<b>Net current assets</b>			25,133		28,755
<b>Net assets</b>			117,054		110,312
<b>Capital and reserves</b>					
Called up share capital	12		12,146		10,347
Capital redemption reserve	13		62		–
Share premium account	13		25,510		8,689
Merger reserve	13		–		–
Special reserve	13		62,190		65,178
Capital reserve – unrealised	13		25,886		27,346
Capital reserve – realised	13		(6,471)		853
Revenue reserve	13		(2,269)		(2,101)
<b>Total equity shareholders' funds</b>	14		117,054		110,312
			Pence		Pence
<b>Basic and diluted net asset value per share</b>	14		48.2		53.3

The financial statements on pages 45 to 62 were approved and authorised for issue by the Board of Directors on 26 July 2024 and were signed on its behalf by:

**David Brock**  
Chairman

Company number: 03424984

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



# Statement of changes in equity

FOR THE YEAR ENDED 31 MARCH 2024

	Note	Share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Merger reserve £'000	Special reserve £'000	Capital reserve – unrealised £'000	Capital reserve – realised £'000	Revenue reserve £'000	Total £'000
<b>For the year ended 31 March 2023</b>										
<b>At 1 April 2022</b>		8,880	794	56,273	673	5,303	35,220	1,516	(1,092)	107,567
Total comprehensive income		–	–	–	–	–	(3,890)	(2,661)	(1,009)	(7,560)
Transfer between reserves*		–	–	–	(673)	(3,239)	(3,984)	7,896	–	–
Cancellation of Share Premium		–	–	(63,628)	–	63,628	–	–	–	–
Cancellation of Capital Redemption		–	(925)	–	–	925	–	–	–	–
<b>Transactions with owners</b>										
Issue of new shares		1,598	–	16,915	–	–	–	–	–	18,513
Share issue costs	12	–	–	(871)	–	–	–	–	–	(871)
Purchase of own shares	12	(131)	131	–	–	(1,439)	–	–	–	(1,439)
Dividends paid	7	–	–	–	–	–	–	(5,898)	–	(5,898)
<b>At 31 March 2023</b>		10,347	–	8,689	–	65,178	27,346	853	(2,101)	110,312
<b>For the year ended 31 March 2024</b>										
<b>At 1 April 2023</b>										
Total comprehensive income		–	–	–	–	–	(5,529)	(2,357)	(168)	(8,054)
Transfer between reserves*		–	–	–	–	(2,385)	4,069	(1,684)	–	–
<b>Transactions with owners</b>										
Issue of new shares		1,861	–	17,837	–	–	–	–	–	19,698
Share issue costs	12	–	–	(1,016)	–	–	–	–	–	(1,016)
Purchase of own shares	12	(62)	62	–	–	(603)	–	–	–	(603)
Dividends paid	7	–	–	–	–	–	–	(3,283)	–	(3,283)
<b>At 31 March 2024</b>		<b>12,146</b>	<b>62</b>	<b>25,510</b>	<b>–</b>	<b>62,190</b>	<b>25,886</b>	<b>(6,471)</b>	<b>(2,269)</b>	<b>117,054</b>

\* A transfer of £4.1 million (2023: £4.0 million), representing impairment losses during the year, as well as cumulative unrealised gains on investments which were disposed of during the year has been made from the Capital reserve – unrealised to the Capital Reserve – realised. A transfer of £2.4 million (2023: £3.2 million), representing realised losses on investment disposals plus capital expenses in the year, has been made from Capital Reserve – realised to the Special reserve.

A transfer of £nil (2023: 673,000) from Merger Reserve to Capital reserve-realised has been made following the disposal of an investment which was held pre-merger.

A transfer of £nil (2023: £63.6 million), from the cancellation of Share premium, has been made from the Share Premium account to the Special Reserve. A transfer of £nil (2023: £925,000), from the cancellation of Capital Redemption, has been made from the Capital Redemption Reserve to the Special Reserve.

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

# Statement of cash flows

FOR THE YEAR ENDED 31 MARCH 2024

	Note	31 March 2024 £'000	31 March 2023 £'000
<b>Cash flow from operating activities</b>			
Investment income received		876	1
Investment management fees paid		(2,554)	(2,284)
Other cash payments		(463)	(535)
<b>Net cash outflow utilised in operating activities</b>		<b>(2,141)</b>	<b>(2,818)</b>
<b>Cash flow from investing activities</b>			
Purchase of investments	9	(16,376)	(17,370)
Proceeds from disposal of investments	9	29	7,695
<b>Net cash outflow utilised in investing activities</b>		<b>(16,347)</b>	<b>(9,675)</b>
<b>Cash flow from financing activities</b>			
Equity dividends paid	7	(3,098)	(5,898)
Proceeds from share issue		19,513	18,513
Share issue costs	12	(1,067)	(873)
Purchase of own shares	12	(603)	(1,499)
<b>Net cash inflow generated from financing activities</b>		<b>14,745</b>	<b>10,243</b>
<b>Decrease in cash and cash equivalents</b>		<b>(3,743)</b>	<b>(2,250)</b>
Cash and cash equivalents at start of year		28,845	31,095
Cash and cash equivalents at end of year		25,102	28,845
<b>Total cash and cash equivalents</b>		<b>25,102</b>	<b>28,845</b>
<b>Cash and cash equivalents comprise of</b>			
Cash at bank		3,226	28,845
Money market funds		21,876	–
		25,102	28,845

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

# Notes to the financial statements

FOR THE YEAR ENDED 31 MARCH 2024

## Note 1. Significant accounting policies

### General information

Molten Ventures VCT plc ("the Company") is a Venture Capital Trust established under the legislation introduced in the Finance Act 1995 and is domiciled in the United Kingdom and incorporated in England and Wales. The Company is a premium listed entity on the London Stock Exchange.

### Basis of accounting

The Company has prepared its financial statements in accordance with the Financial Reporting Standard 102 ("FRS 102") and in accordance with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued in July 2022 ("SORP") and with the Companies Act 2006.

### Going concern

After reviewing the Company's forecasts and projections, the Directors have a reasonable expectation that the major cash outflows of the Company (most notably investments, share buybacks and dividends) are within the Company's control and therefore the Company has sufficient cash to meet its expenses and liabilities when they fall due. The impact of the Ukraine and Gaza conflicts and the cost of living have been considered, more detail on these considerations can be found within the Corporate Governance report. As such, the Board confirms that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. The Company therefore continues to adopt the going concern basis in preparing its financial statements as noted further within the Corporate Governance report on page 37.

### Presentation of Income Statement

In order to better reflect the activities of a Venture Capital Trust, and in accordance with the SORP, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. The net revenue is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Part 6 of the Income Tax Act 2007.

### Investments

Investments are designated as "fair value through profit or loss" assets, upon acquisition, due to investments being managed and performance evaluated on a fair value basis. A financial asset is designated within this category if it is both acquired and managed, with a view to selling after a period of time, in accordance with the Company's documented Investment Policy.

Listed fixed income investments and investments quoted on AIM and the Main Market are measured using bid prices in accordance with the International Private Equity and Venture Capital Valuation Guidelines ("IPEV").

For unquoted instruments, fair value is established using the IPEV. The valuation methodologies for unquoted entities used by the IPEV to ascertain the fair value of an investment are as follows:

- Multiples;
- Industry valuation benchmarks;
- Discounted cash flows or earnings (of underlying business);
- Discounted cash flows (from the investment);
- Net assets; and
- Calibrating to the price of a recent investment.

The methodology applied takes account of the nature, facts and circumstances of the individual investment and uses reasonable data, market inputs, assumptions and estimates in order to ascertain fair value as explained in the investment accounting policy above and addressed further in note 9.

Where an investee company has gone into receivership, liquidation, or administration (where there is little likelihood of recovery), the loss on the investment, although not physically disposed of, is treated as being realised. Permanent impairments in the value of investments are deemed to be realised losses and held within the Capital Reserve – Realised.

Gains and losses arising from changes in fair value are included in the Income Statement for the period as a capital item and transaction costs on acquisition or disposal of the investment expensed.

# Notes to the financial statements CONTINUED...

FOR THE YEAR ENDED 31 MARCH 2024

## Note 1. Significant accounting policies (continued)

### Investments (continued)

It is not the Company's policy to exercise significant influence over investee companies. Therefore, the results of these companies are not incorporated in the Income Statement, except to the extent of any income accrued. This is in accordance with the SORP and FRS 102 sections 14 and 15 that do not require portfolio investments to be accounted for using the equity method of accounting.

Calibration to price of recent investment requires a level of judgment to be applied in assessing and reviewing any additional information available since the last investment date. The Board and Investment Manager consider a range of factors in order to determine if there is any indication of decline in value or evidence of increase in value since the recent investment date. If no such indications are noted the price of the recent investment will be used as the fair value for the investment.

Examples of signals which could indicate a movement in value are:

- Changes in results against budget or in expectations of achievement of technical milestones patents/testing/regulatory approvals
- Significant changes in the market of the products or in the economic environment in which it operates
- Significant changes in the performance of comparable companies
- Internal matters such as fraud, litigation or management structure.

In respect of disclosures required by the SORP for the 10 largest investments held by the Company, the most recent publicly available accounts information, either as filed at Companies House, or announced to the London Stock Exchange, is disclosed. In the case of unlisted investments, this may be abbreviated information only.

### Judgement in applying accounting policies and key sources of estimation uncertainty

The key estimates in the financial statements is the determination of the fair value of the unquoted investments by the Directors as it impacts the valuation of the unquoted investments at the year end date.

Of the Company's assets measured at fair value, it is possible to determine their fair values within a reasonable range of estimates. The fair value of an investment upon acquisition is deemed to be cost. Thereafter, investments are measured at fair value in accordance with FRS 102 sections 11 and 12, together with the IPEV.

A price sensitivity analysis of the unquoted investments is provided in note 15, under Investment price risk.

### Income

Dividend income from investments is recognised when the Shareholders' rights to receive payment have been established, normally the ex-dividend date.

Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable and only where there is reasonable certainty of collection. Where previously accrued income is considered irrecoverable a corresponding bad debt expense is recognised.

### Expenses

All expenses are accounted for on an accruals basis. In respect of the analysis between revenue and capital items presented within the Income Statement, all expenses have been presented as revenue items except as follows:

- Expenses which are incidental to the acquisition of an investment are deducted as a capital item.
- Expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment.
- Expenses are split and presented partly as capital items where a connection with the maintenance or enhancement of the value of the investments held can be demonstrated. The Company has adopted the policy of allocating investment manager's fees, 75% to capital and 25% to revenue as permitted by the SORP. The allocation is in line with the Board's expectation of long term returns from the Company's investments in the form of capital gains and income respectively.
- Performance incentive fees arising, if any, are treated as a capital item.

# Notes to the financial statements CONTINUED...

FOR THE YEAR ENDED 31 MARCH 2024

## Note 1. Significant accounting policies (continued)

### Taxation

The tax effects on different items in the Income Statement are allocated between capital and revenue on the same basis as the particular item to which they relate using the Company's effective rate of tax for the accounting period.

Due to the Company's status as a Venture Capital Trust and the continued intention to meet the conditions required to comply with Part 6 of the Income Tax Act 2007, no provision for taxation is required in respect of any realised or unrealised appreciation of the Company's investments which arise.

Deferred taxation is not discounted and is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts.

A deferred tax asset is only recognised to the extent that it is probable there will be taxable profits in the future against which the asset can be offset.

### Other debtors and other creditors

Other debtors (including accrued income) and other creditors are included within the accounts at amortised cost.

### Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with an original maturity of three months or less. This includes £12.9 million in the JP Morgan GBP Liquidity NAV Fund and £9.0 million in the Blackrock ICS Sterling Liquidity Fund.

### Dividends

Dividends payable are recognised as distributions in the financial statements when the Company's liability to make payment has been established, typically when approved by Shareholders at the AGM or, for interim dividends, the payment date.

### Issue costs

Issue costs in relation to the shares issued are deducted from the special reserve.

### Reportable segments

The Company has one reportable segment as the sole activity of the Company is to operate as a VCT and all of the Company's resources are allocated to this activity.

## Note 2. Income

	Year to 31 March 2024 £'000	Year to 31 March 2023 £'000
<b>Income from investments</b>		
Loan note interest	1	1
Money market dividend distributions	979	–
	<b>980</b>	<b>1</b>

# Notes to the financial statements CONTINUED...

FOR THE YEAR ENDED 31 MARCH 2024

## Note 3. Investment management fees

	Year to 31 March 2024 £'000	Year to 31 March 2023 £'000
Investment management fees	2,537	2,167
	<b>2,537</b>	<b>2,167</b>

A performance fee shall be payable to the Investment Manager equal to 20% of any realised gains made on the disposal of an investment provided two hurdles are met:

- an IRR hurdle requiring the achievement of at least 7% IRR in respect of investments made within a five-year pool, the first such period starting on 1 April 2021; and
- a NAV per share hurdle requiring the NAV per share at the end of the year in which the gain is made to be higher than the NAV per share at the commencement of the five-year pool period in which the investment was made (after adding back dividends paid in the period).

The performance incentive fee will also have a catch-up if the hurdles are not met, such that the fee on an investment realisation in a period when hurdles are not met can be paid at a later date if the hurdles are subsequently met, further details are given within note 16. As the test was not met for the year ended 31 March 2024, no performance fees were payable to the Investment Manager at the balance sheet date (2023: £nil).

## Note 4. Other expenses

	Year to 31 March 2024 £'000	Year to 31 March 2023 £'000
Administration services	93	100
Directors' remuneration (including VAT where applicable)	101	100
Social security costs	7	2
Auditor's remuneration for statutory audit	76	64
Corporation tax services	3	3
Trail commission	29	29
Other running costs	205	170
	<b>514</b>	<b>468</b>

The annual running costs of the Company are subject to a cap at 3.5% of the Company's weighted net asset value during the year. The Manager's fees are restricted as appropriate should this cap be breached. £nil (2023: £nil) of the Auditor's remuneration (which is inclusive of VCT) is attributable to the prior year.

## Note 5. Directors' remuneration

Details of remuneration of the Directors (excluding employers' NI) can be found in the Directors' Remuneration Report on page 31.

The Company had no employees other than the Directors during the year and accordingly the Directors are considered to be the Key Management Personnel of the Company. No other emoluments or pension contributions were paid by the Company to, or on behalf of, any Directors.

# Notes to the financial statements CONTINUED...

FOR THE YEAR ENDED 31 MARCH 2024

## Note 6. Taxation on ordinary activities

	Year to 31 March 2024 £'000	Year to 31 March 2023 £'000
<b>a) Tax charge for the year</b>		
<i>Current year</i>		
UK corporation tax at 25.0% (2023: 19.0%)	–	–
Charged to capital expenses	–	–
	–	–
<b>b) Factors affecting tax charge for the year</b>		
Loss on ordinary activities before tax	(8,054)	(7,560)
Tax charge calculated on loss on ordinary activities before tax at the applicable rate of 25.0% (2023: 19.0%)	(2,014)	(1,436)
Losses on investments	1,496	936
Deferred tax not recognised	518	500
<b>Tax charge</b>	–	–

### c) Excess management fees

Excess management fees, which are available to be carried forward and set off against future taxable income, amounted to £15.5 million as at 31 March 2024 (2023: £13.4 million). The associated deferred tax asset at a rate of 25% of £3.9 million (2023: rate of 25% of £3.4 million) has not been recognised due to the fact that it is unlikely that the excess management fees will be set off against taxable profits in the foreseeable future.

Due to the Company's status as a Venture Capital Trust and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided for deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

## Note 7. Dividends

	Year ended 31 March 2024			Year ended 31 March 2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Dividends paid in year</b>						
2023 Final (paid 29 September 2023) 0.5p	–	1,214	1,214	–	5,898	5,898
2023 Interim (paid 6 April 2023) 1.0p	–	2,069	2,069	–	–	–
	–	3,283	3,283	–	5,898	5,898

Including £185,000 of DRIS allotments.

### Forthcoming dividends

2024 Final 1.5p	–	4,046	4,046	–	1,217	1,217
2024 Interim (paid 5 April 2024) 1.0p	–	2,429	2,429	–	1,958	1,958
	–	6,475	6,475	–	3,175	3,175

# Notes to the financial statements CONTINUED...

FOR THE YEAR ENDED 31 MARCH 2024

## Note 8. Basic and diluted return per share

	Year to 31 March 2024	Year to 31 March 2023
Income from investments		
Basic and diluted loss per share	(3.3p)	(4.0p)

### Return per share based on:

Net revenue loss for the financial year (£'000)	(168)	(1,009)
Net capital loss for the financial year (£'000)	(7,886)	(6,551)
Total losses for the financial year (£'000)	(8,054)	(7,560)
Weighted average number of shares in issue	242,863,047	190,419,643

As the Company has not issued any convertible securities or share options, there is no dilutive effect on return per share. The return per share disclosed, therefore, represents both basic and diluted return per share.

## Note 9. Investments

	Quoted investments £'000	Unquoted investments £'000	Total £'000
<b>Opening cost at 1 April 2023</b>	<b>5,814</b>	<b>55,412</b>	<b>61,226</b>
Impairment losses at 1 April 2023	(2,824)	(4,191)	(7,015)
Unrealised gains at 1 April 2023	3,271	24,075	27,346
<b>Opening fair value at 1 April 2023</b>	<b>6,261</b>	<b>75,296</b>	<b>81,557</b>

### Movements in the year

Purchased at cost	–	16,376	16,376
Disposal proceeds	–	(29)	(29)
Realised losses in the income statement	–	(4,523)	(4,523)
Unrealised losses in the income statement	(2,101)	641	(1,460)
<b>Closing fair value at 31 March 2024</b>	<b>4,160</b>	<b>87,761</b>	<b>91,921</b>

### Retained investments at 31 March 2024

Closing cost at 31 March 2024	5,814	71,305	77,119
Impairment losses at 31 March 2024	(2,824)	(8,260)	(11,084)
Unrealised gains at 31 March 2024	1,170	24,716	25,886
<b>Closing fair value at 31 March 2024</b>	<b>4,160</b>	<b>87,761</b>	<b>91,921</b>

Costs of acquisition of investments acquired during the year were nil (2023: nil) and transaction costs incurred in respect of investment disposals during the year were nil (2023: nil). A schedule disclosing the additions and disposals during the year is shown on page 14.

During the year, impairments were realised on Street Team Software (£2.8 million) and Fluidic Analytics (£1.3 million).



# Notes to the financial statements CONTINUED...

FOR THE YEAR ENDED 31 MARCH 2024

## Note 9. Investments (continued)

The Company has categorised its financial instruments using the fair value hierarchy as follows:

- Level 1** Reflects financial instruments quoted in an active market (fixed interest investments, and investments in shares quoted on either the Main or AIM Markets);
- Level 2** Reflects financial instruments that have prices that are observable either directly or indirectly; and
- Level 3** Reflects financial instruments that use valuation techniques that are not based on observable market data (unquoted equity investments and loan note investments).

	31 March 2024				31 March 2023			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
AIM quoted shares	3,851	309	–	4,160	5,661	600	–	6,261
Loan notes	–	–	508	508	–	–	508	508
Unquoted shares	–	–	87,253	87,253	–	–	74,788	74,788
	<b>3,851</b>	<b>309</b>	<b>87,761</b>	<b>91,921</b>	<b>5,661</b>	<b>600</b>	<b>75,296</b>	<b>81,557</b>

Reconciliation of fair value for Level 3 financial instruments held at the year end:

	Unquoted shares £'000	Loan notes £'000	Total £'000
Balance at 1 April 2023	74,788	508	75,296
<i>Movements in the income statement:</i>			
Unrealised gains in the income statement	641	–	641
Realised losses in the income statement	(4,523)	–	(4,523)
	(3,882)	–	(3,882)
Purchased at cost	16,376	–	16,376
Disposal proceeds	(29)	–	(29)
<b>Balance at 31 March 2024</b>	<b>87,253</b>	<b>508</b>	<b>87,761</b>

Level 3 unquoted shares and loan notes are valued in accordance with the IPEV as follows:

Valuation methodology	2024 £'000
Calibrating to the price of a recent investment	64,643
Multiple	23,118
	<b>87,761</b>

Changing one or w of the inputs to reasonable possible alternative valuation assumptions could result in a significant change in the fair value of the Level 3 investments. There is an element of judgement in the choice of assumptions for unquoted investments and it is possible that, if different assumptions were used, different valuations could have been attributed to some of the Company's investments.

The Board and the Investment Manager believe that the valuations as at 31 March 2024 reflect the most appropriate assumptions at that date, giving due regard to all information available from each investee company. Valuations are subject to fluctuations in market conditions and the sensitivity of the Company to such changes is shown within note 15.

# Notes to the financial statements CONTINUED...

FOR THE YEAR ENDED 31 MARCH 2024

## Note 9. Investments (continued)

### Significant interests

Details of material shareholdings in those companies where the Company's holding, as at 31 March 2024, represents greater than 20% of the nominal value of any class of the allotted shares in the portfolio company, are disclosed below. All of the companies named are incorporated in England and Wales. The percentage holding in each class does not reflect the percentage voting rights in the investee company as a whole.

Company	Registered office	Class of shares	Number held	Proportion		Date of Accounts	Net Asset Value	Profit/Loss
				of class held	of Total Voting Rights			
Fords Packaging Topco Limited*	MK42 7SH	Ordinary	77,706	42.20%	37.50%	31/12/2022	£6.7m	£0.5m
		Ordinary 'A'	23,394	100.00%	11.20%			

\* This is the group holding for the investee company shown on page 16. The Company has a 65.5% interest in the exit value of the company but is restricted by VCT regulation to its ongoing interest.

## Note 10. Debtors

	31 March 2024 £'000	31 March 2023 £'000
Other debtors	80	2
Prepayments and accrued income	133	25
	<b>213</b>	<b>27</b>

## Note 11. Creditors: amounts falling due within one year

	31 March 2024 £'000	31 March 2023 £'000
Other creditors	169	109
Other taxes and social security	13	8
	<b>182</b>	<b>117</b>

## Note 12. Share capital

	31 March 2024 £'000	31 March 2023 £'000
<b>Issued, allotted, called up and fully paid</b>		
242,913,196 (2023: 206,931,912) Ordinary Shares of 5p each	<b>12,146</b>	10,347

During the year the Company issued a total 36,846,664 Ordinary Shares of 5p each ("Ordinary Shares") at an average price of 53.0 per share, under the offer that launched in October 2022. The gross proceeds of the Offer were £19.5 million, with issue costs in respect of the Offer amounting to £1.1 million.

Following the payment of a dividend on 6 April 2023, 222,199 Ordinary Shares at an average price of 50.2p were allotted under the Dividend Reinvestment Scheme ("DRIS"). The amount re-invested totalled £112,000.

Following the payment of a dividend on 29 September 2023, 145,421 Ordinary Shares at an average price of 50.4p were allotted under the Dividend Reinvestment Scheme ("DRIS"). The amount re-invested totalled £73,000.

# Notes to the financial statements CONTINUED...

FOR THE YEAR ENDED 31 MARCH 2024

## Note 12. Share capital (continued)

During the year, the Company purchased 1,233,000 Ordinary Shares for cancellation for an aggregate consideration of £0.6 million, equating to an average price of 48.9p per share (approximately equal to a 8.5% discount to the most recently published NAV at the time of purchase) and representing 0.6% of the issued share capital in issue at 1 April 2023.

### Management of capital

The Company defines capital as Shareholders funds, and is managed in accordance with its Investment Policy, as shown in the Strategic Report on page 23, in pursuit of its principal investment objectives as stated on page 7. The Company has the authority to buy back shares as described in the Strategic Report on page 23. The Company does not have any externally imposed capital requirements.

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 an adequate return to Shareholders by allocating its capital to assets commensurately with the level of risk.

By its nature, at least 80% of the Company's capital, (as measured under the tax legislation) is, must be, and remain invested in the relatively high-risk asset class of small UK companies, within three years of that capital being subscribed. 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 levels 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.

### Fundraising

The Board announced an allotment on 5 April 2024 of Ordinary Shares of 5p each ("Shares"), pursuant to the Offer for Subscription that launched on 3 October 2023 ("the Offer"). The Company allotted 26,962,656 Shares at an average price of 48.99p per Share.

The Board announced an allotment on 24 April 2024 of Ordinary Shares of 5p each ("Shares"), pursuant to the Offer for Subscription that launched on 3 October 2023 ("the Offer"). The Company allotted 587,656 Shares at an average price of 48.58p per Share.

At the date of this report the total number of Ordinary Shares in issue was 269,716,836.

## Note 13. Reserves

Distributable reserves are calculated as follows:

	31 March 2024 £'000	31 March 2023 £'000
Special reserve	62,190	65,178
Special reserve – restricted amounts transferred from share premium*	(54,886)	(61,087)
Capital reserve – realised	(6,471)	853
Revenue reserve	(2,269)	(2,101)
Capital Reserve – unrealised: excluding unrealised unquoted gains	(5,387)	(1,579)
	<b>(6,823)</b>	<b>1,264</b>

\*The Special Reserve was created following the cancellation of the Share Premium Account. The VCT regulations restrict the distribution of this Special Reserve until a date at least three years after the year end in which the funds were originally raised. On 1 April 2023 £6.2 million of the Special Reserve became unrestricted and on 1 April 2024 a further £11.9 million became unrestricted. A further £38.0 million of the Special Reserve will become unrestricted on 1 April 2025.

### Capital redemption reserve

This reserve accounts for amounts by which the issued share capital is diminished through the repurchase and cancellation of the Company's own shares.

# Notes to the financial statements CONTINUED...

FOR THE YEAR ENDED 31 MARCH 2024

## Note 13. Reserves (continued)

### Share premium account

This reserve accounts for the difference between the price paid for shares and the nominal value of the shares, less transfers to the other distributable reserves.

### Special reserve

The Special reserve is available to the Company to enable the purchase of its own shares in the market without affecting its ability to pay capital distributions, and also allows the Company to write back realised capital losses arising on disposals and impairments. Share issue costs are also charged to the Special reserve.

### Capital reserve – unrealised

Increases and decreases in the valuation of investments held at the year-end against cost are included in this reserve.

### Capital reserve – realised

The following are disclosed in this reserve:

- gains and losses compared to cost on the realisation of investments;
- expenses, together with the related taxation effect, charged in accordance with the accounting policies; and
- dividends paid to equity holders.

### Revenue reserve

This reserve accounts for movements from the revenue column of the Income Statement, the payment of dividends and other non-capital realised movements.

## Note 14. Basic and diluted net asset value per share

	Number of shares in issue at 31 March		31 March 2024 Net asset value		31 March 2023 Net asset value	
	2024	2023	Pence per share	£'000	Pence per share	£'000
Ordinary shares	242,913,196	206,931,912	48.2	117,054	53.3	110,312

As the Company has not issued any convertible securities or share options, there is no dilutive effect on net asset value per share. The net asset value per share disclosed therefore represents both basic and diluted net asset value per share.

## Note 15. Financial instruments

The Company's financial instruments comprise investments held at fair value through profit and loss, being equity and loan stock investments in quoted companies and unquoted companies; loans and receivables, being cash deposits and short-term debtors; and financial liabilities, being creditors arising from its operations. The main purpose of these financial instruments is to generate cash flow, revenue and capital appreciation for the Company's operations. The Company has no gearing or other financial liabilities apart from short-term creditors and does not use any derivatives.

The fair value of investments is determined using the detailed accounting policy as shown in note 1. The composition of the investments is set out in note 9. Loans and receivables and other financial liabilities, as set out in the Balance Sheet, are stated at amortised cost, which the Directors consider is equivalent to fair value.

The Company's investment activities expose the Company to a number of risks associated with financial instruments and the sectors in which the Company invests. The principal financial risks arising from the Company's operations are:

- Market risks;
- Credit risk; and
- Liquidity risk.

The Board regularly reviews these risks and the policies in place for managing them. There have been no significant changes to the nature of the risks that the Company is exposed to over the year and there have also been no significant changes to the policies for managing those risks during the year.

The risk management policies used by the Company in respect of the principal financial risks and a review of the financial instruments held at the year-end are provided on pages 59 to 62.

# Notes to the financial statements CONTINUED...

FOR THE YEAR ENDED 31 MARCH 2024

## Note 15. Financial instruments (continued)

### Market risks

As a VCT, the Company is exposed to investment risks in the form of potential losses that may arise on the investments it holds in accordance with its Investment Policy. The management of these investment risks is a fundamental part of investment activities undertaken by the Investment Manager and overseen by the Board. The Manager monitors investments through regular contact with management of investee companies, regular review of management accounts and other financial information and attendance at investee company board meetings. This enables the Manager to manage the investment risk in respect of individual investments. Investment risk is also mitigated by holding a diversified portfolio spread across various business sectors and asset classes.

The key investment risks to which the Company is exposed are:

- Investment price risk; and
- Interest rate risk.

The Company has undertaken sensitivity analysis on its financial instruments, split into the relevant component parts, taking into consideration the economic climate at the time of review in order to ascertain the appropriate risk allocation.

### Investment price risk

Investment price risk arises from uncertainty about the future prices and valuations of financial instruments held in accordance with the Company's investment objectives. It represents the potential loss that the Company might suffer through investment price movements in respect of quoted investments, and changes in the fair value of unquoted investments that it holds.

### Quoted investments

The Company's sensitivity to fluctuations in the share prices of its quoted equity investments is summarised below. In light of the continuing volatile market conditions arising from the impact of the Ukraine and Gaza conflicts and the continuing cost of living crisis, the Board has considered the reasonably possible market movements that should be illustrated with sensitivity analysis. A positive 20% movement and negative 50% movement (2023: positive 20% and negative 50% movement) in the share price in each of the quoted investments held by the Company which is considered to be a reasonable maximum movement in a year would have an effect as follows:

#### Year ended 31 March 2024

	+20% movement			-50% movement	
	Risk exposure	Impact on net assets/return	Impact on NAV per share	Impact on net assets/return	Impact on NAV per share
Sensitivity	£'000	£'000	Pence	£'000	Pence
Quoted investments	4,160	832	0.3	(2,080)	(0.9)

#### Year ended 31 March 2023

	+20% movement			-50% movement	
	Risk exposure	Impact on net assets/return	Impact on NAV per share	Impact on net assets/return	Impact on NAV per share
Sensitivity	£'000	£'000	Pence	£'000	Pence
Quoted investments	6,261	1,252	0.6	(3,130)	(1.5)

### Unquoted investments

The Company is exposed to investment price risk in respect of unquoted companies. These are valued by reference to revenue or earnings multiples of comparable companies or sectors or calibration to price of recent investment. These valuations are subject to market movements. The loan notes in the investee companies would not be immediately impacted due to the nature of the security held, the relatively low residual term and no significant changes in risk premium. The Company seeks to manage this risk by routinely monitoring the performance of these investments.

The Board has considered the current volatile market conditions arising from the impact of the Ukraine and Gaza conflicts and the continuing cost of living crisis in determining the reasonably possible market movements that should be illustrated within sensitivity analysis. Accordingly, the impact of a positive 20% and negative 50% movement (2023: positive 20% and negative 50% movement) in the price of these investments is considered to be a reasonable maximum level in a year and would have an effect as shown below:

# Notes to the financial statements CONTINUED...

FOR THE YEAR ENDED 31 MARCH 2024

## Note 15. Financial instruments (continued)

Market risks (continued)

Unquoted investments (continued)

Year ended 31 March 2024	+20% movement			-50% movement	
	Risk exposure	Impact on net assets/return	Impact on NAV per share	Impact on net assets/return	Impact on NAV per share
Sensitivity	£'000	£'000	Pence	£'000	Pence
<b>Unquoted investments</b>					
Calibration to price of recent investment	64,643	12,929	5.3	(32,321)	(13.3)
Multiples	23,118	4,623	1.9	(11,559)	(4.8)
	<b>87,761</b>	<b>17,552</b>	<b>7.2</b>	<b>(43,880)</b>	<b>(18.1)</b>

Year ended 31 March 2023	+20% movement			-50% movement	
	Risk exposure	Impact on net assets/return	Impact on NAV per share	Impact on net assets/return	Impact on NAV per share
Sensitivity	£'000	£'000	Pence	£'000	Pence
<b>Unquoted investments</b>					
Multiples	47,478	9,496	4.6	(23,739)	(11.5)
Calibration to price of recent investment	27,818	5,564	2.7	(13,909)	(6.7)
	<b>75,296</b>	<b>15,060</b>	<b>7.3</b>	<b>(37,648)</b>	<b>(18.2)</b>

In each case, the impact of such changes on the return for the year would be the same as that on net assets and NAV per share.

### Interest rate risk

The Company accepts exposure to interest rate risk on floating-rate financial assets through the effect of changes in prevailing interest rates. The Company receives interest on its cash deposits at a rate agreed with its bankers and on liquidity funds at rates based on the underlying investments. Investments in loan notes and fixed interest investments attract interest predominately at fixed rates. A summary of the interest rate profile of the Company's investments is shown below.

#### Interest rate risk profile of financial assets and financial liabilities

There are three levels of interest which are attributable to the financial instruments as follows:

- **"Fixed rate"** assets represent investments with predetermined yield targets and comprise fixed interest and loan note investments.
- **"Floating rate"** assets predominantly bear interest at rates linked to Bank of England base rate and comprise cash at bank and money market funds.
- **"No interest rate"** assets do not attract interest and comprise equity investments, loans and receivables (excluding cash at bank) and other financial liabilities.

	Average interest rate	Average period until maturity	31 March 2024 £'000	31 March 2023 £'000
Fixed rate	8.0%	3,562 days	508	508
Floating rate	5.2%		25,102	28,846
No interest rate		1 day*	91,444	80,958
			<b>117,054</b>	<b>110,312</b>

\*In respect of non-interest-bearing stock only.

The Company monitors the level of income received from fixed, floating and non-interest rate assets and, if appropriate, may make adjustments to the allocation between the categories, in particular, should this be required to ensure compliance with the VCT regulations.

# Notes to the financial statements CONTINUED...

FOR THE YEAR ENDED 31 MARCH 2024

## Note 15. Financial instruments (continued)

### Credit risk

Credit risk is the risk that a counterparty to a financial instrument is unable to discharge a commitment to the Company made under that instrument. The Company is exposed to credit risk through its holdings of loan notes in investee companies, investments in fixed income securities, cash deposits and debtors.

The Company's financial assets that are exposed to credit risk are summarised as follows:

	31 March 2024 £'000	31 March 2023 £'000
<b>Fair value through profit or loss assets</b>		
Investments in loan notes	508	508
<b>Loans and receivables</b>		
Cash and cash equivalents	25,102	28,846
	<b>25,610</b>	<b>29,354</b>

The Manager manages credit risk in respect of loan notes with a similar approach as described under interest rate risk on page 60. In addition, the credit risk is partially mitigated by registering floating charges over the assets of certain investee companies. The strength of this security in each case is dependent on the nature of the investee company's business and its identifiable assets. The level of security is a key means of managing credit risk. Similarly, the management of credit risk associated interest, dividends and other receivables is covered within the investment management procedures.

Cash of £3.3 million is held at Bank of Scotland plc, which is an A-rated financial institution. In addition, the Company holds £21.9 million in money market funds as described in note 1 on page 51. Consequently, the Directors consider that the risk profile associated with cash deposits is low.

There have been no changes in fair value during the year that can be directly attributable to changes in credit risk.

As at 31 March 2024, there were no loan notes where, although the principal remained within term, the investee company was not fully servicing the interest obligations under the loan note and was in arrears. (31 March 2023: £nil)

As at 31 March 2024 there were no loan stock balances whereby the principal amount had passed its maturity date (31 March 2023: £nil).

### Liquidity risk

Liquidity risk is the risk that the Company encounters difficulties in meeting obligations associated with its financial liabilities. Liquidity risk may also arise from either the inability to sell financial instruments when required at their fair values or from the inability to generate cash inflows as required. The Company normally has a relatively low level of creditors (31 March 2024: £182,000, 31 March 2023: £117,000) and has no borrowings. The Company always holds sufficient levels of funds as cash and readily realisable investments in order to meet expenses and other cash outflows as they arise. For these reasons, the Board believes that the Company's exposure to liquidity risk is minimal.

The Company's liquidity risk is managed by the Investment Manager, in line with guidance agreed with the Board and is reviewed by the Board at regular intervals.

The carrying value of loan note investments held at fair value through the profit and loss account at 31 March 2024, as analysed by expected maturity date, is as follows:

	Not later than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 3 years £'000	Between 3 and 5 years £'000	Over 5 years £'000	Passed maturity date £'000	Total £'000
<b>As at 31 March 2024</b>							
Fully performing loan notes	–	–	–	–	508	–	508
Past due loan stock	–	–	–	–	–	–	–
	–	–	–	–	<b>508</b>	–	<b>508</b>
<b>As at 31 March 2023</b>							
Fully performing loan notes	–	–	–	–	508	–	508
Past due loan stock	–	–	–	–	–	–	–
	–	–	–	–	508	–	508

# Notes to the financial statements CONTINUED...

FOR THE YEAR ENDED 31 MARCH 2024

## Note 15. Financial instruments (continued)

### Financial liabilities

The Company has no financial liabilities other than the creditors disclosed within the balance sheet (2023: none).

### Currency exposure

As at 31 March 2024, the Company had no foreign investments (2023: none).

### Borrowing facilities

The Company has no committed borrowing facilities as at 31 March 2024 (2023: none).

## Note 16. Contingencies, guarantees and financial commitments

At the year end the Company had a potential contingent liability in respect of a performance fee which is only payable and recognisable if or when certain hurdles have been met:

- a) an IRR hurdle requiring the achievement of at least 7% IRR in respect of investments made within a five-year pool, the first such period starting on 1 April 2021; and
- b) a NAV per share hurdle requiring the NAV per share at the end of the year in which the gain is made to be higher than the NAV per share at the commencement of the five-year pool period in which the investment was made (after adding back dividends paid in the period).

As at the balance sheet date the hurdles had not been met. However, the performance incentive fee has a catch-up if the hurdles are not met, such that the fee on an investment realisation in a period when hurdles are not met can be paid at a later date if the hurdles are subsequently met. Therefore, if the hurdles had been met and realised gains made on the disposal of investment held within the pool a performance fee of £667,000 would have become payable based upon the current fair value of investments held.

The Company had no commitments or guarantees at the year end date.

## Note 17. Transactions with related parties and Investment Manager

Nicholas Lewis is a partner of Downing LLP, which provided administration services to the Company for the year to 31 March 2024. During the year, £75,000 (2023: £100,000) was due to Downing LLP in respect of these services. As at 31 March 2024, £nil (2023: £nil) was outstanding and payable.

Richard Marsh is an employee of Molten Ventures plc, the parent company of Elderstreet Investments Limited. Elderstreet Investments Limited provided investment management services to the Company. During the year, £2.5 million (2023: £2.2 million) was due in respect of these services. No performance incentive fees were paid to Elderstreet Investments Limited in respect of the year under review (2023: £nil). As at 31 March 2024, £27,000 (2023: £17,000) was outstanding and payable.

Details of remuneration of the Directors and their share interests can be found in the Directors' Remuneration Report on pages 31 and 32.

## Note 18. Controlling party

In the opinion of the Directors there is no immediate or ultimate controlling party.

## Note 19. Events after the end of the reporting period

On 5 April 2024, the Company allotted 26,962,656 Ordinary Shares of 5p each at an average price of 48.99p per Ordinary Share under the terms of the Offer for Subscription dated 3 October 2023.

The Company also allotted 300,379 Ordinary Shares of 5p each in respect of Shareholders who agreed to subscribe for shares under the terms of the Company's Dividend Reinvestment Scheme ("DRIS") in respect of the dividend of 1p per Ordinary Share paid on 5 April 2024. The shares were issued at 47.27p per share (being the unaudited adjusted net asset value as of 4 April 2024, which has been adjusted down for payment of the 1p dividend on 5 April 2024).

On 24 April 2024, the Company allotted 587,656 Shares at an average price of 48.58p per Ordinary Share under the terms of the Offer for Subscription dated 3 October 2023.

Since the year end, the Company bought back 1,047,051 of its own Ordinary Shares at a price 44.91p per share. These shares were subsequently cancelled.

The issued share capital and total voting rights of the Company is now 269,716,836 Ordinary Shares.

Since the year end, the Company has made unquoted investments in three companies totalling £3.0 million.

On 26 July 2024, the Company received proceeds of £8.3 million from the acquisition of Endomag by Hologic inc.



# Notice of the Annual General Meeting of Molten Ventures VCT plc

**NOTICE IS HEREBY GIVEN that the Annual General Meeting of Molten Ventures VCT plc will be held at 11:15 a.m. on 4 September 2024 at 20 Garrick Street, London WC2E 9BT. Shareholders are encouraged to vote by proxy (details given in the notes) for the transaction of the following business:**

As **Ordinary Business**, to consider and, if thought fit, pass the following resolutions which will be proposed as **Ordinary Resolutions**:

1. To receive and adopt the Report of the Directors' and Accounts of the Company for the year ended 31 March 2024, together with the Report of the Auditor thereon.
2. To approve the Directors' Remuneration Report in respect of the year ended 31 March 2024.
3. To approve the payment of a total final dividend of 1.5p per ordinary share.
4. To re-appoint BDO LLP as Auditor of the Company, to hold office until the conclusion of the next Annual General Meeting, at which accounts of the Company are presented.
5. To authorise the Directors to determine the Auditor's remuneration.
6. To re-elect as Director, Hugh Aldous, who retires and, being eligible, offers himself for re-election.
7. To re-elect as Director, David Brock, who retires and, being eligible, offers himself for re-election.
8. To elect as a Director, Sally Duckworth.
9. To re-elect as Director, Nicholas Lewis, who retires and, being eligible, offers himself for re-election.
10. To re-elect as Director, Richard Marsh, who retires and, being eligible, offers himself for re-election.

As **Special Business**, to consider and, if thought fit, pass the following resolutions:

## Ordinary Resolution

11. That, the Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 ("the Act") to exercise all the powers of the Company to allot shares or to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £6,600,000 (being approximately 49% of the current issued share capital) during the period commencing on the passing of this resolution and expiring at the conclusion of the Company's next Annual General Meeting, or on the expiry of 15 months following the passing of the resolution, whichever is the later (unless previously revoked, varied or extended by the Company in a general meeting), 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 to subscribe for or to convert any security into shares in the Company after such expiry and all previous authorities given by the Directors in accordance with Section 551 of the Act be and are hereby revoked, provided that such revocation shall not have retrospective effect.

## Special Resolutions

12. That, conditional upon the passing of Resolution 11 set out in this Notice, in substitution for any existing power under Section 570 of the Act, but without prejudice to the exercise of any such power prior to the date hereof, the Directors be and are hereby empowered, during the period commencing on the passing of this special resolution and expiring at the conclusion of the Company's next Annual General Meeting, or on the expiry of 15 months following the passing of the resolution, whichever is the later (unless previously revoked, varied or extended by the Company in a general meeting), pursuant to Section 570 of the Act, to allot equity securities (as defined in Section 560(1) of the Act) for cash pursuant to the authority given in accordance with Section 551 of the Act, pursuant to Resolutions 11 and 12, as if Section 561 of the Act did not apply to any such allotment but so that this authority shall allow the Company to make offers or agreements before the expiry and the Directors may allot equity securities in pursuance of such offers or agreements as if the powers conferred hereby had not so expired.
13. That, the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of Ordinary Shares of 5p each in the capital of the Company ("Ordinary Shares") provided that:
  - i) the maximum number of Ordinary Shares hereby authorised to be purchased shall not exceed 40,430,553 Ordinary Shares, representing approximately 14.99% of the present issued capital of the Company;
  - ii) the minimum price which may be paid for an Ordinary Share is 5p, exclusive of all expenses;
  - iii) the maximum price which may be paid for an Ordinary Share is an amount, exclusive of all expenses, equal to 105% of the average of the middle market quotations of the Ordinary Shares as derived from the Daily Official List of the London Stock Exchange, for each of the five business days immediately preceding the day on which the Ordinary Share is contracted to be purchased; and
  - iv) the Company may validly make a contract to purchase Ordinary 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 validly make a purchase of Ordinary Shares in pursuance of any such contract;

and this power, unless previously varied, revoked or renewed, shall come to an end at the conclusion of the Annual General Meeting of the Company next following the passing of this resolution or, if earlier, on the expiry of 15 months from the passing of this resolution.

## By order of the Board

ISCA Administration Services Limited  
Company Secretary, Molten Ventures VCT plc

26 July 2024

Company number: 03424984

Registered office: The Office Suite, Den House, Den Promenade, Teignmouth TQ14 8SY

**Note:** Information regarding the Annual General Meeting, including the information required by section 311A of the Companies Act 2006 (the "Act"), is available from the Company's website [moltenventures.com](https://moltenventures.com).

# Notice of the Annual General Meeting of Molten Ventures VCT plc CONTINUED...

## Notes

- a. Any member of the Company entitled to attend and vote at the Annual General Meeting is also entitled to appoint one or more proxies to attend, speak and vote instead of that member. A member 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 member. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company but must attend the Annual General Meeting in order to represent his appointer. A member entitled to attend and vote at the Annual General Meeting may appoint the Chairman or another person as his proxy although the Chairman will not speak for the member. A member who wishes his proxy to speak for him should appoint his own choice of proxy (not the Chairman) and give instructions directly to that person. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in these Notes. Please read Note (j) below. Under section 319A of the CA2006, the Company must answer any question a member asks relating to the business being dealt with at the Annual General Meeting unless:
- answering the question would interfere unduly with the preparation for the Annual General Meeting or involve the disclosure of confidential information;
  - the answer has already been given on a website in the form of an answer to a question; or
  - it is undesirable in the interests of the Company or the good order of the Annual General Meeting that the question be answered.
- b. To be valid, a Form of Proxy and the power of attorney or other written authority, if any, under which it is signed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power and written authority, must be delivered to the Company's Registrar, The City Partnership (UK) Limited not less than 48 hours (excluding weekends and public holidays) before the time appointed for holding the Annual General Meeting or adjourned meeting at which the person named in the Form of Proxy proposes to vote. In the case of a poll taken more than 48 hours (excluding weekends and public holidays) after it is demanded, the document(s) must be delivered as aforesaid not less than 24 hours (excluding weekends and public holidays) before the time appointed for taking the poll, or where the poll is taken not more than 48 hours (excluding weekends and public holidays) after it was demanded, be delivered at the meeting at which the demand is made.
- c. In order to revoke a proxy instruction a member will need to inform the Company by sending a signed hard copy notice clearly stating the intention to revoke the proxy appointment to the Company's Registrar, The City Partnership (UK) Limited. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by the Company's Registrar before the Annual General Meeting or the holding of a poll subsequently thereto. If a member attempts to revoke his or her proxy appointment but the revocation is received after the time specified then, subject to Note (d) directly below, the proxy appointment will remain valid.
- d. Completion and return of a Form of Proxy will not preclude a member of the Company from attending and voting in person. If a member appoints a proxy and that member attends the Annual General Meeting in person, the proxy appointment will automatically be terminated.
- e. Copies of the Directors' Letters of Appointment and the Register of Directors' interests in the Ordinary Shares of the Company, will be available for inspection at the registered office of the Company during usual business hours on any weekday (excluding weekends and public holidays) from the date of this notice, until the end of the Annual General Meeting for at least 15 minutes prior to and during the meeting.
- f. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those holders of the Company's shares registered on the Register of Members of the Company as at 6:30 p.m. on 2 September 2024 or, in the event that the Annual General Meeting is adjourned, on the Register of Members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the said Annual General Meeting in respect of such shares registered in their name at the relevant time. Changes to entries on the Register of Members after 6:30 p.m. 2 September 2024 or, in the event that the Annual General Meeting is adjourned, on the Register of Members less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the right of any person to attend and vote at the Annual General Meeting.
- g. A personal reply-paid form of proxy is enclosed with this document. To be valid, the enclosed form of proxy for the meeting, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy thereof, must be deposited at the offices of the Company's Registrar, The City Partnership (UK) Limited, Suite 2 Park Valley House, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH, so as to be received no later than 11:15 a.m. on 2 September 2024 or 48 hours before the time appointed for any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll.
- h. Please note that you can vote your shares electronically by accessing the vote on the Company's website: <https://investors.moltenventures.com>
- i. As at 9:00 a.m. on 26 July 2024, the Company's issued share capital comprised 269,716,836 Ordinary Shares and the total number of voting rights in the Company was 269,716,836. The website referred to above will include information on the number of shares and voting rights.
- j. If you are a person who has been nominated under section 146 of the CA2006 to enjoy information rights ("Nominated Person"):
- You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights ("Relevant Member") to be appointed or to have someone else appointed as a proxy for the Annual General Meeting;
  - If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights;
  - Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.
- k. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
- l. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, the proxy will vote or abstain from voting at his or her discretion. The proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Annual General Meeting.
- m. Except as provided above, members who have general queries about the Annual General Meeting should write to the Chairman at the registered office set out above.

# Company information

## Directors (all non-executive)

**David Brock** (Chairman) (appointed 27 January 1998)

**Hugh Aldous** (Senior Independent Director) (appointed 1 March 2007)

**Sally Duckworth** (appointed 22 January 2024)

**Nicholas Lewis** (appointed 27 January 1998)

**Richard Marsh** (appointed 11 August 2021)

## Company number

**03424984**

## LEI

**2138003I9Q1QPDSQ9Z97**

## Website of the Investment Manager hosted on behalf of the VCT

[investors.moltenventures.com/investor-relations/vct](https://investors.moltenventures.com/investor-relations/vct)

## Company Secretary, Administrator and Registered Office

### ISCA Administration Services Limited

The Office Suite

Den House

Den Promenade

Teignmouth

TQ14 8SY

Telephone: 01392 487056

Email: [molten@iscaadmin.co.uk](mailto:molten@iscaadmin.co.uk)

## Investment Manager

### Elderstreet Investments Limited

Molten Ventures Group

20 Garrick Street

London

WC2E 9BT

T: 020 7831 5088

## Independent Auditor

### BDO LLP

55 Baker Street

London

W1U 7EU

## VCT Status Advisers

### Philip Hare & Associates LLP

6 Snow Hill

London

EC1A 2AY

## Registrar

### The City Partnership

The Mending Rooms

Park Valley Mills

Meltham Road

Huddersfield

HD4 7BH

T: 01484 240910

E: [registrars@city.uk.com](mailto:registrars@city.uk.com)

## Bankers

### Royal Bank of Scotland plc

119/121 Victoria Street

London

SW1E 6RA

## Corporate broker and share buybacks contact

### Panmure Gordon & Co

One New Change

London

EC4M 9AF

T: 020 7886 2500

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

# Notes

# Notes

# Notes



# Molten VCT

Molten Ventures VCT plc

Managed by:  
**Elderstreet Investments Limited**

Molten Ventures Group  
20 Garrick Street  
London  
WC2E 9BT

T: 020 7831 5088

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