

The background is a solid, vibrant blue. Overlaid on this are several large, glowing, semi-transparent geometric shapes. On the left, a yellowish-gold shape resembling a parallelogram or a tilted square is partially visible. In the center, a large, teardrop-shaped or lens-shaped object glows with a gradient from orange to red. To the right, a portion of a circular shape is visible, glowing with a gradient from green to blue. The overall aesthetic is modern and abstract, suggesting innovation and technology.

# Molten

Make More Possible

Molten Ventures VCT plc  
Half-Yearly Report  
for the six months ended 30 September 2022

## SHAREHOLDER INFORMATION

### Recent performance summary

	30 Sept 2022	31 Mar 2022	30 Sept 2021
	Pence	Pence	Pence
Net Asset Value (“NAV”) per Share	52.8	60.6	61.0
Cumulative distributions paid per Share	<u>113.6</u>	<u>110.5</u>	<u>109.0</u>
Total Return per Share	<u>166.4</u>	<u>171.1</u>	<u>170.0</u>

### Recent/forthcoming dividends

	Amount per Share	Date of payment	Ex-div date	Record date
2022 Final	3.1p	26 Aug 2022	21 July 2022	22 July 2022
2023 Interim	1.0p	7 April 2023	2 March 2023	3 March 2023

A full dividend history for the Company can be found via the Administrator’s website at [www.downing.co.uk](http://www.downing.co.uk).

Dividends will be paid by the Company’s registrar, The City Partnership, on behalf of the Company. Shareholders who wish to have dividends paid directly into their bank account, rather than by cheque to their registered address, can update their instructions at the Molten Ventures VCT plc Investor Hub: [molten-ventures-vct.cityhub.uk.com](http://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 Room, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH. If you have any queries, The City Partnership can be contacted by the email address above or on 01484 240910

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 or by contacting The City Partnership on the details shown above.

### Share price

The Company’s Share price can be found on various financial websites with the TIDM/EPIC code “MVCT”. A link to the share price is also available on VCT’s website at:

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

and on the Administrator’s website at:

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

Latest share price (8 December 2022): 54.0p per Share

### Share scam warning

We are aware that a significant number of shareholders of VCTs have recently received 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 Administrator’s website. If you have any concerns, please contact the Administrator on 020 7416 7780.

[Shareholder information is continued at the back of this report](#)

## CHAIRMAN'S STATEMENT

I am pleased to present the Half-Yearly Report for the Company for the six months ended 30 September 2022.

Perhaps unsurprisingly, the Company has experienced a modest fall in its Net Asset Value per share ("NAV") over the period, as more testing market conditions have taken hold and public market comparables, where these are used as inputs to valuations, are almost universally down in the period. The portfolio was notable for a significant exit from the legacy portfolio and also saw a number of new investments being added to the technology portfolio.

### Net Asset Value and results

At 30 September 2022, the Company's Net Asset Value per share ("NAV") stood at 52.8p, a decrease of 4.7p or 7.8% since 31 March 2022 (after adding back the dividend paid during the period).

The loss on ordinary activities after taxation for the period was £8.9 million (period ended 30 September 2021: £17.1 million profit), comprising a revenue loss of £486,000 (period ended 30 September 2021: £63,000) and a capital loss of £8.4 million (period ended 30 September 2021: £17.2 million profit).

### Dividend

In 2022, the interim dividend was paid at the end of January. The Board has reviewed the payment date of the interim dividend and decided to move the usual date to early April in future as this will provide the Board with some additional flexibility as to the level of dividend that can be paid.

The Board targets a total annual dividend of equal to 5% of net asset value. An interim dividend of 1.0p per Share will be paid on 7 April 2023, to Shareholders on the register at 3 March 2023. The Board expects to announce in due course a final dividend for the year ended 31 March 2023 which will be paid in August/September 2023.

Shareholders are reminded that the Company now operates a Dividend Reinvestment Scheme, which allows Shareholders to automatically reinvest their dividends into new shares in the Company and obtain further income tax relief on that investment. Further details about how to opt-in can be found in the "Shareholder Information" section on the inside cover of this report.

### Venture capital investments

During the period, the Company made three new and two follow-on investments, at a total cost of £8.2 million.

New investments were made in Expanding Circle Limited (trading as Altruistiq), BeZero Carbon Limited and Fluidic Analytics Limited. Follow-on investments were made in Focal Point Positioning Limited, and Apperio Limited.

At the period end, the Company held a portfolio of 46 venture capital investments, valued at £71.8 million.

As usual, the Board has reviewed the valuations of the unquoted investments as at 30 September 2022 and a number of adjustments to their carrying values have been made. This has resulted in a net valuation downturn of £6.9 million for the period across the whole portfolio, primarily as a result of falls in comparable market valuations and assessment of the portfolio.

The Company holds two AIM-quoted investments; Access Intelligence plc and Fulcrum Utility Services Limited, which are both valued on their share prices as at 30 September 2022. The valuation of the investment in Access Intelligence saw a decrease of £746,000 over the period and that in Fulcrum of £26,000, driven by general market conditions.

Further details on these investments are included in the Investment Manager's Report on pages 3 and 4.

## CHAIRMAN'S STATEMENT (continued)

### Fundraising

As reported in the last Annual Report, the Company closed a very successful offer for subscription in April 2022, having raised £20 million.

In view of the strong demand from investors and the expectation of a continuing stream of good quality deal flow, the Company launched a new offer for subscription in October seeking to raise up to £30 million (with an overallotment facility of £10 million to be used at the Directors' discretion).

Investor interest in this offer is once again proving to be high with over £17 million having been raised at the time of writing.

Shareholders can find full details of the offer including the prospectus at:

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

Investors are recommended to consult their financial adviser before making any investment decisions.

### Share buybacks

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

In line with this policy, during the period, the Company purchased 2,620,650 shares for cancellation at an average price of 54.9p per share.

Any Shareholders considering selling their shares will need to use a stockbroker, whom you should ask to contact Panmure Gordon (UK) Limited, who acts as the Company's corporate broker and can provide details on closed periods and when the Company is able to buy shares.

### Outlook

Despite the reduced valuations of some investments, the Board remains satisfied that the Company continues to hold a well-diversified portfolio of emerging technology businesses which have the potential to deliver attractive returns to investors.

While valuations of the world's largest quoted technology businesses have fallen heavily in recent months, the transformative, venture capital backed, high growth potential technology businesses in which your Company invests operate in a different environment in terms of funding and corporate activity. fundamental drivers for innovation, for new technologies and the re-invention or creation of new markets, remain strong.

I look forward to updating Shareholders on progress in my statement in the Annual Report to 31 March 2023, which will be published in the summer.



**David Brock**  
Chairman

9 December 2022

## INVESTMENT MANAGER'S REPORT

The first six months of the financial year have been against the backdrop of a challenging market environment with inflation and rising global interest rates feeding through to a decline in the value of publicly listed high growth technology companies. Nasdaq has declined 25% in the past six months while technology sub-sectors such as semi-conductors and e-commerce have declined further. In the private markets deployment of investment capital has slowed while companies, and investors, adapt to an environment with a higher cost of capital.

This backdrop of heightened geopolitical risks and rising inflation follows a period where the Company registered an increase in Net Asset Value ("NAV") of 21% to the year end March 2022. Unsurprisingly given the headwinds the Company has seen a fall in its valuation in the following six-month period to 30 September 2022.

In the last six months the NAV has fallen from 60.6p to 52.8p a decrease of 7.8% after adding back the dividends paid in the period.

There were net unrealised valuation increases of £2.3m over the period; the largest being Focal Point Positioning Limited (£1.7m) on the back of a successful fundraising.

There were net unrealised valuation losses on investments of £9.3 million in the period; the largest write downs being IESO Digital Health Limited (£2.3m), Freetrade Limited (£1.8m), Primary Bid Limited (£1.8m) and Cervest Limited (£1.3m) as valuations and valuation comparables dropped in difficult market conditions.

In the period the company invested a total of £8.2 million into three new companies and two follow-on investments. Details of these are shown in the Chairmans's report. Post this period end one further new deal has been completed into Worldr ([worldr.com](http://worldr.com)), which provides security products for enterprise communications platforms such as Microsoft Teams.

In the period two exits have been completed; Lyalvale Express Ltd was part of the legacy portfolio prior to the co-investment agreement with Molten Ventures. The investment was an MBO made in 1998 and returned a multiple of 4.58x and an IRR of 15.9% over the investment period. The consideration was £5.9 million, having received further income and principal debt repayments of £2.8 million over the investment period. The sale allowed the payment of a special dividend of 1.6p in August 2022.

Servoca was also a legacy portfolio exit for a total consideration of £0.35 million, a small profit of 8% on cost.

Post the period end a further exit has been completed from the Molten technology portfolio; Roomex initial proceeds of £1.28 million are a 1.2x return on cost. There is a possibility of further escrow proceeds of £0.25 million.

We now define the Company as having two portfolios; a new technology portfolio invested alongside other Molten Ventures funds and a legacy portfolio assembled before the Molten Ventures plc arrangement. At the period end, the technology portfolio as a percentage of total net assets accounted for 58%, the legacy portfolio 14%, and cash 28%.

## INVESTMENT MANAGER'S REPORT (continued)

As Investment Manager of the Company, we previously signalled cautious optimism as we believe the fundamentals of technology investing remain strong. We maintain the belief that investing wisely in innovation can yield good returns across the investment cycle.

The core portfolio companies are well funded and while we are not complacent about the economic headwinds, we are confident in our technology investment strategy and the attributes of strong potential for future value growth

**Elderstreet Investments Limited**  
**Part of the Molten Ventures Group**

9 December 2022

## SUMMARY OF INVESTMENT PORTFOLIO

Investment Portfolio as at 30 September 2022	Cost £'000	Valuation £'000	Valuation movement in period £'000	% of portfolio by value
<b>Top ten venture capital investments</b>				
Thought Machine Group Limited	2,400	9,118	(611)	9.1%
Access Intelligence plc*	2,586	7,638	(746)	7.6%
Endomagetics Limited	2,147	6,322	-	6.3%
Focal Point Positioning Limited	3,300	5,906	1,710	5.9%
Fords Packaging Topco Limited	2,433	5,867	-	5.9%
Form3 Limited	1,420	5,464	-	5.4%
IESO Digital Health Limited	3,567	3,851	(2,291)	3.8%
Ravelin Technology Limited	1,133	2,117	-	2.1%
Impulse Innovations Limited	2,079	2,079	-	2.1%
River Lane Research Limited	901	1,976	212	2.0%
	<u>21,966</u>	<u>50,338</u>	<u>(1,726)</u>	<u>50.2%</u>
<b>Other venture capital investments</b>	<u>32,492</u>	<u>21,418</u>	<u>(5,196)</u>	<u>21.3%</u>
	<u>54,458</u>	<u>71,756</u>	<u>(6,922)</u>	<u>71.5%</u>
<b>Cash at bank and in hand</b>		<u>28,665</u>		<u>28.5%</u>
<b>Total investments</b>		<u>100,421</u>		<u>100.0%</u>

\*Quoted on AIM

All venture capital investments are unquoted unless otherwise stated.

## SUMMARY OF INVESTMENT MOVEMENTS

### Investment additions

Venture capital investments	£'000
Focal Point Positioning Limited	2,700
Expanding Circle Limited	1,835
BeZero Carbon Limited	1,567
Fluidic Analytics Limited	1,250
Apperio Limited	857
	<u>8,209</u>

### Investment disposals

	Cost £'000	Value at 1 April 2022 £'000	Proceeds £'000	Profit vs cost £'000	Realised gain £'000
Venture capital investments					
Lyalvale Express Limited	1,915	5,979	5,979	4,064	-
Servoca plc	333	360	360	26	-
	<u>2,248</u>	<u>6,339</u>	<u>6,339</u>	<u>4,090</u>	<u>-</u>

\*Quoted on AIM

All venture capital investments are unquoted unless otherwise stated.



## UNAUDITED BALANCE SHEET

as at 30 September 2022

		30 Sept 2022 £'000	30 Sept 2021 £'000	31 Mar 2022 £'000
	<b>Note</b>			
<b>Fixed assets</b>				
Investments	9	71,756	62,791	76,808
<b>Current assets</b>				
Debtors		8	7	20
Cash at bank and in hand		28,665	26,045	31,095
		<u>28,673</u>	<u>26,052</u>	<u>31,115</u>
<b>Creditors: amounts falling due within one year</b>		<u>(1,083)</u>	<u>(99)</u>	<u>(356)</u>
<b>Net current assets</b>		<u>27,590</u>	<u>25,953</u>	<u>30,759</u>
<b>Net assets</b>		<u>99,346</u>	<u>88,744</u>	<u>107,567</u>
<b>Capital and reserves</b>				
Called up Share capital	7	9,406	7,275	8,880
Capital redemption reserve		925	728	794
Share premium account		63,628	36,438	56,273
Merger reserve		-	1,828	673
Special reserve	8	2,285	12,041	5,303
Capital reserve - unrealised		23,744	31,052	35,220
Capital reserve - realised	8	936	-	1,516
Revenue reserve	8	<u>(1,578)</u>	<u>(618)</u>	<u>(1,092)</u>
<b>Equity Shareholders' funds</b>	6	<u>99,346</u>	<u>88,744</u>	<u>107,567</u>
<b>Basic and diluted Net Asset Value per Share</b>	6	<b>52.8p</b>	<b>61.0p</b>	<b>60.6p</b>

## UNAUDITED INCOME STATEMENT

for the six months ended 30 September 2022

	Six months ended 30 Sept 2022			Six months ended 30 Sept 2021			Year ended 31 Mar 2022
Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Total £'000
Income	-	-	-	295	-	295	300
Gains on investments							
Realised	-	-	-	-	-	-	12
Unrealised	-	(6,922)	(6,922)	-	17,575	17,575	20,221
	-	(6,922)	(6,922)	295	17,575	17,870	20,533
Investment management fees	(289)	(867)	(1,156)	(138)	(416)	(554)	(1,721)
Performance incentive fees	-	(621)	(621)	-	-	-	-
Other expenses	(197)	-	(197)	(220)	-	(220)	(407)
<b>Return on ordinary activities before taxation</b>	<b>(486)</b>	<b>(8,410)</b>	<b>(8,896)</b>	<b>(63)</b>	<b>17,159</b>	<b>17,096</b>	<b>18,405</b>
Tax on total comprehensive income and ordinary activities	-	-	-	-	-	-	-
<b>Return attributable to equity Shareholders</b>	<b>4 (486)</b>	<b>(8,410)</b>	<b>(8,896)</b>	<b>(63)</b>	<b>17,159</b>	<b>17,096</b>	<b>18,405</b>
<b>Basic and diluted return per Share</b>	<b>4 (0.3p)</b>	<b>(4.4p)</b>	<b>(4.7p)</b>	<b>-</b>	<b>11.7p</b>	<b>11.7p</b>	<b>12.0p</b>

All Revenue and Capital items in the above statement are derived from continuing operations. The total column within the Income Statement represents the profit and loss account of the Company.

## UNAUDITED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2022

	Called up Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Merger reserve £'000	Special reserve £'000	Capital reserve- unrealised £'000	Capital reserve- realised £'000	Revenue reserve £'000	Total £'000
<b>At 1 April 2021</b>	5,537	659	18,321	1,828	15,463	14,159	-	(555)	55,412
Total comprehensive income	-	-	-	-	-	20,221	(1,279)	(537)	18,405
Transfer between reserves	-	-	-	(1,155)	(6,838)	840	7,153	-	-
<i>Transactions with owners</i>									
Issue of new Shares	3,478	-	37,952	-	-	-	-	-	41,430
Share issue costs	-	-	-	-	(1,900)	-	-	-	(1,900)
Purchase of own Shares	(135)	135	-	-	(1,422)	-	-	-	(1,422)
Dividends paid	-	-	-	-	-	-	(4,358)	-	(4,358)
<b>At 31 March 2022</b>	8,880	794	56,273	673	5,303	35,220	1,516	(1,092)	107,567
Total comprehensive income	-	-	-	-	-	(6,921)	(1,489)	(486)	(8,896)
Transfer between reserves	-	-	-	(673)	(1,579)	(4,555)	6,807	-	-
<i>Transactions with owners</i>									
Issue of new Shares	657	-	7,767	-	-	-	-	-	8,424
Share issue costs	-	-	(412)	-	-	-	-	-	(412)
Purchase of own Shares	(131)	131	-	-	(1,439)	-	-	-	(1,439)
Dividends paid	-	-	-	-	-	-	(5,898)	-	(5,898)
<b>At 30 September 2022</b>	9,406	925	63,628	-	2,285	23,744	936	(1,578)	99,346

A transfer of £1,488,000 was made from the Special Reserve to the Capital Reserve – realised in respect of capital expenses for the period. A transfer of £91,000 was made from the Capital Reserve – unrealised to the Special Reserve for realised loss on investment disposal and reversal of impairment loss during the year.

## UNAUDITED STATEMENT OF CASH FLOWS

### for the six months ended 30 September 2022

	Six months ended 30 Sept 2022 £'000	Six months ended 30 Sept 2021 £'000	Year ended 31 Mar 2022 £'000
<b>Cash flow from operating activities</b>			
Return on ordinary activities before taxation	(8,896)	17,096	18,405
(Gains)/losses on investments	6,922	(17,575)	(20,233)
Decrease/(increase) in debtors	14	29	11
Increase in creditors	400	18	216
<b>Net cash inflow/(outflow) generated from operating activities</b>	<u>(1,560)</u>	<u>(432)</u>	<u>(1,601)</u>
<b>Cash flow from investing activities</b>			
Purchase of investments	(8,209)	(1,120)	(12,491)
Sale of investments	6,339	660	672
<b>Net cash outflow from investing activities</b>	<u>(1,870)</u>	<u>(460)</u>	<u>(11,819)</u>
<b>Cash flows from financing activities</b>			
Proceeds from Share issue	8,424	19,924	41,429
Share issue costs	(414)	(797)	(1,853)
Purchase of own Shares	(1,112)	(667)	(1,362)
Equity dividends paid	(5,898)	(2,182)	(4,358)
<b>Net cash inflow from financing activities</b>	<u>1,000</u>	<u>16,278</u>	<u>33,856</u>
<b>Increase/(decrease) in cash</b>	<u>(2,430)</u>	<u>15,386</u>	<u>20,436</u>
<b>Net movement in cash</b>			
Beginning of period	31,095	10,659	10,659
Net cash inflow/(outflow)	<u>(2,430)</u>	<u>15,386</u>	<u>20,436</u>
End of period	<u>28,665</u>	<u>26,045</u>	<u>31,095</u>

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS for the six months ended 30 September 2022

- The unaudited Half-Yearly Report covers the six months to 30 September 2022 and has been prepared in accordance with the accounting policies set out in the statutory accounts for the period ended 31 March 2022, which were prepared in accordance with the Financial Reporting Standard 102 (“FRS 102”) and the Statement of Recommended Practice “Financial Statements of Investment Trust Companies” issued in July 2022 (“SORP”).
- The Company has only one class of business and derives its income from investments made in shares, securities and bank deposits.
- The comparative figures are in respect of the six months ended 30 September 2021 and the year ended 31 March 2022 respectively.

#### 4. Basic and diluted return per Share

	Six months ended 30 Sept 2022	Six months ended 30 Sept 2021	Year ended 31 Mar 2022
<b>Return per Share based on:</b>			
Net revenue (loss)/return (£'000)	<u>(486)</u>	<u>(63)</u>	<u>(537)</u>
<b>Capital return per Share based on:</b>			
Net capital gain/(loss) (£'000)	<u>(8,410)</u>	<u>17,159</u>	<u>18,942</u>
Weighted average number of Shares	<u>189,766,121</u>	<u>146,059,737</u>	<u>152,969,728</u>

#### 5. Dividends

	Per Share Pence	30 September 2022			31 March 2022
		Revenue £'000	Capital £'000	Total £'000	Total £'000
<b>Payable</b>					
2023 Interim	1.0p	-	1,881	1,881	-
<b>Paid in the period</b>					
2022 Final	3.1p	-	5,898	5,898	-
2022 Interim	1.5p	-	-	-	2,175
2021 Final	1.5p	-	-	-	2,183
		<u>-</u>	<u>5,898</u>	<u>5,898</u>	<u>4,358</u>

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued) for the six months ended 30 September 2022

### 6. Basic and diluted Net Asset Value per Share

	30 Sept 2022	30 Sept 2021	31 Mar 2022
<b>Net asset value per Share based on:</b>			
Net assets (£'000)	<u>99,346</u>	<u>88,744</u>	<u>107,567</u>
Number of Shares in issue at period end	<u>188,123,911</u>	<u>145,501,149</u>	<u>177,597,183</u>
Net Asset Value per Share	<u>52.8p</u>	<u>61.0p</u>	<u>60.6p</u>

### 7. Called up Share capital

	30 Sept 2022	30 Sept 2021	31 Mar 2022
<b>Ordinary Shares of 5p each</b>			
Number of Shares in issue at period end	<u>188,123,911</u>	<u>145,501,149</u>	<u>177,597,183</u>
Nominal value (£'000)	<u>9,406</u>	<u>7,275</u>	<u>8,880</u>

During the period the Company allotted 12,665,155 Ordinary Shares of 5p each ("Shares") under an Offer for Subscription that launched in November 2021, at an average price of 64.3p per Share. Gross proceeds received thereon were £8.1 million, with issue costs in respect of the Offer amounting to £396,000.

During the period the Company allotted 482,223 Ordinary Shares of 5p each ("Shares") under a Dividend Reinvestment Scheme that launched in March 2022, at an average price of 57.5p per Share. Gross proceeds received thereon were £277,000, with issue costs in respect of the Offer amounting to £16,000.

During the period, the Company purchased Shares for cancellation for an aggregate consideration of £1.4 million, at an average price of 54.9p per Share (approximately equal to a 5.0% discount to the most recently published NAV at the time of purchase) and representing 1.5% of the share capital in issue as at 1 April 2022.

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued) for the six months ended 30 September 2022

### 8. Reserves

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 dividends and allows the Company to write back realised capital losses arising on disposals and impairments.

Distributable reserves are calculated as follows:

	<b>30 Sept 2022</b>	<b>30 Sept 2021</b>	<b>31 Mar 2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Special reserve	2,285	12,041	5,053
Capital reserve - realised	936	-	1,516
Revenue reserve	(1,578)	(618)	(1,092)
Merger reserve - distributable element	-	423	-
Unrealised losses - net of unquoted gains	(1,057)	6,283	1,316
	<u>586</u>	<u>18,129</u>	<u>6,793</u>

In October 2018, the balances on the Share Premium account and the capital redemption reserve were cancelled and added to the special reserve, contributing an additional £26.2 million to distributable reserves. The VCT regulations place some restrictions on the use of these reserves during the first three to four years after the funds on which they arose were raised.

Following the granting of shareholder approval at the Annual General Meeting in August, the Company is now commencing the process to cancel the share premium account and capital redemption reserve which will create additional distributable reserves.

### 9. Investments

The fair value of investments is determined using the detailed accounting policy as set out in Note 1 of the Annual Report.

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).

	<b>30 Sept 2022</b>				<b>31 Mar 2022</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
AIM quoted								
shares	7,056	798	-	7,854	7,723	903	-	8,626
Loan notes	-	-	508	508	-	-	508	508
Unquoted shares	-	-	63,394	63,394	-	-	67,674	67,674
	<u>7,056</u>	<u>798</u>	<u>63,902</u>	<u>71,756</u>	<u>7,723</u>	<u>903</u>	<u>68,182</u>	<u>76,808</u>

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued) for the six months ended 30 September 2022

### 10. Risks and uncertainties

Under the Disclosure and Transparency Directive, the Board is required in the Company's half-yearly results to report on principal risks and uncertainties facing the Company over the remainder of the financial year.

The Board has concluded that the key risks facing the Company over the remainder of the financial period are as follows:

- investment risk associated with investing in small and immature businesses;
- liquidity risk arising from investing mainly in unquoted businesses; and
- failure to maintain approval as a VCT.

In all cases the Board is satisfied with the Company's approach to these risks. As a VCT, the Company is forced to have significant exposure to relatively immature businesses. This risk is mitigated to some extent by holding a well-diversified portfolio.

With a reasonably illiquid venture capital investment portfolio, the Board ensures that it maintains an appropriate proportion of its assets in cash and liquid instruments.

The Company's compliance with the VCT regulations is continually monitored by the Administration Manager, who regularly reports to the Board on the current position. The Company also retains Philip Hare and Associates LLP to provide regular reviews and advice in this area. The Board considers that this approach reduces the risk of a breach of the VCT regulations to a minimal level.

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

The Directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.



## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued) for the six months ended 30 September 2022

11. The Directors confirm that, to the best of their knowledge, the half-yearly financial statements have been prepared in accordance with the “Statement: Half-Yearly Financial Reports” issued by the UK Accounting Standards Board as well as in accordance with FRS 104 Interim Financial Reporting and the half-yearly financial report includes a fair review of the information required by:
  - (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the current financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period, and any changes in the related party transactions described in the last Annual Report that could do so.
12. The unaudited financial statements set out herein do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 and have not been delivered to the Registrar of Companies. The figures for the period ended 31 March 2022 have been extracted from the financial statements for that period, which have been delivered to the Registrar of Companies; the Auditor’s report on those financial statements was unqualified.
13. Copies of the unaudited Half-Yearly Report will be sent to Shareholders shortly. Further copies can be obtained from the Company’s registered office or downloaded from [www.moltenventures.com](http://www.moltenventures.com) and the Administrator’s site at [www.downing.co.uk](http://www.downing.co.uk).

## SHAREHOLDER INFORMATION (continued)

### **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. If you wish to sell your Shares, you should ask your stockbroker to contact Panmure Gordon (UK) Limited, who act as the Company's Corporate Broker.

The Company will usually buy back shares several times each year. If you have any queries regarding the process, please contact the Administration Manager, Downing LLP on 020 7416 7780. 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.

### **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, company announcements and share price) may be obtained from the Administrator's website at [www.downing.co.uk](http://www.downing.co.uk) by clicking on "Retail" and "Existing investor centre". Financial information is also available on the VCT's website at: [www.moltenventures.com](http://www.moltenventures.com)

If you have any queries regarding your Shareholding in Molten Ventures VCT plc, please access the Investor Hub at [molten-ventures-vct.cityhub.uk.com](http://molten-ventures-vct.cityhub.uk.com) or contact the Registrar by email at [registrars@city.uk.com](mailto:registrars@city.uk.com) or by telephone on 01484 240910.

**Directors**

David Brock (Chairman)

Hugh Aldous

Nicholas Lewis

Richard Marsh

**Company Secretary and Registered Office**

Grant Whitehouse

6<sup>th</sup> Floor, St. Magnus House

3 Lower Thames Street

London EC3R 6HD

Tel: 020 7416 7780

Registered No. 3424984

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

**Investment Manager**

Elderstreet Investments Limited

c/o Molten Ventures Group

20 Garrick Street

London WC2E 9BT

Tel: 020 7831 5088

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

**Administration Manager**

Downing LLP

6<sup>th</sup> Floor, St. Magnus House

3 Lower Thames Street

London EC3R 6HD

Tel: 020 7416 7780

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

**Registrar**

The City Partnership (UK) Limited

The Mending Rooms

Park Valley Mills

Meltham Road

Huddersfield HD4 7BH

Tel: 01484 240910

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

[molten-ventures-vct.cityhub.uk.com](http://molten-ventures-vct.cityhub.uk.com)

# Molten

---

Molten Ventures VCT plc  
20 Garrick Street  
London, WC2E 9BT  
Tel: +44 (0)20 7931 8800

