Molten

Make More Possible

Molten Ventures VCT plc
(Formerly Draper Esprit VCT plc)
Annual Report for the year ended
31 March 2022

SHAREHOLDER INFORMATION

Share price

The share price for Molten Venture 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 (www.moltenventures.com) and on the Administration Manager, Downing LLP's, website (www.downing.co.uk).

Latest share price (14 July 2022):	58.0p per share

Financial calendar

18 August 2022	Annual General Meeting
26 August 2022	Payment of special divided and final dividend
December 2022	Announcement of Half Yearly results

Dividends

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

A Dividend Mandate Form is also available from this site that can be completed and emailed to 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 using the email address above or on 01484 240910

The Company has recently introduced 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.

The Company generally buys back shares several times each year. 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 Administration Manager's website. If you have any concerns, please contact the Administration Manager, Downing, on 020 7416 7780.

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 www.moltenventures.com and the Administration Manager's (Downing LLP), website at www.downing.co.uk.

If you have any queries regarding your shareholding in Molten Ventures VCT plc, please contact the Registrar using the details above.

CONTENTS

COMPANY INFORMATION

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David Brock (Chairman)
Hugh Aldous (Senior Independent Director)
Nicholas Lewis
Richard Marsh
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FINANCIAL SUMMARY

	31 Mar 2022 Pence	31 Mar 2021 Pence
Net asset value per share (“NAV”)*^	60.6	50.0
Cumulative dividends paid since launch*	110.5	107.5
Total Return (NAV plus cumulative dividends paid per share)*^	171.1	157.5

*Key Performance Indicator
^Alternative Performance Measure (see page 16)

Dividends in respect of financial year ended 31 March 2022		
Interim dividend paid per share	1.5	1.0
Final and special dividend per share (payable on 26 August 2022)	3.1	1.5
	4.6	2.5

A full dividend history for the Company can be found at www.downing.co.uk.

Performance summary for investors (per £1.00 invested)

Share issue date	Initial income tax relief available on investment %	Equivalent dividends received since issue Pence	Equivalent NAV at 31 Mar 2021 Pence	Gain/(loss) (ignoring income tax relief) %	Gain (after initial income tax relief) %	Gain (after initial and ESB* income tax relief) %
Elderstreet Millennium VCT plc (1996)	20	91.6	23.1	14.7	43.4	51.0
Feb-Aug 1998	20	110.5	60.6	71.1	113.8	134.0
Mar-Jun 2005 (C Share issue)	40	75.2	40.5	15.7	92.8	110.8
Apr 2006	40	117.6	87.9	105.5	242.5	281.5
Apr 2008	30	80.4	65.8	46.3	109.0	N/A
Jun 2008	30	77.1	66.3	43.4	104.9	N/A
Apr 2009	30	90.4	81.1	71.4	144.9	N/A
May 2009	30	89.0	81.1	70.1	143.0	N/A
Apr-May 2010	30	80.2	75.3	55.6	122.2	N/A
Mar 2011	30	74.6	74.7	49.3	113.3	N/A
Apr-May 2011	30	77.6	77.7	55.2	121.7	N/A
Apr-May 2012	30	79.9	85.7	65.6	136.5	N/A
Nov 2012	30	85.2	98.2	83.4	162.0	N/A
Apr 2013	30	77.8	89.7	67.5	139.3	N/A
Dec 2014	30	43.3	88.9	32.2	88.8	N/A
Mar-Apr 2015	30	41.0	84.1	25.1	78.8	N/A
Apr 2016	30	27.5	85.4	12.8	61.2	N/A
Apr 2017	30	22.9	95.7	18.6	69.4	N/A
May 2017	30	22.8	95.4	18.3	68.9	N/A
Aug 2017	30	21.0	97.8	18.9	69.8	N/A
Oct 2017	30	19.0	100.3	19.3	70.5	N/A
Nov 2017	30	19.0	100.1	19.1	70.1	N/A
Apr 2018	30	19.0	100.3	19.3	70.5	N/A
May 2018	30	18.8	99.2	18.0	68.6	N/A
April 2019	30	14.9	106.2	21.2	73.1	N/A
May 2019	30	14.6	103.8	18.3	69.0	N/A
Apr 2020	30	13.5	148.5	61.9	131.3	N/A
Aug 2020	30	12.1	132.8	44.8	106.9	N/A
Sept 2020	30	12.1	132.8	44.9	107.0	N/A
Apr 2021	30	5.4	109.9	15.3	64.7	N/A
Jan 2022	30	-	99.9	(1.0)	41.4	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:

- provide good long-term tax-free returns to Shareholders through a combination of dividends and capital growth;
- invest in a diversified portfolio of smaller unquoted companies with a particular focus on the technology sector;
- target annual dividends of 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 pages 18 and 19.

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 is chairman of Downing Strategic Micro-Cap Investment Trust plc. 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 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 £1 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 a Senior Partner 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.

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

CHAIRMAN'S STATEMENT

Introduction

The year to 31 March 2022 has seen good progress made by the Company's portfolio and in the deployment of new funds. In particular, a significant number of technology investments have seen uplifts in value, driving a strong increase in overall net asset value. Most of those uplifts are as a result of further rounds of investment by professional fund investors.

After the year end, and the sale of Lyalvale Express Limited (see next page), the value in the Company's portfolio rests principally in advanced technology. A good deal of this is leading edge and for which the Company has provided funding at the early and pre-profits stages. Examples include new thinking in core banking technology, devices for oncology surgery, digital applications to help mental health, long-strand synthetic DNA, food crop optimisation through continuous optical analysis, single atom graphene, data collection that encodes climate volatility, satellite infrared monitoring and adapting the power of quantum computing to commercial. VCT funding makes an important contribution to the early stages of such breakthroughs and its portfolio companies invest heavily in innovation and R&D.

Change of Company name

As was noted in my statement with the half yearly report, the Company changed its name from Draper Esprit VCT plc to Molten Ventures VCT plc in February 2022. This change was to bring the Company in line with a rebranding of the Draper Esprit Group, of which the Company's manager is now a member, which took place in November 2021. The Company stock market ticker or TIDM was updated to "MVCT".

Net asset value and results

As at 31 March 2022, the Company's Net Asset Value per share ("NAV") stood at 60.6p, representing an increase of 13.6p (27.2%) over the year after adding back dividends paid.

A summary of the total return for Shareholders who invested in the Company's various other fundraisings is included on page 2 of this report.

The profit on ordinary activities after taxation for the year was £18.4 million (2021: £8.5 million), comprising a revenue loss of £537,000 (2021: £546,000) and a capital profit of £18.9 million (2021: £9.1 million).

Venture capital investments

Portfolio allocation

The split of the investment portfolio between Molten Ventures growth technology investments and the older legacy investments is now as follows:

	Portfolio split as at 31 March 2022			
	Growth Technology £'000	Legacy £'000	Cash £'000	Total £'000
Cost	35,346	13,153	31,095	79,594
Gains	18,918	9,391	-	28,309
Valuation	54,264	22,544	31,095	107,903
Percentage of portfolio	50.3%	20.9%	28.8%	100.0%

The newer growth technology investments are now the largest part of the portfolio and this proportion will continue to grow as further funds are raised and invested, and as there are further realisations from the legacy portfolio.

Portfolio activity

Molten Ventures provided the Company with a steady flow of investment opportunities during the year. The Company made nine new investments and four follow-on investments totalling £12.5 million.

There was one investment disposal during the year, being that of IXL PremFina, producing proceeds of £660,000.

Further details on the investment activity can be found in the Investment Manager's report on pages 7 and 8.

Investment valuations

At the year end, the Company held a portfolio of 35 active investments valued at £76.8 million.

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

The biggest movement was that of Thought Machine Group Limited, a cloud native banking platform, where the valuation was increased by £7.3 million, driven by a major new funding round which valued the business at approximately £2.3 billion.

Form 3 (previously Back Office Technology) and IESO also supported major uplifts in valuation of £3.1 million and £3.4 million respectively, also as a result of new funding rounds.

Venture capital investments (continued)

Investment valuations (continued)

Another major increase was in the valuation of the legacy investment in Lyalvale Express, the shotgun cartridge manufacturer. Lyalvale was sold soon after the year end at a sum in line with the uplift of £4.6 million.

On the negative side, the Company holds two significant AIM-quoted investments, both of which suffered a fall in value over the year, totalling £3.2 million.

Overall, the unrealised valuation movements on the portfolio were a net gain of £20.2 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 7 to 15.

Dividends

The Board is proposing to pay a standard final dividend of 1.5p per share. Additionally, in view of the disposal of the investment in Lyalvale Express Limited which, as mentioned above, was disposed of after the year end, the Board is also proposing to pay a special dividend of 1.6p per share, bringing the total dividend to 3.1p per share. This dividend will be paid, subject to Shareholder approval, on 26 August 2022 to Shareholders on the register at 22 July 2022.

This will bring the total dividends paid in respect of the year, plus the special dividend, to 4.6p per share.

Shareholders are reminded that the Company has recently introduced 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 on the Shareholder Information page at the front of this report.

Fundraising

The Company launched another successful offer for subscription in November 2021 which reached capacity and closed in January 2022 having raised £29.7 million. A significant proportion of the shares were allotted after the year end, in April 2022.

Earlier in the year the Company completed another offer for subscription which launched in February 2021. £19.9 million was raised, with all the shares being allotted in April 2021.

The Company expects to undertake another offer for subscription later this year.

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.

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 2,692,473 shares at an average price of 52.8p per share. Resolution 13 will be proposed at the AGM, to renew the authority for the Company to purchase its own shares.

Directorate

As announced in the Half Yearly Report, Michael Jackson, the founder of Elderstreet Investments Limited, decided to retire from the Board and did not stand for re-election at the last AGM in August. We thank Michael for his considerable contribution as investment manager and director of the Company during the 23 years that he served on the Board, and for facilitating the migration of the management of the Company to Molten Ventures plc. My colleagues and I wish him every happiness and success in his future ventures.

To coincide with Michael's retirement from the board, Richard Marsh, a senior partner at Molten Ventures plc, the parent company of the Investment Manager, was appointed as a non-executive director to the Company.

The directors are continuing to review the composition of the board and, now that the management arrangements have fully transitioned to the Molten Ventures Group, are expected to make some further changes in due course to ensure that the Company is well-equipped for this next phase of its life.

Annual General Meeting ("AGM")

The AGM will take place at 20 Garrick Street, WC2E 9BT on 18 August 2022 at 11:00 a.m.

Five items of special business are proposed at the AGM:

- one in respect of the authority to buy back shares as noted above;
- three in respect of the authority to allot shares; and
- one in respect of the cancellation of the share premium account and the capital redemption reserve.

CHAIRMAN'S STATEMENT (continued)

Annual General Meeting ("AGM") (Continued)

The authority to allot shares provides the Board with the opportunity to issue shares under the new Dividend Reinvestment Scheme and consider raising further funds without having to necessarily 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.

Cancellation of the share premium account and capital redemption reserve is a process regularly undertaken by VCTs, which provides the Company with flexibility in utilising reserves for share buyback and dividends in future.

Venture Capital Trust Scheme

Shareholders may be aware that the current VCT legalisation includes a "sunset" clause, brought in as part of the EU State Aid rules, that could bring an end to upfront VCT tax relief in 2025, if the scheme is not renewed before that date.

Your board is aware that Molten Ventures is taking an active role in liaising with members of HM Treasury and HM Revenue and Customs to demonstrate how VCT funds have been employed by the Company to support young businesses which require capital to deliver their potential and that this is a valuable source of funding for new enterprises. The Board will encourage the manager to continue to work to this end to ensure that the crucial support that the VCT Scheme provides in addressing the Finance Gap for young British businesses is made clear. We hope to get some positive confirmation of the Government's future support for the VCT Scheme in due course.

Outlook

The year to 31 March 2022 has started to demonstrate the potential of the technology portfolio that Molten Ventures has been building for the Company over the last few years. With future funds raised, and also realisation proceeds from the legacy portfolio, we expect to add significantly to the portfolio over the coming years.

While the portfolio generally coped well and emerged strongly from the coronavirus pandemic, our young portfolio companies now face the new challenges of rapidly escalating inflation, fears of recession and potential impacts from the conflict in Ukraine. There is no significant exposure to Russia within the portfolio so no direct impact from sanctions. Interest rate rises and the fears of recession have now hit stock markets heavily. The extent to which this will affect business valuations within the young technology sector remains unclear at the stage.

Despite these macro-economic concerns, the Board believes that the Company's portfolio of technology sector investments is well placed to deliver further attractive returns for investors in the medium to long term.

David Brock
Chairman

15 July 2021

INVESTMENT MANAGER'S REPORT

During the year, the Draper Esprit VCT plc was rebranded to Molten Ventures VCT plc with a new EPIC code 'ticker' MVCT.L and other members of the Molten Ventures group were renamed Molten Ventures plc and Molten EIS, collectively called the 'Molten funds'.

The co-investment arrangements amongst the Molten funds continues to be positive from both an investment and a fundraising perspective. We refer internally to the VCT having two elements of its portfolio; a new technology portfolio invested alongside other Molten funds and a legacy portfolio assembled before the Molten arrangement.

At the year end the Company recorded a 13.6p increase in the Total Return (net asset value including cumulative dividends), from 157.5p to 171.1p. The NAV per share rose by 13.6p to 60.6p after paying dividends of 3.0p in the year.

The technology portfolio also recorded its first 'unicorn', (a company with a valuation over $1 billion), with Thought Machine receiving over $200m (£168 million) of funding from new investors, Temasek, the global investment company headquartered in Singapore, with participation from Intesa Sanpaolo and Morgan Stanley. The round valued Thought Machine at $2.7 billion (£2.3 billion).

During the year, the team completed twelve new investments totalling £12.5 million. This comprised eight new investments totalling £9.2 million alongside four follow-on investments totalling £3.3 million, and the VCT received a holding for no cost in Cauldron Entertainment, a spin out company from Thought Machine. There was one exit, IXL Premfina, which returned £660k or 0.87x cost.

Post the year end, we are delighted to report the sale of Lyalvale Express Limited from the legacy portfolio. This investment returned £8.67 million, a 4.58x multiple on cost, and an overall IRR of 15.9% (calculated using gains and income received during the holding period). As a result of this successful exit, the board has approved a special dividend of 1.6p to shareholders on the register as of 22 July 2022.

At the year end, Molten technology companies represented 70.6% of the portfolio and legacy companies 29.4%. On an adjusted basis, following the Lyalvale exit mentioned above, the legacy portfolio represents only 23.4%, of which 20.1% is held in two significant investments.

Within the Molten portfolio, nine new investments, alongside the Molten funds, were made into the following companies:

Impulse Innovations Limited Next generation AI software showing causality	**2,079,418**
Gardin Limited Food crop optimising technology	**1,482,353**
Paragraf Limited High purity 2D graphene manufacturer	**1,333,329**
Cervest Limited AI powered climate intelligence software platform	**1,312,230**
Allplants Limited Plant based food manufacturer and ecommerce retailer	**1,145,451**
Global Satellite Vu Limited Satellite based thermal emissions monitoring	**977,367**
Focal Point Positioning Limited Next level GNSS positioning systems software	**599,996**
Guybrush Limited (Agora) Social media driven beauty app	**269,524**
Cauldron Entertainment Limited * Immersive web3 games studio	-
	9,199,668

*Cauldron was a zero cost holding as a spin-out from portfolio company, Thought Machine

These investments were all made alongside Molten funds and often included other corporate and venture capital investors. This corroborates the strategy of investing alongside a strong syndicate of investors and enables Molten Ventures VCT to invest its funds into the 'scale up' funding gap that was highlighted in the Government's Patient Capital Review (2017). In all of these new investments, with the exception of Cauldron, a member of the Molten Ventures group is a representative on the portfolio company board. At the year end, the total Molten funds technology portfolio consisted of 28 active companies.

Within the year, four of the technology portfolio companies have attracted sizeable follow-on investments at attractive valuations gains. Thought Machine, mentioned previously, raised a further $200m.

IESO, the digital mental health company, raised a further $53 million led by the US investment firm Morningside, with further new investment from Sony Innovation Fund and existing shareholders IP Group, Molten Ventures and Ananda Impact Ventures, to take its DTx solutions through regulatory approvals and to market in the UK and US.

Hadean Supercomputing, building distributed, spatial and scalable computing, raised a further £15 million from existing investors, including the VCT, to accelerate growth. In 2022, Hadean secured contracts with GamesCoin and BAE Systems.

PrimaryBid, a regulated capital markets technology platform connecting public companies to their communities during fundraisings, raised a further $190m in a round led by SoftBank, via its Vision Fund 2.

On the downside, provisions have been made for a small number of private companies and the two meaningful AIM companies in the legacy portfolio. These have suffered from the general public market downturn. However, these provisions and AIM valuation reductions are relatively small at under 6% of the year end NAV against gains of 24.3%.

In the recent successful fund-raising offer, which closed on the 8th April 2022, the VCT allotted £29.7 million of Ordinary Shares and the process of investing these funds is underway.

With Environmental, Social and Governance ("ESG") becoming an ever increasing focus, we remind our Shareholders that the parent company of the investment manager, Molten Ventures plc, has continued to progress its ESG roadmap, including:

- being awarded the Diversity VC Standard Level 1 certification;
- becoming a signatory of the Investing in Women Code;
- establishing an ESG Committee of the Board (in addition to the ESG Working Group);
- completing its first year of Task Force on Climate-Related Financial Disclosures ("TCFD") reporting;
- approval of its Board Diversity and Inclusion Policy,
- Investment Team ESG training; and
- engaging with the portfolio companies on their own ESG activities.

The parent company's ESG policy is available to view on the Molten Ventures plc website via the link below: https://investors.moltenventures.com/sustainability. During the year, the VCT also invested into two climate related companies, Global Satellite Vu and Cervest.

Post the year end, the manager was invited to join the VCT Association (VCTA) which represents 13 of the largest VCT fund managers and makes up over 90% of the £6.6 billion VCT industry. Recently the VCTA has submitted its response to the Treasury Select Committee inquiry into the UK's Venture Capital industry, which addresses the effectiveness of tax incentives, the ability of firms to source financing to scale up, regulatory efficiency, and how the industry can support the UK economy post-Covid.

In summary, it has been a good year for the VCT with the technology portfolio showing some strong growth and a profitable realisation from the legacy portfolio post the year end. Looking forward, despite the geopolitical risk in Europe, slowing economic growth and increasing expectations of a prolonged period of higher inflation, the manager remains confident that over the medium to longer term technology assets have the ability to show increasing asset values through rapid growth, their potential for market leadership in new and valuable markets, and valuation of intellectual property. It continues to be our priority to support our existing portfolio and to make new investments in businesses that can innovate and grow despite the macro-economic headwinds.

Elderstreet Investments Limited
Part of the Molten Ventures Group

15 July 2022

REVIEW OF INVESTMENTS

Portfolio of investments

The following investments were held at 31 March 2022. 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 portfolio by value
Ten largest venture capital investments (by value)				
Thought Machine Group Limited[1]	2,400	9,729	7,329	9.0%
Access Intelligence plc*	2,586	8,384	(2,404)	7.8%
Endomagnetics Limited[1]	2,147	6,322	1,679	5.9%
IESO Digital Health Limited[1]	3,567	6,142	3,525	5.7%
Lyalvale Express Limited	1,915	5,979	4,551	5.5%
Fords Packaging Topco Limited	2,433	5,867	(1,011)	5.4%
Form3 UK Limited (formerly Back Office Technology Ltd) [1]	1,420	5,464	3,054	5.0%
PrimaryBid Limited[1]	950	2,767	1,817	2.6%
Freetrade Limited[1]	600	2,134	(233)	2.0%
Ravelin Technology Limited[1]	1,133	2,117	984	2.0%
	19,151	54,905	19,291	50.9%
Other venture capital investments				
Impulse Innovations Limited[1]	2,079	2,079	-	1.9%
Hadean Supercomputing Limited[1]	1,775	1,958	183	1.8%
Evonetix Limited[1]	1,485	1,882	-	1.8%
Riverlane Limited[1]	901	1,765	864	1.6%
Focal Point Positioning Limited[1]	600	1,496	895	1.4%
Gardin Limited[1]	1,482	1,482	-	1.4%
Paragraf Limited[1]	1,333	1,333	-	1.2%
Cervest Limited[1]	1,312	1,312	-	1.2%
Macranet Limited	1,187	1,187	778	1.1%
Allplants Limited[1]	1,146	1,146	-	1.1%
Roomex Limited[1]	1,081	1,080	(93)	1.0%
Crowdcube Limited[1]	400	1,027	278	1.0%
Global Satellite Vu Limited[1]	977	977	-	0.9%
United Authors Publishing Limited[1]	542	542	(277)	0.5%
Cashfac plc	260	525	-	0.5%
Sweepr Technologies Limited[1]	515	508	(18)	0.5%
Servoca plc	333	360	240	0.3%
StreetTeam Software Limited[1]	2,819	326	6	0.3%
Guybrush Limited[1]	270	270	-	0.3%
Apperio Limited[1]	500	250	-	0.2%
Fulcrum Utility Services Limited*	386	241	(820)	0.2%
RealEyes Holding Limited[1]	430	109	(154)	0.1%
Lifesize Inc (formerly Light Blue Optics Limited) [1]	483	42	-	0.0%
Resolving Limited[1]	799	5	(794)	0.0%
Push Dr Limited[1]	1,873	1	(158)	0.0%
Location Sciences Group plc*	860	-	-	-
Uvenco UK plc	1,326	-	-	-
The Kellan Group plc	657	-	-	-
The National Solicitors Network Limited	501	-	-	-
AppUx Limited	326	-	-	-
The QSS Group Limited	268	-	-	-
RB Sport & Leisure Holdings plc	188	-	-	-
Infoserve Group plc	128	-	-	-
Sift Limited	125	-	-	-
Cauldron Entertainment Limited	-	-	-	-
	29,347	21,903	930	20.3%
Total venture capital investments	48,498	76,808	20,221	71.2%
Cash at bank and in hand		31,095		28.8%
Total investments		107,903		100.0%

REVIEW OF INVESTMENTS (continued)

* Quoted on AIM

All venture capital investments are unquoted unless otherwise stated.

[1] 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 2022.

Investment movements for the year ended 31 March 2022

ADDITIONS

Venture capital investments	**£'000**
Impulse Innovations Limited	2,079
IESO Digital Health Limited	1,667
Gardin Limited	1,482
Hadean Supercomputing Limited	1,375
Paragraf Limited	1,333
Cervest Limited	1,312
Allplants Limited	1,146
Global Satellite Vu Limited	977
Focal Point Positioning Limited	600
Guybrush Limited	270
Macranet Limited	150
United Authors Publishing Limited	100
Cauldron Entertainment Limited	-
	12,491

DISPOSALS

	Cost £'000	**Value at 1 April 2021* £'000**	**Proceeds £'000**	**(Loss)/profit vs cost £'000**	**Realised gain £'000**
Venture Capital Investments					
AngloInfo Limited	3,527	-	-	(3,527)	-
Baldwin & Francis Limited	1,534	-	-	(1,534)	-
IXL PremFina Limited	756	660	660	(96)	-
Retention Proceeds					
Pod Point Holdings Limited	-	-	12	12	12
	5,817	660	672	(5,145)	12

* Adjusted for purchases in the year where applicable

Further details of the ten largest investments are as follows:

Thought Machine Group Limited
thoughtmachine.net

Cost at 31/03/22:		£2,400,000	Valuation at 31/03/22:	£9,729,000
Cost at 31/03/21:		£2,400,000	Valuation at 31/03/21:	£2,400,000
Investment comprises:				
B1 Preference shares:		£2,400,000	Valuation method:	Calibration to price of recent investment
Audited accounts:	31/12/20	31/12/19	Dividend income:	£Nil
Turnover:	£28.0m	£14.4m		
Loss before tax:	(£28.5m)	(£26.1m)	Proportion of capital held:	0.7%
Net assets:	£49.1m	£8.7m	Diluted equity:	0.6%

Thought Machine Group Limited is as a software company which has developed a platform that builds cloud native technology to revolutionise core banking The best banks in the world trust and use Thought Machine technology. The company has amassed a global client list, ranging from Tier 1 multinationals, to smaller regional banks and fintech companies around the world. Many of these key banks are also our investors, including JPMorgan Chase, Lloyds Banking Group, ING, Standard Chartered, SEB, and Intesa Sanpaolo.

Access Intelligence plc
www.accessintelligence.com

Cost at 31/03/22:		£2,586,000	Valuation at 31/03/22:	£8,384,000
Cost at 31/03/21:		£2,586,000	Valuation at 31/03/21:	£10,788,000
Investment comprises:				
Equity shares:		£2,586,000	Valuation method:	Bid price
Equity share options:		£Nil		
Audited accounts:	30/11/21	30/11/20	Dividend income:	£Nil
Turnover:	£33.3m	£19.1m		
Loss before tax:	(£9.6m)	(£5.7m)	Proportion of capital held:	5.5%
Net assets:	£61.0m	£9.1m	Diluted equity:	6.0%

Access Intelligence 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. Access Intelligence is 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.

Endomagnetics Limited
www.endomag.com

Cost at 31/03/22:		£2,147,000	Valuation at 31/03/22:	£6,322,000
Cost at 31/03/21:		£2,147,000	Valuation at 31/03/21:	£4,644,000
Investment comprises:				
Preference shares:		£2,147,000	Valuation method:	Earnings multiple
Audited accounts:	31/12/20	31/12/19	Dividend income:	£Nil
Turnover:	Information not published			
Profit before tax:	Information not published		Proportion of capital held:	3.7%
Net assets:	£19.8m	£6.0m	Diluted equity:	3.3%

Endomag was founded in 2007 as a spin-out from the University College London (UCL) and the University of Houston. With the aim of bringing cancer care to everyone, everywhere, Endomag is developing a clinical platform that uses safe magnetic fields to power diagnostic and therapeutic devices. The company is currently selling products across Europe, the Middle East, Africa and Australasia and is seeking marketing authorisation in other countries to deliver its technology to global markets. Over 160,000 women have received a better standard of breast surgery thanks to leading physicians at more than 600 hospitals who routinely use Endomag technologies.

REVIEW OF INVESTMENTS (continued)

IESO Digital Health Limited
www.iesohealth.com

Cost at 31/03/22:		£3,567,000	Valuation at 31/03/22:	£6,142,000
Cost at 31/03/21:		£1,900,000	Valuation at 31/03/21:	£950,000
Investment comprises:				
A Preference shares:		£1,900,000	Valuation method: Calibration to price of recent investment	
B Preference shares:		£1,667,000		
Audited accounts:	31/12/20	31/12/19	Dividend income:	£Nil
Turnover:	£9.5m	£7.4m		
Loss before tax:	(£6.5m)	(£9.9m)	Proportion of capital held:	4.8%
Net liabilities:	(£5.5m)	(£225,000)	Diluted equity:	3.8%

IESO Digital Health Limited is the UK's largest provider of online mental healthcare. The service, "ieso", is available through the NHS as part of Improving Access to Psychological Therapies (IAPT), and has transformed mental health delivery in the UK by making high quality, evidence-based Cognitive Behavioural Therapy (CBT) available to more than 9 million people.

Lyalvale Express Limited
www.lyalvaleexpress.com

Cost at 31/03/22:		£1,915,000	Valuation at 31/03/22:	£5,979,000
Cost at 31/03/21:		£1,915,000	Valuation at 31/03/21:	£1,428,000
Investment comprises:				
Equity shares:		£1,915,000	Valuation method: Calibration to price of recent investment (exit transaction)	
Accounts:	27/03/21	28/03/20	Dividend income:	£47,000
Turnover:	Information not published			
Profit before tax:	Information not published		Proportion of capital held:	44.2%
Net assets:	£10.1m	£10.0m	Diluted equity:	44.2%

Lyalvale is the leading producer of shotgun ammunition in the UK. It has developed a range of more than 30 different models of cartridge, suitable for both game and clay shooting. Lyalvale was sold soon after the year end to an Italian buyer, producing a total return of £8.67m, a 4.58x multiple on cost, and an overall IRR of 15.9% (calculated using gains and income received during the holding period).

Fords Packaging Topco Limited
www.fordsps.com

Cost at 31/03/22:		£2,433,000	Valuation at 31/03/22:	£5,867,000
Cost at 31/03/21:		£2,433,000	Valuation at 31/03/21:	£6,878,000
Investment comprises:				
Equity shares:		£2,425,000	Valuation method:	Earnings multiple
8% loan note:		£8,000		
Audited accounts:	31/12/20	30/06/19	Dividend income:	£249,000
Turnover:	£10.4m	£9.3m	Loan note income:	£1,000
Profit before tax:	£1.4m	£1.3m	Proportion of capital held:	48.7%
Net assets	£5.5m	£4.2m	Diluted equity:	46.4%

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.

Form3 UK Limited (formerly Back Office Technology Limited)
www.form3.tech

Cost at 31/03/22:		£1,420,000	Valuation at 31/03/22:	£5,464,000
Cost at 31/03/21:		£1,420,000	Valuation at 31/03/21:	£2,409,000
Investment comprises:				
Equity B1 shares:		£700,000	Valuation method:	Calibration to price of recent investment
Equity B3 shares:		£720,000		
Audited accounts:	31/03/21	31/03/20	Dividend income:	£Nil
Turnover:	£9.3m	£3.9m		
Loss before tax:	(£7.2m)	(£4.6m)	Proportion of capital held:	1.9%
Net assets:	£27.6m	£9.5m	Diluted equity:	1.5%

Form3 UK Limited is a complete end to end 'Payments As A Service' technology provider. Their real-time payment platform helps banks, fintechs, financial institutions, e-commerce gateways and card providers process a wide range of payments quickly, simply and cost effectively. Form3 clients gain access to FX payments in 124 currencies across 163 countries

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PrimaryBid Limited
Primarybid.com

Cost at 31/03/22:		£950,000	Valuation at 31/03/22:	£2,767,000
Cost at 31/03/21:		£950,000	Valuation at 31/03/21:	£950,000
Investment comprises:				
Equity B1 shares:		£950,000	Valuation method:	Calibration to price of recent investment
Audited accounts:	31/03/21	31/03/20	Dividend income:	£Nil
Turnover:	Information not published			
Profit before tax:	Information not published		Proportion of capital held:	0.9%
Net assets:	£24.5m	£4.5m	Diluted equity:	0.7%

PrimaryBid is a regulated capital markets technology platform connecting public companies to their communities during fundraisings. PrimaryBid today interoperates with some 60 channels to enable investments, which include brokerages and apps that people use to make investments today.

Freetrade Limited
freetrade.io

Cost at 31/03/22:		£600,000	Valuation at 31/03/22:	£2,134,000
Cost at 31/03/21:		£600,000	Valuation at 31/03/21:	£2,367,000
Investment comprises:				
Equity shares:		£600,000	Valuation method:	Earnings multiple
Audited accounts:	30/09/21	30/09/20	Dividend income:	£Nil
Turnover:	£12.8m	£1.7m		
Loss before tax:	(£18.3m)	(£9.5m)	Proportion of capital held:	1.0%
Net assets:	£29.3m	£10.6m	Diluted equity:	0.8%

Freetrade Limited is a financial technology company that offers a share dealing service. Freetrade is used by over 1 million customers. Freetrade has a simple, transparent freemium pricing model where customers can pay for the premium features they want.

REVIEW OF INVESTMENTS (continued)

Ravelin Technology Limited
www.ravelin.com

Cost at 31/03/22:		£1,133,000	Valuation at 31/03/22:	£2,117,000
Cost at 31/03/21:		£1,133,000	Valuation at 31/03/21:	£1,133,000
Investment comprises:				
C1 Equity shares:		£1,133,000	Valuation method:	Earnings multiple
Audited accounts:	31/12/20	31/12/19	Dividend income:	£Nil
Turnover:	Information not published			
Profit before tax:	Information not published		Proportion of capital held:	1.4%
Net assets:	£18.5m	£4.0m	Diluted equity:	1.2%

Ravelin Technology Limited provides sophisticated technology and dedicated support to help prevent evolving fraud threats. Ravelin services clients in 185 countries and produces over 4 billion fraud scores per year.

Notes on the top ten 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.

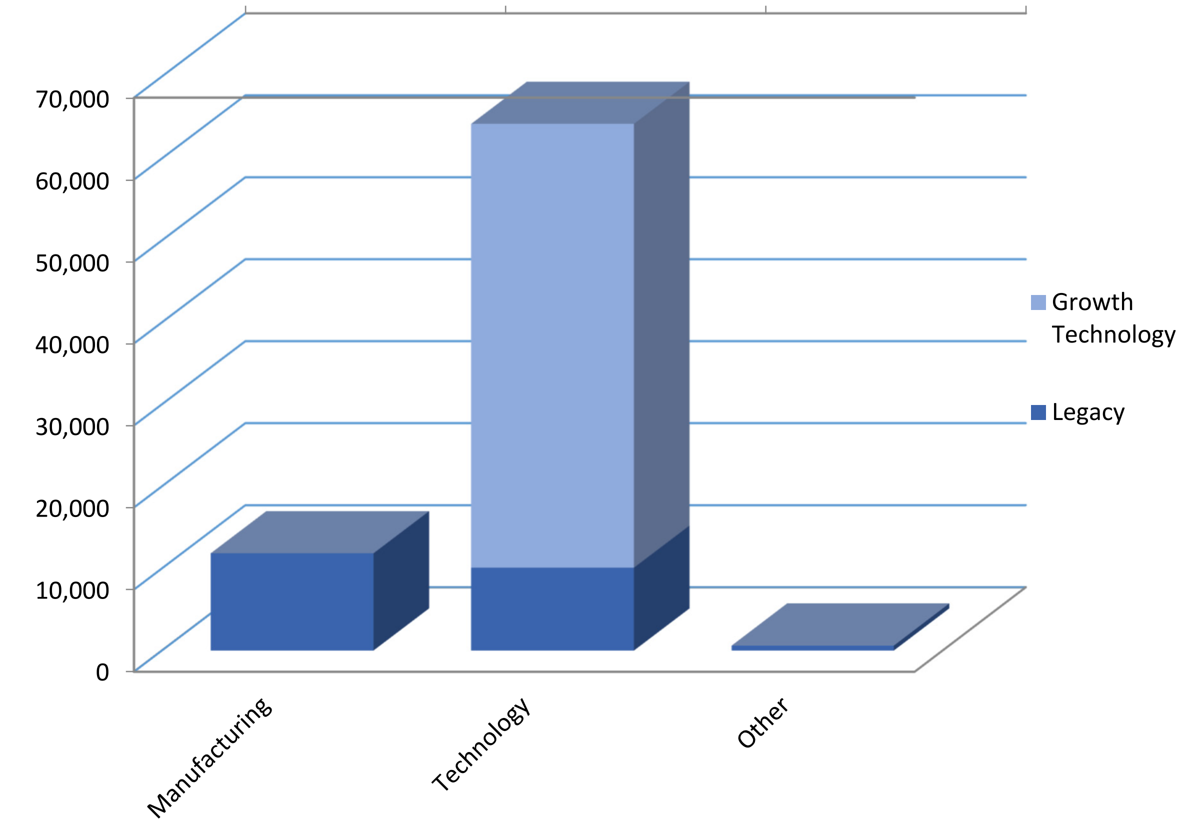
Loan notes disclosed in the above tables are valued at current expected redemption value, which is normally at par.

"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)

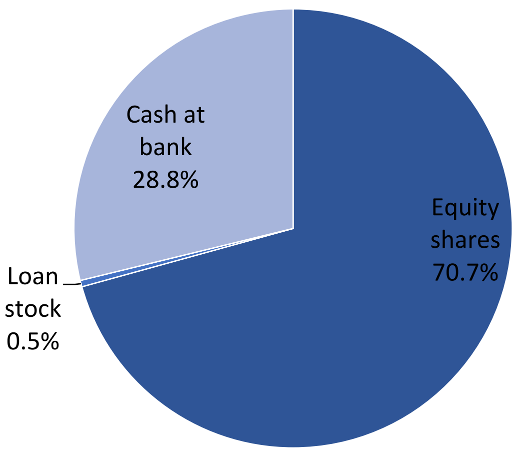
Analysis of investments by commercial sector

The split of the venture capital investment portfolio by commercial sector (by value at 31 March 2022) 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 2022):



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	95.5%	>80%
Non-qualifying investments (including cash at bank)	4.5%	<20%
Total	100.0%	100%

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 2022. 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 3.

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 2022 the investment portfolio had increased in value by £32.1 million (31 March 2021: £18.7 million) including additions of £12.5 million (2021: £11.4 million). Realised gains on investment disposals totalled £12,000 for the year (2021: £38,000).

Total running costs for the year including expenses charged to capital, exceeded revenue income by £1.8 million (2021: £1.2 million). There was no performance fee in 2022 (2021: nil). The annualised ongoing charges ratio has remained at 2.4% (2020: 2.4%).

The total gain for the year was £18.4 million (2021: £8.5 million). Net assets as at 31 March 2022 were £107.6 million (2021: £55.4 million). Dividends paid during the year totalled £4.4 million (2021: £2.7 million).

The cash balances held by the VCT increased from £10.7 million as at 31 March 2021 to £31.1 million as at 31 March 2022. This was due to the February 2021 Offer which raised £19.9 million, the November 2021 Offer which raised £21.5 million in the year and VCT Qualifying investments made during the year. The November 2021 Offer raised a further £8.1 million for which shares were allotted in April 2022, increasing the Company's net assets to £116.5 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 pages 18 and 19). 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 2). The performance of the VCT, measured by historic Share Price Total Return, is shown by the graph on page 27. It is the Board's target to pay a dividend of 5% per annum 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 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.

Principal risks and uncertainties (continued)

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.

The Board receives quarterly reports from the Investment and Administration Managers, which 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 19 and 20.

Operational

The Company relies on the Investment Manager, Administration Manager 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, the Investment Manager and the Administration Manager engage 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:

Inflation

The company's investments could be impacted negatively as a result of increasing inflation, particularly wages and other costs.

The Investment Manager's close relationship with the investee companies allows it to ensure that the businesses properly assess the potential impact of increasing costs, particularly wages, and the extent to which these may or may not be able to be passed on to the end customer. The Board and the Investment Manager consider the net impact to be at a manageable level and shall continue to monitor developments closely across all investee companies.

Geopolitical risks

The Ukraine conflict and the impact of new sanctions placed on Russian businesses and individuals may have some impact on the returns of the Company.

The Investment Manager's hands on approach with the investee companies ensures that they are well placed to assess the exposure of the business to the Ukraine conflict and associated developments. 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 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.

Principal risks and uncertainties (continued)

Climate change (continued)

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

Coronavirus Pandemic

The impact of the coronavirus pandemic on global markets was first observed in March 2020. Since then, there have been a number of challenges for businesses in the UK and around the world, as governments sought to contain rising infection numbers.

The Board recognises that the resulting restrictions and subsequent major developments have had an impact on valuations – some negative some positive.

As a result of the Investment Manager's close involvement with all investee companies, the Manager has been able to provide support, where possible, throughout the pandemic. The Board and Investment Manager will continue to monitor developments as the world starts to return to more normal conditions.

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 coronavirus pandemic 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.

Business Model

The Company operates as a Venture Capital Trust to ensure that its Shareholders can benefit from 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 and on the next page.

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 2,692,473 Shares at an average price of 52.8p 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.

Share buybacks are subject to regulatory and liquidity constraints.

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

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Investment Policy (continued)

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

1. 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;
2. Enterprise Technology: companies developing the software infrastructure, applications and services that drive productivity improvements, convenience and cost reduction for enterprises;
3. Hardware and Deep Technology: companies developing different technologies that underpin advances in computing, consumer electronics and other industries; and
4. 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 the next page.

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 2022 the maximum amount of borrowings allowed, without the previous sanction at a General Meeting, stood at £10.8 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

Compliance with the main VCT regulations as at 31 March 2022, and for the year then ended, is summarised as follows:

1. 80% of its investments is held in qualifying companies;	95.5%
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);	99.0%
3. At least 10% of each investment in a qualifying company is held in "eligible shares";	Complied
4. No investment constitutes more than 15% of the Company's portfolio (by value at the time of investment);	Complied
5. The Company's income for each financial year is derived wholly or mainly from shares and securities;	100.0%
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;	Complied
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	Complied
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.	Complied

VCT Status (continued)

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.

Statement on s172

Under section 172 of the Companies Act 2006, the Board has a duty to promote the success of the Company, and when making decisions for the long term, have regard to a range of matters including:

- 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.

However, 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, as well as legal and regulatory compliance. 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 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 99% of the Shareholder's votes. The Board involved the Investment Manager closely in discussions on dividends and fundraising and had their support.

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. As noted in the Investment Manager's report 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.

STRATEGIC REPORT (continued)

Directors and senior management

The Company does not have any employees, including senior management, other than the Board of the four male non-executive directors. There are no female directors. The Company's policy regarding diversity is set out in full in the Corporate Governance Statement on page 29.

Whilst the Board has delegated the day to day operation of the Company to its advisers, 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.

Future Prospects

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

By order of the Board

Grant Whitehouse
Company Secretary
Molten Ventures VCT plc
Company number: 03424984
Registered office:
6th Floor, St. Magnus House
3 Lower Thames Street
London EC3R 6HD

15 July 2022

REPORT OF THE DIRECTORS

The Directors present the Annual Report and Financial Statements of the Company for the year ended 31 March 2022.

Share capital

During the year the Company issued a total of 36,146,095 Ordinary Shares of 5p each ("Ordinary Shares") at an average price of 55.1p per share, under the offer that launched in February 2021. The gross proceeds of the Offer were £19.9 million, with issue costs in respect of the Offer amounting to £839,000.

A further 33,405,003 Ordinary Shares were issued at an average price of 64.4p per share, under the offer that launched in November 2021. The gross proceeds of the Offer were £21.5 million, with issue costs in respect of the Offer amounting to £1.1 million.

During the year, the Company purchased 2,692,473 Ordinary Shares for cancellation for an aggregate consideration of £1.4 million, equating to an average price of 52.8p per share. The purchases were undertaken at an average discount of 4.3% 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 2022 was 177,597,183.

Between the balance sheet date and the date of this report, 12,665,155 Ordinary Shares were issued at an average price of 64.3p per Ordinary Share raising £8.1 million. At the date of this report the total number of Ordinary Shares in issue was 190,262,338. There are no other share classes in issue.

Results and dividends

	£'000	Pence per share
Profit on ordinary activities after tax for the year ended	18,405	12.0
Dividends paid in the year		
17 September 2021	2,183	1.5
28 January 2022	2,175	1.5
	4,358	3.0

Your Company will pay a combined final and special dividend of 3.1p per Ordinary Share on 26 August 2022, to Shareholders on the register at 22 July 2022, subject to Shareholder approval at the AGM.

Directors

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

David Brock (Chairman)
Hugh Aldous
Nicholas Lewis
Michael Jackson (resigned 11 August 2021)
Richard Marsh (appointed 11 August 2021)

In accordance with corporate governance best practice all Directors retire at each AGM, with those wishing to do so putting themselves forward for re-election. Accordingly, at the forthcoming AGM all Directors will retire and, offer themselves for 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 3, together with the performance of the Company over the years, in order to support the resolutions to 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.

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.

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 the relevant conditions have not been met. 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:

(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).

The performance incentive fee will also have a catch-up if the hurdles are not 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 2022, was 2.4% (2021: 2.4%).

Administration management fees

Downing LLP provides 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. The agreement is terminable by one year's prior written notice by either side. During the year fees for administration services amounted to £90,000.

Substantial interests

As at 31 March 2022, 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.

Auditor

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

Annual General Meeting

This years' Annual General Meeting will be held at 20 Garrick St, London WC2E 9BT on 18 August 2022 at 11 am. The AGM Notice is at the end of this document.

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 director's report, a strategic report and director's 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, business model and strategy.

Directors' responsibilities statement (continued)

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.

Directors' statement pursuant to the Disclosure and Transparency Rules

Each of the Directors, whose names and functions are listed on page 3, 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 management report, comprising the Chairman's Statement, the Strategic Report, the Investment Manager's Report, the Review of Investments and the Report of the Directors, 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 www.moltenventures.com (maintained by the Investment Manager) and on www.downing.co.uk (maintained by the Administration 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 (www.theaic.co.uk), are disclosed on page 31.

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, and Administration Manager, Downing LLP, 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 2022, 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 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 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 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 16 to 21.

By order of the Board

Grant Whitehouse
Company Secretary
Molten Ventures VCT plc
Company number: 03424984
Registered office:
6th Floor, St. Magnus House
3 Lower Thames Street
London EC3R 6HD

15 July 2021

DIRECTORS' REMUNERATION REPORT

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

The Remuneration Committee comprises David Brock, Nicholas Lewis, Hugh Aldous and Richard Marsh.

The Committee has reviewed the current fee structure which has been in place since 1 April 2019 and agreed that the remuneration levels should remain unchanged for the forthcoming year.

Remuneration policy report

Below is the Company's remuneration policy which was last put to a Shareholders vote at the 2020 AGM and is effective for three years.

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.

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 32 to 37.

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

	Year to 31 Mar 2022 £'000	% change in gross fees[4]	Year to 31 Mar 2021 £'000	% change in gross fees[5]	Year to 31 Mar 2020 £'000
David Brock	30.0	-	30.0	-	30.0
Hugh Aldous	26.5	-	26.5	-	26.5
Nicholas Lewis	24.0	-	24.0	-	24.0
Michael Jackson[1]	8.7	(64%)	24.0	-	24.0
Richard Marsh[2]	nil	-	n/a	-	n/a
Barry Dean[3]	n/a	(100%)	11.5	(52%)	24.0
	89.2		116.0		128.5

[1] Resigned 11 August 2021

[2] Appointed 11 August 2021

[3] Resigned 22 September 2020

[4] Between the years ending 31 March 2021 and 31 March 2022

[5] Between the years ending 31 March 2020 and 31 March 2021

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 2022 £'000
David Brock	35.0
Hugh Aldous	31.5
Nicholas Lewis	29.0
Richard Marsh	-
	95.5

DIRECTORS' REMUNERATION REPORT (continued)

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

The committee has reviewed remuneration levels and consider these to be comparable to other similar VCTs and appropriate for the time commitment required and degree of responsibility involved in being a non-executive director of the Company. The committee also considers the overall cost to be reasonable and notes that the total is a significant reduction to previous years.

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 11 August 2021 the votes in respect of the resolution to approve the Directors' Remuneration Report were as follows: -

In favour	93.22%
Against	6.78%
Withheld	85,020 votes

At the 2020 AGM, where the remuneration policy was last put to a Shareholder vote, 95.02% voted for the resolution and 4.98% voted against, showing significant Shareholder support.

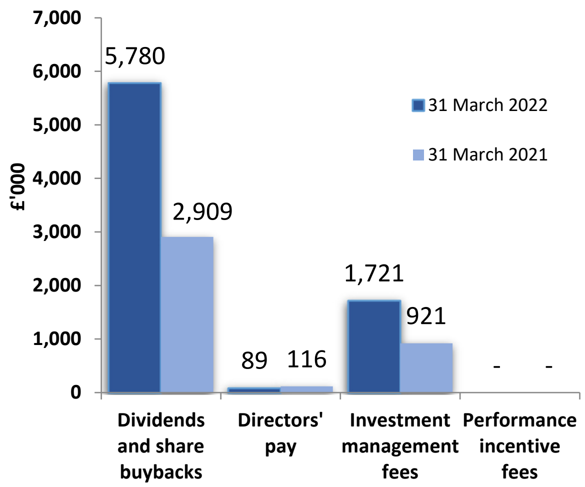
Directors share interests (audited)

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 Mar 2022	31 Mar 2021	15 July 2022
David Brock	288,712	174,333	288,712
Hugh Aldous	75,970	49,827	75,970
Nicholas Lewis	48,498	48,498	48,498
Richard Marsh	705,584	-	705,584

Relative importance of spend on pay

The differences in actual spend between 31 March 2022 and 31 March 2021 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 on the following page 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 2012.

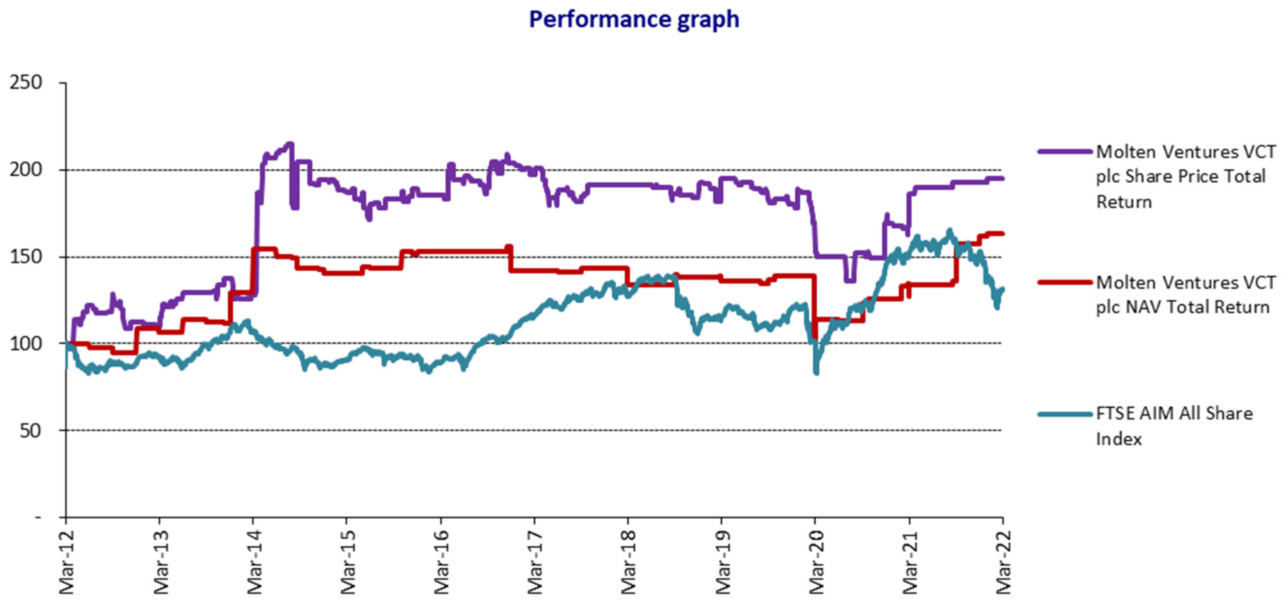
The Board believes that NAV Total Return provides Shareholders with a fairer reflection of the Company's long-term value than the Company's share price, due to the long-term nature of an investment in Venture Capital Trust shares. The FTSE AIM All Share Index ("FTSE Index") is not a benchmark for the 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
Company number: 03424984
Registered office:
6th Floor, St. Magnus House
3 Lower Thames Street
London EC3R 6HD

15 July 2022

DIRECTORS' REMUNERATION REPORT (continued)



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

The Company has a Board comprising of four 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 3.

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 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 advisers (including the Investment Manager and Administration Manager).

As the Company has a small Board of non-executive Directors, all Directors sit on the Nomination Committee (chaired by David Brock) and the Remuneration Committee (chaired by Hugh Aldous). The Audit Committee comprises Hugh Aldous (Chairman) and David Brock. 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 14.9% 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 £4 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.

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 (5 held)	**Audit Committee Meetings attended (2 held)**	**Nomination Committee meetings attended (1 held)**
David Brock	5/5	2/2	1/1
Hugh Aldous	5/5	2/2	1/1
Michael Jackson[1]	3/3	n/a	n/a
Nicholas Lewis	5/5	n/a	1/1
Richard Marsh[2]	3/3	n/a	n/a

[1] Resigned 11 August 2021

[2] Appointed 11 August 2021

There were no Remuneration Committee meetings during the year.

Audit Committee

The Company has an Audit Committee comprising Hugh Aldous (Chairman) and David Brock. 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.

Audit Committee (continued)

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. 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 Administration Manager 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 the following page.

After taking into consideration comments from the Investment Manager and the Administration Manager 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 2022 is the fifteenth 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 2022, 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.

Non-audit services

Any non-audit services provided by the Auditor are reviewed and approved by the Committee prior to being undertaken (such services being undertaken by a separate department to the Auditor), 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 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 2022. 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.

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 specific diversity policy in place.

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 25, 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 website maintained by the Administration Manager at www.downing.co.uk.

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. 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 in the Report of the Directors on pages 23 and 24 and a statement by the Auditor about their reporting responsibilities is set out in the Independent Auditor's Report on page 36.

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 Administration Manager 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 Administration Manager 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.

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 advisers:

Investment Management	Elderstreet Investments Limited (Part of the Molten Ventures Group)
Administration Management	Downing LLP

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 4 to 6, the Investment Manager's Report on pages 7 to 8 and the Strategic Report on pages 16 and 21. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are shown in the Balance Sheet on page 40, the Statement of Cash Flows on page 41 and the Strategic Report on page 19. 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 new 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.

Increasing inflation, particularly on wages and other costs has developed into an emerging risk during the period. The Investment Manager's close relationship with the investee companies allows it to ensure that the businesses properly assess the potential impact of increasing costs, particularly wages, and the extent to which these may or may not be able to be passed on to the end customer. The Board believes that, currently, the net impact is at a manageable level and does not have a significant impact on the going concern of the Company.

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 2022, with the Principles set out in Sections 5 to 9 of the AIC Code of Corporate Governance:

a) The Company has no major Shareholders, so Shareholders are not given the opportunity to meet the Chairman at a specific meeting other than the Annual General Meeting. (5.2.3)

b) 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)

c) 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

G Whitehouse

Grant Whitehouse
Company Secretary
Molten Ventures VCT plc
Company number: 03424984
Registered office:
6th Floor, St. Magnus House
3 Lower Thames Street
London EC3R 6HD

15 July 2022

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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2022 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cashflow Statement 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 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 15 years, covering the years ended 31 December 2007 to 31 March 2022. 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 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;
- Reviewing the forecasted cash flows that support the Directors' assessment of going concern and challenging management's assumptions and judgements made in the forecasts, assessing them for reasonableness. In particular we considered the available cash resources relative to the forecast expenditure and ability to meet VCT qualification criteria; and
- Evaluating the appropriateness of management's method of assessing the going concern in light of worst case assumptions and the present uncertainties due to the Covid-19 pandemic.

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

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

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

Overview

		2022	2021
Key audit matters	Valuation of Unquoted Investments	Yes	Yes
Materiality	£2,100,000 (2021: £890,000) based on 2% of net assets (2020: 2% of fixed asset investments)		

An overview of the scope of our audit

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

Key audit matters

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

Key audit matter		How the scope of our audit addressed the key audit matter
Valuation of unquoted investments Refer to note 1 and 9 of the financial statements	The unquoted investments consist of equity investments. We consider the valuation of unquoted investments to be the most significant audit area as there is a high level of estimation uncertainty involved in determining the unquoted investment valuations. There is an inherent risk of management override arising from the unquoted investment valuations being prepared by the Investment Manager, who is remunerated based on the value of the net assets of the fund, as shown in note 3.	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. For all Investments in our sample we: 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 checked that the valuation methodology remains applicable given the impact of the Russia/Ukraine crisis and Covid-19, and recalculated the value attributable to the Company, having regard to the application of enterprise value across the capital structures of the investee companies. For investments sampled that were valued using less subjective valuation techniques (cost and price of recent investment reviewed for changes in fair value) we: • Verified the cost or price of recent investment to supporting documentation; • 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; • 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 • Considered whether the price of recent investment is supported by alternative valuation techniques. For investments sampled that were valued using more subjective techniques (earnings multiples, revenue multiples and discounted cash flow forecasts) we: • 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; • 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;

An overview of the scope of our audit (continued)

		• Considered the revenue or earnings multiples applied and the discounts applied by reference to observable listed company market data; and • 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. 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. *Key observations:* Based on the procedures performed we consider the investment valuations to be appropriate considering the level of estimation uncertainty.

Our application of materiality

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

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

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

	Company Financial Statements	
	2022	2021
Materiality	£2,100,000	£890,000
Basis for determining materiality	2% of net assets	2% of fixed asset investments
Rationale for the benchmark applied	The primary focus of Investment companies of this nature is long and short term capital appreciation. Therefore the users of the financial statements are primarily focused on the net asset value, hence we consider this to be the most appropriate basis for our materiality calculations. We have updated our materiality basis during the year as in our judgement, the users of the financial statements are interested in the net asset position as compared to gross assets.	In setting materiality, we have had regard to the nature and composition of the investment portfolio. Given that the VCT's portfolio is comprised of quoted and unquoted investments which would typically have a wider spread of reasonable alternative possible valuations, we have applied a percentage of 1.75% of net assets.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOLTEN VENTURES VCT PLC (continued)

Our application of materiality (continued)

Performance materiality	£1,570,000	£670,000
Basis for determining performance materiality	75% of materiality The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements.	75% of materiality The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements.

Lower testing threshold

We determined that for Revenue return before tax, a misstatement of less than materiality for the financial statements as a whole, could influence users of the financial statements as it is a measure of the Company's performance of income generated from its investments after expenses. As a result, we determined a lower testing threshold for those items impacting revenue return of £212,000 (2021: £134,000) based on 10% (2021: 10%) of gross expenditure.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £108,000 (2021: £17,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

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

We have nothing to report in this regard.

Corporate governance statement

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

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

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified; and • The Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate.
Other Code provisions	• Directors' statement is fair, balanced and understandable; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems; and • The section describing the work of the audit committee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOLTEN VENTURES VCT PLC (continued)

Other Companies Act 2006 reporting

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

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or • the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the 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:

Auditor's responsibilities for the audit of the financial statements (continued)

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with 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 February 2018 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 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 management and those charged with governance relating to their knowledge 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 board meetings and legal correspondence and invoices throughout the period for instances of non-compliance with laws and regulations and fraud.

We assessed the susceptibility of the financial statement to material misstatement including fraud and considered the fraud risk areas to be the valuation of unquoted investments and management override of controls.

Our tests included, but were not limited to:

- the procedures set out in the Key audit matters section above;
- obtaining independent evidence to support the ownership of a sample of investments;
- enquiries of management, those charged with governance relating to their knowledge of any fraud, whether suspected or alleged;
- recalculating investment management fees in total;
- obtaining independent confirmation of bank balances; and
- testing journals which met a defined risk criteria by agreeing to supporting documentation and evaluating whether there was evidence of bias by the Investment Manager and Directors that represented a risk of material misstatement due to fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

Use of our report

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

Peter Smith (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, United Kingdom

15 July 2022

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

INCOME STATEMENT
for the year ended 31 March 2022

		Year ended 31 March 2022			Year ended 31 March 2021		
	Note	**Revenue £'000**	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Income	**2**	300	-	300	104	-	104
Gains on investments	**9**	-	20,233	20,233	-	9,770	9,770
		300	20,233	20,533	104	9,770	9,874
Investment management fees	**3**	(430)	(1,291)	(1,721)	(230)	(691)	(921)
Other expenses	**4**	(407)	-	(407)	(420)	-	(420)
Return/(loss) on ordinary activities before tax		(537)	18,942	18,405	(546)	9,079	8,533
Tax on return/(loss)	**6**	-	-	-	-	-	-
Return/(loss) attributable to equity shareholders, being total comprehensive income for the period	**8**	(537)	18,942	18,405	(546)	9,079	8,533
Basic and diluted return/(loss) per share	**8**	(0.4)	12.4	12.0	(0.5)	8.4	7.9

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 October 2019 by the Association of Investment Companies ("SORP").

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

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2022

	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
For the year ended 31 March 2021										
At 1 April 2020		3,997	633	6,388	1,828	18,713	4,417	776	(9)	36,743
Total comprehensive income		-	-	-	-	-	9,732	(653)	(546)	8,533
Transfer between reserves*		-	-	-	-	(2,565)	10	2,555	-	-
Transactions with owners										
Issue of new shares		1,566	-	11,933	-	-	-	-	-	13,499
Share issue costs	**12**	-	-	-	-	(455)	-	-	-	(455)
Purchase of own shares	**12**	(26)	26	-	-	(230)	-	-	-	(230)
Dividends paid	**7**	-	-	-	-	-	-	(2,678)	-	(2,678)
At 31 March 2021		5,537	659	18,321	1,828	15,463	14,159	-	(555)	55,412
For the year ended 31 March 2022										
At 1 April 2021										
Total comprehensive income		-	-	-	-	-	20,221	(1,279)	(537)	18,405
Transfer between reserves*		-	-	-	(1,155)	(6,838)	840	7,153	-	-
Transactions with owners										
Issue of new shares		3,478	-	37,952	-	-	-	-	-	41,430
Share issue costs	**12**	-	-	-	-	(1,900)	-	-	-	(1,900)
Purchase of own shares	**12**	(135)	135	-	-	(1,422)	-	-	-	(1,422)
Dividends paid	**7**	-	-	-	-	-	-	(4,358)	-	(4,358)
At 31 March 2022		8,880	794	56,273	673	5,303	35,220	1,516	(1,092)	107,567

* A transfer of £840,000 (2021: £10,000), 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 £2,480,000 (2021: £704,000), 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 £4,358,000 (2021: £1,861,000) from Special Reserve to Capital reserve-realised has been made to replenish the reserve. A transfer of £1,155,000 (2021: nil) from Merger Reserve to Capital reserve-realised has been made following the disposal of an investment which was held pre-merger.

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

BALANCE SHEET
at 31 March 2022

	Note	£'000	31 Mar 2022 £'000	£'000	31 Mar 2021 £'000
Fixed assets					
Investments	**9**		76,808		44,756
Current assets					
Debtors	**10**	20		78	
Cash at bank and in hand		31,095		10,659	
		31,115		10,737	
Creditors: amounts falling due within one year	**11**	(356)		(81)	
Net current assets			30,759		10,656
Net assets			107,567		55,412
Capital and reserves					
Called up share capital	**12**		8,880		5,537
Capital redemption reserve	**13**		794		659
Share premium account	**13**		56,273		18,321
Merger reserve	**13**		673		1,828
Special reserve	**13**		5,303		15,463
Capital reserve – unrealised	**13**		35,220		14,159
Capital reserve – realised	**13**		1,516		-
Revenue reserve	**13**		(1,092)		(555)
Total equity shareholders' funds	**14**		107,567		55,412
Basic and diluted net asset value per share	**14**		**60.6p**		**50.0p**

The financial statements on pages 38 to 56 were approved and authorised for issue by the Board of Directors on 15 July 2022 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 CASH FLOWS
for the year ended 31 March 2022

	Note	31 Mar 2022 £'000	31 Mar 2021 £'000
Cash flow from operating activities			
Profit on ordinary activities before taxation		18,405	8,533
Gains on investments		(20,233)	(9,770)
Decrease/(increase) in debtors		11	(16)
Increase/(decrease) in creditors		216	(15)
Net cash outflow from operating activities		(1,601)	(1,268)
Cash flow from investing activities			
Purchase of investments		(12,491)	(9,011)
Proceeds from disposal of investments		672	2,520
Net cash outflow from investing activities		(11,819)	(6,491)
Cash flow from financing activities			
Equity dividends paid	**7**	(4,358)	(2,772)
Proceeds from share issue		41,429	13,499
Share issue costs	**12**	(1,853)	(501)
Purchase of own shares	**12**	(1,362)	(230)
Net cash inflow from financing activities		33,856	9,996
Net increase in cash		20,436	2,237
Cash and cash equivalents at start of year		10,659	8,422
Cash and cash equivalents at end of year		31,095	10,659
Cash and cash equivalents comprise			
Cash at bank and in hand		31,095	10,659
Total cash and cash equivalents		31,095	10,659

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

NOTES TO THE ACCOUNTS
for the year ended 31 March 2022

1. 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 April 2021 ("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 COVID-19 has 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 continues 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 31.

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.

1. 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 Adviser 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 balance sheet 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 unrecoverable 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 are treated as a capital item.

1. 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 banks with an original maturity of three months or less.

Dividends

Dividends payable are recognised as distributions in the financial statements when the company's liability to make payment has been established, typically once declared by the Board or approved by Shareholders at the AGM.

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.

2. Income

	Year to 31 Mar 2022 £'000	Year to 31 Mar 2021 £'000
Income from investments		
Loan note interest	1	1
Dividend income	299	74
	300	75
Other income		
Deposit interest	-	29
	300	104

NOTES TO THE ACCOUNTS (continued)
for the year ended 31 March 2022

3. Investment management fees

	Year to 31 Mar 2022 £'000	Year to 31 Mar 2021 £'000
Investment management fees	1,721	921
	1,721	921

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:

(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).

The performance incentive fee will also have a catch-up if the hurdles are not met. As the test was not met for the year ended 31 March 2022, no performance fees were payable at the balance sheet date (2021: £nil).

4. Other expenses

	Year to 31 Mar 2022 £'000	Year to 31 Mar 2021 £'000
Administration services	90	65
Directors' remuneration	93	121
Social security costs	1	4
Auditor's remuneration for statutory audit	53	36
Corporation tax services	2	2
Trail commission	37	38
Other running costs	131	154
	407	420

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. £5,000 (2021: £nil) of the Auditor's remuneration is attributable to the prior year.

5. Directors' remuneration

Details of remuneration of the Directors (excluding employers' NI) can be found in the Directors' Remuneration Report on page 25.

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.

6. Taxation on ordinary activities

	Year to 31 Mar 2022 £'000	Year to 31 Mar 2021 £'000
(a) Tax charge for the year		
Current year		
UK corporation tax at 19.0% (2020: 19.0%)	-	-
Charged to capital expenses	-	-
	-	-
(b) Factors affecting tax charge for the year		
Gain on ordinary activities before tax	18,405	8,533
Tax charge calculated on gain/(loss) on ordinary activities before tax at the applicable rate of 19.0% (2020: 19.0%)	3,497	1,621
Gains on investments	(3,844)	(1,856)
UK dividend income	(57)	(14)
Expenses disallowed for taxation purposes	-	-
Deferred tax not recognised	404	249
Tax charge	-	-

(c) Excess management fees, which are available to be carried forward and set off against future taxable income, amounted to £10.8 million as at 31 March 2022 (2021: £8.7 million). The associated deferred tax asset at a rate of 17% of £1.8 million (2021: £1.5 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.

7. Dividends

		Year ended 31 March 2022			Year ended 31 March 2021		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Dividends paid in year							
2022 Interim	1.5p	-	2,175	2,175	-	-	-
2021 Final	1.5p	-	2,183	2,183	-	-	-
2021 Interim	1.0p	-	-	-	-	1,107	1,107
2020 Final	1.5p	-	-	-	-	1,571	1,571
		-	4,358	4,358	-	2,678	2,678
Forthcoming dividends							
2022 Special	1.6p	-	3,044	3,044			
2022 Final	1.5p	-	2,854	2,854	-	-	-
2021 Final	1.5p	-	-	-	-	2,198	2,198
		-	5,898	5,898	-	2,198	2,198

8. Basic and diluted return per share

	Year to 31 Mar 2022	Year to 31 Mar 2021
Basic and diluted return per share	12.4p	7.9p
Return per share based on:		
Net revenue loss for the financial year (£'000)	(537)	(546)
Net capital gains for the financial year (£'000)	18,942	9,079
Total return for the financial year (£'000)	18,405	8,533
Weighted average number of shares in issue	152,969,728	108,677,601

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.

9. Investments

	Quoted investments £'000	Unquoted investments £'000	Total £'000
Opening cost at 1 April 2021	5,814	36,010	41,824
Impairment losses at 1 April 2021	(2,824)	(7,851)	(10,675)
Unrealised gains at 1 April 2021	8,860	4,747	13,607
Opening fair value at 1 April 2021	11,850	32,906	44,756
Movements in the year			
Purchased at cost	-	12,491	12,491
Disposal proceeds	-	(672)	(672)
Realised gains in the income statement	-	12	12
Unrealised gains in the income statement	(3,224)	23,445	20,221
Closing fair value at 31 March 2022	8,626	68,182	76,808
Retained investments at 31 March 2022			
Closing cost at 31 March 2022	5,814	42,684	48,498
Impairment losses at 31 March 2022	(2,824)	(4,678)	(7,502)
Unrealised gains at 31 March 2022	5,636	30,176	35,812
Closing fair value at 31 March 2022	8,626	68,182	76,808

Costs of acquisition of investments acquired during the year were nil (2021: nil) and transaction costs incurred in respect of investment disposals during the year were nil (2021: nil). A schedule disclosing the additions and disposals during the year is shown on page 10.

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 2022				31 March 2021			
	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	7,723	903	-	8,626	10,609	1,241	-	11,850
Loan notes	-	-	508	508	-	-	508	508
Unquoted shares	-	-	67,674	67,674	-	-	32,398	32,398
	7,723	903	68,182	76,808	10,609	1,241	32,906	44,756

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 2021	32,398	508	32,906
Movements in the income statement:			
Unrealised gains in the income statement	23,445	-	23,445
Realised gains in the income statement	12	-	12
	23,457	-	23,457
Purchased at cost	12,491	-	12,491
Disposal proceeds	(672)	-	(672)
Balance at 31 March 2022	67,674	508	68,182

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

Valuation methodology	2022 £'000
Calibrating to the price of a recent investment	40,781
Multiple	27,401
	68,182

Changing one or more 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 2022 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.

9. Investments (continued)

Significant interests

Details of shareholdings in those companies where the Company's holding, as at 31 March 2022, 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 Company as a whole.

Company	Registered office	Class of shares	Number held	Proportion of class held	Proportion of Total Voting Rights	Date of Accounts	Net Asset Value	Profit/ Loss
Fords Packaging Topco Limited	MK42 7SH	Ordinary	77,706	42.2%	37.5%	31/12/20	£5.5m	£1.4m
		Ordinary 'A'	23,394	100.0%	11.2%			
Lyalvale Express Limited	WS13 8XA	Ordinary 'A'	95,210	100.0%	44.2%	27/03/21	£10.1m	*
United Authors Publishing Limited	W1J 8AJ	A Preference	1,642,430	22.0%	7.6%	31/03/21	(£1.6m)	*
Macranet Limited	GU14 7JF	Ordinary 'A'	421,104	41.6%	18.4%	31/12/21	£0.3m	*
AppUx Limited	EC2A 4NE	Preference	120,397	21.7%	7.1%	30/09/21	£0.7m	*
The National Solicitors Network Limited	SW6 4QP	Ordinary	194,709	24.7%	1.0%	31/12/20	(£1.4m)	£12,750
The QSS Group Limited	DE1 1UQ	Ordinary	125,329	44.4%	44.4%	31/12/20	(£2.6m)	(£0.2m)

*Information not published

10. Debtors

	31 Mar 2022 £'000	31 Mar 2021 £'000
Other debtors	-	46
Prepayments and accrued income	20	32
	20	78

11. Creditors: amounts falling due within one year

	31 Mar 2022 £'000	31 Mar 2021 £'000
Other creditors	287	-
Other taxes and social security	9	11
Accruals and deferred income	60	70
	356	81

12. Share capital

	31 Mar 2022 £'000	31 Mar 2021 £'000
Issued, allotted, called up and fully paid:		
177,597,183 (2020: 110,738,558) Ordinary Shares of 5p each	8,880	5,537

During the year the Company issued a total of 36,146,095 Ordinary Shares of 5p each ("Ordinary Shares") at an average price of 55.1p per share, under the offer that launched in February 2021. The gross proceeds of the Offer were £19.9 million, with issue costs in respect of the Offer amounting to £839,000.

A further 33,405,003 Ordinary Shares were issued at an average price of 64.4p per share, under the offer that launched in November 2021. The gross proceeds of the Offer were £21.5 million, with issue costs in respect of the Offer amounting to £1.1 million.

During the year, the Company purchased 2,692,473 shares for cancellation for an aggregate consideration of £1.42 million at an average price of 52.8p per share (approximately equal to a 5% discount to the most recently published NAV at the time of purchase) and representing 2.4% of the issued share capital in issue at 1 April 2021.

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 18, in pursuit of its principal investment objectives as stated on page 3. The Company has the authority to buy back shares as described in the Strategic Report on page 18. 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
As part of the November 2021 offer 12,665,155 Ordinary Shares were issued in April 2022 at an average price of 64.3p per Ordinary Share raising £8.1 million. At the date of this report the total number of Ordinary Shares in issue was 190,262,338.

13. Reserves

Distributable reserves are calculated as follows:

	31 Mar 2022 £'000	31 Mar 2021 £'000
Special reserve	5,053	15,463
Capital reserve – realised	1,516	-
Revenue reserve	(1,092)	(555)
Merger reserve – distributable element	-	423
Capital Reserve – unrealised: excluding unrealised unquoted gains	1,316	2,244
	6,793	17,575

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.

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.

Merger reserve
This reserve accounts for the premium arising on the issue of the shares to acquire Elderstreet Millennium VCT plc in 2007.

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.

14. Basic and diluted net asset value per share

	Number in issue as at 31 March		31 March 2022 Net asset value		31 March 2021 Net asset value	
	2022	2021	Pence per share	£'000	Pence per share	£'000
Ordinary Shares	177,597,183	110,738,558	60.6	107,567	50.0	55,412

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.

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 the next page.

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.

15. Financial instruments (continued)

Market risks (continued)

Investment price risk (continued)

Quoted investments

The Company's sensitivity to fluctuations in the share prices of its quoted equity investments is summarised below. In light of the current volatile market conditions arising from the coronavirus pandemic, the Board has considered the reasonably possible market movements that should be illustrated with sensitivity analysis. A positive 20% movement and negative 50% movement (2020: 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 2022			
Sensitivity		+20% movement		-50% movement	
	Risk exposure £'000	**Impact on net assets/ return £'000**	**Impact on NAV per share Pence**	**Impact on net assets/ return £'000**	**Impact on NAV per share Pence**
Quoted investments	8,626	1,725	1.0	(4,312)	(2.4)

		Year Ended 31 March 2021			
Sensitivity		+20% movement		-50% movement	
	Risk exposure £'000	**Impact on net assets/ return £'000**	**Impact on NAV per share Pence**	**Impact on net assets/ return £'000**	**Impact on NAV per share Pence**
Quoted investments	11,850	2,370	2.1	(5,925)	(5.4)

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 coronavirus pandemic in determining the reasonably possible market movements that should be illustrated within sensitivity analysis. Accordingly, the impact of a positive 20% and negative 20% movement (2020: 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:

		Year ended 31 March 2022			
Sensitivity		+20% movement		-50% movement	
Unquoted investments	**Risk exposure £'000**	**Impact on net assets/return £'000**	**Impact on NAV per share Pence**	**Impact on net assets/return £'000**	**Impact on NAV per share Pence**
Multiples	27,401	5,480	3.1	(14,357)	(8.1)
Calibration to price of recent investment	40,781	8,156	4.6	(20,390)	(11.5)
	68,182	13,636	7.7	(34,747)	(19.6)

15. Financial instruments (continued)
Market risks (continued)
Investment price risk (continued)

Sensitivity			**Year Ended 31 March 2021** +20% movement		-50% movement
Unquoted investments	**Risk exposure £'000**	**Impact on net assets/return £'000**	**Impact on NAV per share Pence**	**Impact on net assets/return £'000**	**Impact on NAV per share Pence**
Multiples	11,114	2,223	2.0	(2,223)	(2.0)
Calibration to price of recent investment	21,284	4,257	3.9	(4,257)	(3.9)
	32,398	6,480	5.9	(6,480)	(5.9)

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 Cash Trust investments.
- "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 Mar 2022 £'000**	**31 Mar 2021 £'000**
Fixed rate	8.0%	4,293 days	508	508
Floating rate	0.1%		31,095	10,659
No interest rate		1 day*	75,964	44,245
			107,567	55,412

* 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.

The Bank of England base rate has been 0.1% per annum since March 2020. Any potential change in the base rate, at the current level, would have an immaterial impact on the net assets and Total Return of the Company.

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.

15. Financial instruments (continued)

Credit risk (continued)

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

	31 Mar 2022 £'000	31 Mar 2021 £'000
Fair value through profit or loss assets		
Investments in loan notes	508	508
Loans and receivables		
Cash and cash equivalents	31,095	10,659
	31,603	11,167

The Manager manages credit risk in respect of loan notes with a similar approach as described under interest rate risk on the previous page. 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 is mainly held at Bank of Scotland plc, with a balance also maintained at Royal Bank of Scotland plc, both of which are A-rated financial institutions. 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 2022, there were no loan notes where, although the principal remains within term, the investee company is not fully servicing the interest obligations under the loan note and is in arrears. (31 March 2021: £nil)

As at 31 March 2022 there were no loan stock balances whereby the principal amount had passed its maturity date (31 March 2021: £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 2022: £351,000, 31 March 2021: £81,000) 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 2022, as analysed by expected maturity date, is as follows:

As at 31 March 2022	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
Fully performing loan notes	-	-	-	-	508	-	508
Past due loan stock	-	-	-	-	-	-	-
	-	-	-	-	508	-	508

15. Financial instruments (continued)

As at 31 March 2021	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
Fully performing loan notes	-	-	-	-	508	-	508
Past due loan stock	-	-	-	-	-	-	-
	-	-	-	-	508	-	508

Financial liabilities
The Company has no financial liabilities other than the creditors disclosed within the balance sheet (2021: none).

Currency exposure
As at 31 March 2022, the Company had no foreign investments (2021: none).

Borrowing facilities
The Company has no committed borrowing facilities as at 31 March 2022 (2021: none).

16. Contingencies, guarantees and financial commitments

The Company had no commitments, contingencies or guarantees at the Balance Sheet date.

17. Related party transactions

Nicholas Lewis is a partner of Downing LLP, which provides administration services to the Company. During the year, £90,000 (2020: £65,000) was due to Downing LLP in respect of these services. As at 31 March 2022, £5,000 (2021: £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, £1.7 million (2021: £921,000) was due in respect of these services. No performance incentive fees were due to Elderstreet Investments Limited in respect of the year under review (2021: £nil). As at 31 March 2022, £198,000 (2021: £nil) was outstanding and payable.

Details of remuneration of the Directors and their share interests can be found in the Directors' Remuneration Report on pages 25 to 26.

18. Controlling party

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

19. Events after the end of the reporting period

Since the year end, the Company allotted 12,665,155 Ordinary Shares of 5p each at an average price of 64.3p per Ordinary Share under the terms of the Offer for Subscription dated November 2021. The aggregate consideration for the shares was £8.1 million.

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 11:00 a.m. on 18 August 2022 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 2022, together with the Report of the Auditor thereon.

2. To approve the Directors' Remuneration Report in respect of the year ended 31 March 2022.

3. To approve the payment of a total final dividend of 3.1p 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 re-elect as Director, Nicholas Lewis, who retires and, being eligible, offers himself for re-election.

9. 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

10. 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 £3,000,000 (being approximately 34% 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.

11. That, in addition to existing authorities, the Directors of the Company be and hereby are generally and unconditionally authorised in accordance with Section 551 of the Act to exercise all the powers of the Company to allot and issue shares in the capital of the Company up to a nominal value of £1,000,000 pursuant to any dividend reinvestment scheme operated by the Company from time to time and the authority conferred by this resolution shall continue in force for five years following the passing of the resolution or until such earlier time as it is varied or revoked by the Company in a general meeting.

NOTICE OF THE ANNUAL GENERAL MEETING
of Molten Ventures VCT plc (continued)

Special Resolutions

12. That, conditional upon the passing of Resolutions 10 and 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 Resolution 10 and 11, 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 26,461,980 Ordinary Shares, representing approximately 14.9% 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.

14. That the share premium account and the capital redemption reserve each be cancelled.

By order of the Board

G Whitehouse

Grant Whitehouse
Company Secretary
Molten Ventures VCT plc
Company number: 03424984
Registered office:
6th Floor, St. Magnus House
3 Lower Thames Street
London EC3R 6HD

15 July 2022

Note: Information regarding the Annual General Meeting, including the information required by section 311A of the Companies Act 2006 (the "Act"), is available from www.downing.co.uk.

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 11:00 a.m. on 16 August 2022 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 11:00 a.m. on 16 August 2022 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 10:30 a.m. on 16 August 2022 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 at https://proxy-moltenventures.cpip.io

(i) As at 9:00 a.m. on 15 July 2022, the Company's issued share capital comprised 190,262,338 Ordinary Shares and the total number of voting rights in the Company was 190,262,338. 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.

Inside Back Cover

Molten

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