

# MAVEN

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## MAVEN INCOME AND GROWTH VCT PLC

Annual Report  
For the Year Ended 28 February 2018

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# CORPORATE SUMMARY

## The Company

Maven Income and Growth VCT PLC (the Company) is a public limited company limited by shares. It was incorporated in England and Wales on 12 January 2000 with company registration number 3908220. Its registered office is at Fifth Floor, 1-2 Royal Exchange Buildings, London EC3V 3LF.

The Company is a venture capital trust (VCT) and its shares are listed on the Premium segment of the official list and traded on the main market of the London Stock Exchange.

## Management

The Company is a small registered, internally managed alternative investment fund under the Alternative Investment Fund Managers Directive (AIFMD).

## Investment Objective

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

## Continuation Date

The Articles of Association (Articles) require the Directors to put a proposal for the continuation of the Company, in its then form, to Shareholders at the Company's Annual General Meeting to be held in 2020.

## Share Dealing

Shares in the Company can be purchased and sold in the market through a stockbroker. For qualifying investors buying shares on the open market:

- dividends are free of income tax;
- no capital gains tax is payable on a disposal of shares;
- there is no minimum holding period;
- the value of shares, and income from them, can fall as well as rise;
- tax regulations and rates of tax may be subject to change;
- VCTs tend to be invested in smaller, unlisted companies with a higher risk profile; and
- the market for VCT shares can be illiquid.

The Stockbroker to the Company is Shore Capital Stockbrokers (020 7647 8132).



## Recommendation of Non-mainstream Investment Products

The Company currently conducts its affairs so that the shares issued by it can be recommended by financial advisers to ordinary retail investors in accordance with the rules of the Financial Conduct Authority (FCA) in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The Company's shares are excluded from the FCA's restrictions that apply to non-mainstream investment products because they are shares in a VCT and the returns to investors are predominantly based on investments in private companies or publicly quoted securities.

## Unsolicited Offers for Shares (Boiler Room Scams)

Shareholders in a number of UK registered companies have received unsolicited calls from organisations, usually based overseas or using false UK addresses or phone lines routed abroad, offering to buy shares at prices much higher than their current market values or to sell non-tradeable, overpriced, high-risk or even non-existent securities. Whilst the callers may sound credible and professional, Shareholders should be aware that their intentions are often fraudulent and high pressure sales techniques may be applied, often involving a request for an indemnity or a payment to be provided in advance.

If you receive such a call, you should exercise caution and, based on advice from the FCA, the following precautions are suggested:

- obtain the name of the individual or organisation calling;
- check the FCA register to confirm if the caller is authorised;
- call back using the details on the FCA register to verify the caller's identity;
- discontinue the call if you are in any doubt about the intentions of the caller, or if calls persist; and
- report any individual or organisation that makes unsolicited calls with an offer to buy or sell shares to the FCA and the City of London Police.

## Useful contact details:

ACTION FRAUD

Telephone: 0300 123 2040

Website: [www.actionfraud.police.uk](http://www.actionfraud.police.uk)

FCA

Telephone: 0800 111 6768 (freephone)

E-mail: [consumer.queries@fca.org.uk](mailto:consumer.queries@fca.org.uk)

Website: [www.fca.org.uk](http://www.fca.org.uk)

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Annual General Meeting  
(AGM) *5 July 2018*

## Dividend Schedule

### Year ended 28 February 2018

#### First interim dividend

Rate *2.96p*  
XD date *22 June 2017*  
Record date *23 June 2017*  
Payment date *14 July 2017*

#### Second interim dividend

Rate *2.70p*  
XD date *2 November 2017*  
Record date *3 November 2017*  
Payment date *30 November 2017*

### Year ending 28 February 2019

#### First interim dividend

Rate *7.45p*  
XD date *15 March 2018*  
Record date *16 March 2018*  
Payment date *13 April 2018*

#### Second interim dividend

Rate *5.10p*  
XD date *24 May 2018*  
Record date *25 May 2018*  
Payment date *22 June 2018*

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# FINANCIAL HIGHLIGHTS

## Financial History

	28 February 2018	28 February 2017	29 February 2016
Net asset value (NAV)	£31,172,000	£35,589,000	£36,889,000
NAV per Ordinary Share	58.20p	65.84p	68.06p
Dividends per Ordinary Share for year	5.66p	6.00p	6.00p
Dividends paid per Ordinary Share to date*	82.36p	73.10p	67.10p
<b>NAV total return per Ordinary Share<sup>1*</sup></b>	<b>140.56p</b>	<b>138.94p</b>	<b>135.16p</b>
Share price <sup>2</sup>	54.00p	62.50p	65.50p
Discount to NAV*	7.22%	5.07%	3.76%
Annual yield <sup>3*</sup>	10.48%	9.60%	9.16%
Ordinary Shares in issue	53,563,884	54,052,884	54,197,884

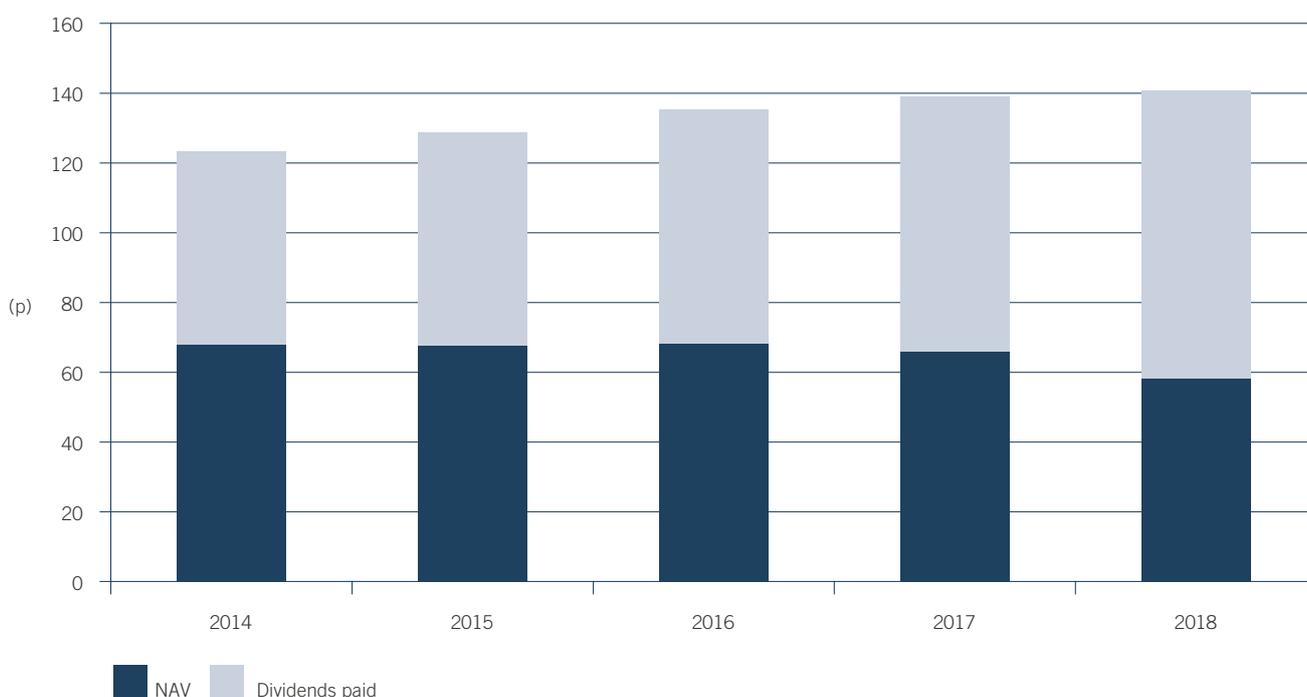
<sup>1</sup> Sum of current NAV per share and dividends paid to date (excluding initial tax relief).

<sup>2</sup> Closing mid-market price (Source: London Stock Exchange).

<sup>3</sup> Based on dividends paid or declared for year and share price at year end.

\*Definitions of these Alternative Performance Measures (APMs) can be found in the Glossary on page 77.

## NAV Total Return Performance



The above chart shows the NAV total return per Ordinary Share as at the end of February in each year. Dividends that have been proposed but not yet paid are included in the NAV at the balance sheet date. The policy of valuing investments is disclosed in Note 1 to the Financial Statements.

**Dividends**

<b>Year ended 28/29 February</b>	<b>Payment date</b>	<b>Interim/Final</b>	<b>Rate (p)</b>
2001-2013			53.10
2014	6 December 2013	Interim	2.20
	18 July 2014	Final	3.50
2015	5 December 2014	Interim	2.40
	17 July 2015	Final	3.50
2016	27 November 2015	First interim	2.40
	27 May 2016	Second interim	2.40
	15 July 2016	Final	1.20
2017	25 November 2016	Interim	2.40
	26 May 2017	Second interim	3.60
2018	14 July 2017	First interim	2.96
	30 November 2017	Second interim	2.70
<b>Total dividends paid</b>			<b>82.36</b>
2019	13 April 2018	First interim	7.45
	22 June 2018	Second interim	5.10
<b>Total dividends paid or declared</b>			<b>94.91</b>

## YOUR BOARD

**The Board of three Directors, all of whom are non-executive and considered by the Board to be independent of the Manager, supervises the management of Maven Income and Growth VCT PLC and looks after the interests of its Shareholders. The Board is responsible for setting and monitoring the Company's strategy, and the biographies set out below indicate the Directors' range of investment, commercial and professional experience. Further details are provided in the Directors' Report and in the Statement of Corporate Governance.**



**John Pocock**  
Chairman  
and Independent  
Non-executive Director

**Relevant experience and other directorships:** John has extensive experience in the information technology and financial sectors and was formerly a director and chief executive of Druid Group plc, a FTSE 250 company that was acquired by Xansa plc in March 2000. Currently non-executive chairman of CognitolQ Limited, as well as a non-executive director of Electric & General Investment Fund Limited, he is also the founder of Young British Entrepreneur Limited and a director of Synergie Global Limited.

**Length of service:** He was appointed as a Director on 1 March 2007 and as Chairman on 8 July 2010.

**Last re-elected to the Board:** 6 July 2017

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

**Employment by the Manager:** None

**Shared directorships with other Directors:** None

**Shareholding in Company:** 77,955 Ordinary Shares



**Arthur MacMillan**  
Independent  
Non-executive Director

**Relevant experience and other directorships:** For over 10 years to December 2005, Arthur was chief executive of Clyde Marine plc, a group which manufactures deck equipment for sail and power boats under the Lewmar and Navtec brands. Prior to that, he was a corporate financier with West Merchant Bank and Samuel Montagu & Co Limited in London. He is also an investor in, and an adviser to, a number of smaller businesses.

**Length of service:** He was appointed as a Director on 19 January 2000.

**Last re-elected to the Board:** 6 July 2017

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

**Employment by the Manager:** None

**Shared directorships with other Directors:** None

**Shareholding in Company:** 96,609 Ordinary Shares

**Fiona Wollocombe**

Independent  
Non-executive Director

**Relevant experience and other directorships:** Fiona spent 18 years in the City providing market related advice on corporate finance, specifically for UK small-cap companies. From 1997 to 2003, she was managing director responsible for the European mid and small-cap equities team at Deutsche Bank (formerly Natwest Markets), which involved overseeing the marketing of smaller companies, including unquoted investments, and she was also a member of the corporate finance team. Fiona is chairman of Artemis VCT plc.

**Length of service:** She was appointed as a Director on 20 May 2004 and served as Chairman from 7 July 2005 to 8 July 2010.

**Last re-elected to the Board:** 6 July 2017

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

**Employment by the Manager:** None

**Shared directorships with other Directors:** None

**Shareholding in Company:** 50,000 Ordinary Shares

# CHAIRMAN'S STATEMENT

## HIGHLIGHTS

NAV total return at the year end of 140.56p per share (2017: 138.94p)

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NAV at year end of 58.20p per share (2017: 65.84p), after payment of dividends totalling 9.26p per share during the year

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Annual dividends of 5.66p per share (2017: 6.00p)

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First interim dividend of 7.45p per share paid on 13 April 2018 for the year ending 28 February 2019, with a second interim dividend of 5.10p per share declared for payment on 22 June 2018

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Nine new VCT qualifying investments completed

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Profitable exits achieved from Crawford Scientific, SPS (EU), John McGavigan and Endura

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**Your Board is pleased to report on the positive progress achieved by your Company in the year to 28 February 2018. During the period under review, NAV total return increased to 140.56p per share, representing the ninth consecutive year of growth. This outcome reflects the strength of the underlying portfolio of investee companies and the profitable realisation of a number of assets, although overall performance for the year was constrained by the write-down in value of one of the more mature private company holdings. Significant progress was also achieved in the long-term construction of the portfolio, with the addition of nine new VCT qualifying investments in companies operating across a range of high growth industries and sectors.**

**Annual dividends totalled 5.66p per share, representing a yield of 10.48% based on the share price at the year end, with further payments totalling 12.55p per share declared subsequent to the year end. This reflects the build-up of distributable reserves following recent exits, and was also required in order to ensure your Company's ongoing compliance with the VCT legislation. Your Board recognises the importance of dividend payments, and remains committed to making distributions when realisations are achieved and to providing regular tax-free income to Shareholders.**

During the financial year, your Company delivered further growth in NAV total return against a backdrop of economic uncertainty, relating to the UK's intended withdrawal from the European Union (EU), and an ever-changing regulatory environment. Since enactment of the Finance (No. 2) Act 2015 the framework under which VCTs operate has become increasingly complex, with further legislation introduced in the Finance Act 2018. However, your Board is encouraged by the Manager's proactive response to these market challenges, and believes that Maven has the requisite levels of skill and experience to ensure that your Company continues to respond appropriately and remains well positioned to deliver future growth in line with its investment objective.

Throughout the year, the majority of the companies in the investee portfolio have continued to trade in line with expectations. The progress achieved by a number of established private company assets has enabled their valuations to be increased. The Board is encouraged to note that after a number of years of exceptionally challenging market conditions, the portfolio companies with exposure to the oil & gas services sector are seeing an improvement in trading, with financial performance showing an increase over the comparative period in the prior year. The valuations of a number of those assets had previously been reduced in response to market conditions, and the conservative valuations will be maintained until there is evidence of a sustained market recovery. There are also a small number of businesses that are operating behind plan, or where a market adjustment has impacted upon performance, and the valuations of these assets have been reduced in order to reflect this. A detailed analysis of portfolio developments can be found in the Investment Manager's Review on pages 18 to 23 of this Annual Report.

It is pleasing to report on an accelerated rate of new investment during the period, with the addition of nine, carefully selected, growth oriented companies to the portfolio. The pipeline of new opportunities remains strong, with the Manager's expanded nationwide office network, delivering a regular supply of prospective investments. The Directors welcomed the announcement in the 2017 Autumn Budget Statement that the Advanced Assurance process will be revised by HM Revenue & Customs (HMRC), as this should markedly improve the timescales for transaction completion.

Given the maturing profile of a number of assets in the portfolio, there has been significant sale and realisation activity during the year. In October 2017, an exit was achieved from **Crawford Scientific**, a leading supplier of chromatography products and services, through a sale to an institutional buyer which achieved a return of 4.5 times cost over the three-year investment period. In December 2017, exits were achieved from **SPS (EU)**, the UK's largest provider of promotional merchandise, and **John McGavigan**, a manufacturer and supplier of plastic components for the global automotive industry, delivering total returns of 2.5 times and 4.2 times cost respectively over the lives of the investments. In February 2018, the exit from **Endura**, a designer and manufacturer of high performance cycling clothing and accessories, completed for a total return of 1.56 times cost over the holding period. The Board is aware that discussions are in process regarding further potential exits from a number of the more mature portfolio assets, although there can be no certainty that these will lead to profitable realisations.

The Directors believe it is important that Shareholders are aware of the longer term implications arising from the VCT regulations. The changes to the VCT rules that were enacted in November 2015 specifically prohibit participation in management buy-outs or acquisition based transactions. They also restrict the ability of VCTs to provide follow-on funding to older companies, including existing portfolio holdings, unless certain conditions are met. As a result, VCT managers are required to focus on the provision of development capital to younger or earlier stage companies which, given their inherent lack of maturity, have a different risk profile. In addition, transaction structures are now required to contain a greater proportion of equity, where previously a higher level of interest bearing debt was permitted. As the portfolio evolves, and a greater proportion of holdings are invested in earlier stage companies, there is likely to be an impact on income levels. This could result in dividend payments being subject to variation in terms of quantum and timing, as well as being more closely linked to realisation activity and the requirement to comply with the VCT qualification rules. The Board and the Manager will ensure that this transition is managed carefully in line with your Company's investment objective.

## Regulatory Developments

During the summer of 2017, the Patient Capital Review was formally extended to consider the effectiveness and value for money provided by the VCT and Enterprise Investment Scheme sector. The Manager contributed to this consultation on behalf of its VCT clients and it was widely anticipated that, as a result of this review, the 2017 Autumn Budget Statement would include a number of amendments.

The Directors were encouraged that the measures announced in the 2017 Autumn Budget Statement were intended to preserve the attractive fundamentals of the VCT scheme, which continues to provide a valuable bridge between private capital and the UK SME sector. The availability of long-term patient capital, in line with Government objectives at what is an increasingly important time for the UK economy, gives comfort to small businesses and ensures that entrepreneurial companies can continue to access equity finance, and investors can benefit from their success.

## General Data Protection Regulation (GDPR)

The GDPR came into force on 25 May 2018, replacing the Data Protection Act 1998. This regulation enforces the principle of 'privacy by design and by default' and enshrines new rights for individuals, including the right to be forgotten and to data portability. The Manager has worked with the third parties that process Shareholders' personal data to ensure that their rights under the new regulation are respected.

## Dividends

As previously highlighted, the Directors have considered it necessary to distribute an enhanced level of interim dividends. This was a result of a build-up of distributable reserves, including the proceeds from recent profitable realisations, and the requirement to ensure ongoing compliance with the VCT regulations.

The first interim dividend in respect of the year ended 28 February 2018, of 2.96p per Ordinary Share and comprising capital only, was paid on 14 July 2017 to Shareholders on the register at close of business on 23 June 2017. The second interim dividend of 2.70p per Ordinary Share, comprising 1.10p of revenue and 1.60p of capital, was paid on 30 November 2017 to Shareholders on the register at close of business on 3 November 2017. No final dividend is proposed and therefore, total distributions for the financial year were 5.66p per Ordinary Share, representing a yield of 10.48% based on the year-end closing mid-market price of 54.00p. The effect of paying dividends is to reduce the NAV of the Company by the total cost of the distribution.

Subsequent to the year end, on 8 March 2018 the Company announced an interim dividend in respect of the year ending 28 February 2019 of 7.45p per Ordinary Share, which was paid on 13 April 2018 to Shareholders on the register on 16 March 2018. A second interim dividend was declared on 17 May 2018, with a payment of 5.10p per Ordinary Share to be made on 22 June 2018 to Shareholders on the register at close of business on 25 May 2018.

Since the Company's launch, and after receipt of the dividends noted above, Shareholders will have received 94.91p per share in tax-free dividends. Decisions on future distributions will take into consideration the availability of surplus revenue, the adequacy of reserves, the proceeds from any further realisations and the VCT qualifying levels of the portfolio, all of which are kept under close and regular review by the Board and the Manager.

### Share Buy-backs

Shareholders should be aware that the Board's primary objective is for the Company to retain sufficient liquid assets for making investments in line with its stated policy and for the continued payment of dividends. However, the Directors also acknowledge the need to maintain an orderly market in the Company's shares and have delegated authority to the Manager to buy back shares in the market for cancellation or to be held in treasury, subject always to such transactions being in the best interests of Shareholders.

It is intended that, subject to market conditions, available liquidity and the maintenance of the Company's VCT status, shares will continue to be bought back at prices representing a discount of between 5% and 10% of the prevailing NAV per share.

### Strategy

The Directors monitor the strategic options for your Company on a regular basis and are currently considering the impact of the increased rate of distribution on net assets and the potential to provide funding for new investments.

### The Future

The Directors are encouraged by the steady progress achieved in the financial year, where further growth in Shareholder value has been generated despite the challenges presented by the prevailing economic uncertainty and an increasingly restrictive regulatory environment. During the period, the Manager has successfully demonstrated its ability to continue to deliver growth under the new investment parameters, following the VCT rules change, and the Board believes that Maven remains well placed to adapt to the further legislative amendments as they are introduced, whilst continuing to deliver your Company's investment objective.

Your Board remains committed to expanding the portfolio, through the addition of attractive, high growth assets from a diverse range of industry sectors that are capable of generating enhanced returns over time as they reach maturity. The pipeline for new investments is strong, with a number of transactions due to complete early in the new financial year, and it is anticipated that the momentum in rate of investment will continue to build. It will take a number of years for the gradual rebalancing of the portfolio towards younger and early stage companies to complete and, in the near term, the portfolio of established companies, which forms the majority of the asset base, should continue to deliver steady growth and investment income to support Shareholder returns.

**John Pocock**  
Chairman

**1 June 2018**

# SUMMARY OF INVESTMENT CHANGES

For the Year Ended 28 February 2018

	Valuation 28 February 2017		Net investment/ (disinvestment)	Appreciation/ (depreciation)	Valuation 28 February 2018	
	£'000	%	£'000	£'000	£'000	%
<b>Unlisted investments</b>						
Equities	12,010	33.7	(4,817)	1,964	9,157	29.4
Preference shares	1	-	-	-	1	-
Loan stock	14,000	39.3	(2,951)	(1,481)	9,568	30.7
	<b>26,011</b>	<b>73.0</b>	<b>(7,768)</b>	<b>483</b>	<b>18,726</b>	<b>60.1</b>
<b>AIM/NEX investments</b>						
Equities	817	2.3	-	(19)	798	2.6
<b>Listed investments</b>						
Equities	18	0.1	-	1	19	0.1
Investment trusts	1,089	3.1	-	39	1,128	3.6
<b>Total investments</b>	<b>27,935</b>	<b>78.5</b>	<b>(7,768)</b>	<b>504</b>	<b>20,671</b>	<b>66.4</b>
Net current assets	7,654	21.5	2,847	-	10,501	33.6
<b>Net assets</b>	<b>35,589</b>	<b>100.0</b>	<b>(4,921)</b>	<b>504</b>	<b>31,172</b>	<b>100.0</b>

# BUSINESS REPORT

**This Business Report is intended to provide an overview of the strategy and business model of the Company, as well as the key measures used by the Directors in overseeing its management. The Company is a venture capital trust which invests in accordance with the investment objective set out in this Business Report. The Board holds at least one separate meeting per annum to discuss strategic matters.**

## **Investment Objective**

Under an investment policy approved by the Directors, the Company aims to achieve long-term capital appreciation and generate income for Shareholders.

## **Business Model and Investment Policy**

Under an investment policy approved by the Directors, the Company intends to achieve its objective by:

- investing the majority of its funds in a diversified portfolio of shares and securities in smaller, unquoted UK companies and AIM/NEX quoted companies which meet the criteria for VCT qualifying investments and have strong growth potential;
- investing no more than £1 million in any company in one year and no more than 15% of the Company's assets by cost in one business at any time; and
- borrowing up to 15% of net asset value, if required and only on a selective basis, in pursuit of its investment strategy.

The Company had no borrowings as at 28 February 2018 and, as at the date of this Report, the Board has no intention of utilising the borrowing facility.

## **Principal Risks and Uncertainties**

The principal risks and uncertainties facing the Company are as follows:

### ***Investment Risk***

Many of the Company's investments are in small and medium sized unquoted UK companies and AIM/NEX quoted companies which, by their nature, carry a higher level of risk and lower liquidity relative to investments in large quoted companies. The Board aims to limit the risk attaching to the investment portfolio as a whole by ensuring that a robust and structured selection, monitoring and realisation process is applied by the Manager. The Board reviews the investment portfolio with the Manager on a regular basis.

The Company manages and minimises investment risk by:

- diversifying across a large number of companies;
- diversifying across a range of economic sectors;
- actively and closely monitoring the progress of investee companies;
- co-investing with other clients of the Manager;
- ensuring valuations of underlying investments are made accurately and fairly (see Notes 1(e) and 1(f) to the Financial Statements for further detail);
- taking steps to ensure that share price discount is managed appropriately; and
- choosing and appointing an FCA authorised investment manager with the appropriate skills, experience and resources required to achieve the investment objectives above, with ongoing monitoring to ensure the Manager is performing in line with expectations.

An explanation of certain risks and how they are managed is contained in Note 16 to the Financial Statements.

**Financial and Liquidity Risk**

As most of the investments require a mid to long term commitment and are relatively illiquid, the Company retains a portion of the portfolio in cash or cash equivalents in order to finance any new unquoted investment opportunities. The Company has no direct exposure to currency risk and does not enter into any derivative transactions.

**Economic Risk**

The valuation of investment companies may be affected by underlying economic conditions such as fluctuating interest rates and the availability of bank finance.

The economic and market environment is kept under constant review and the investment strategy of the Company adapted so far as is possible to mitigate emerging risks.

**Credit Risk**

The Company may hold financial instruments and cash deposits and is dependent on counterparties discharging their agreed responsibilities. The Directors consider the creditworthiness of the counterparties to such instruments and seek to ensure that there is no undue concentration of exposure to any one party.

**Internal Control Risk**

The Board reviews regularly the system of internal controls, both financial and non-financial, operated by the Company, Maven and other key third party outsourcers such as the Custodian and Registrar. These include controls designed to ensure that the Company's assets are safeguarded, that all records are complete and accurate and that the third parties have adequate controls in relation to the prevention of data protection and cyber security failings.

**VCT Qualifying Status Risk**

The Company operates in a complex regulatory environment and faces a number of related risks, including:

- becoming subject to capital gains tax on the sale of its investments as a result of a breach of Section 274 of the Income Tax Act 2007;
- loss of VCT status and consequent loss of tax reliefs available to Shareholders as a result of a breach of the VCT Regulations;
- loss of VCT status and reputational damage as a result of a serious breach of other regulations such as the FCA Listing Rules and the Companies Act 2006; and
- increased investment restrictions resulting from EU State Aid Rules, incorporated by the Finance (No. 2) Act 2015 and the Finance Act 2018.

The Board works closely with the Manager to ensure compliance with all applicable and upcoming legislation, such that VCT qualifying status is maintained. Further information on the management of this risk is detailed under other headings in this Business Report.

**Legislative and Regulatory Risk**

In order to maintain its approval as a VCT, the Company is required to comply with VCT legislation in the UK as well as the EU State Aid Rules. Changes in either legislation could have an adverse impact on Shareholder investment returns whilst maintaining the Company's VCT status. The Board and the Manager continue to make representations where appropriate, either directly or through relevant industry bodies such as the British Private Equity and Venture Capital Association (BVCA).

The Company has retained Philip Hare & Associates LLP as VCT advisers.

Breaches of other regulations including, but not limited to, the Companies Act 2006, the FCA Listing Rules, the FCA Disclosure Guidance and Transparency Rules or the Alternative Investment Fund Managers Directive (AIFMD), could lead to a number of detrimental outcomes and reputational damage. Breaches of controls by service providers to the Company could also lead to reputational damage or loss.

The AIFMD, which regulates the management of alternative investment funds, including VCTs, introduced a new authorisation and supervisory regime for all investment companies in the EU. The Company is approved by the FCA as a self-managed small registered UK AIFM under the AIFMD.

The Company is also required to comply with tax legislation under the Foreign Account Tax Compliance Act and the Common Reporting Standard. The Company has appointed Link Asset Services to act on its behalf to report annually to HMRC and to ensure compliance with this new legislation.

**Political Risk**

In a referendum held in June 2016, the UK voted to leave the EU. The formal process of implementing this decision exists in Article 50 of the Lisbon Treaty, which was invoked in March 2017. The political, economic and legal consequences of the referendum vote are not yet known. It is possible that investments in the UK may be more subjective to value, more difficult to assess for suitability of risk, harder to buy or sell, or subject to greater or more frequent rises and falls in value. In the longer term, there is likely to be a period of uncertainty as the UK seeks to negotiate its exit from the EU. The UK's laws and regulations concerning funds may, in future, diverge from those of the EU and this may lead to changes in the operation of the Company, the rights of investors, or the territories in which the shares of the Company may be promoted and sold.

On a regular basis, the Board reviews the political situation together with any associated changes to the economic, regulatory and legislative environment in order to ensure that any risks arising are mitigated as effectively as possible.

An explanation of certain economic and financial risks and how they are managed is also contained in Note 16 to the Financial Statements.

**Statement of Compliance with Investment Policy**

The Company is adhering to its stated investment policy and managing the risks arising from it. This can be seen in various tables and charts throughout this Annual Report, and from information provided in the Chairman's Statement and the Investment Manager's Review. A review of the Company's business, its position as at 28 February 2018 and its performance during the year then ended is included in the Chairman's Statement, which also includes an overview of the Company's strategy and business model.

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

The Investment Portfolio Summary on pages 30 and 31 discloses the investments in the portfolio and the degree of co-investment with other clients of the Manager. The tabular analysis of the unlisted and quoted portfolio on pages 16 and 17 shows that the portfolio is diversified across a variety of industry sectors and deal types. The level of VCT qualifying investment is monitored by the Manager on a daily basis and reported to the Risk Committee quarterly, or as otherwise required.

### Key Performance Indicators

At each Board Meeting, the Directors consider a number of APMs to assess the Company's success in achieving its investment objective. These APMs are key performance indicators that enable Shareholders and prospective investors to gain an understanding of its business, and are as follows:

- NAV total return;
- cumulative dividends paid;
- share price discount to NAV;
- investment income; and
- operational expenses.

The NAV total return is a measure of Shareholder value that includes both the current NAV per share and total dividends paid to date. Cumulative dividends paid is the total amount of both capital and income distributions paid since the launch of the Company. The Directors seek to pay dividends to comply with the VCT rules, taking account of the level of distributable reserves, profitable realisations in each accounting period and the Company's future cash flow projections. The share price discount to NAV is the percentage by which the mid-market price of an investment is lower than its net asset value per share.

A historical record of these measures is shown in the Financial Highlights on pages 5 and 6 and the change in the profile of the portfolio is reflected in the Summary of Investment Changes on page 12. Definitions of these APMs can be found in the Glossary on page 77.

The Board reviews the Company's investment income and operational expenses on a quarterly basis as the Directors consider that both of these elements are important components in the generation of Shareholder returns. Further information can be found in Notes 2 and 4 to the Financial Statements on page 62.

There is no meaningful VCT index against which to compare the financial performance of the Company but, for reporting to the Board and Shareholders, the Manager uses comparisons with appropriate indices and the Company's peer group. The Directors also consider non-financial performance measures such as the flow of investment proposals and the Company's ranking within the VCT sector by independent analysts.

In addition, the Directors consider economic, regulatory and political trends and features that may impact on the Company's future development and performance.

### Valuation Process

Investments held by Maven Income and Growth VCT PLC in unquoted companies are valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines. Investments quoted or traded on a recognised stock exchange are valued at their bid prices.

### Share Buy-backs

At the forthcoming Annual General Meeting (AGM), the Board will seek the necessary Shareholder authority to continue to conduct a share buy-back programme under appropriate circumstances.

### Employee, Environmental and Human Rights Policy

The Company has no direct employee or environmental responsibilities, nor is it responsible for the emission of greenhouse gases. The Board's principal responsibility to Shareholders is to ensure that the investment portfolio is managed and invested properly. The management of the portfolio is undertaken by the Manager through members of its portfolio management team.

The Manager engages with the Company's underlying investee companies in relation to their corporate governance practices and in developing their policies on social, community and environmental matters and further information may be found in the Statement of Corporate Governance on page 44. In light of the nature of the Company's business, there are no relevant human rights issues and, therefore, the Company does not have a human rights policy.

### Independent Auditor

The Company's Independent Auditor is required to report if there are any material inconsistencies between the content of the Strategic Report and the Financial Statements. The Independent Auditor's Report can be found on pages 49 to 54.

### Future Strategy

The Board and Manager intend to maintain the policies set out above for the year ending 28 February 2019, as it is believed that these are in the best interests of Shareholders.

### Approval

The Business Report, and the Strategic Report as a whole, was approved by the Board of Directors and signed on its behalf by:

**John Pocock**  
Director

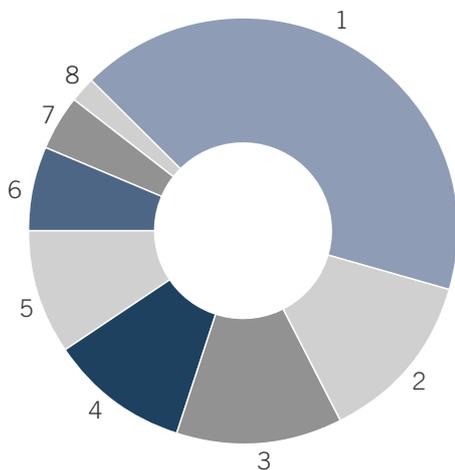
1 June 2018

# ANALYSIS OF UNLISTED AND QUOTED PORTFOLIO

As at 28 February 2018

Industry sector	Unlisted valuation £'000	%	Quoted valuation £'000	%	Total valuation £'000	%
Support services	3,728	18.0	82	0.4	3,810	18.4
Energy services	2,573	12.4	-	-	2,573	12.4
Electronic & electrical equipment	1,683	8.1	-	-	1,683	8.1
Diversified industrials	1,653	8.0	-	-	1,653	8.0
Software & computer services	1,527	7.5	39	0.2	1,566	7.7
Insurance	1,426	6.9	19	0.1	1,445	7.0
Telecommunication services	1,328	6.4	-	-	1,328	6.4
Investment companies	159	0.8	1,128	5.4	1,287	6.2
Household goods & textiles	796	3.9	312	1.5	1,108	5.4
Aerospace	993	4.8	-	-	993	4.8
Technology	607	2.9	-	-	607	2.9
Automobiles & parts	551	2.7	-	-	551	2.7
Engineering & machinery	534	2.6	-	-	534	2.6
Health	498	2.4	-	-	498	2.4
Pharmaceuticals & biotechnology	378	1.8	-	-	378	1.8
Media & entertainment	-	-	365	1.8	365	1.8
Leisure & hotels	292	1.4	-	-	292	1.4
<b>Total</b>	<b>18,726</b>	<b>90.6</b>	<b>1,945</b>	<b>9.4</b>	<b>20,671</b>	<b>100.0</b>

## Valuation by Industry Group



1. Industrials
2. Financials
3. Energy services
4. Non-financial
5. Consumer goods
6. Telecommunications
7. Healthcare
8. Consumer services

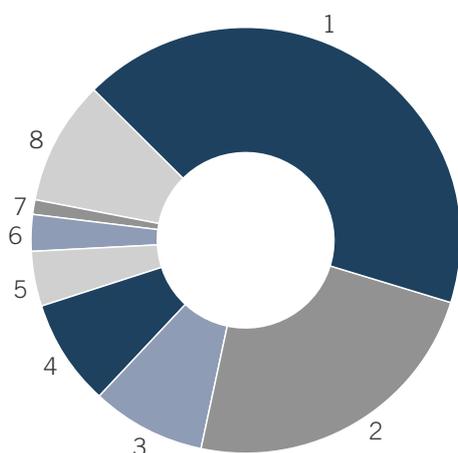
# ANALYSIS OF UNLISTED AND QUOTED PORTFOLIO (CONTINUED)

As at 28 February 2018

Deal type	Number	Valuation £'000	%
<b>Unlisted</b>			
Management buy-out	13	8,783	42.4
Development capital - post November 2015 <sup>1</sup>	15	4,849	23.7
Buy-in/management buy-out	3	1,761	8.4
Replacement capital	4	1,688	8.2
Buy & build	1	871	4.2
Management buy-in	1	579	2.8
Development capital - pre November 2015 <sup>1</sup>	6	195	0.9
<b>Total unlisted</b>	<b>43</b>	<b>18,726</b>	<b>90.6</b>
<b>Quoted</b>			
Listed	11	1,128	5.4
AIM/NEX	8	817	4.0
<b>Total quoted</b>	<b>19</b>	<b>1,945</b>	<b>9.4</b>
<b>Total unlisted and quoted</b>	<b>62</b>	<b>20,671</b>	<b>100.0</b>

<sup>1</sup>The Finance (No. 2) Act 2015 introduced new qualifying rules governing the types of investments VCTs can make.

## Valuation by Deal Type



1. Management buy-out
2. Development capital - post November 2015
3. Buy-in/management buy-out
4. Replacement capital
5. Buy & build
6. Management buy-in
7. Development capital - pre November 2015
8. Quoted

# INVESTMENT MANAGER'S REVIEW

## HIGHLIGHTS

Nine new VCT qualifying private company holdings added to the portfolio, with a further one completed after the period end

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Large pipeline of VCT qualifying investments currently in progress

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Exit from Crawford Scientific, generating a total return of 4.5 times cost

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Realisations of SPS (EU), achieving a total return of 2.5 times cost

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Disposal of John McGavigan, for a total return of 4.2 times cost

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Exit from Endura, achieving a total return of 1.56 times cost

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**The year to 28 February 2018 has been an active period for your Company, during which a number of profitable realisations and new investments were completed. It is pleasing to report on the completion, to date, of ten new VCT qualifying investments in companies operating across a wide range of sectors, with a strong pipeline of further transactions in process or under consideration. In addition, several profitable realisations were achieved, most notably the exits from Crawford Scientific, SPS (EU), John McGavigan and Endura, which delivered returns in excess of carrying value reflecting the underlying quality of these assets. However, Torridon (Gibraltar) encountered issues with a key subsidiary and the value of this holding was reduced accordingly, which constrained the overall growth in NAV total return for the full year period.**

During the financial year nine carefully selected VCT qualifying growth businesses were added to the portfolio. In May 2017, your Company provided development capital to **Horizon Cremation**, a developer of next generation crematoria, and **ebb3**, a provider of 3D mobile workspace solutions targeted at high-end computer graphics users. In June 2017, the investment completed in leading alternative network provider **ITS Technology**, with an investment in **Contego Solutions** (trading as NorthRow), a developer of multi-source compliance and fraud detection software completing in July. In September 2017, your Company invested in **ADC Biotechnology**, a manufacturer of oncology therapies, and **Cognitive Geology**, a petroleum geoscience software company. In December 2017, investments were completed in **Curo Compensation**, a software provider with an integrated financial compensation solution, and **eSafe Global** a provider of on-line monitoring software and services for the education sector. In February 2018, the investment completed in **WaterBear Education**, which is establishing a private college offering university accredited courses for music students.

Whilst the VCT rules now require managers to focus on the provision of development capital, or growth finance, to younger and earlier stage companies, Maven remains committed to investing in opportunities that can demonstrate a disruptive business model capable of scalable growth, and also has a preference for supporting proven entrepreneurs, where a team or individual has a successful track record of achievement in a previous business. Since the enactment of the new VCT rules in November 2015, Maven has successfully adapted its business model to meet the revised requirements. This has included expanding the investment team by the recruitment of a number of deal executives with experience of investing in earlier stage technology companies and extending the regional presence through the opening of five new offices. This enhanced UK wide footprint will provide a strong foundation for future growth, as new investment opportunities are sourced across the key regions, often ahead of competitors as a consequence of that local resource and associated relationships.

Given the complexities of the VCT rules, the Manager continues to work closely with a VCT adviser, appointed by the Company, to assist in the process for securing Advance Assurance from HMRC for new investments. During the financial year, this process became extremely protracted, with a number of opportunities lost due to slow response times. However, it is pleasing to note that, recently, there has been a notable improvement in response times from HMRC in line with the stated commitment announced in the 2017 Autumn Budget Statement.

During the period under review, the Maven investment team has worked closely with those portfolio companies that have been engaged in an exit process, helping management teams to develop strategies which will optimise value on a sale, and identify buyers that may be willing to pay a premium or strategic price for the business. The highlights of the year included the exit from **Crawford Scientific** which completed in October 2017, delivering a total return of 4.5 times cost over the three-year investment period. In addition, realisations were also achieved from **SPS (EU)** and **John McGavigan** in December 2017, which delivered total return multiples of 2.5 times and 4.2 times respectively. In February 2018, the holding in **Endura** was exited for a total return of 1.56 times cost over the holding period. There remains further interest in your Company's assets from a range of trade and private equity acquirers, in the UK and from overseas. However, there can be no guarantee that these discussions will lead to profitable realisations.

### Portfolio Developments

The private equity portfolio has, in the main, performed to plan, despite the economic uncertainty resulting from the ongoing negotiations regarding the UK's departure from the EU. While the situation remains fluid, with the full impact still largely unknown, it is reassuring to note that, as at the date of this Annual Report, there are no material issues to highlight. The longer term potential impact remains important to the future growth of all investee companies and the Manager will continue to monitor the situation closely.

As a result of positive trading, valuations have been increased for a number of the investments in established companies operating across a diverse range of sectors, reflecting the quality and resilience of those assets.

Maven clients invested in **Attraction World**, a leading provider of worldwide theme park and attraction tickets, in 2010 to support the incumbent executive team through a management buy-out. Since investment, the company has made steady progress and the core business continues to trade well. Significant progress has been made in the ongoing development of *Day Out With The Kids* ([www.dayoutwiththekids.co.uk](http://www.dayoutwiththekids.co.uk)), an e-commerce platform focused on UK attraction information, since it was acquired in March 2016. This supports the management team's view that, once fully established, this platform will prove to be a valuable addition to the business.

The investment in **Cursor Controls**, a global leader in the design and manufacture of specialist trackballs, track pads and keyboards for use in the health, defence, marine and other specialist sectors, continues to make good progress. The integration of NSI, a distributor and low volume manufacturer acquired in April 2016, is now complete and the continental base is making a positive contribution to the group. Further commercial and operational synergies have been identified to help drive growth and profitability of the enlarged group. The balance sheet remains strong and the business continues to pay down its term debt.

Good progress continues to be achieved by **DPP**, a supplier of mechanical and electrical maintenance and installation services for the leisure, hospitality and retail sectors in the south of England and Wales. Over the past twelve months, operational procedures have been further improved, which has led to a meaningful enhancement in profitability. The business has also secured a number of new contracts and the outlook for the forthcoming year is positive. DPP has no external bank debt and the cash position is secure.

Since Maven clients invested in **Just Trays**, the UK's leading designer and manufacturer of shower trays and related accessories, the company has delivered a steady performance. In line with a business objective of new product development and innovation, the company has expanded its customer base and production volumes, as well as extending its product range. Just Trays was recently awarded a second 'Gold Award for Innovation in Design' at the prestigious Designer Kitchen and Bathroom Awards, reflecting the quality and ingenuity of the product range. The business has no external debt and all interest payments on Maven client loan notes are up to date.

**Vodat Communications Group** supplies data networks, IP telephony, wi-fi solutions and fixed line connectivity to retail customers, with a solid customer base including Fat Face, Beaverbrooks, Oasis, Poundland, Warehouse and Welcome Break. Maven clients supported the management buyout in 2012 and, since investment, the business has achieved positive growth and added a number of new customer contracts. During the period, Vodat completed the complementary acquisition of Axonex, a provider of specialist IT solutions, services and support specialising in unified communications, data centre, security and network infrastructure. The acquisition has created a number of cross-selling opportunities to help deliver further growth for the enlarged group.

A number of the investments that qualify under the new VCT rules have now been in the portfolio for over a year and, although it is early days for these growth businesses, initial indications suggest that the majority are trading in line with expectations and achieving milestone targets in line with, or close to, the original investment case. Given the stage of development of these companies, it is likely that some will require additional funding in the near term to help accelerate growth. This was anticipated at the time of investment and was reflected in the reduced unit size committed by your Company. The Manager will apply the same investment appraisal process to any follow-on requirements, only providing additional funding where commercial progress has been achieved or where there is a specific market opportunity to capitalise on. In terms of valuation, all new development capital investments are being held at cost until there is demonstrable evidence of measurable change.

Shareholders will be aware of the challenging market conditions that have impacted the oil & gas sector for the past three years. Maven's portfolio companies were swift to act in the face of the deteriorating economic environment and implemented cost cutting and restructuring measures across the board. As a result of this proactive approach, the portfolio assets are now operating with lean structures and limited or no external debt. Although company budgets were set conservatively at the start of their respective financial years, as at the date of this Annual Report, the companies in Maven's portfolio with exposure to the sector are all showing an upturn in profitability over the prior year. The Board and the Manager will continue to monitor this performance and, when appropriate, may revisit some of the provisions applied in previous periods, to reflect the improving outlook.

As well as reflecting the positive trading performance highlighted above, your Board has also reduced the valuations of a small number of holdings. It is disappointing to report that the valuation of the investment in **Torridon (Gibraltar)** has been reduced to reflect circumstances at a key trading subsidiary, Elite Insurance, where advisers were appointed to sell the business during the period. That formal sale process attracted a number of high value premium offers, in excess of the previous carrying value applied by your Company. However, Elite subsequently experienced challenge from its local regulator over its reserving policy in relation to several lines of insurance. Despite following the advice of its consulting actuaries, and applying an internationally recognised approach to reserving, Elite was forced into run-off which had a meaningful impact on its value. In January 2018, Elite was sold to a trade consolidator, delivering a surplus to cost but for a consideration that required a provision against the previous carrying value of the parent company. In addition, **CHS Engineering Services** was placed into administration after encountering contract delays and resultant cash flow difficulties and a full provision was made against holdings in **Claven** and **Lambert Contracts** following sustained periods of underperformance.

The investments in private equity investment trusts and real estate investment trusts have continued to perform well over the period. This is particularly important in light of the restrictions introduced in the March 2016 Budget Statement, which prevent non-qualifying investments in traditional instruments such as treasury bills or other government securities for liquidity management purposes.

### New Investments

During the year, your Company provided development capital to nine new private companies operating across a range of sectors:

- **ADC Biotechnology** is a developer of a proprietary lock-release technology for the efficient development and manufacture of the Antibody Drug Conjugates (ADC) group of cancer therapies. ADCs, also known as 'magic bullets', combine the unique targeting capabilities of antibodies with the cancer-killing ability of cytotoxic drugs, thereby targeting cancer cells whilst minimising damage to healthy cells and tissue, and with the potential for reduced side effects. Maven VCT clients invested alongside existing shareholders to support an experienced management team as it develops the drug development platform in this high growth sector of oncology therapeutics.
- **Cognitive Geology** is a petroleum geoscience software company that recently launched Hutton, its first advanced geological data analysis tool, which uses patented technology and modern computing capabilities to emulate the behaviour of an experienced geologist. The funding will be used to support the roll out of Hutton, further product development and commercialisation of the pipeline of 3<sup>rd</sup> generation geoscience software applications. These are designed to help geologists find, appraise and develop conventional and unconventional oil & gas reserves both onshore and offshore, in this strongly growing market.
- **Contego Solutions** (trading as NorthRow) is a provider of complex, multi-source compliance and fraud detection software for public and private sector clients, including property, banking and financial services companies. The application performs a vast number of screening, verification and vetting assessments, including Know Your Customer and Anti-Money Laundering, to fulfil both real-time customer on-boarding and on-going monitoring of regulatory requirements. The investment will support the continued growth of the business, facilitating the hiring of additional sales resources, further product development and expansion into new markets.
- **Curo Compensation** is a developer and provider of a specialist software solution that manages the annual financial compensation cycle for mid-market corporate clients and reduces the complexity of manual processes. The platform provides an integrated solution encompassing budget allocations, eligibility criteria, bonus entitlement and salary benchmarking data, which can then be applied to salary awards, bonuses payments and long term incentive plan allocations. The technology is applicable to any sector, but existing clients are focused mainly on the legal and financial services sectors. The funding will be used to support the sales & marketing function to further develop the platform.
- **ebb3** is a technology company that develops mobile workspace solutions, addressing the need for secure access to apps, files and services on any device, in any location. The technology is specifically targeted at high-end 3D computer graphics users in sectors, where there is a requirement for data-intensive applications that can service geographically dispersed, multi-disciplinary teams, including automotive (Formula 1), construction, oil & gas and education. ebb3 has high profile partnership agreements with providers such as Cisco, NetApp and NVidia, and the investment will enable the business to pursue its growth strategy in this niche part of the growing supercomputing market.
- **eSafe Global** is a provider of on-line monitoring software and services for the education sector, designed to safeguard school and college pupils from inappropriate on-line content, cyber bullying and other risks young people are exposed to. Maven has known the eSafe team since 2015 and has developed an in-depth knowledge of the business. The funding will be used to support the organic growth of the business and to further enhance its technology and intellectual property.

- **Horizon Cremation** plans to develop and operate a portfolio of next generation crematoria across the UK, where existing facilities are either under-invested or in short supply. Horizon is seeking to build facilities that are environmentally and technologically advanced, offering enhanced levels of care for families. The investment will provide capital to source and secure development sites, whilst supporting the operational expenditure and overheads of Horizon's first crematorium in North Ayrshire, Scotland, with Royal Bank of Scotland funding the construction. The facility is due to open in the summer of 2018.
- **ITS Technology** is a leading alternative network provider that owns and maintains fibre networks, providing faster and more reliable broadband connectivity, and related services, to customers, particularly in areas that are not well serviced by the existing infrastructure. The business currently has twelve fibre broadband networks in operation, with a further five under construction. The investment will help to fund growth within the existing networks, build a stable recurring revenue base and also support expansion through the addition of new networks.
- **WaterBear Education** is an early stage business with a detailed plan to establish a private music college specialising in offering university accredited undergraduate and post-graduate courses for the creative arts, primarily catering for musicians, singers, songwriters and those wishing to gain a well-rounded music industry education. The business is led by a high calibre management team with extensive experience of both the industry and music education, having previously founded the British and Irish Modern Music Institute, which has grown to be a market leader. The investment will be used to establish and launch the college, with Bachelor of Arts and Master of Arts university accredited courses available for student intake from September 2018.

The following investments have been completed during the period:

	Date	Sector	Investment cost £'000	Website
<b>Unlisted</b>				
ADC Biotechnology Limited	September 2017	Pharmaceuticals & biotechnology	378	www.adcbio.com
Cognitive Geology Limited	September 2017	Software & computer services	179	www.cognitivegeology.com
Contego Solutions Limited (trading as NorthRow)	July 2017	Software & computer services	348	www.contego.com
Curo Compensation Limited	December 2017	Software & computer services	149	www.curocomp.com
ebb3 Limited	May 2017	Software & computer services	183	www.ebb3.com
eSafe Global Limited	December 2017	Software & computer services	249	www.esafeglobal.com
Horizon Cremation Limited	May 2017	Support services	688	www.horizoncremation.co.uk
ITS Technology Group Limited	June 2017	Telecommunication services	447	www.itstechnologygroup.com
Rockar 2016 Limited (trading as Rockar)	December 2017	Automobiles & parts	69	www.rockar.com
WaterBear Education Limited	February 2018	Support services	120	www.waterbear.org.uk
<b>Total unlisted</b>			<b>2,810</b>	

Your Company has co-invested in some or all of the above transactions with Maven Income and Growth VCT 2, Maven Income and Growth VCT 3, Maven Income and Growth VCT 4, Maven Income and Growth VCT 5 and Maven Income and Growth VCT 6. At the period end, the portfolio stood at 62 unlisted and quoted investments, at a total cost of £21.95 million.

## Realisations

A number of profitable realisations were achieved during the period. In October 2017, the holding in **Crawford Scientific** was sold as part of a secondary MBO transaction to Limerston Capital Partners. During the three years of Maven's investment, turnover and headcount doubled with profitability almost trebling, driven by the success of the strategic acquisition of Hall Analytical and robust organic growth in the distribution and knowledge transfer divisions. The exit achieved a total return of 4.5 times the original investment and an internal rate of return of 70% over the holding period.

In December 2017, the holding in **SPS (EU)** was exited for a total return of 2.5 times cost over the life of the investment. Maven clients first invested in SPS (EU) in February 2014, supporting the management buy-out from 4Imprint plc. Since investment, the business has successfully acquired and integrated two complementary businesses, implemented a valuable enterprise resource planning system and scaled the business internationally, particularly in Europe. SPS (EU) was sold to PF Concept International, the European subsidiary of US based consolidator PF Concept Group, which will enable the acquirer to expand its product offering throughout Europe and to strengthen its UK market position.

Also in December, the holding in **John McGavigan** was realised for a total return of 4.2 times cost over the life of the investment. Maven clients first invested in John McGavigan in 2010, providing development capital to support the company's expansion plans, which included establishing a manufacturing

facility in China to capitalise on the strong level of growth forecast in that market. Since investment, the business has experienced consistently good levels of growth, particularly in China. In light of this performance, the decision was taken to significantly expand the local presence and, given that the VCT qualifying criteria prohibited Maven client VCTs from supporting an investment in a secondary buy-out, the asset was realised at a premium to carrying value.

In February 2018, the holding in **Endura** was exited for a total return of 1.56 times cost over the holding period. Maven clients first invested in Endura, a leading designer and manufacturer of high performance cycling clothing and accessories, in 2014 as part of a syndicate led by Penta Capital. The company sells its products in over thirty countries worldwide and has the support of a number of world class sponsors. The sale to UK-based Pentland Group, which has a stable of global sports, outdoor and fashion brands including Berghaus, Canterbury, Speedo and Ellesse, represents an excellent strategic fit for Endura and will enable it to continue to expand its global brand and market presence.

Following an offer from a trade consolidator, the holding in **Flexlife** was sold in October 2017 for a total consideration of close to cost, including all yield and a deferred element.

As at the date of this Annual Report, the Manager is engaged with several investee companies and prospective acquirers at various stages in the negotiation process, although there can be no certainty that these discussions will result in exits.

The table below gives details of all realisations during the reporting period:

	Year first invested	Complete/partial exit	Cost of shares disposed of £'000	Value at 28 February 2017 £'000	Sales proceeds £'000	Realised gain/(loss) £'000	Gain/(loss) over 28 February 2017 value £'000
<b>Unlisted</b>							
Constant Progress Limited	2015	Complete	650	650	650	-	-
Crawford Scientific Holdings Limited <sup>1</sup>	2014	Complete	447	1,157	2,258	1,811	1,101
Cyclotech Limited	2007	Complete	-	-	49	49	49
Endura Limited	2014	Complete	229	229	355	126	126
Equator Capital Limited	2015	Complete	650	650	650	-	-
FLXG Scotland Limited (formerly Flexlife Group Limited)	2010	Partial	170	170	170	-	-
Lemac No. 1 Limited (trading as John McGavigan) <sup>1</sup>	2010	Complete	700	2,191	2,465	1,765	274
Majenta Logistics Limited	2015	Complete	480	480	480	-	-
Metropol Communications Limited	2015	Complete	144	144	144	-	-
Nenplas Holdings Limited	2013	Complete	-	-	77	77	77
Onyx Logistics Limited	2015	Complete	144	144	144	-	-
Space Student Living Limited	2011	Partial	-	72	72	72	-
SPS (EU) Holdings Limited <sup>1</sup>	2014	Complete	803	1,312	1,685	882	373
Torridon (Gibraltar) Limited <sup>1</sup>	2010	Partial	399	439	399	-	(40)
Toward Technology Limited	2017	Complete	650	650	650	-	-
Vectis Technology Limited	2015	Complete	330	330	330	-	-
<b>Total unlisted</b>			<b>5,796</b>	<b>8,618</b>	<b>10,578</b>	<b>4,782</b>	<b>1,960</b>
<b>Total disposals</b>			<b>5,796</b>	<b>8,618</b>	<b>10,578</b>	<b>4,782</b>	<b>1,960</b>

<sup>1</sup> Proceeds exclude yield and redemption premium received, which are disclosed as revenue for financial reporting purposes. The table includes the redemption of loan notes by a number of investee companies.

Two AIM quoted companies were struck off the Register of Companies during the year, resulting in a total realised loss of £271,000 (cost £271,000). This had no effect on the NAV of the Company as full provisions had been made against the value of the holdings in an earlier period.

### Material Developments Since the Period End

Since 28 February 2018, one new private company asset has been added to the portfolio.

- **Lending Works** is the provider of a peer-to-peer (P2P) platform that matches private and institutional lenders to individual borrowers. The company is well regarded by customers and partners as a responsible and ethical P2P market leader, being the first major P2P platform to be fully authorised by the FCA and the first to be authorised to provide an ISA offering. The business was established in 2012 and, since then, Lending Works has grown to become the 3rd largest P2P consumer lender in the UK. The investment by Maven VCT clients will enable the company to accelerate future growth.

In addition, follow-on funding was provided to support **QikServe**.

### Outlook

Your Company achieved a number of exits during the year, which permitted a higher level of Shareholder distributions. Although the profile of realisations can be unpredictable, the Board and the Manager are committed to making dividend payments to Shareholders when profitable realisations occur. The pipeline of new investments is strong, with a number of transactions likely to complete early in the new financial year, and this will allow the Manager to continue to deliver your Company's investment policy and strategy.

The Maven network of eleven regional offices allows access to many of the best VCT transactions available across the UK, and is a key differentiator in the development of a diversified and broadly based investee company portfolio. Despite the uncertainty associated the UK's intended withdrawal from the EU, the level of innovation and commercial excellence in the UK remains positive. Maven remains focussed on identifying and investing in some of the best high growth smaller companies across the country in order to continue to generate positive Shareholder returns.

**Maven Capital Partners UK LLP  
Manager**

**1 June 2018**

## LARGEST INVESTMENTS BY VALUATION

As at 28 February 2018



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

### Other Maven clients invested:

Maven Income and Growth VCT 2  
Maven Income and Growth VCT 3  
Maven Income and Growth VCT 4  
Maven Income and Growth VCT 5  
Maven Income and Growth VCT 6

<b>Martel Instruments Holdings Limited</b>		Durham
Cost (£'000)		1,234
Valuation (£'000)		1,104
Basis of valuation		Earnings
Equity held		14.9%
Income received (£'000)		304
First invested		January 2007
Year ended		31 December
	2016 (£'000)	2015 (£'000)
Sales	3,101	2,485
EBITDA <sup>1</sup>	744	312
Net liabilities	(2,740)	(2,490)

Martel is one of the leading UK manufacturers of custom built compact printer and display units, with a global customer base including automotive, medical, transport and retail. The business differentiates itself from other printer suppliers by offering a complete design and build service for low volume/high customisation printer solutions. Martel offers in-house software and tooling design expertise, as well as injection moulding and surface mount capabilities.



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

### Other Maven clients invested:

None

<b>ELE Advanced Technologies Limited</b>		Colne
Cost (£'000)		192
Valuation (£'000)		993
Basis of valuation		Earnings
Equity held		11.3%
Income received (£'000)		544
First invested		May 2000
Year ended		30 April
	2017 (£'000)	2016 (£'000)
Sales	12,738	12,200
EBITDA <sup>1</sup>	850	574
Net assets	4,400	4,366

ELE is a leading manufacturer of precision engineering components for the industrial gas turbine, aerospace, defence and automotive markets. The business operates a low cost manufacturing facility in Slovakia and specialises in non-conventional machining for both aero and land based gas turbines. ELE is one of only a handful of companies around the globe that can perform the stem drilling operations used to cut cooling holes in hot end turbine blades, and other specialist manufacturing capabilities include electrical discharge machining (EDM), laser drilling, capillary drilling and creep feed grinding.

<b>CatTech International Limited</b>		Scunthorpe
Cost (£'000)		627
Valuation (£'000)		982
Basis of valuation		Earnings
Equity held		6.0%
Income received (£'000)		356
First invested		March 2012
Year ended		31 December
	2016 (£'000)	2015 (£'000)
Sales	9,489	6,416
EBITDA <sup>1</sup>	1,838	40
Net assets / (liabilities)	721	(898)

CatTech provides niche industrial services to oil refineries and petrochemical plants across the major international markets, with offices in the UK, China, Singapore and Thailand. The business has developed a range of proprietary products for servicing essential equipment and improving catalyst handling. CatTech operates in a sector where the ability to maintain operational efficiency is critical, with an increasing focus on health and safety, and only a limited number of specialists worldwide have the skilled personnel and equipment to undertake catalyst handling projects.



[www.cat-tech.com](http://www.cat-tech.com)

**Other Maven clients invested:**

Maven Income and Growth VCT 2  
 Maven Income and Growth VCT 3  
 Maven Income and Growth VCT 4  
 Maven Income and Growth VCT 5  
 Maven Income and Growth VCT 6  
 Maven Investor Partners

<b>GEV Holdings Limited</b>		Hull
Cost (£'000)		728
Valuation (£'000)		942
Basis of valuation		Earnings
Equity held		4.6%
Income received (£'000)		63
First invested		October 2015
Year ended		31 December
		2016 <sup>2</sup> (£'000)
Sales		8,187
EBITDA <sup>1</sup>		(2,096)
Net liabilities		(1,558)

GEV comprises three main divisions, which operate across multiple markets and global locations. GEV Wind Power has established key relationships with wind farm owners and leading wind turbine manufacturers worldwide. Subsea Masters is a skilled engineering provider to the deep water drilling industry and is based in the strategic location of Las Palmas, Gran Canaria. GEV Offshore provides a wide range of services, including project teams for construction, maintenance and asset integrity for the energy services sector.



[www.gevwindpower.com](http://www.gevwindpower.com)  
[www.subseamasters.com](http://www.subseamasters.com)  
[www.gevoffshore.com](http://www.gevoffshore.com)

**Other Maven clients invested:**

Maven Income and Growth VCT 2  
 Maven Income and Growth VCT 3  
 Maven Income and Growth VCT 4  
 Maven Income and Growth VCT 5  
 Maven Income and Growth VCT 6  
 Maven Investor Partners



[www.dpp.ltd.uk](http://www.dpp.ltd.uk)

**Other Maven clients invested:**

Maven Income and Growth VCT 2  
Maven Income and Growth VCT 3  
Maven Income and Growth VCT 4  
Maven Income and Growth VCT 5  
Maven Income and Growth VCT 6  
Maven Investor Partners

<b>Enesco 969 Limited</b> (trading as DPP)		Southampton
Cost (£'000)		733
Valuation (£'000)		885
Basis of valuation		Earnings
Equity held		4.9%
Income received (£'000)		262
First invested		March 2013
Year ended		31 October
	2017 (£'000)	2016 (£'000)
Sales	10,402	9,289
EBITDA <sup>1</sup>	1,310	796
Net assets	2,355	2,090

DPP provides planned and reactive maintenance to the leisure, hospitality and retail sectors in the south of England and Wales. The business has grown from being a heating contractor into a service provider across the mechanical, electrical, HVAC and ventilation sectors, providing maintenance services under medium term contracts alongside project work for minor and major refurbishment programmes.



[www.vodat-int.com](http://www.vodat-int.com)

**Other Maven clients invested:**

Maven Income and Growth VCT 2  
Maven Income and Growth VCT 3  
Maven Income and Growth VCT 4  
Maven Income and Growth VCT 5  
Maven Income and Growth VCT 6  
Maven Investor Partners

<b>Vodat Communications Group Limited</b>		Stockport
Cost (£'000)		567
Valuation (£'000)		880
Basis of valuation		Earnings
Equity held		4.2%
Income received (£'000)		264
First invested		March 2012
Year ended		31 March
	2017 (£'000)	2016 (£'000)
Sales	8,850	8,500
EBITDA <sup>1</sup>	710	657
Net assets	1,673	1,759

Vodat provides managed network and communications solutions to business customers, with a particular focus on the UK retail sector. The business was established in 2002 and offers a range of products and services including secure real-time data networks, telephone and VOIP services, card payment solutions, mobile marketing campaigns, wi-fi and disaster recovery services. Vodat's products enable retailers to reduce costs, boost store productivity and increase sales. The business provides services to over 7,000 retail sites with an established customer base that includes Fat Face, Beaverbrooks, Oasis, Poundland, Warehouse and Welcome Break.

<b>Maven Co-invest Endeavour Limited Partnership</b> (trading as Global Risk Partners)		London
Cost (£'000)		436
Valuation (£'000)		871
Basis of valuation		Earnings
Equity held		8.5%
Income received (£'000)		24
First invested		November 2013
Year ended		31 March
	2017 (£'000)	2016 (£'000)
Sales	41,191	17,062
EBITDA <sup>1</sup>	894	(3,882)
Net assets	93,210	34,345

Global Risk Partners is a buy-and-build acquisition vehicle targeting the global specialty insurance and reinsurance markets. The business has been set up by a highly experienced management team including Chairman Peter Cullum, the founder of insurance broker Towergate which became the UK's largest independently owned insurance broker with a turnover of £400 million. GRP will focus on the Lloyd's market, with the aim of acquiring a broad mix of accredited brokers and managing general agents in order to offer an unrivalled concentration of specialist underwriting expertise and knowledge; as well as developing a network of commercial insurance brokers located across the UK. Lloyd's is the acknowledged global centre for specialty insurance and reinsurance of risk, writing gross annual premiums of £25 billion.

<b>JT Holdings (UK) Limited</b> (trading as Just Trays)		Leeds
Cost (£'000)		522
Valuation (£'000)		796
Basis of valuation		Earnings
Equity held		5.8%
Income received (£'000)		96
First invested		June 2014
Year ended		31 October
	2016 (£'000)	2015 (£'000)
Sales	12,919	11,587
EBITDA <sup>1</sup>	1,334	1,019
Net assets	3,523	3,238

Just Trays is the UK's leading manufacturer of shower trays and related accessories, with product design, development and production undertaken at its main facility in Leeds. The business sells its range of products direct to trade partners in the construction and housing market and has a market reputation for quality of its products, innovative design and customer service, with high levels of customer loyalty for the JT brand.



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

**Other Maven clients invested:**

Maven Income and Growth VCT 2  
Maven Income and Growth VCT 3  
Maven Income and Growth VCT 4  
Maven Income and Growth VCT 5  
Maven Income and Growth VCT 6  
Maven Investor Partners



[www.just-trays.com](http://www.just-trays.com)

**Other Maven clients invested:**

Maven Income and Growth VCT 2  
Maven Income and Growth VCT 3  
Maven Income and Growth VCT 4  
Maven Income and Growth VCT 5  
Maven Income and Growth VCT 6



**Fathom  
Systems**

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

**Other Maven clients invested:**

Maven Income and Growth VCT 2  
Maven Income and Growth VCT 3  
Maven Income and Growth VCT 4  
Maven Income and Growth VCT 5  
Maven Income and Growth VCT 6  
Maven Investor Partners

<b>Fathom Systems Group Limited</b>		Aberdeen
Cost (£'000)		711
Valuation (£'000)		711
Basis of valuation		Earnings
Equity held		8.0%
Income received (£'000)		44
First invested		December 2014
Year ended		31 December
	2016 (£'000)	2015 (£'000)
Sales	5,191	4,838
EBITDA <sup>1</sup>	83	119
Net assets	925	1,799

Fathom provides niche solutions and products to the commercial diving, remotely operated vehicles and underwater engineering sectors. The company has developed an extensive range of high-quality engineered products and systems for a global blue-chip client base. The diving control systems that Fathom develops are critical to subsea processes and, due to their high safety standards and reliability, are widely used across the diving industry.



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

**Other Maven clients invested:**

Maven Income and Growth VCT 2  
Maven Income and Growth VCT 3  
Maven Income and Growth VCT 4  
Maven Income and Growth VCT 5  
Maven Income and Growth VCT 6

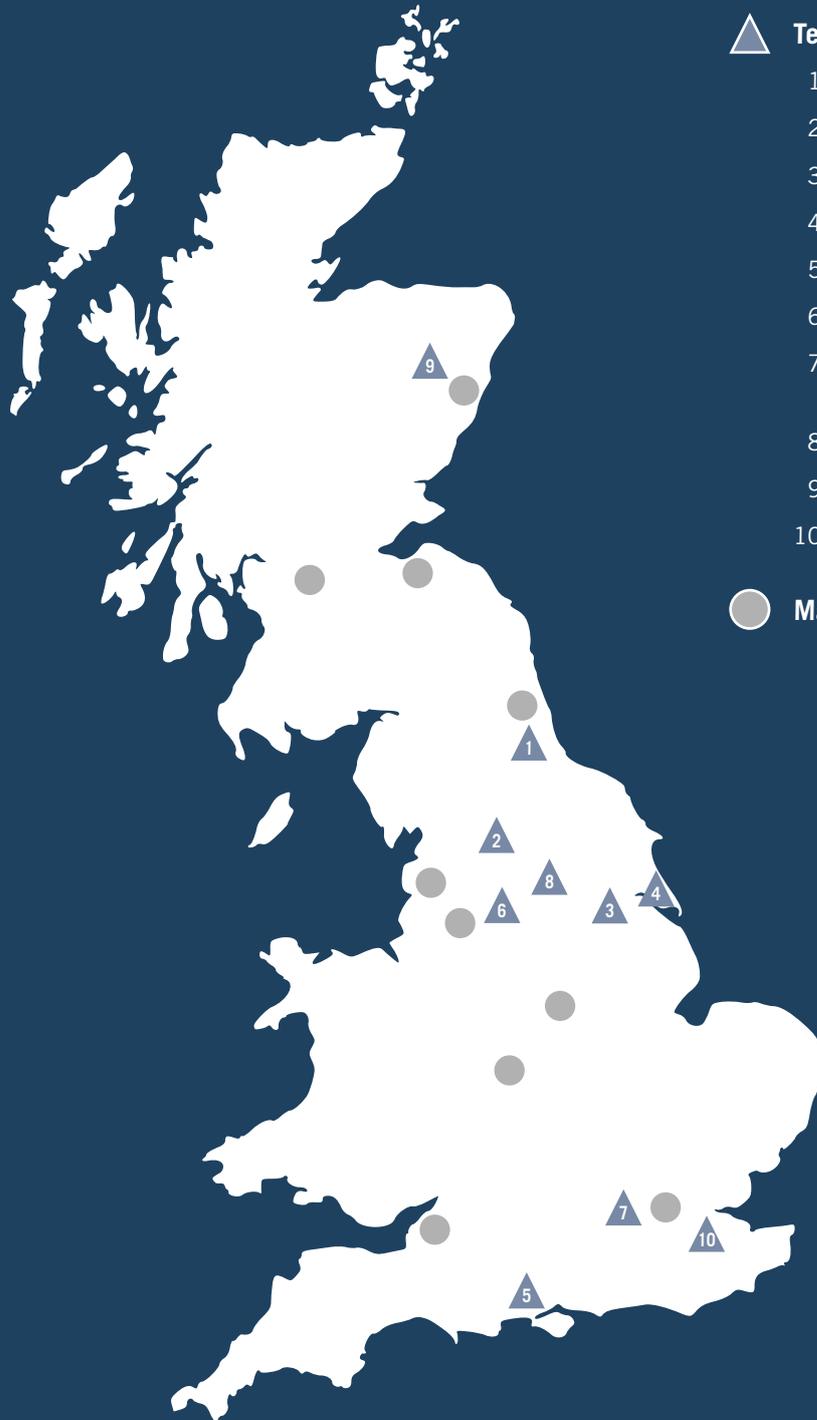
<b>Horizon Cremation Limited</b>		Ashford
Cost (£'000)		688
Valuation (£'000)		688
Basis of valuation		Cost
Equity held		3.8%
Income received (£'000)		Nil
First invested		May 2017
Year ended		31 December
This company has not yet produced its first report and accounts.		

Horizon is a developer and operator of purpose built crematoria that are technologically advanced, meet the latest environmental regulations, and offer enhanced levels of care for families when support is most needed. The company is embarking on an ambitious growth strategy in a sector that is experiencing increased demand for next generation local crematoria, reflecting demographic changes and the increasing popularity of cremation over burial. The first facility, in North Ayrshire, is expected to be operational by the summer of 2018 and the management team has identified a number of additional sites across the UK.

<sup>1</sup> Earnings before interest, tax, depreciation and amortisation.

<sup>2</sup> For the period from 1 December 2015 to 31 December 2016.

# NATIONAL PRESENCE | REGIONAL FOCUS



## ▲ Ten largest investments

1. Martel Instruments Holdings Limited
2. ELE Advanced Technologies Limited
3. CatTech International Limited
4. GEV Holdings Limited
5. Ensco 969 Limited
6. Vodat Communications Group Limited
7. Maven Co-invest Endeavour Limited Partnership
8. JT Holdings (UK) Limited
9. Fathom Systems Group Limited
10. Horizon Cremation Limited

## ● Maven offices

# INVESTMENT PORTFOLIO SUMMARY

As at 28 February 2018

Investment	Valuation £'000	Cost £'000	% of total assets	% of equity held	% of equity held by other clients <sup>1</sup>
<b>Unlisted</b>					
Martel Instruments Holdings Limited	1,104	1,234	3.4	14.9	29.3
ELE Advanced Technologies Limited	993	192	3.2	11.3	-
CatTech International Limited	982	627	3.2	6.0	24.0
GEV Holdings Limited	942	728	3.0	4.6	31.4
Ensco 969 Limited (trading as DPP)	885	733	2.8	4.9	29.6
Vodat Communications Group Limited	880	567	2.8	4.2	22.6
Maven Co-invest Endeavour Limited Partnership (invested in Global Risk Partners)	871	436	2.8	8.5	91.5
JT Holdings (UK) Limited (trading as Just Trays)	796	522	2.6	5.8	24.2
Fathom Systems Group Limited	711	711	2.3	8.0	52.0
Horizon Cremation Limited	688	688	2.2	3.8	18.5
Glacier Energy Services Holdings Limited	688	688	2.2	2.7	25.0
HCS Control Systems Group Limited	611	846	2.0	6.9	29.6
Flow UK Holdings Limited	598	598	1.9	7.3	27.7
CB Technology Group Limited	579	579	1.9	11.8	67.2
R&M Engineering Group Limited	572	762	1.8	8.6	62.0
Torridon (Gibraltar) Limited	555	-	1.8	4.5	35.5
Rockar 2016 Limited (trading as Rockar)	551	551	1.8	3.0	12.6
Castlegate 737 Limited (trading as Cursor Controls)	534	324	1.7	3.3	44.2
The GP Service (UK) Limited	498	498	1.6	6.2	26.3
RMEC Group Limited	463	463	1.5	2.9	47.2
ITS Technology Group Limited	447	447	1.4	3.9	24.3
Attraction World Holdings Limited	400	21	1.3	6.2	32.2
QikServe Limited	398	398	1.3	4.0	16.0
ADC Biotechnology Limited	378	378	1.2	3.1	13.2
Contego Solutions Limited (trading as NorthRow)	348	348	1.1	3.0	12.6
Chic Lifestyle Limited (trading as Chic Retreats)	292	292	0.9	8.7	38.1
eSafe Global Limited	249	249	0.8	4.8	27.3
TC Communications Holdings Limited	241	413	0.8	3.5	26.5
Whiterock Group Limited	209	209	0.7	4.5	20.5
ISN Solutions Group Limited	205	323	0.7	4.6	50.4
ebb3 Limited	183	183	0.6	4.3	20.2
Cognitive Geology Limited	179	179	0.6	2.2	10.2
Growth Capital Ventures Limited	159	159	0.5	4.4	26.1
Curo Compensation Limited	149	149	0.5	1.9	13.5
Lawrence Recycling and Waste Management Limited	135	951	0.4	10.4	51.6
WaterBear Education Limited	120	120	0.4	4.5	39.2
FLXG Scotland Limited (formerly Flexlife Group Limited)	60	277	0.2	1.8	12.5
Other unlisted investments	73	3,103	0.2		
<b>Total unlisted</b>	<b>18,726</b>	<b>19,946</b>	<b>60.1</b>		

# INVESTMENT PORTFOLIO SUMMARY (CONTINUED)

As at 28 February 2018

Investment	Valuation £'000	Cost £'000	% of total assets	% of equity held	% of equity held by other clients <sup>1</sup>
<b>Quoted</b>					
Cello Group PLC	365	310	1.2	0.3	0.1
Plastics Capital PLC	312	260	1.0	0.7	0.7
Angle PLC	82	114	0.3	0.2	0.1
Vianet Group PLC	39	37	0.1	0.1	1.4
esure Group PLC	19	-	0.1	-	-
Other quoted investments	-	242	-		
<b>Total quoted</b>	<b>817</b>	<b>963</b>	<b>2.7</b>		
<b>Private equity investment trusts</b>					
HgCapital Trust PLC	122	100	0.4	-	0.1
Princess Private Equity Holding Limited	121	98	0.4	-	0.1
F&C Private Equity Investment Trust PLC	114	103	0.4	0.1	0.3
Apax Global Alpha Limited	107	99	0.3	-	0.1
Standard Life Private Equity Trust PLC	56	43	0.1	-	-
<b>Total private equity investment trusts</b>	<b>520</b>	<b>443</b>	<b>1.6</b>		
<b>Real estate investment trusts</b>					
Schroder REIT Limited	107	99	0.4	-	0.2
Custodian REIT PLC	106	99	0.4	-	0.2
Standard Life Investment Property Income Trust Limited	105	99	0.3	-	0.2
British Land Company PLC	104	99	0.3	-	-
Target Healthcare REIT Limited	94	98	0.3	-	0.2
Regional REIT Limited	92	99	0.3	-	0.2
<b>Total real estate investment trusts</b>	<b>608</b>	<b>593</b>	<b>2.0</b>		
<b>Total investments</b>	<b>20,671</b>	<b>21,945</b>	<b>66.4</b>		

<sup>1</sup> Other clients of Maven Capital Partners UK LLP.

# GOVERNANCE REPORT

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# DIRECTORS' REPORT

**The Directors submit their Annual Report together with the Financial Statements of the Company for the year ended 28 February 2018. A summary of the financial results for the year can be found in the Financial Highlights on pages 5 and 6. The investment objective, business model and investment policy are set out in the Strategic Report on page 13 and the Board's dividend strategy is summarised in the Chairman's Statement on pages 9 to 11.**

During the year, the net return on ordinary activities before taxation was £903,000 (2017: £2,080,000); gains on investments were £504,000 (2017: £1,938,000) and earnings per share were 1.56p (2017: 3.77p).

## Principal Activity and Status

The Company's affairs have been conducted, and will continue to be conducted, in a manner to satisfy the conditions to enable it to continue to obtain approval as a venture capital trust under Section 274 of the Income Tax Act 2007.

The Company has issued Ordinary Shares of 10p each, which are listed in the Premium segment of the Official List and traded on the main market of the London Stock Exchange. Further details are provided in the Corporate Summary.

## Regulatory Status

The Company is a small registered, internally managed alternative investment fund under the AIFMD. As a venture capital trust pursuant to Section 274 of the Income Tax Act 2007, the rules of the FCA in relation to non-mainstream investment products do not apply to the Company.

## Going Concern

The Company's business activities, together with the factors likely to affect its future development and performance, are set out in this Directors' Report. The financial position of the Company is described in the Chairman's Statement within the Strategic Report. In addition, Note 16 to the Financial Statements includes: the Company's objectives, policies and processes for managing its financial risks; details of its financial instruments; and its exposures to market price risk, interest rate risk, liquidity risk, price risk sensitivity and credit risk. The Directors believe that the Company is well placed to manage its business risks.

Following a detailed review, the Directors have a reasonable expectation that the Company has adequate financial resources to enable it to continue in operational existence for the foreseeable future and, accordingly, they have continued to adopt the going concern basis when preparing the Annual Report and Financial Statements.

## Viability Statement

In accordance with Provision C.2.2 of the UK Corporate Governance Code published in April 2016, the Board has assessed the Company's prospects for the three year period to 28 February 2021. This period has been considered appropriate for a VCT of its size when considering the principal risks facing the Company and the legislative environment within which it has to operate.

In making this statement the Board carried out a robust assessment of the principal business risks facing the Company as set out in the Business Report on pages 13 and 14, including those that might threaten its business model, future performance, solvency, or liquidity, particularly given the unquoted nature of the portfolio.

The Board also considered the Company's ability to raise new funds and invest those proceeds. The Board's assessment also took account of the availability and likely effectiveness of the mitigating actions that could be taken to avoid or reduce the impact of the underlying risks, including the Manager adapting its investment process to take account of the more restrictive VCT investment rules. The Board's review considered

the principal risks, including continued compliance with these new VCT rules, and the Directors concentrated their efforts on the major factors that affect the economic, regulatory and political environment, including the EU State Aid Rules.

The Board also considered the Company's cash flow projections and underlying assumptions for the next three years to 28 February 2021 and considers them to be realistic and fair.

Based on the Company's processes for monitoring income and expenses, share price discount, the ongoing review of the investment objective and policy, asset allocation, sector weightings and portfolio risk profile, the Board has concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three years ending 28 February 2021.

### Financial Instruments

The Company's financial instruments comprise its investment portfolio, cash balances and debtors and creditors that arise directly from its operations, including accrued income and purchases and sales awaiting settlement. The main risks that the Company faces arising from its financial instruments are disclosed in Note 16 to the Financial Statements.

### Global Greenhouse Gas Emissions

The Company has no greenhouse gas 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 Directors' Report) Regulations 2013.

There is no requirement for the Directors to hold shares in the Company. The Directors who held office during the year, and their interests in the share capital of the Company, are as follows:

	28 February 2018 Ordinary Shares of 10p each	28 February 2017 Ordinary Shares of 10p each
John Pocock (Chairman)	77,955	77,955
Arthur MacMillan (Chairman – Audit and Risk Committees)	96,609	96,609
Fiona Wollocombe (Chairman – Remuneration Committee)	50,000	50,000

All of the interests shown above are beneficial and as at 30 May 2018, being the latest practicable date prior to the publication of this Annual Report, there have been no changes to the above share interests since the end of the Company's financial year.

### Conflicts of Interest

Each Director has a statutory duty to avoid a situation where they have, or could have, a direct or indirect interest which conflicts, or may conflict, with the interests of the Company. A Director will not be in breach of that duty if the relevant matter has been authorised by the Board in accordance with the Articles and this includes any co-investment made by the Directors in entities in which the Company also has an interest.

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

### Substantial Interests

As at 28 February 2018, the Shareholders known to be directly or indirectly in 3.0% or more of the Company's issued Ordinary Share Capital were as follows:

### Corporate Governance

The Statement of Corporate Governance, which supports this Directors' Report, is shown on pages 41 to 44.

### Directors

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

In accordance with the Company's Articles, Directors must offer themselves for re-election at least once every three years. However, in accordance with corporate governance best practice, the Board has decided that all Directors who have served for periods in excess of nine years should stand for re-election on an annual basis.

Therefore, John Pocock, Arthur MacMillan and Fiona Wollocombe will each retire at the 2018 AGM and, being eligible, will offer themselves for re-election. The Board confirms that, following a formal process of evaluation, the performance of each of the Directors seeking re-election continues to be effective and demonstrates commitment to the role. The Board, therefore, believes that it is in the best interests of Shareholders that each of the Directors wishing to retain office is re-elected and Resolutions to this effect will be proposed at the AGM.

	Number of Ordinary Shares held	% of issued share capital
Hargreaves Lansdown (Nominees) Limited	3,448,756	6.4

As at 30 May 2018, the Shareholders known to be directly or indirectly interested in 3.0% or more of the Company's issued Ordinary Share capital were as follows:

	Number of Ordinary Shares held	% of issued share capital
Hargreaves Lansdown (Nominees) Limited	3,381,714	6.4
Maven Capital Partners (UK) LLP	1,729,773	3.26

## Manager and Company Secretary

Maven Capital Partners UK LLP (Maven) acted as Manager and Secretary to the Company during the year ended 28 February 2018 and details of the investment management and secretarial fees are disclosed in Notes 3 and 4 to the Financial Statements respectively.

The principal terms of the Management and Administration Agreement with Maven, which are unchanged from the prior year, are as follows:

### Termination provisions

The Agreement is terminable, by either party, on the expiry of six months' notice. In the event that the Company terminates the Manager's appointment, the Manager is entitled to an amount equivalent to six months' fees. Furthermore, the Company may terminate the agreement without compensation due if:

- a receiver, liquidator or administrator of the Manager is appointed;
- the Manager commits any material breach of the provisions of the agreement; or
- the Manager ceases to be authorised to carry out investment business.

### Management and Administration Fees

For the year ending 28 February 2019, investment management, performance and secretarial fees payable to Maven will be calculated and charged on the following basis:

- the Company will pay to the Manager a performance related management fee calculated as 20% (2018: 20%) of the increase in the net asset value of the Company, over the six-month periods to the end of August and February in each year, before taking into account the effects of distributions and purchases of the Company's own shares effected during that period. The fee is subject to a maximum amount payable of £1.25 million in any year to the end of February and a minimum of 1.9% (2018: 1.9%) per annum of the net asset value of the Company. The net asset value from which the fee is measured is rebased to the higher level whenever a fee above the minimum amount becomes payable; and
- a fixed secretarial fee of £50,000 per annum (2018: £50,000).

Independent from the above arrangements, Maven may also receive, from investee companies, fees in relation to arranging transactions, the monitoring of business progress and for providing non-executive directors for their boards.

In addition, in order to ensure that the Manager's staff are appropriately incentivised in relation to the management of the portfolio, a co-investment scheme allows individuals to participate in new investments in portfolio companies alongside the Company. All such investments are made through a nominee and under terms agreed by the Board. The terms of the scheme ensure that all investments are made on identical terms to those of the Company and that no selection of investments will be allowed. Total investment by participants in the co-investment scheme is set at 5% of the aggregate

amount of ordinary shares subscribed for, except where the only securities to be acquired by the Company are ordinary shares or are securities quoted on AIM or NEX, in which case the co-investment percentage will be 1.5%. Any dilution of the Company's interests is, therefore, minimal and the Directors believe that the scheme provides a useful incentive which closely aligns the interests of key individuals within the Manager's staff with those of the Shareholders.

In light of investment performance achieved by the Manager, together with the standard of company secretarial and administrative services provided, the Board considers that the continued appointment of the Manager and Secretary on the stated terms is in the best interests of the Company and its Shareholders. It should be noted that, as at 30 May 2018, Maven Capital Partners and certain of its executives held, in aggregate, 2,044,055 of the Company's Ordinary Shares, representing 3.85% of the issued share capital as at that date.

### Independent Auditor

The Company's independent Auditor, Deloitte LLP, is willing to continue in office and Resolution 6 to propose its reappointment will be proposed at the 2018 AGM, along with Resolution 7, to authorise the Directors to fix its remuneration. Non-audit fees for tax services amounting to £4,055 (including VAT) were paid to Deloitte LLP during the year under review (2017: £4,050). The Directors have received confirmation from the Auditor that it remains independent and objective. The Directors have also reviewed the Auditor's procedures in connection with the provision of non-audit services and remain satisfied that objectivity and independence is being safeguarded by Deloitte LLP.

### Directors' Disclosure of Information to the Auditor

So far as the Directors who held office at the date of approval of this Report are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's Auditor is unaware, and the Directors 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 the Company's Auditor is aware of that information.

### Purchase of Ordinary Shares

During the year ended 28 February 2018, the Company bought back a total of 489,000 (2017: 145,000) of its own Ordinary Shares for cancellation, representing 0.90% of the issued share capital as at 26 May 2017, being the last practicable date prior to the publication of the previous Annual Report.

A Special Resolution, numbered 10 in the Notice of Meeting, will be put to Shareholders at the 2018 AGM for their approval to renew the Company's authority to purchase in the market a maximum of 7,962,520 Ordinary Shares (14.99% of the shares in issue at 30 May 2018). This authority shall expire either on the date of the AGM in 2019 or after a period of 15 months from the passing of the Resolution, whichever is the first to occur.

Purchases of shares will be made within guidelines established from time to time by the Board, but only if it is considered that such purchases would be to the advantage of the Company and its Shareholders when taken as a whole.

Purchases will be made in the market at prices below the prevailing NAV per share. Under the Listing Rules of the FCA, the maximum price that may be paid on the exercise of this authority must not exceed 105% of the average of the mid-market quotations for the shares over the five business days immediately preceding the date of purchase. The minimum price that may be paid is 10p per share. In making purchases, the Company will deal only with member firms of the London Stock Exchange. Any shares which are purchased will be cancelled.

Purchases of shares by the Company will be made from distributable reserves and will normally be paid out of cash balances held by the Company from time to time. As any purchases will be made at a discount to NAV at the time of purchase, the NAV of the remaining Ordinary Shares in issue should increase as a result of any such purchase. Shares will not be purchased by the Company in the period of 60 days immediately preceding the notification of the Company's Interim Report and the 60 days immediately preceding the announcement of the Annual Report or, if shorter, the period from the end of the Company's relevant financial period up to and including the earlier of an announcement of all price sensitive information in respect of the relevant period or the release of the full results.

### **Issue of New Ordinary Shares**

During the year under review, no new Ordinary Shares were allotted. An Ordinary Resolution, numbered 8 in the Notice of Annual General Meeting, will be put to Shareholders at the 2018 AGM for their approval for the Company to issue up to an aggregate nominal amount of £531,188 (equivalent to 5,311,880 Ordinary Shares or 10% of the total issued share capital at 30 May 2018).

Issues of new Ordinary Shares may only be made at, or at a premium to, NAV per share, thus ensuring that existing investors will not be disadvantaged by such issues. The proceeds of any issue may be used to purchase the Company's shares in the market or to fund further investments in accordance with the Company's investment policy. This authority shall expire either on the date of the AGM in 2019 or after a period of 15 months from the passing of the Resolution, whichever is the first to occur.

When shares are to be allotted for cash, Section 561(1) of the Companies Act 2006 provides that existing Shareholders have pre-emption rights and that the new shares are offered first to such Shareholders in proportion to their existing shareholdings. However, Shareholders can, by special resolution, authorise the Directors to allot shares otherwise than by a pro rata issue to existing Shareholders. A Special Resolution, numbered 9 in the Notice of Annual General Meeting, will, if passed, give the Directors power to allot for cash, Ordinary Shares up to an aggregate nominal amount of £531,188 (equivalent to 5,311,880 Ordinary Shares or 10% of the total issued share capital at 30 May 2018) as if Section 561(1) does not apply. This is the same amount of share capital that the Directors are seeking the authority to allot pursuant to Resolution 8.

The authority will also expire either on the date of the AGM in 2019 or after a period of 15 months from the passing of the Resolution, whichever is the first to occur.

### **Share Capital and Voting Rights**

As at 28 February 2018 the Company's share capital amounted to 53,563,884 Ordinary Shares of 10p each. Further details are included in Note 12 to the Financial Statements and, with 445,000 shares having been bought back subsequent to the year end, the Company's share capital represented 53,118,884 Ordinary Shares as at 30 May 2018, with each share carrying one voting right.

### **Related Party Transactions**

Other than those set out in this Directors' Report, there are no further related party transactions that require to be disclosed.

### **Post Balance Sheet Events**

Other than those referred to above and disclosed in the Strategic Report, there have been no events since 28 February 2018 that require disclosure.

### **Future Developments**

An indication of the Company's expected future developments can be found in the Chairman's Statement on page 11 and in the Investment Manager's Review on page 23, which highlights the commitment of the Board and the Manager to providing returns to Shareholders and delivering the Company's investment strategy.

### **Annual General Meeting and Directors' Recommendation**

The AGM will be held on 5 July 2018, and the Notice of Annual General Meeting is on pages 71 to 75 of this Annual Report. The Notice of Annual General Meeting also contains a Resolution that seeks authority for the Directors to convene a general meeting, other than an annual general meeting, on not less than fourteen days' clear notice, although it is anticipated that such authority would only be exercised under exceptional circumstances.

The Board encourages Shareholders to vote at the AGM and votes can be submitted by hard copy proxy form, via CREST, or electronically using the Registrar's Share Portal Service at [www.signalshares.com](http://www.signalshares.com). Please refer to the notes to the Notice of Annual General Meeting on pages 73 to 75 of this Annual Report.

The Directors consider that all of the Resolutions to be put to the AGM are in the best interests of the Company and its Shareholders as a whole. Your Board will be voting in favour of them and unanimously recommends that Shareholders do so as well.

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

**1 June 2018**

# DIRECTORS' REMUNERATION REPORT

## Statement by the Chairman of the Remuneration Committee

This report has been prepared, in accordance with the requirements of Section 421 of the Companies Act 2006 and the Enterprise and Regulatory Reform Act 2013. An Ordinary Resolution for the approval of this Report, which includes a section on the Company's policy for the remuneration of its Directors, will be put to the members of the Company at the forthcoming AGM. The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such and the Auditor's opinion is included in their report on pages 49 to 54.

The Directors have established a Remuneration Committee comprising the full Board, with Fiona Wollocombe as its Chairman. As all of the Directors are non-executive, the Principles of the UK Corporate Governance Code in respect of directors' remuneration do not apply.

At 28 February 2018, the Company had three non-executive Directors and their biographies are shown in the Your Board section of this Annual Report. The names of the Directors who served during the year, together with the fees paid during that period, are shown in the table on page 39.

The dates of appointment of the Directors in office as at 28 February 2018 and the dates on which they will next be proposed for re-election are as follows:

	<b>Date of original appointment</b>	<b>Date of previous re-election</b>	<b>Due date for re-election</b>
John Pocock (Chairman)	1 March 2007	6 July 2017	5 July 2018
Arthur MacMillan	19 January 2000	6 July 2017	5 July 2018
Fiona Wollocombe	20 May 2004	6 July 2017	5 July 2018

During the year ended 28 February 2018, the Board was not provided with advice or services by any person in respect of its consideration of the Directors' remuneration. However, in the application of the Board's policy on Directors' remuneration, as defined below, the Committee expects, from time to time, to review the fees paid to the directors of other VCTs.

The previous change to the level of Directors' remuneration was made during the year ended 29 February 2016, when the Remuneration Committee carried out a review of the remuneration policy and of the level of Directors' fees and concluded that, with effect from 1 March 2016, the amounts payable per annum should increase to £21,000 (previously £19,000) for the Chairman; £19,000 (previously £16,000) for the Chairman of the Audit Committee; and £17,000 (previously £15,000) for each other Director. It was also agreed that the policy would be to continue to review these rates from time to time and, at a Meeting held during the year ended 28 February 2018, the Remuneration Committee carried out a review and, as it was considered that the total remuneration was reasonable when compared with other similar VCTs, recommended that the rates of remuneration should be maintained at their current levels.

## Remuneration Policy

The Company's policy is that the remuneration of the Directors, all of whom are non-executive, should reflect the experience of the Board as a whole and be fair and comparable to that of other venture capital trusts with similar capital structures and investment objectives. Directors are remunerated in the form of fees, payable quarterly in arrears, to the Director personally or to a third party specified by him or her. The fees for the Directors are determined within the limits set out in the Company's Articles, which limit the aggregate of the fees payable to the Directors to £100,000 per annum and the approval of Shareholders in a general meeting would be required to change this limit.

It is intended that the fees payable to the Directors should reflect their duties, responsibilities, and the value and amount of time committed to the Company's affairs, and should also be sufficient to enable candidates of a high quality to be recruited and retained. Non-executive Directors do not receive bonuses, pension benefits, share options, long-term incentive schemes or other benefits, and the fees are not specifically related to the Directors' performance, either individually or collectively.

A copy of this remuneration policy may be inspected by Members of the Company at its registered office.

It is the Board's intention that the remuneration policy will be put to a Shareholders' vote at least once every three years and, as a Resolution was approved at the AGM held in 2017, an Ordinary Resolution for its approval will next be proposed at the AGM to be held in 2020.

## Directors' and Officers' Liability Insurance

The Company purchases and maintains liability insurance covering the Directors and Officers of the Company. This insurance is not a benefit in kind, nor does it form part of the Directors' remuneration.

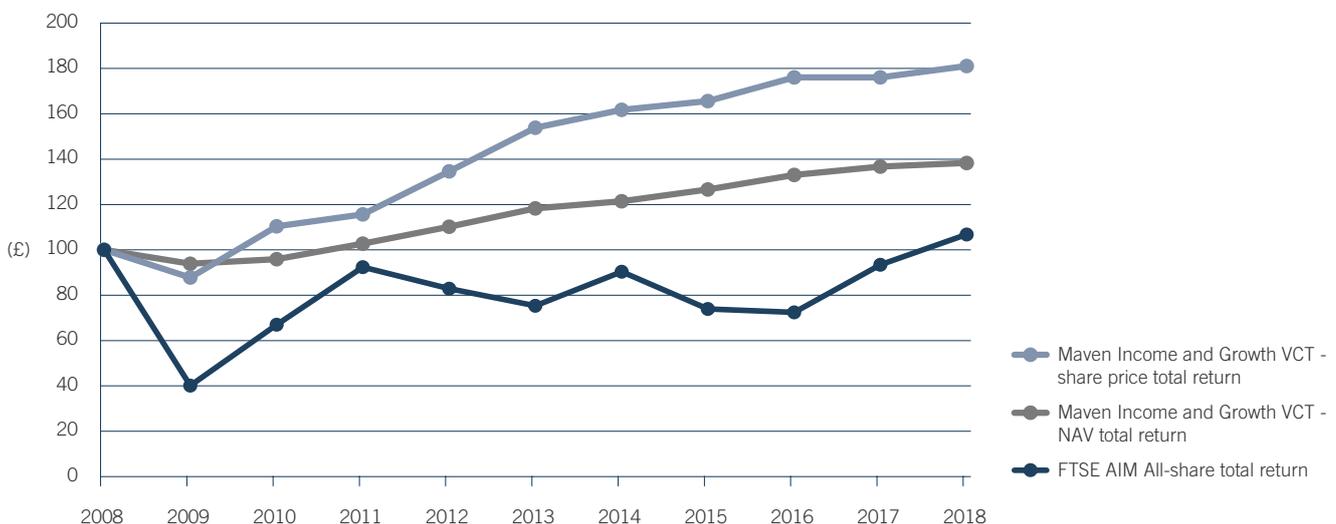
## Directors' Interests (audited)

The Directors' interests in the share capital of the Company are shown in the Directors' Report on page 34. There is no requirement for Directors to hold shares in the Company.

## Company Performance

The Board is responsible for the Company's investment strategy and performance, although the management of the Company's investment portfolio is delegated to the Manager through the Management and Administration Deed, as referred to in the Directors' Report.

The graph below compares the total returns on an investment of £100 in the Ordinary Shares of the Company, for each annual accounting period for the ten years to 28 February 2018, assuming all dividends are reinvested, with the total shareholder return on a notional investment of £100 made up of shares of the same kinds and number as those by reference to which the FTSE AIM All-share index is calculated. This index was chosen for comparison purposes as it is the most relevant to the Company's investment portfolio.



Source: Maven/London Stock Exchange.

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

### Directors' Remuneration (audited)

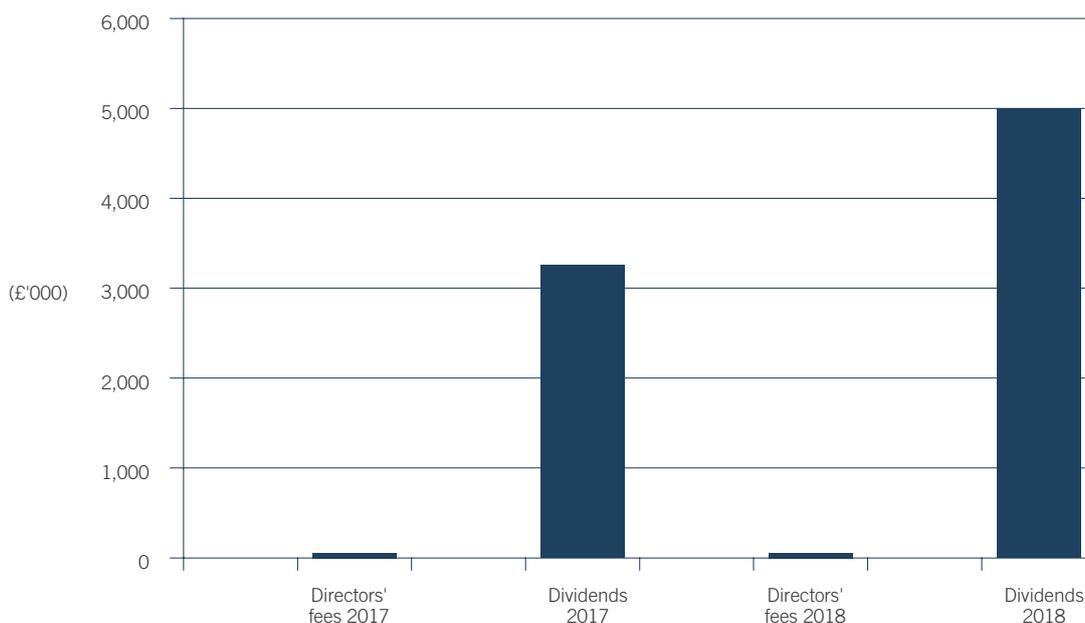
The Company does not have any employees and Directors' remuneration comprises solely of Directors' fees. The Directors' fees for the years ended 28 February 2018 and 28 February 2017, and projected fees for the year ending 28 February 2019, respectively are as follows:

	Year ending 28 February 2019 £	Year ended 28 February 2018 £	Year ended 28 February 2017 £
John Pocock (Chairman)	21,000	21,000	21,000
Arthur MacMillan (Chairman – Audit Committee)	19,000	19,000	19,000
Fiona Wollocombe	17,000	17,000	17,000
<b>Total</b>	<b>57,000</b>	<b>57,000</b>	<b>57,000</b>

The above amounts exclude any employers' national insurance contributions, if applicable. No other forms of remuneration were received by the Directors and no Director has received any taxable expenses, compensation for loss of office or non-cash benefit for the year ended 28 February 2018 (2017: £nil).

### Relative Cost of Directors' Remuneration

The chart below shows, for the years ended 28 February 2018 and 28 February 2017, the cost of Directors' fees compared with the level of dividend distribution.



As noted in the Strategic Report, all of the Directors are non-executive and, therefore, the Company does not have a chief executive officer, nor does it have any employees. In the absence of a chief executive officer or employees, there is no related information to disclose.

Directors do not have service contracts, but new Directors are provided with a letter of appointment. Copies of the Directors' letters of appointment will be available for inspection at the AGM. The terms of appointment provide that Directors should retire and be subject to re-election at the first AGM after their appointment. Thereafter, the Company's Articles require all

Directors to retire by rotation at least every three years. There is no notice period and no provision for compensation upon early termination of appointment, save for any arrears of fees which may be due.

During the year ended 28 February 2018, no communication has been received from Shareholders regarding Directors' remuneration. The remuneration policy and the level of fees payable is reviewed annually by the Remuneration Committee and it is intended that the current policy will continue for the year ending 28 February 2019.

**Approval**

An Ordinary Resolution to approve this Directors' Remuneration Report will be put to Shareholders at the 2018 AGM. At the AGM in held in July 2017, the results in respect of an Ordinary Resolution to approve the Directors' Remuneration Report for the year ended 28 February 2017 were as follows:

	<b>Percentage of votes cast for</b>	<b>Percentage of votes cast against</b>	<b>Number of votes withheld</b>
Remuneration Report (2017 AGM)	87.4	12.6	26,352

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

**Fiona Wollocombe**  
**Director**

**1 June 2018**

# STATEMENT OF CORPORATE GOVERNANCE

**The Company is committed to, and is accountable to the Company's Shareholders for, a high standard of corporate governance. The Board has put in place a framework for corporate governance that it believes is appropriate for a venture capital trust and which enables it to comply with the UK Corporate Governance Code (the Code), published in April 2016. The Code is available from the website of the Financial Reporting Council (FRC) at [www.frc.org.uk](http://www.frc.org.uk).**

During the year under review the Company re-joined as a member of the Association of Investment Companies (AIC), which has published its own Code on Corporate Governance (the AIC Code) and the AIC Corporate Governance Guide for Investment Companies (the AIC Guide). These were both revised in July 2016 and provide a comprehensive guide to best practice in certain areas of governance where the specific characteristics of investment trusts or venture capital trusts suggest alternative approaches to those set out in the Code. Both the AIC Code and AIC Guide are available from the AIC website at [www.theaic.co.uk](http://www.theaic.co.uk). This Statement of Corporate Governance forms part of the Directors' Report.

## Application of the Main Principles of the Code

This statement describes how the main principles identified in the Code and the AIC Code (the Codes) have been applied by the Company throughout the year, as is required by the Listing Rules of the FCA. In instances where the Code and AIC Code differ, an explanation will be given as to which governance code has been applied and the reason for that decision.

The Board is of the opinion that the Company has complied fully with the main principles identified in the Code, except as set out below:

- provision A2.1 (dual role of the chairman and chief executive);
- provision A4.1 (senior independent director);
- provision B1.1 (tenure of directors); and
- provisions D2.1, 2.2 and 2.4 (remuneration committee).

In the relevant sections of this Statement of Corporate Governance, the Board has reported further in the respect of the above provisions.

For the reasons set out in the AIC Guide, and as explained in the Code, the Board considers that these provisions are not otherwise relevant to the Company and has, therefore, not reported further in respect of them.

## The Board

The Board currently consists of three non-executive Directors, one of whom is female and all of whom are considered to be independent of the investment manager (Maven Capital Partners UK LLP, Maven, or the Manager) and free of any relationship which could materially interfere with the exercise of their independent judgement. It should be noted that John Pocock was independent of the Manager at the time of his appointment as a Director, and as Chairman, and continues to be so by virtue of his lack of connection with the Manager and of any cross-directorships with his fellow Directors.

The biographies of the Directors appear in the Your Board section of this Annual Report and indicate their high level and range of investment, commercial and professional experience.

The Board sets the Company's values and objectives and ensures that its obligations to Shareholders are met. It has formally adopted a schedule of matters which are required to be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues. These matters include:

- the appointment and removal of the Manager and the terms and conditions of any management and administration agreements;
- the maintenance of clear investment objectives and risk management policies;
- the monitoring of the business activities of the Company;
- Companies Act requirements such as the approval of interim and annual financial statements and the approval and recommendation of interim and final dividends;
- major changes relating to the Company's structure, including share buy-backs and share issues;
- Board appointments and related matters;
- terms of reference and membership of Board Committees; and
- Stock Exchange, UK Listing Authority and Financial Conduct Authority matters, such as approval of all circulars, listing particulars and releases concerning matters decided by the Board.

As required by the Companies Act 2006 and permitted by the Articles, Directors notify the Company of any situation that might give rise to the potential for a conflict of interest, so that the Board may consider and, if appropriate, approve such situations. The potential conflicts of interest for Directors is reviewed regularly by the Board and the Directors notify the Company whenever there is a change in the nature of a registered conflict, or whenever a new conflict situation arises.

Following implementation of the Bribery Act 2010, the Board adopted appropriate procedures.

There is an agreed procedure for Directors to take independent professional advice, if necessary, at the Company's expense.

The Directors have access to the advice and services of the Secretary through its appointed representatives, who are responsible to the Board for:

- ensuring that Board procedures are complied with;
- under the direction of the Chairman, ensuring good information flows within the Board and its Committees; and
- advising on corporate governance matters.

An induction meeting will be arranged by the Manager on the appointment of any new Director, covering details about the Company, the Manager, legal responsibilities and venture

capital industry matters. Directors are provided, on a regular basis, with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting Directors' responsibilities are advised to the Board as they arise.

John Pocock is Chairman of the Company and is also Chairman of the Management Engagement and Nomination Committees as the other Directors consider that he has the skills and experience relevant to these roles. Arthur MacMillan is Chairman of the Audit and Risk Committees and Fiona Wollocombe is Chairman of the Remuneration Committee. A Senior Independent Non-executive Director has not been appointed, as the Board considers that each of the Directors have different qualities and areas of expertise on which they may lead.

The Board meets at least four times each year and, between Meetings, maintains regular contact with the Manager. The primary focus of quarterly Board Meetings is a review of investment performance and related matters including asset allocation, peer group information and industry issues. During the year ended 28 February 2018, the Board held four full Board Meetings and two Board Committee Meetings as well as a separate meeting to discuss strategic matters. In addition, there were two Meetings of the Audit Committee, four Meetings of the Risk Committee, one Meeting each of the Management Engagement, Nomination and Remuneration Committees.

Directors have attended Board and Committee Meetings during the year ended 28 February 2018<sup>1</sup> as follows:

	Board	Strategy	Board Committee	Audit Committee	Management Engagement Committee	Nomination Committee	Remuneration Committee	Risk Committee
John Pocock (Chairman – Board; Management Engagement and Nomination Committees)	4 (4)	1 (1)	2 (2)	2 (2)	1 (1)	1 (1)	1 (1)	4 (4)
Arthur MacMillan (Chairman – Audit and Risk Committees)	4 (4)	1 (1)	2 (2)	2 (2)	1 (1)	1 (1)	1 (1)	4 (4)
Fiona Wollocombe (Chairman – Remuneration Committee)	4 (4)	1 (1)	2 (2)	2 (2)	1 (1)	1 (1)	1 (1)	4 (4)

<sup>1</sup>The number of meetings which the Directors were eligible to attend is in brackets.

To enable the Board to function effectively and allow Directors to discharge their responsibilities, full and timely access is given to all relevant information. In the case of Board Meetings, this consists of a comprehensive set of papers, including the Manager's review and discussion documents regarding specific matters. The Directors make further enquiries when necessary.

The Board and its Committees have undertaken a process for their annual performance evaluation, using questionnaires and discussion, to ensure that Directors have devoted sufficient time and contributed adequately to the work of the Board and its Committees. The Chairman is subject to evaluation by his fellow Directors.

## Directors' Terms of Appointment

The Company's Articles require all Directors to retire by rotation at least every three years. However, in accordance with corporate governance best practice, the Board has decided that all Directors who have served for periods in excess of nine years should stand for re-election on an annual basis.

## Policy on Tenure

The Board subscribes to the view that long-serving Directors should not be prevented from forming part of an independent majority. It does not consider that a Director's tenure necessarily reduces their ability to act independently and, following formal performance evaluations, believes that each Director is independent in character and judgement and that there are no relationships or circumstances which are likely to affect the judgement of any Director.

The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board and, as such, no limit on the overall length of service of any of the Company's Directors, including the Chairman, has been imposed. The Company has no executive Directors or employees.

## Committees

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

### **Audit Committee**

The Audit Committee is chaired by Arthur MacMillan and the role and responsibilities of the Committee are detailed in a joint Report by the Audit and Risk Committees on pages 46 to 48.

### **Management Engagement Committee**

The Management Engagement Committee, which is chaired by John Pocock, is responsible for the annual review of the management contract with the Manager, details of which are shown in the Directors' Report. One Meeting was held during the year ended 28 February 2018, at which the Committee recommended the continued appointment of Maven Capital Partners UK LLP as Manager of the Company.

### **Nomination Committee**

The Nomination Committee, which is chaired by John Pocock, held one Meeting during the year ended 28 February 2018. The Committee makes recommendations to the Board on the following matters:

- the evaluation of the performance of the Board and its Committees;
- the review of the composition, skills, knowledge, experience and diversity (including gender diversity) of the Board;
- succession planning;
- the identification and nomination of candidates to fill Board vacancies, as and when they arise, for the approval of the Board;
- the re-appointment of any non-executive Director at the conclusion of their specified term of office;
- the re-election by Shareholders of any Director under the retirement by rotation provisions in the Company's Articles;

- the continuation in office of any Director at any time; and
- the appointment of any Director to another office, such as Chairman of the Audit Committee, other than to the position of Chairman of the Company.

The Committee regularly reviews the composition, experience and commitment of the Directors, particularly in relation to succession planning and recommendations for individual re-election at each AGM. All non-executive Directors are initially appointed until the first AGM following their date of appointment.

At its Meeting in January 2018, the Committee recommended the re-election of John Pocock, Arthur MacMillan and Fiona Wollocombe and, accordingly, Resolutions 3, 4 and 5 respectively will be put to the 2018 AGM.

The performance of the Board, Committees and individual Directors was evaluated through an assessment process, led by the Chairman, and the performance of the Chairman was evaluated by the other Directors. While the Company does not have a formal policy on diversity, Board diversity forms part of the responsibilities of the Committee.

### **Remuneration Committee**

Where a venture capital trust has only non-executive directors, the Code principles relating to directors' remuneration do not apply. However, the Company does have a Remuneration Committee, which is chaired by Fiona Wollocombe. The Committee held one Meeting during the year ended 28 February 2018 to review the policy for, and the level of, Directors' Remuneration.

The level of remuneration of the Directors has been set in order to attract and retain individuals of a calibre appropriate to the future development of the Company. Details of the remuneration of each Director and of the Company's policy on Directors' remuneration are provided in the Directors' Remuneration Report on pages 37 to 40.

### **Risk Committee**

The Risk Committee is chaired by Arthur MacMillan and the role and responsibilities of the Committee are detailed in a joint Report by the Audit and Risk Committees on pages 46 to 48.

## External Agencies

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

## Corporate Governance, Stewardship and Proxy Voting

The FRC published the UK Stewardship Code (the Stewardship Code) for institutional shareholders on 2 July 2010 and this was revised in September 2012. The purpose of the Stewardship Code is to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and assist institutional investors in the efficient exercise of their governance responsibilities.

The Board is aware of its duty to act in the interests of the Company and the Directors believe that the exercise of voting rights lies at the heart of regulation and the promotion of good corporate governance. The Directors, through the Manager, would wish to encourage companies in which investments are made to adhere to best practice in the area of corporate governance. The Manager believes that, where practicable, this can best be achieved by entering into a dialogue with investee company management teams to encourage them, where necessary, to improve their governance policies. Therefore, the Board has delegated responsibility for monitoring the activities of portfolio companies to the Manager and has given it discretionary powers to vote in respect of the holdings in the Company's investment portfolio.

### **Socially Responsible Investment Policy**

The Directors and the Manager are aware of their duty to act in the interests of the Company and acknowledge that there are risks associated with investment in companies which fail to conduct business in a socially responsible manner.

Therefore, the Directors and the Manager take account of the social environment and ethical factors that may affect the performance or value of the Company's investments. Maven and the Directors believe that a company run in the long-term interests of its shareholders should manage its relationships with its employees, suppliers and customers and behave responsibly towards the environment and society as a whole.

### **Communication with Shareholders**

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

As recommended under the Code, the Annual Report is normally published at least twenty business days before the AGM. Annual and Interim Reports and Financial Statements are distributed to Shareholders and other parties who have an interest in the Company's performance.

Shareholders and potential investors may obtain up-to-date information on the Company through the Manager and the Secretary, and the Company responds to letters from Shareholders on a wide range of issues. In order to ensure that the Directors develop an understanding of the views of Shareholders, correspondence between Shareholders and the Manager or the Chairman is copied to the Board. The Company's web pages are hosted on the Manager's website at [www.mavencp.com/migvct](http://www.mavencp.com/migvct) from where Annual and Interim Reports, Stock Exchange Announcements and other information can be viewed, printed or downloaded. Further information about the Manager can be obtained from [www.mavencp.com](http://www.mavencp.com).

### **Accountability and Audit**

The Statement of Directors' Responsibilities in respect of the Financial Statements is on page 45 and the Statement of Going Concern is included in the Directors' Report on page 33. The Viability Statement is included in the Directors' Report on pages 33 and 34 and the Independent Auditor's Report is on pages 49 to 54.

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

**1 June 2018**

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

## **The Directors are responsible for preparing the Annual Report, Directors' Remuneration Report and the Financial Statements in accordance with applicable law and regulations.**

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law, the Directors have elected to prepare the Financial Statements in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The Financial Statements are required by law to give a true and fair view of the state of affairs of the Company and of the net return of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report (including a report on remuneration policy) and Corporate Governance Statement that comply with applicable law and regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's webpages, which are hosted on the Manager's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

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

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

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

- the Financial Statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as at 28 February 2018 and for the year to that date;
- the Directors' Report includes a fair review of the development and performance of the Company, together with a description of the principal risks and uncertainties that it faces; and
- the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

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

**1 June 2018**

# REPORT OF THE AUDIT AND RISK COMMITTEES

**The Audit and Risk Committees are chaired by Arthur MacMillan and comprise all independent Directors.**

## Audit Committee

The Board is satisfied that at least one member of the Committee has recent and relevant financial experience, and that the Audit Committee as a whole has competence relevant to the sector in which the Company operates.

The principal responsibilities of the Audit Committee include:

- the integrity of the Interim and Annual Reports and Financial Statements and the review of any significant financial reporting judgements contained therein;
- the review of the terms of appointment of the Auditor, together with its remuneration, including any non-audit services provided by the Auditor;
- the review of the scope and results of the audit and the independence and objectivity of the Auditor;
- the review of the Auditor's Board Report and any required response;
- meetings with representatives of the Manager;
- providing advice on whether the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position and performance business model and strategy; and
- making appropriate recommendations to the Board.

## Activities of the Audit Committee

The Committee met twice during the year under review, in April and October 2017, and at each Meeting considered the key risks detailed below and the corresponding internal control and risk reports provided by the Manager, which included the Company's Risk management framework. No significant weaknesses in the control environment were identified and it was also noted that there had not been any adverse comment from the Auditor and that the Auditor had not identified any significant issues in its audit report. The Committee, therefore, concluded that there were no significant issues which required to be reported to the Board.

At its meeting in April 2017, the Committee reviewed, for recommendation to the Board, the Audit Report from the independent Auditor and the draft Annual Report and Financial Statements for the year ended 28 February 2017.

At its meeting in October 2017, the Committee reviewed and approved the Half Yearly Report and Financial Statements for the six months ended 31 August 2017. The Committee also considered the performance, tenure and independence of Deloitte LLP (Deloitte) as Auditor and concluded that it was satisfied with the performance of Deloitte and recommended its continued appointment.

Subsequent to 28 February 2018, the Committee reviewed the draft Annual Report and Financial Statements for the year ended 28 February 2018, along with the report from the independent Auditor thereon. It recommended to the Board that it considered that the 2018 Annual Report and Financial Statements, taken as a whole, was fair, balanced and understandable and provided the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

It is recognised that the portfolio forms a significant element of the Company's assets and that there are different risks associated with listed and unlisted investments. The primary risk that requires the particular attention of the Committee is that unlisted investments are not recognised and measured in line with the Company's stated accounting policy on the valuation of investments as set out in Note 1(e) to the Financial Statements on pages 60 and 61. In accordance with that policy, unlisted investments are valued by the Manager and are subject to scrutiny and approval by the Directors.

Investments listed on a recognised stock exchange are valued at their bid market price.

The Committee has considered the assumptions and judgements in relation to the valuation of each quoted and unquoted investment and is satisfied that they are appropriate.

The basis of valuation across the portfolio as at 28 February 2018 was as follows:

Investment	% of net assets by value	Valuation basis
Listed and AIM/NEX quoted	2.7	Bid price <sup>1</sup>
Listed investment trusts	3.6	Bid price <sup>1</sup>
Unlisted	60.1	Directors' valuation <sup>2</sup>
<b>Total investment</b>	<b>66.4</b>	

<sup>1</sup> London Stock Exchange closing market quote.

<sup>2</sup> Directors' valuation represents an independent third party valuation or either of: (i) an earnings multiple basis; (ii) cost; or (iii) a provision against cost where there may be a diminution in value due to a company's underperformance. Where an earnings multiple or cost is not appropriate, or other overriding factors apply, a discounted cash flow or net asset value basis may be applied.

The Committee recommended the investment valuations, representing 66.4% of net assets as at 28 February 2018, to the Board for approval. In addition, the revenue generated from dividend income and loan stock interest has been considered by the Board on a quarterly basis and the Directors are satisfied that the levels of income recognised are in line with revenue estimates.

As part of its annual review of audit services, the Committee considers the performance, cost effectiveness and general relationship with the Auditor. Key elements of these reviews include: discussions with the Manager regarding the audit service provided; separate meetings with the Auditor; consideration of the completeness and accuracy of the Deloitte reporting and a review of the relationship the Independent Auditor has with the Manager. In addition, the Committee reviews the independence and objectivity of the external auditor. The Company first appointed Deloitte as Auditor for the year ended 29 February 2008.

The Independent Auditor's Report is on pages 49 to 54 and it should be noted that Deloitte rotates the Senior Statutory Auditor responsible for the audit every five years. The Senior Statutory Auditor was last changed after the conclusion of the audit for the year ended 29 February 2012 and, therefore, rotation has taken place during the year under review.

Details of the amounts paid to the Auditor during the year for audit and other services are set out in Note 4 to the Financial Statements. The Company has a policy in place for governing and controlling the provision of non-audit services by the external Auditor, so as to safeguard their independence and objectivity.

The Directors concur with the Auditor's confirmation to the Committee that the amounts paid to the Auditor in respect of non-audit services were inconsequential to the Financial Statements and did not impact on their independence.

Shareholders are asked to approve the re-appointment, and the Directors' authority to fix the remuneration, of the Auditor at each AGM. Any non-audit work, other than interim reviews, requires the specific approval of the Audit Committee in each case. Non-audit work, where independence may be compromised or conflicts arise, is prohibited. There are no contractual obligations which restrict the Committee's choice of Auditor. The Committee has concluded that Deloitte is independent of the Company and recommended that a Resolution for the re-appointment of Deloitte as external Auditor should be put to the 2018 AGM.

The Audit Committee's performance evaluation is carried out by the Directors as part of the Board evaluation review.

### **Risk Committee**

Under the recommendation of the AIFMD, the Company established a Risk Committee. The responsibilities of the Committee are:

- to keep under review the adequacy and effectiveness of the Manager's internal financial controls and internal control and risk management systems and procedures in the context of the Company's overall risk management system;
- to consider and approve the remit of the Manager's internal controls function and be satisfied that it has adequate resources and appropriate access to information to enable it to perform its role effectively and in accordance with the relevant professional standards;
- to identify, measure, manage and monitor the risks to the Company as recommended by the AIFMD including, but not limited to, the investment portfolio, credit, counterparty, liquidity, market and operational risk;
- to review quarterly reports from the Investment Manager's internal control function (or, if the circumstances require it, on an ad hoc basis);
- to review the arrangements for, and effectiveness of, the monitoring of risk parameters;
- to ensure appropriate, documented and regularly updated due diligence processes are implemented when appointing and reviewing service providers, including reviewing the main contracts entered into by the Company for such services;
- to ensure that the risk profile of the Company corresponds to the size, portfolio structure and investment strategies and objectives of the Company;
- to report to the Board on its conclusions and to make recommendations in respect of any matters within its remit including proposals for improvement in, or changes to, the systems, processes and procedures that are in place;
- to review and approve the statements to be included in the Annual Report concerning risk management;
- to review and monitor the Manager's responsiveness to the findings and recommendations of its internal control function;
- to meet with representatives of the Manager's internal control function at least once each year, to discuss any issues arising; and
- to allow direct access to representatives of the Manager's internal control function.

The Committee will review these Terms of Reference at least once each year.

### **Activities of the Risk Committee**

The Committee met four times during the year under review. In addition to the Committee's ordinary activities in that period, the Committee carried out a full and comprehensive review of the Company's Risk Register. This included a reassessment of the risks facing the Company, the impact of the failure to prevent an identified risk occurring together with a review of the control measures used to address the identified risks. The Committee also took the opportunity to ensure that the Risk Register adequately addressed new legislative and regulatory changes.

### **Internal Control and Risk Management**

The Board of Directors of Maven Income and Growth VCT PLC has overall responsibility for the Company's system of internal control and for reviewing its effectiveness, and has considered the requirement for an internal audit function as recommended by Code provision 3.6. However, as the Directors have delegated the investment management, company secretarial and administrative functions of the Company to the Manager, the Board considers that it is appropriate for the Company's internal controls to be monitored by the Manager, rather than by the Company itself.

The Directors have confirmed that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company, which has been in place up to the date of approval of this Annual Report and Financial Statements. This process is reviewed regularly by the Board and accords with internal control guidance issued by the FRC.

The Board reviews the effectiveness of the system of internal control at least once each year and, in particular, it has reviewed the process for identifying and evaluating the significant risks affecting the Company and the policies and procedures by which these risks are managed. The Directors have delegated the management of the Company's assets to the Manager and this embraces implementation of the system

of internal control, including financial, operational and compliance controls and risk management. Internal control systems are monitored and supported by the compliance function of the Manager, which undertakes periodic examination of business processes, including compliance with the terms of the Management and Administration Agreement, and ensures that recommendations to improve controls are implemented.

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

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

- the Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its investment performance;
- the Board and Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are submitted regularly to the Board;
- the Manager's evaluation procedure and financial analysis of the companies concerned include detailed appraisal and due diligence;
- the compliance director of the Manager continually reviews the Manager's operations;
- written agreements are in place which specifically define the roles and responsibilities of the Manager and other third party service providers;
- clearly documented contractual arrangements exist in respect of any activities that have been delegated to external professional organisations;
- the Committee carries out a quarterly assessment of internal controls by considering reports from the Manager including its internal control and compliance functions, and taking account of events since the relevant period end; and
- the compliance function of the Manager reports annually to the Risk Committee and has direct access to the Directors at any time.

The internal control systems are intended to meet the Company's particular needs and the risks to which it is exposed. Accordingly, these systems are designed to manage, rather than eliminate, the risk of failure to achieve business goals and, by their nature, can provide reasonable, but not absolute, assurance against material misstatement or loss.

### Assessment of Risks

In terms of the assessment of the key risks facing the Company, it is recognised that the investment portfolio forms a significant element of its assets. The recognition, ownership and valuation of the investment portfolio is, therefore, an area of particular attention for the Committee. Specifically, the risk is that

investments are not recognised and measured in line with the Company's stated accounting policy on the valuation of investments as set out in Note 1(e) to the Financial Statements on pages 60 and 61. As revenue generated from dividend income and loan stock interest is the major source of revenue and a significant item in the Income Statement, another key risk relates to the recognition of investment income and, specifically, that the Company does not recognise income in line with its stated policy. The maintenance of VCT status is another key risk that the Company has to consider and the approach to address each of these key risks is set out below.

#### **Valuation, Existence and Ownership of the Investment Portfolio**

The Company uses the services of an independent Custodian (JP Morgan Chase Bank) to hold the quoted investment assets of the Company. An annual internal control report is received from the Custodian which provides details of the Custodian's control environment. The investment portfolio is reconciled regularly by the Manager and the reconciliation is also reviewed by the Independent Auditor. The portfolio is reviewed and verified by the Manager on a regular basis and management accounts, including a full portfolio listing, are considered at the quarterly meetings of the Board. The portfolio is also audited annually by the Independent Auditor.

The valuation of investments is undertaken in accordance with the Company's stated accounting policy as set out in Note 1(e) to the Financial Statements on pages 60 and 61. Unlisted investments are valued by the Manager and are subject to scrutiny and approval by the Directors. Investments listed on a recognised stock exchange are valued at their bid market price. The Committee considered and challenged the assumptions and significant judgements in relation to the valuation of each quoted and unquoted investment and was satisfied that they were appropriate. The Committee was also satisfied that there were no issues associated with the existence and ownership of the investments that required to be addressed.

#### **Revenue Recognition**

The recognition of dividend income and loan stock interest is undertaken in accordance with accounting policy Note 1(b) to the Financial Statements on page 60. Management accounts are reviewed by the Board on a quarterly basis and discussion takes place with the Manager at the quarterly Board Meetings regarding the revenue generated from dividend income and loan stock. The Committee is satisfied that the levels of income recognised are in line with revenue estimates and that there were no issues associated with revenue recognition which required to be addressed.

#### **Maintenance of VCT Status**

Compliance with the VCT regulations is monitored continually by the Manager and is reviewed by the Committee on a quarterly basis. The Committee concluded that there were no issues associated with the maintenance of VCT status that required to be addressed.

The principal risks and uncertainties faced by the Company, and the Board's strategy for managing these, are also covered in the Business Report on pages 13 and 14.

**Arthur MacMillan**  
Director

1 June 2018

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAVEN INCOME AND GROWTH VCT PLC

## Report on the audit of the Financial Statements

### Opinion

#### *In our opinion the Financial Statements:*

- give a true and fair view of the state of the Company's affairs as at 28 February 2018 and of its return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements of Maven Income and Growth VCT PLC (the Company) which comprise:

- the Income Statement;
- the Statement of Changes in Equity;
- the Balance Sheet;
- the Cash Flow Statement; and
- the related Notes 1 to 16.

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 are 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. We confirm that the non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Summary of our audit approach

<b>Key audit matters</b>	The key audit matters that we identified in the current year were: <ul style="list-style-type: none"> <li>• valuation of unlisted investments;</li> <li>• existence of listed and unlisted investments; and</li> <li>• compliance with VCT regulations.</li> </ul>
<b>Materiality</b>	The materiality that we used in the current year was £616,000 which was determined on the basis of 2% of the net asset value of the Company at its year end.
<b>Scoping</b>	All audit work for this Company was performed directly by the audit engagement team.
<b>Significant changes in our approach</b>	We have not identified any significant changes in the business and environment from the prior year that have resulted in a significant change in our approach.

## Conclusions relating to principal risks, going concern and viability statement

We have reviewed the Directors' statement regarding the appropriateness of the going concern basis of accounting and the Directors' statement on the longer-term viability of the Company contained within the Directors' Report on pages 33 and 34 of this Annual Report.

We are required to state whether we have anything material to add or draw attention to in relation to:

- the disclosures on pages 13 and 14 that describe the principal risks and explain how they are being managed or mitigated;
- the Directors' confirmation on page 33 that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the Directors' statement on page 33 about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the Financial Statements;
- the Directors' explanation on pages 33 and 34 as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions; or
- whether the Directors' statements relating to going concern and the prospects of the Company required in accordance with Listing Rule 9.8.6R(3) are materially inconsistent with our knowledge obtained in the audit.

**We confirm that we have nothing material to add or draw attention to in respect of these matters.**

**We agreed with the Directors' adoption of the going concern basis of accounting and we did not identify any such material uncertainties. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.**

## 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. These matters included 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.

## Valuation of unlisted investments

<p><b>Key audit matter description</b></p> 	<p>Refer to Note 1(e) of Accounting Policies on pages 60 and 61 and Note 8 on page 65, in the Notes to the Financial Statements.</p> <p>The Company holds unlisted investments that are valued in accordance with the revised International Private Equity and Venture Capital Valuation (IPEVCV) Guidelines. These unlisted investments represent £18.7 million or 60.1% (2017: £26.0 million or 73.0%) of the entity's total net assets. The valuation of the unlisted investments held by the Company is considered a significant risk since judgement is required in order to determine the fair value – for example, judgement is required to ascertain the level of maintainable earnings for any given company as well as the multiplier to be applied to investments in different sectors.</p> <p>Under the new VCT regulations, investments are more likely to be earlier stage companies, with a lack of financial performance history. Their valuation, therefore, requires a greater degree of judgement.</p> <p>Due to the prevailing economic conditions in the oil and gas sector, investments with activities in this market have been subject to an increased focus and assessment by the Manager and the Directors. Valuation of unquoted investments is the most judgemental area of the Financial Statements and, therefore, the most susceptible to fraudulent manipulation.</p>
<p><b>How the scope of our audit responded to the key audit matter</b></p> 	<p>Our testing included:</p> <ul style="list-style-type: none"> <li>• assessment of the design and implementation of key controls at the Manager and by the Board relating to valuation of unlisted investments, including monitoring of investee performance by the investment managers and valuation committee meetings;</li> <li>• assessment of the valuation methodology applied for compliance with the IPEVCV Guidelines and review of the assumptions adopted for each unquoted investment;</li> <li>• for investments determined as early stage, and for oil &amp; gas companies, assessment of the company's performance against development milestones and business plan, including review of the investment papers, investees' latest management accounts and enquiries with the individual investment managers;</li> <li>• testing a sample of unquoted investee company data (e.g. financial information and capital structures) to supporting documentation; and</li> <li>• assessing whether any critical judgement or sources of estimation uncertainty were applied and appropriately disclosed.</li> </ul>
<p><b>Key observations</b></p> 	<p>Based on our testing and enquiries with management, we conclude that key controls around the valuation of unlisted investments were adequately designed and implemented. We conclude that the unquoted investments sit within a reasonable range of valuations.</p>

## Existence of listed and unlisted investments

<p><b>Key audit matter description</b></p> 	<p>Refer to Note 1(e) of Accounting Policies on pages 60 and 61 and Note 8 on page 65, in the Notes to the Financial Statements.</p> <p>The Company holds both listed and unlisted investments. These investments represent £20.7 million or 66.4% (2017: £27.9 million or 78.5%) of the entity's total net assets. The ownership of the listed and unlisted investments held by the Company is considered a significant risk since if investments are not recorded in line with the holdings per the loan note certificates or custodian confirmation, this could result in a material misstatement of the assets held.</p>
<p><b>How the scope of our audit responded to the key audit matter</b></p> 	<p>Our testing included:</p> <ul style="list-style-type: none"> <li>• assessment of the design and implementation of key controls relating to existence of listed and unlisted investments, including the review of the six monthly stock certificate reconciliation for unlisted investments and the quarterly custodian report for listed investments;</li> <li>• obtaining share certificates for unlisted shares and loan notes held by the Manager and reconciling these to the portfolio listing; and</li> <li>• agreeing quoted investment ownership to reports from the underlying custodian.</li> </ul>
<p><b>Key observations</b></p> 	<p>Based on our testing, we conclude that key controls around the existence of listed and unlisted investments were adequately designed and implemented. We conclude that the Company has appropriate title to the investments reported in the Financial Statements.</p>

## Compliance with VCT regulations

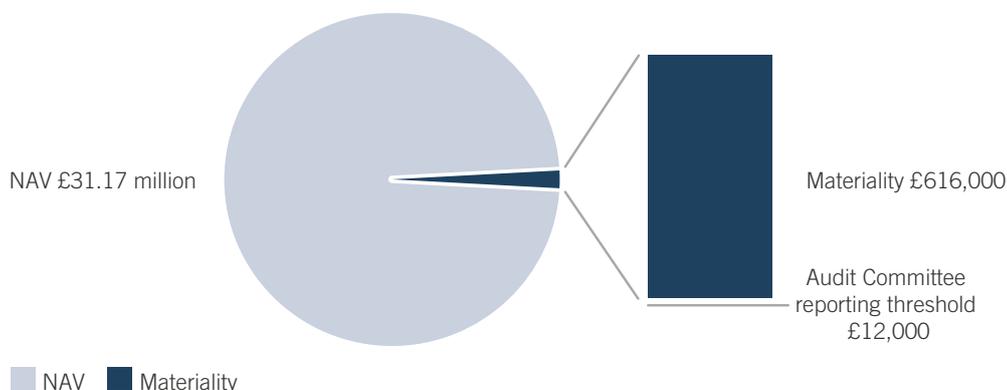
<p><b>Key audit matter description</b></p> 	<p>Refer to the assessment of the VCT Qualifying Status Risk in the Business Report on page 14.</p> <p>The Company must comply with Section 274 of the Income Tax Act 2007 to maintain VCT status. Failure to comply would result in the VCT losing its corporation tax exemption on chargeable gains, with investors' gains also no longer being exempt from income tax.</p> <p>The VCT rule changes have become increasingly more complex to administer, with close monitoring required of the use of monies and monitoring of qualifying or non-qualifying investments.</p>
<p><b>How the scope of our audit responded to the key audit matter</b></p> 	<p>Our testing included:</p> <ul style="list-style-type: none"> <li>assessment of the design and implementation of key controls relating to compliance with VCT regulations, including assessing the processes in place over the pre-trade identification of qualifying investments and the ongoing review of VCT Section 274 compliance;</li> <li>reviewing the Manager's quarterly compliance statements against the Income Tax Act 2007 Section 274 criteria; and</li> <li>reviewing that each of the criteria that must be met to retain VCT status have been complied with, through a sample reperformance of the relevant calculations and review of the qualifying investment listings.</li> </ul>
<p><b>Key observations</b></p> 	<p>Based on our testing and enquiries with management, we conclude that controls in place to monitor the compliance with VCT regulations were adequately designed and implemented. We noted no issue to report to those charged with governance on the Company's compliance with the VCT regulations.</p>

## Our application of materiality

We define materiality as the magnitude of misstatement in the Financial Statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the Financial Statements as a whole as follows:

<b>Materiality</b>	£616,000 (2017: £711,800)
<b>Basis for determining materiality</b>	2% (2017: 2%) of net asset value.
<b>Rationale for the benchmark applied</b>	Net assets is the primary measure used by the Shareholders in assessing the performance of the Company, and this is a generally accepted auditing benchmark used for entities in this industry.



We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £12,000 (2017: £14,200), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the Financial Statements.

## An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement.

Based on that assessment, we focused our audit scope primarily on the key audit matters described above. The investment management and accounting and reporting operations were undertaken by the Manager, whilst the safeguarding of assets resides with the Manager and the Custodian. We have obtained an understanding of the Manager's systems of internal controls and reviewed the Custodian's Service Organisation Report, and undertaken a combination of procedures, all of which are designed to target the Company's identified risks of material misstatements in the most effective manner possible.

## 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.

In connection with our audit of the Financial Statements, 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 audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. 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.

In this context, matters that we are specifically required to report to you as uncorrected material misstatements of the other information include where we conclude that:

- *Fair, balanced and understandable* – the statement given by the Directors that they consider the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- *Audit Committee reporting* – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- *Directors' statement of compliance with the UK Corporate Governance Code* – the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the Auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

**We have nothing to report in respect of these matters.**

## Responsibilities of Directors

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

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

## Auditor's responsibilities for the audit of the Financial Statements

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

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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.

## Report on other legal and regulatory requirements

### *Opinions on other matters prescribed by the Companies Act 2006*

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

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 any material misstatements in the Strategic Report or the Directors' Report.

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

<p><b><i>Adequacy of explanations received and accounting records</i></b></p> <p>Under the Companies Act 2006 we are required to report to you if, in our opinion:</p> <ul style="list-style-type: none"> <li>• we have not received all the information and explanations we require for our audit; or</li> <li>• adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or</li> <li>• the Company's Financial Statements are not in agreement with the accounting records and returns.</li> </ul>	<p><b>We have nothing to report in respect of these matters.</b></p>
<p><b><i>Directors' remuneration</i></b></p> <p>Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns.</p>	<p><b>We have nothing to report in respect of these matters.</b></p>

## Other matters

### ***Auditor tenure***

Following the recommendation of the Audit Committee, we were re-appointed by the Board in April 2017 to audit the Financial Statements for the year ended 28 February 2017 and subsequent financial periods. The period of total uninterrupted engagement, including previous renewals and reappointments of the firm, is 11 years, covering the years ended 29 February 2008 to 28 February 2018.

### ***Consistency of the Audit Report with the additional report to the Audit Committee***

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

**Chris Hunter CA (Senior Statutory Auditor)**  
**For and on behalf of Deloitte LLP**  
**Statutory Auditor**  
**Edinburgh, United Kingdom**

**1 June 2018**

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## INCOME STATEMENT

For the Year Ended 28 February 2018

	Notes	Year ended 28 February 2018			Year ended 28 February 2017		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	8	-	504	504	-	1,938	1,938
Income from investments	2	1,244	-	1,244	1,104	-	1,104
Other income	2	14	-	14	7	-	7
Investment management fees	3	(125)	(502)	(627)	(136)	(546)	(682)
Other expenses	4	(232)	-	(232)	(287)	-	(287)
<b>Net return on ordinary activities before taxation</b>		<b>901</b>	<b>2</b>	<b>903</b>	<b>688</b>	<b>1,392</b>	<b>2,080</b>
Tax on ordinary activities	5	(158)	96	(62)	(147)	109	(38)
<b>Return attributable to Equity Shareholders</b>	7	<b>743</b>	<b>98</b>	<b>841</b>	<b>541</b>	<b>1,501</b>	<b>2,042</b>
<b>Earnings per share (pence)</b>		<b>1.38</b>	<b>0.18</b>	<b>1.56</b>	<b>1.00</b>	<b>2.77</b>	<b>3.77</b>

All gains and losses are recognised in the Income Statement.

All items in the above statement are derived from continuing operations. The Company has only one class of business and one reportable segment, the results of which are set out in the Income Statement and Balance Sheet. The Company derives its income from investments made in shares, securities and bank deposits.

There are no potentially dilutive capital instruments in issue and, therefore, no diluted earnings per share figures are relevant. The basic and diluted earnings per share are, therefore, identical.

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

## STATEMENT OF CHANGES IN EQUITY

For the Year Ended 28 February 2018

	Notes	Share capital £'000	Share premium account £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Special distributable reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
<b>At 28 February 2017</b>		<b>5,405</b>	<b>10,253</b>	<b>(10,738)</b>	<b>3,408</b>	<b>26,326</b>	<b>242</b>	<b>693</b>	<b>35,589</b>
Net return		-	-	4,105	(4,007)	-	-	743	841
Dividends paid	6	-	-	(4,137)	-	-	-	(862)	(4,999)
Repurchase and cancellation of shares	12	(49)	-	-	-	(259)	49	-	(259)
<b>At 28 February 2018</b>		<b>5,356</b>	<b>10,253</b>	<b>(10,770)</b>	<b>(599)</b>	<b>26,067</b>	<b>291</b>	<b>574</b>	<b>31,172</b>

	Notes	Share capital £'000	Share premium account £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Special distributable reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
<b>For the year ended 28 February 2017</b>									
<b>At 29 February 2016</b>		<b>5,420</b>	<b>10,253</b>	<b>(9,215)</b>	<b>2,795</b>	<b>26,417</b>	<b>227</b>	<b>992</b>	<b>36,889</b>
Net return		-	-	888	613	-	-	541	2,042
Dividends paid	6	-	-	(2,411)	-	-	-	(840)	(3,251)
Repurchase and cancellation of shares	12	(15)	-	-	-	(91)	15	-	(91)
<b>At 28 February 2017</b>		<b>5,405</b>	<b>10,253</b>	<b>(10,738)</b>	<b>3,408</b>	<b>26,326</b>	<b>242</b>	<b>693</b>	<b>35,589</b>

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

## BALANCE SHEET

As at 28 February 2018

	Notes	28 February 2018 £'000	28 February 2017 £'000
<b>Fixed assets</b>			
Investments at fair value through profit or loss	8	20,671	27,935
<b>Current assets</b>			
Debtors	10	963	620
Cash		9,636	7,101
		<b>10,599</b>	<b>7,721</b>
<b>Creditors</b>			
Amounts falling due within one year	11	(98)	(67)
<b>Net current assets</b>		<b>10,501</b>	<b>7,654</b>
<b>Net assets</b>		<b>31,172</b>	<b>35,589</b>
<b>Capital and reserves</b>			
Called up share capital	12	5,356	5,405
Share premium account	13	10,253	10,253
Capital reserve - realised	13	(10,770)	(10,738)
Capital reserve - unrealised	13	(599)	3,408
Special distributable reserve	13	26,067	26,326
Capital redemption reserve	13	291	242
Revenue reserve	13	574	693
<b>Net assets attributable to Ordinary Shareholders</b>		<b>31,172</b>	<b>35,589</b>
<b>Net asset value per Ordinary Share (pence)</b>	14	<b>58.20</b>	<b>65.84</b>

The Financial Statements of Maven Income and Growth VCT PLC, registered number 3908220, were approved and authorised for issue by the Board of Directors on 1 June 2018 on its behalf by:

**John Pocock**  
Director

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

## CASH FLOW STATEMENT

For the Year Ended 28 February 2018

	Notes	Year ended 28 February 2018 £'000	Year ended 28 February 2017 £'000
<b>Net cash flows from operating activities</b>	15	<b>(894)</b>	<b>(1,246)</b>
<b>Cash flows from investing activities</b>			
Investment income received		1,160	1,174
Deposit interest received		14	7
Purchase of investments		(2,810)	(7,414)
Sale of investments		10,323	16,342
<b>Net cash flows from investing activities</b>		<b>8,687</b>	<b>10,109</b>
<b>Cash flows from financing activities</b>			
Equity dividends paid	6	(4,999)	(3,251)
Repurchase of Ordinary Shares		(259)	(91)
<b>Net cash flows from financing activities</b>		<b>(5,258)</b>	<b>(3,342)</b>
<b>Net increase in cash</b>		<b>2,535</b>	<b>5,521</b>
<b>Cash at beginning of year</b>		<b>7,101</b>	<b>1,580</b>
<b>Cash at end of year</b>		<b>9,636</b>	<b>7,101</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 28 February 2018

## 1. Accounting policies

### (a) Basis of preparation

The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and in accordance with the Statement of Recommended Practice for Investment Trust Companies and Venture Capital Trusts (the SORP) issued by the AIC in November 2014.

### (b) Income

Dividends receivable on equity shares and unit trusts are treated as revenue for the period on an ex-dividend basis. Where no ex-dividend date is available dividends receivable on or before the year end are treated as revenue for the period. Provision is made for any dividends not expected to be received. The fixed returns on debt securities and non-equity shares are recognised on a time apportionment basis so as to reflect the effective interest rate on the debt securities and shares. Provision is made for any income not expected to be received. Interest receivable from cash and short term deposits and interest payable are accrued to the end of the year.

### (c) Expenses

All expenses are accounted for on an accruals basis and charged to the Income Statement. Expenses are charged through the revenue account except as follows:

- expenses which are incidental to the acquisition and disposal of an investment are charged to capital; and
- expenses are charged to realised capital reserves where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect the investment management fee has been allocated 20% to revenue and 80% to realised capital reserves to reflect the Company's investment policy and prospective income and capital growth.

### (d) Taxation

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

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

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

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

### (e) Investments

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

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

1. For investments completed in the reporting period and those at an early stage in their development, fair value is determined using the Price of Recent Investment Method, except that adjustments are made when there has been a material change in the trading circumstances of the company or a substantial movement in the relevant sector of the stock market.
2. Whenever practical, recent investments will be valued by reference to a material arm's length transaction or a quoted price.
3. Mature companies are valued by applying a multiple to their prospective earnings to determine the enterprise value of the company.
  - 3.1 To obtain a valuation of the total ordinary share capital held by management and the institutional investors, the value of third party debt, institutional loan stock, debentures and preference share capital is deducted from the enterprise value. The effect of any performance related mechanisms is taken into account when determining the value of the ordinary share capital.
  - 3.2 Preference shares, debentures and loan stock are valued using the Price of Recent Investment Method. When a redemption premium has accrued, this will only be valued if there is a reasonable prospect of it being paid. Preference shares which carry a right to convert into ordinary share capital are valued at the higher of the Price of Recent Investment Method basis and the price/earnings basis, both described above.
4. In the absence of evidence of a deterioration, or strong defensible evidence of an increase in value, the fair value is determined to be that reported at the previous balance sheet date.
5. All unlisted investments are valued individually by the portfolio management team of Maven Capital Partners UK LLP. The resultant valuations are subject to detailed scrutiny and approval by the Directors of the Company.
6. In accordance with normal market practice, investments listed on the Alternative Investment Market or a recognised stock exchange are valued at their bid market price.

#### **(f) Fair value measurement**

Fair value is defined as the price that the Company would receive upon selling an investment in a timely transaction to an independent buyer in the principal or the most advantageous market of the investment. A three-tier hierarchy has been established to maximise the use of observable market data and minimise the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable.

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity.

Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on best information available in the circumstances.

The three-tier hierarchy of inputs is summarised in the three broad levels listed below.

- Level 1 - the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 - inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

#### **(g) Gains and losses on investments**

When the Company sells or revalues its investments during the year, any gains or losses arising are credited/charged to the Income Statement.

#### **(h) Critical accounting judgements and key sources of estimation uncertainty**

Disclosure is required of judgements and estimates made by the Board and the Manager in applying the accounting policies that have a significant effect on the Financial Statements. The area involving the highest degree of judgement and estimates is the valuation of unlisted investments recognised in Note 8 and explained in Note 1(e) above. In the opinion of the Board and the Manager, there are no critical accounting judgements.

2. Income	Year ended 28 February 2018		Year ended 28 February 2017	
	£'000		£'000	
<b>Income from investments:</b>				
UK franked investment income		58		13
UK unfranked investment income		1,186		1,091
		<b>1,244</b>		<b>1,104</b>
<b>Other income:</b>				
Deposit interest		14		7
<b>Total income</b>		<b>1,258</b>		<b>1,111</b>

3. Investment management fees	Year ended 28 February 2018			Year ended 28 February 2017		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Minimum investment management fees	125	502	627	136	546	682
	<b>125</b>	<b>502</b>	<b>627</b>	<b>136</b>	<b>546</b>	<b>682</b>

Details of the fee basis are contained in the Directors' Report.

4. Other expenses	Year ended 28 February 2018			Year ended 28 February 2017		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Secretarial fees	50	-	50	50	-	50
Directors' remuneration	57	-	57	57	-	57
Fees to Auditor - audit services	19	-	19	18	-	18
Fees to Auditor - tax compliance services	5	-	5	5	-	5
Bad debts written off	-	-	-	52	-	52
Miscellaneous expenses	101	-	101	105	-	105
	<b>232</b>	<b>-</b>	<b>232</b>	<b>287</b>	<b>-</b>	<b>287</b>

5. Tax on ordinary activities	Year ended 28 February 2018			Year ended 28 February 2017		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporation tax	(158)	96	(62)	(147)	109	(38)

The tax assessed for the period is at the rate of 20% to 31 March 2017, thereafter 19% (2017: 20%).

	Year ended 28 February 2018			Year ended 28 February 2017		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Net return on ordinary activities before taxation	901	2	903	688	1,392	2,080
Net return on ordinary activities before taxation multiplied by standard rate of corporation tax	172	-	172	137	279	416
Non-taxable UK dividend income	(10)	-	(10)	(2)	-	(2)
Gains on investments	-	(96)	(96)	-	(388)	(388)
Adjustment for (over)/under provision of prior year tax	(4)	-	(4)	12	-	12
	<b>158</b>	<b>(96)</b>	<b>62</b>	<b>147</b>	<b>(109)</b>	<b>38</b>

No losses (2017: Nil) are available to carry forward against future trading profits.

6. Dividends	Year ended 28 February 2018 £'000	Year ended 28 February 2017 £'000
<i>Amounts recognised as distributions to Equity Shareholders in the year:</i>		
<b>Revenue dividends</b>		
Final revenue dividend for the year ended 28 February 2017 of Nil (2016: 1.20p)	-	650
Second interim revenue dividend for the year ended 28 February 2017 of 0.50p (2016: Nil) paid on 26 May 2017	270	-
Interim revenue dividend for the year ended 28 February 2018 of Nil (2017: 0.35p)	-	190
Second interim revenue dividend for the year ended 28 February 2018 of 1.10p (2017: Nil) paid on 30 November 2017	592	-
	<b>862</b>	<b>840</b>
<b>Capital dividends</b>		
Second Interim capital dividend for the year ended 28 February 2017 of 3.10p (2016: 2.40p) paid on 26 May 2017	1,676	1,301
Interim capital dividend for the year ended 28 February 2018 of 2.96p (2017: 2.05p) paid on 14 July 2017	1,600	1,110
Second interim capital dividend for the year ended 28 February 2018 of 1.60p (2017: Nil) paid on 30 November 2017	861	-
	<b>4,137</b>	<b>2,411</b>
We set out below the final dividends proposed in respect of the financial year, which reflect the requirements of Section 274 of the Income Tax Act 2007.		
Revenue available for distribution by way of dividends for the year	<b>743</b>	<b>541</b>
<b>Revenue dividends</b>		
Final revenue dividend for the year ended 28 February 2018 of Nil (2017: Nil)	-	-
	-	-
<b>Capital dividends</b>		
Final capital dividend for the year ended 28 February 2018 of Nil (2017: Nil)	-	-
	-	-

7. Earnings per share	Year ended 28 February 2018	Year ended 28 February 2017
The returns per share have been based on the following figures: Weighted average number of Ordinary Shares	53,864,742	54,141,007
Revenue return	£743,000	£541,000
Capital return	£98,000	£1,501,000
<b>Total return</b>	<b>£841,000</b>	<b>£2,042,000</b>

8. Investments	Listed (quoted prices) £'000	AIM/NEX (quoted prices) £'000	AIM/NEX (unobservable inputs) £'000	Unlisted (unobservable inputs) £'000	Total £'000
<b>Valuation at 28 February 2017</b>	<b>1,107</b>	<b>817</b>	<b>-</b>	<b>26,011</b>	<b>27,935</b>
Unrealised (gain)/loss	(71)	166	251	(3,079)	(2,733)
<b>Cost at 28 February 2017</b>	<b>1,036</b>	<b>983</b>	<b>251</b>	<b>22,932</b>	<b>25,202</b>
<b>Movements during the year:</b>					
Purchases	-	-	-	2,810	2,810
Sales proceeds	-	-	-	(10,578)	(10,578)
Realised gain/(loss)	-	(20)	(251)	4,782	4,511
<b>Cost at 28 February 2018</b>	<b>1,036</b>	<b>963</b>	<b>-</b>	<b>19,946</b>	<b>21,945</b>
Unrealised gain/(loss)	111	(165)	-	(1,220)	(1,274)
<b>Valuation at 28 February 2018</b>	<b>1,147</b>	<b>798</b>	<b>-</b>	<b>18,726</b>	<b>20,671</b>

Note 1(f) defines the three tier hierarchy of investments, and the significance of the information used to determine their fair value that is required by FRS 102 Section 11 "Basic Financial Instruments". Listed and AIM/NEX securities are categorised as Level 1 and unlisted investments as Level 3.

FRS 102 requires disclosure, by class of financial instrument, if the effect of changing one or more inputs to reasonably possible alternative assumptions would result in a significant change to the fair value measurement. The information used in determination of the fair value of Level 3 to the specific underlying investments is chosen with reference to the circumstances and position of each investee company. The Directors are of the view that there are no reasonably possible alternative assumptions that will have a significant effect on the valuation of the unlisted portfolio.

There has been no transfer of fair value between levels during the year.

	28 February 2018 £'000	28 February 2017 £'000
Realised gains on historical basis	4,511	1,325
Net (decrease)/increase in value of investments	(4,007)	613
<b>Gains on investments</b>	<b>504</b>	<b>1,938</b>

## 9. Participating interests

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

At 28 February 2018, the Company held no shares amounting to 20% or more of the nominal value of the equity capital of any of the unlisted or quoted undertakings. The Company does hold shares or units amounting to 3% or more of the nominal value of the allotted shares or units of any class of certain investee companies.

Details of the equity percentages held are shown in the Investment Portfolio Summary.

10. Debtors	Year ended 28 February 2018 £'000	Year ended 28 February 2017 £'000
Current taxation	6	1
Prepayments and accrued income	531	448
Other debtors	426	171
	<b>963</b>	<b>620</b>

11. Creditors	Year ended 28 February 2018 £'000	Year ended 28 February 2017 £'000
<i>Amounts falling due within one year:</i>		
Accruals	32	41
Corporation tax payable	66	26
	<b>98</b>	<b>67</b>

12. Share capital	Year ended 28 February 2018 Number £'000	Year ended 28 February 2017 Number £'000
<i>At 28 February the authorised share capital comprised allotted, issued and fully paid:</i>		
Ordinary Shares of 10p each		
Balance brought forward	54,052,884      5,405	54,197,884      5,420
Repurchased and cancelled in year	(489,000)      (49)	(145,000)      (15)
<b>Balance carried forward</b>	<b>53,563,884      5,356</b>	<b>54,052,884      5,405</b>

During the year, 489,000 Ordinary Shares (2017: 145,000) were repurchased by the Company at a total cost of £258,760 (2017: £91,093) and cancelled.

Subsequent to the year end, the Company bought back a further 445,000 Ordinary Shares for cancellation.

### 13. Reserves

#### Share premium account

The share premium account represents the premium above nominal value received by the Company on issuing shares net of issue costs.

#### Capital reserves

Gains or losses on investments realised in the year that have been recognised in the Income Statement are transferred to the capital reserve realised account on disposal. Furthermore, any prior unrealised gains or losses on such investments are transferred from the capital reserve unrealised account to the capital reserve realised account on disposal.

Increases and decreases in the fair value of investments are recognised in the Income Statement and are then transferred to the capital reserve unrealised account. The capital reserve realised account also represents capital dividends, capital investment management fees and the tax effect of capital items.

#### Special distributable reserve

The total cost to the Company of the repurchase and cancellation of shares is represented in the special distributable reserve account.

#### Capital redemption reserve

The nominal value of shares repurchased and cancelled is represented in the capital redemption reserve.

#### Revenue reserve

The revenue reserve represents accumulated profits retained by the Company that have not been distributed to Shareholders as a dividend.

### 14. Net asset value per Ordinary Share

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

	28 February 2018		28 February 2017	
	Net asset value per share p	Net asset value attributable £'000	Net asset value per share p	Net asset value attributable £'000
<b>Ordinary Shares</b>	<b>58.20</b>	<b>31,172</b>	<b>65.84</b>	<b>35,589</b>

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

15. Reconciliation of net return to cash utilised by operations	Year ended 28 February 2018 £'000	Year ended 28 February 2017 £'000
Net return	903	2,080
Adjustment for:		
Gains on investments	(504)	(1,938)
Income from investments	(1,244)	(1,104)
Other income	(14)	(7)
<b>Operating cash flow before movement in working capital</b>	<b>(859)</b>	<b>(969)</b>
(Increase)/decrease in prepayments	(4)	5
Decrease in accruals	(9)	(99)
Corporation tax	(22)	(183)
<b>Cash utilised by operations</b>	<b>(894)</b>	<b>(1,246)</b>

## 16. Financial instruments

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

The main risks the Company faces from its financial instruments are: (i) market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rates; (ii) interest rate risk; (iii) liquidity risk; (iv) credit risk; and (v) price risk sensitivity. In line with the Company's investment objective, the portfolio comprises mainly sterling currency securities and therefore foreign currency risk is minimal.

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

### (i) Market price risk

The Company's investment portfolio is exposed to market price fluctuations, which are monitored by the Manager in pursuance of the investment objective as set out on page 13. Adherence to investment guidelines and to investment and borrowing powers set out in the Management and Administration Agreement mitigates the risk of excessive exposure to any particular type of security or issuer. These powers and guidelines include the requirement to invest in a number of companies across a range of industrial and service sectors at varying stages of development, to closely monitor the progress of the investee companies and to appoint a non-executive director to the board of each company. Further information on the investment portfolio (including sector analysis, concentration and deal type analysis) is set out in the Analysis of Unlisted and Quoted Portfolio, the Investment Manager's Review, the Summary of Investment Changes, the Investment Portfolio Summary and the Largest Investments by Valuation.

### (ii) Interest rate risk

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

	Fixed interest £'000	Floating rate £'000	Non-interest bearing £'000
<b>At 28 February 2018</b>			
<b>Sterling</b>			
Unlisted and AIM/NEX	9,569	-	9,974
Investment trusts	-	-	1,128
Cash	-	9,636	-
	<b>9,569</b>	<b>9,636</b>	<b>11,102</b>

	Fixed interest £'000	Floating rate £'000	Non-interest bearing £'000
<b>At 28 February 2017</b>			
<b>Sterling</b>			
Unlisted and AIM/NEX	14,001	-	12,845
UK treasury bills	-	-	1,089
Cash	-	7,101	-
	<b>14,001</b>	<b>7,101</b>	<b>13,934</b>

The unlisted fixed interest assets have a weighted average life of 1.61 years (2017: 1.41 years) and a weighted average interest rate of 10.58% (2017: 9.30%). The floating rate assets consist of cash.

These assets are earning interest at prevailing money market rates. The non-interest bearing assets represent the equity element of the portfolio. All assets and liabilities of the Company are included in the Balance Sheet at fair value.

**16. Financial instruments (continued)****Maturity profile**

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

	Within 1 year £'000	Within 1-2 years £'000	Within 2-3 years £'000	Within 3-4 years £'000	Within 4-5 years £'000	More than 5 years £'000	Total £'000
<b>At 28 February 2018</b>							
Unlisted	1,346	3,914	2,860	295	857	297	9,569
	<b>1,346</b>	<b>3,914</b>	<b>2,860</b>	<b>295</b>	<b>857</b>	<b>297</b>	<b>9,569</b>

Within "more than 5 years" there is a figure of £503 in respect of preference shares which have no redemption date.

	Within 1 year £'000	Within 1-2 years £'000	Within 2-3 years £'000	Within 3-4 years £'000	Within 4-5 years £'000	More than 5 years £'000	Total £'000
<b>At 28 February 2017</b>							
Unlisted	3,218	6,180	688	3,484	430	1	14,001
	<b>3,218</b>	<b>6,180</b>	<b>688</b>	<b>3,484</b>	<b>430</b>	<b>1</b>	<b>14,001</b>

Within "more than 5 years" there is a figure of £763 in respect of preference shares which have no redemption date.

**(iii) Liquidity risk**

Due to their nature, unlisted investments may not be readily realisable and therefore a portfolio of listed assets and cash is held to offset this liquidity risk. Note 8 details the three-tier hierarchy of inputs used as at 28 February 2018 in valuing the Company's investments carried at fair value.

The Company, generally, does not hold significant cash balances and any cash held is with reputable banks with high quality external credit ratings.

**(iv) Credit risk**

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

The Company's financial assets exposed to credit risk amounted to the following :

	28 February 2018 £'000	28 February 2017 £'000
Investments in unlisted debt securities	9,569	14,001
Investment trusts	1,128	1,089
Cash	9,636	7,101
	<b>20,333</b>	<b>22,191</b>

All assets which are traded on a recognised exchange are held by JP Morgan Chase (JPM), the Company's custodian. Cash balances are held by JPM, RBS and Clydesdale. Should the credit quality or the financial position of any of these institutions deteriorate significantly the Manager will move these assets to another provider.

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

There were no significant concentrations of credit risk to counterparties at 28 February 2018 or 28 February 2017.

**(v) Price risk sensitivity**

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

At 28 February 2018, if market prices of listed or AIM/NEX quoted securities had been 10% higher or lower and with all other variables held constant, the increase or decrease in net assets attributable to Ordinary Shareholders for the year would have been £81,700 (2017: £83,500) due to the change in valuation of financial assets at fair value through profit or loss.

At 28 February 2018, 60.1% (2017: 73.0%) comprised investments in unquoted companies held at fair value. The valuation methods used by the Company include cost and realisable value. Therefore, it is not considered meaningful to provide a sensitivity analysis on the net asset position and total return for the year.

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# NOTICE OF ANNUAL GENERAL MEETING

**Notice is hereby given that the Annual General Meeting (the Meeting) of Maven Income and Growth VCT PLC (the Company; Registered in England and Wales with registered number 3908220) will be held at 12.00 noon on Thursday 5 July 2018 at Fifth Floor, 1-2 Royal Exchange Buildings, London EC3V 3LF, for the purposes of considering and, if thought fit, passing the following Resolutions:**

## Ordinary Resolutions

1. To receive the Directors' Report and audited Financial Statements for the year ended 28 February 2018.
2. To approve the Directors' Remuneration Report for the year ended 28 February 2018.
3. To re-elect John Pocock as a Director.
4. To re-elect Arthur MacMillan as a Director.
5. To re-elect Fiona Wollocombe as a Director.
6. To re-appoint Deloitte LLP as Auditor.
7. To authorise the Directors to fix the remuneration of the Auditor.
8. That the Directors be and are hereby generally and unconditionally authorised under Section 551 of the Companies Act 2006 (the Act) to exercise all the powers of the Company to allot Ordinary Shares, or grant rights to subscribe for or convert any security into Ordinary Shares, up to an aggregate nominal amount of £531,188 provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company or on the expiry of 15 months from the passing of this Resolution, whichever is the first to occur, and so that the Company may before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreements as if the authority conferred had not expired.

## Special Resolutions

9. That, subject to the passing of Resolution 8, the Directors be and hereby are empowered, under Section 571 of the Act, to allot equity securities (as defined in Section 560 of the Act) under the authority conferred by Resolution 8 for cash as if Section 561(1) of the Act did not apply to the allotment, provided that this power shall be limited to the allotment:
  - a) of equity securities in connection with an offer of such securities by way of a rights issue only to holders of Ordinary Shares in proportion (as nearly as practicable) to their respective holdings of such Ordinary Shares but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange;
  - b) (other than under paragraph (a) above) of equity securities up to an aggregate nominal amount not exceeding £531,188 (equivalent to 5,311,880 Ordinary Shares); and shall expire at the conclusion of the next Annual General Meeting of the Company or on the expiry of 15 months from the passing of this Resolution, whichever is the first to occur, save that the Company may, before such expiry, make an offer or agreement that would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

10. That the Company be and hereby is generally and, subject as hereinafter appears, unconditionally authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary Shares, provided always that:
- a) the maximum number of Ordinary Shares hereby authorised to be purchased is 7,962,520;
  - b) the minimum price, exclusive of expenses, that may be paid for an Ordinary Share shall be 10p per share;
  - c) the maximum price, exclusive of expenses, that may be paid for an Ordinary Share shall be not more than an amount equal to the higher of:
    - (i) 105% of the average of the closing middle market price for the Ordinary Shares as derived from the London Stock Exchange's Daily Official List for the five business days immediately preceding the date on which the Ordinary Shares are purchased; and
    - (ii) the price stipulated by Article 5(1) of Commission Regulation (EC) No. 273/2003 (the Buy-back and Stabilisation Regulation); and
  - d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, on the expiry of 15 months from the passing of this Resolution, save that the Company may before such expiry enter into a contract to purchase Ordinary Shares which will or may be completed wholly or partly after such expiry.
11. That a general meeting, other than an annual general meeting, may be called on not less than 14 days' clear notice.

**By order of the Board**  
**Maven Capital Partners UK LLP**  
**Secretary**  
**Fifth Floor**  
**1-2 Royal Exchange Buildings**  
**London**  
**EC3V 3LF**  
**1 June 2018**

## NOTES:

### **Entitlement to attend and vote**

- 1) To be entitled to attend and vote at the Meeting (and for the purposes of the determination by the Company of the votes that may be cast in accordance with Regulation 41 of the Uncertified Securities Regulations 2001), only those members registered in the Company's register of members at 12.00 noon on 3 July 2018 (or, if the Meeting is adjourned, close of business on the date which is two business days before the adjourned Meeting) shall be entitled to attend and vote at the Meeting. Changes to the register of members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.

### **Website giving information regarding the Meeting**

- 2) Information regarding the Meeting, including the information required by Section 311A of the Act, is available from [www.mavencp.com/migvct](http://www.mavencp.com/migvct).

### **Attending in person**

- 3) If you wish to attend the Meeting in person, please bring some form of identification.

### **Appointment of proxies**

- 4) If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a Proxy Form with this Notice of Meeting. You can appoint a proxy only using the procedures set out in these notes and the notes to the Proxy Form.
- 5) If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this "Appointment of proxies" section. Please read the section "Nominated persons" below.
- 6) A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the Proxy Form are set out in the notes to the Proxy Form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
- 7) You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please copy the Proxy Form, indicate on each form how many shares it relates to, and attach them together.

- 8) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the Resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

### **Appointment of proxy using hard copy Proxy Form**

- 9) A Proxy Form is enclosed with this document. The notes to the Proxy Form explain how to direct your proxy to vote or withhold their vote on each Resolution. To appoint a proxy using the Proxy Form, the form must be completed, signed and sent or delivered to the Company's Registrars, Link Asset Services, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by Link Asset Services no later than 12.00 noon on 3 July 2018 or by close of business on a date two business days prior to that appointed for any adjourned Meeting or, in the case of a poll taken subsequent to the date of the Meeting or adjourned Meeting, so as to be received no later than 24 hours before the time appointed for taking the poll. In the case of a member which is a company, the Proxy Form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the Proxy Form is signed (or a duly certified copy of such power or authority) must be included with the Proxy Form. For the purposes of determining the time for delivery of proxies, no account has been taken of any part of a day that is not a working day.

### **Appointment of a proxy on-line**

- 10) You may submit your proxy electronically using the Share Portal service at: [www.signalshares.com](http://www.signalshares.com). Shareholders can use this service to vote or appoint a proxy on-line. The same voting deadline of 48 hours (excluding non-working days) before the time of the meeting applies as if you were using your Proxy Form to vote or appoint a proxy by post to vote for you. Shareholders will need to use the unique personal identification Investor Code printed on your share certificate. Shareholders should not show this information to anyone unless they wish to give proxy instructions on their behalf.

**Appointment of proxies through CREST**

11) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID: RA10) by 12.00 noon on 3 July 2018. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time.

In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

**Appointment of proxy by joint members**

12) In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding, the first-named being the most senior.

**Changing proxy instructions**

13) To change your proxy instructions, simply submit a new proxy appointment using the methods set out above. Note that the cut-off times for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard copy Proxy Form and would like to change the instructions using another hard copy Proxy Form, please contact Link Asset Services at the address shown in note 9. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

**Termination of proxy appointments**

14) In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Link Asset Services, at the address shown in note 9. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed, or a duly certified copy of such power or authority, must be included with the revocation notice. The revocation notice must be received by Link Asset Services no later than 48 hours before the Meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid. Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will be terminated automatically.

**Corporate representatives**

15) A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

**Issued shares and total voting rights**

16) As at 30 May 2018, the Company's issued share capital comprised 53,118,884 Ordinary Shares of 10p each. Each Ordinary Share carries the right to one vote at a General Meeting of the Company and, therefore, the total number of voting rights in the Company on 30 May 2018 is 53,118,884. The website referred to in note 2 will include information on the number of shares and voting rights.

**Questions at the Meeting**

- 17) Under Section 319A of the Act, the Company must answer any question you ask relating to the business being dealt with at the Meeting unless:
- answering the question would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information;
  - the answer has already been given on a website in the form of an answer to a question; or
  - it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

**Website publication of audit concerns**

- 18) Pursuant to Chapter 5 of Part 16 of the Act (Sections 527 to 531), where requested by a member or members meeting the qualification criteria set out at note 19 below, the Company must publish on its website, a statement setting out any matter that such members propose to raise at the Meeting relating to the audit of the Company's accounts (including the Independent Auditor's Report and the conduct of the audit) that are to be laid before the Meeting. The request:
- may be in hard copy form or in electronic form (see note 20 below);
  - must either set out the statement in full or, if supporting a statement sent by another member, clearly identify the statement which is being supported;
  - must be authenticated by the person or persons making it (see note 20 below); and
  - must be received by the Company at least one week before the Meeting. Where the Company is required to publish such a statement on its website:
    - it may not require the members making the request to pay any expenses incurred by the Company in complying with the request;
    - it must forward the statement to the Company's Auditor no later than the time the statement is made available on the Company's website; and
    - the statement may be dealt with as part of the business of the Meeting.

**Members' qualification criteria**

- 19) In order to be able to exercise the members' rights under note 18, the relevant request must be made by a member or members having a right to vote at the Meeting and holding at least 5% of total voting rights of the Company, or at least 100 members having a right to vote at the Meeting and holding, on average, at least £100 of paid up share capital. For information on voting rights, including the total number of voting rights, see note 16 above and the website referred to in note 2.

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

- 20) Where a member or members wishes to request the Company to publish audit concerns (see note 18) such request must be made in accordance with one of the following ways:
- a hard copy request which is signed by you, states your full name and address and is sent to The Secretary, Maven Income and Growth VCT PLC, Kintyre House, 205 West George Street, Glasgow G2 2LW; or
  - a request that states your full name, address, and investor code, and is sent to enquiries@mavencp.com stating "AGM" in the subject field.

**Nominated persons**

- 21) If you are a person who has been nominated under Section 146 of the Act to enjoy information rights (Nominated Person):
- you may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (Relevant Member) to be appointed or to have someone else appointed as a proxy for the Meeting;
  - if you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights; and
  - your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

**Documents on display**

- 22) Copies of the letters of appointment of the Directors of the Company and a copy of the Articles of the Company will be available for inspection at the registered office of the Company and at Kintyre House, 205 West George Street, Glasgow G2 2LW from the date of this notice until the end of the Meeting.

**Communication**

- 23) Except as provided above, members who have general queries about the Meeting should use the following means of communication (no other methods of communication will be accepted):
- calling Maven Capital Partners UK LLP (the Secretary) on 0141 306 7400; or
  - e-mailing enquiries@mavencp.com and stating "AGM" in the subject field.

**Registered in England and Wales:  
Company Number 3908220**

# EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

An explanation of the Resolutions to be proposed at the Annual General Meeting is set out below. Resolutions 1 to 8 will be proposed as Ordinary Resolutions requiring the approval of more than 50% of the votes cast and Resolutions 9 to 11 will be proposed as Special Resolutions requiring the approval of 75% or more of the votes cast.

## **Resolution 1 – Annual Report and Financial Statements**

The Directors seek approval to receive the Directors' Report and audited Financial Statements for the year ended 28 February 2018, which are included within the Annual Report.

## **Resolution 2 – Directors' Remuneration Report**

The Board seeks the approval of the Directors' Remuneration Report for the year ended 28 February 2018, which is also included within the Annual Report.

## **Resolution 3 – Re-election of a Director**

As the Board has resolved that each Director who has served for more than nine years should stand for re-election on an annual basis, John Pocock will retire at the Annual General Meeting and, being eligible, is offering himself for re-election.

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

As the Board has resolved that each Director who has served for more than nine years should stand for re-election on an annual basis, Arthur MacMillan will retire at the Annual General Meeting and, being eligible, is offering himself for re-election.

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

As the Board has resolved that each Director who has served for more than nine years should stand for re-election on an annual basis, Fiona Wollocombe will retire at the Annual General Meeting and, being eligible, is offering herself for re-election.

## **Resolution 6 – Appointment of Auditor**

Shareholders will be asked to approve the re-appointment of Deloitte LLP as the Company's Auditor, Deloitte LLP having expressed its willingness to remain in office.

## **Resolution 7 – Remuneration of Auditor**

Shareholders will be asked to give the Directors the authority to fix the remuneration of Deloitte LLP.

## **Resolution 8 – Authority to Allot Shares**

The Directors are seeking authority pursuant to Section 551 of the Act for the Company to allot Ordinary Shares or rights to subscribe for Ordinary Shares up to an aggregate nominal value of £531,188. This amounts to 5,311,880 Ordinary Shares representing approximately 10% of the issued share capital as at 30 May 2018 (this being the latest practicable date prior to the publication of this Annual Report). This authority will be used for the purposes set out in Resolution 8. The authority conferred by Resolution 8 will expire at the conclusion of the next Annual General Meeting of the Company or on the expiry of 15 months from the passing of the Resolution, whichever is the first to occur.

## **Resolution 9 – Waiver of Statutory Pre-emption Rights**

Shareholders will be asked to grant authority to the Directors to allot Ordinary Shares (i) on a pre-emptive basis to existing Shareholders as far as possible, subject to excluding circumstances where it is impractical to apply the strict pro-rating; and (ii) otherwise allot Ordinary Shares or rights to subscribe for Ordinary Shares up to an aggregate nominal value of £531,188 (representing, in accordance with institutional investor guidelines, approximately 10% of the issued share capital as at 30 May 2018, this being the latest practicable date prior to the publication of this Annual Report) as if the pre-emption rights of Section 561 of the Act did not apply, in each case where the proceeds may be used in whole or part to purchase existing Ordinary Shares. The authority conferred by Resolution 9 will expire at the conclusion of the next Annual General Meeting of the Company or on the expiry of 15 months from the passing of the Resolution, whichever is the first to occur.

The Board may use the authorities conferred under Resolutions 8 and 9 to allot further Ordinary Shares or rights to subscribe for them.

## **Resolution 10 – Purchase of Own Shares**

Shareholders will be asked to authorise the Company to make market purchases of up to 7,962,520 Ordinary Shares (representing approximately 14.99% of the issued share capital as at 30 May 2018, this being the latest practicable date prior to the publication of this Annual Report). The Resolution sets out the minimum and maximum prices that can be paid, exclusive of expenses, and Ordinary Shares bought back may be cancelled or held in treasury as may be determined by the Board. The authority conferred by Resolution 10 will expire at the conclusion of the next Annual General Meeting of the Company or on the expiry of 15 months from the passing of the Resolution, whichever is the first to occur. Once held in treasury, such Ordinary Shares may be sold for cash or cancelled. The Board may use this authority to allow the Company to continue to operate its share buy-back policy.

## **Resolution 11 – Notice of General Meetings**

The Directors propose to preserve the Company's ability to call general meetings (other than annual general meetings) on 14 clear days' notice, as approved by Shareholders at the previous Annual General Meeting. Resolution 11 seeks such approval and would be effective until the Company's next Annual General Meeting, when it would be intended that a similar Resolution be proposed. It is anticipated that, if confirmed, such authority will only be used in exceptional circumstances. The Company will also need to meet the requirements for electronic voting before it can call a general meeting on 14 days' notice.

# GLOSSARY

<b>Alternative Performance Measures (APMs)</b>	Measures of performance that are in addition to the earnings reported in the Financial Statements. The APMs used by the Company are marked * in this Glossary. The table in the Financial Highlights section on page 5 shows the movement in net asset value and NAV total return per Ordinary Share over the past three financial years and shows the dividends declared in respect of each of the past three financial years and on a cumulative basis since inception.
<b>Annual yield*</b>	The total dividends paid for the financial year expressed as a percentage of the share price at the year end date.
<b>Cumulative dividends paid*</b>	The total amount of both capital and income distributions paid since the launch of the Company.
<b>Discount/premium to NAV*</b>	A discount is the percentage by which the mid-market price per share of an investment is lower than the net asset value per Ordinary Share. A premium is the percentage by which the mid-market price per share of an investment exceeds the net asset value per Ordinary Share.
<b>Distributable reserves</b>	Comprises capital reserve (realised), revenue reserve and special distributable reserve.
<b>Dividend per Ordinary Share</b>	The total of all dividends per Ordinary Share paid by the Company in respect of the year.
<b>Earnings per Ordinary Share (EPS)</b>	The net income after tax of the Company divided by the weighted average number of shares in issue during the year. In a venture capital trust this is made up of revenue EPS and capital EPS.
<b>Ex-dividend date (XD date)</b>	The date set by the London Stock Exchange and being the date preceeding the record date.
<b>Index or indices</b>	A market index calculates the average performance of its constituents, normally on a weighted basis. It provides a means of assessing the overall state of the economy and provides a comparison against which the performance of individual investments can be assessed.
<b>Investment income*</b>	Income from investments as reported in the Income Statement.
<b>NAV per Ordinary Share</b>	Net assets divided by the number of Ordinary Shares in issue.
<b>NAV total return per Ordinary Share*</b>	Net assets divided by the number of Ordinary Shares in issue, plus cumulative dividends paid to date.
<b>Net assets attributable to Ordinary Shareholders or Shareholders' funds (NAV)</b>	Total assets less current and long-term liabilities.
<b>Operational expenses*</b>	The total of investment management fees and other expenses as reported in the Income Statement.
<b>Realised gains/losses</b>	The profit/loss on the sale of investments during the year.
<b>Record date</b>	The date on which an investor needs to be holding a share in order to qualify for a forthcoming dividend.
<b>Revenue reserves</b>	The total of undistributed revenue earnings from prior years. This is available for distribution to Shareholders by way of dividend.
<b>Total return</b>	The theoretical return including reinvesting each dividend in additional shares in the Company at the current mid-market price on the day that the shares go ex-dividend. The NAV total return involves investing the same net dividend at the NAV of the Company on the ex-dividend date.
<b>Unrealised gains/losses</b>	The profit/loss on the revaluation of the investment portfolio at the end of the year.



# CONTACT INFORMATION

<b>Directors</b>	John Pocock (Chairman) Arthur MacMillan Fiona Wollocombe
<b>Manager and Secretary and Principal Place of Business</b>	Maven Capital Partners UK LLP Kintyre House 205 West George Street Glasgow G2 2LW Telephone: 0141 306 7400 E-mail: <a href="mailto:enquiries@mavencp.com">enquiries@mavencp.com</a>
<b>Registered Office</b>	Fifth Floor 1-2 Royal Exchange Buildings London EC3V 3LF
<b>Registered in England and Wales</b>	Company Registration Number: 3908220 Legal Entity Identifier: 213800VL4S7K6A2YTX94 TIDM: MIG1 ISIN: GB0004122858
<b>Website</b>	<a href="http://www.mavencp.com/migvct">www.mavencp.com/migvct</a>
<b>Registrars</b>	Link Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU  Website: <a href="http://www.linkassetservices.com">www.linkassetservices.com</a>  Shareholder Portal: <a href="http://www.signalshares.com">www.signalshares.com</a>  Shareholder Helpline: 0333 300 1566 (Lines are open 9.00 am until 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Calls are charged at the standard geographic rates and will vary by provider. Calls from outside the United Kingdom should be made to +44 371 664 0300 and will be charged at the applicable international rate.)
<b>Auditor</b>	Deloitte LLP
<b>Bankers</b>	J P Morgan Chase Bank
<b>Stockbrokers</b>	Shore Capital Stockbrokers Limited Telephone: 020 7647 8132
<b>VCT Adviser</b>	Philip Hare & Associates LLP

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**Maven Capital Partners UK LLP**

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205 West George Street

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Authorised and Regulated by  
The Financial Conduct Authority

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