Mobeus Income & Growth VCT plc

A Venture Capital Trust

Annual Report & Financial Statements
for year ended 31 December 2022

Since 1857
Gresham House
Specialist asset management

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

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YOUR PRIVACY

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

Financial Highlights

For the year ended 31 December 2022

Net assets: **£100.32 million**
Net asset value ("NAV") per share: **64.01 pence**

- Net asset value ("NAV") total return[1] per share was (15.8)%[2].
- Share price total return[1] per share was (8.8)%[3].
- Dividends paid and declared in respect of the financial year totalled 8.00 pence per share. Cumulative dividends paid to date since inception in 2004 stand at 156.80 pence per share.
- £4.71 million was invested into four new growth capital investments and six existing portfolio companies during the year.
- Net unrealised losses were £(19.52) million in the year.
- The Company realised investments totalling £11.27 million of cash proceeds and generated net realised gains in the year of £0.96 million.

[1] Definitions of key terms and alternative performance measures shown above and throughout this report are shown in the Glossary of terms on pages 83 and 84.
[2] Further details on the NAV total return are shown in the Performance and Key Performance Indicators section of the Strategic Report on pages 21 to 23.
[3] The difference in NAV and share price total returns arises principally due to the timing of NAV announcements.

Performance Summary

Cumulative NAV Total return[1] performance over the last 3, 5 and 10 years is 42%, 56%, 94% respectively.

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

Reporting date as at	Net assets	NAV per share	Share price[2]	Cumulative dividends paid per share[1]	Cumulative total return per share to Shareholders[1]		Dividends paid and proposed in respect of each year
					(NAV basis)	(Share price basis)	
	(£m)	(p)	(p)	(p)	(p)	(p)	(p)
31 December 2022	100.32	64.01	61.00	156.80	220.81	217.80	8.00
31 December 2021	112.96	90.31	80.00[3]	144.80	235.11	224.80	9.00
31 December 2020	84.69	67.03	57.50	139.80	206.83	197.30	11.00
31 December 2019	71.89	68.78	63.75	124.80	193.58	188.55	10.00
31 December 2018	75.08	70.25	62.00	113.80	184.05	175.80	7.00

[1] Definitions of key terms and alternative performance measures shown above and throughout this report are shown in the Glossary of terms on pages 83 and 84.
[2] Source: Panmure Gordon & Co (mid-market price). The discount on the Company's shares at 31 December 2022 was 4.9% as the share price was based on the NAV per share at 30 September 2022 of 64.16 pence (adjusted for a 4.00 pence dividend paid on 7 November 2022).
[3] The share price at 31 December 2021 has been adjusted for a 4.00 pence dividend paid after the year-end on 7 January 2022 which was ex-dividend at 31 December 2021.

Detailed performance data for all fundraising rounds and for former Matrix Income & Growth 3 VCT Shareholders are shown in a table on pages 79 and 80 of this Annual Report. The tables, which give cumulative total return per share information for each allotment date on both a NAV and share price basis, are also available on the Company's website at www.migvct.co.uk where they can be downloaded by clicking on "table" under "Reviewing the performance of your investment".

Chair's Statement

I am pleased to present the annual results for Mobeus Income & Growth VCT plc for the year ended 31 December 2022.

Overview

The Company's financial year took place against a backdrop of significant political and economic disruption. The end of 2021 represented a high point for many technology and growth markets which were subsequently impacted by global events such as the Russian invasion of Ukraine, political turmoil in the UK and across Europe as well as rising inflation and the associated increase in interest rates. All of this has led to increased volatility and a substantial downward re-rating of growth stocks across global markets.

It appears that we are learning to live with higher inflation and the Russia/Ukraine war as these have now morphed from one-off shocks to become daily reality. Since the year-end, inflation has moderated somewhat and, against predictions, the UK economy also narrowly avoided recession. The forecast for 2023 however is that the UK will still probably enter recession, although it may be somewhat less severe than had been expected. This will likely result in additional challenges for your portfolio companies, particularly in respect of inflation and dampened customer demand. Your Company is well prepared for most scenarios with its strong liquidity available to support the portfolio and through extensive planning and preparation by Gresham House with each of the portfolio companies' management teams. The Company has continued to provide finance to new and existing investee companies and delivered two notable exits during the year in the form of Media Business Insight (MBI) and Equip Outdoor Technologies (EOTH). The recent equity disposal of EOTH in November was a particular high point as we anticipate a quieter exit environment during 2023 than in previous years.

The Board was pleased to learn of the commitment from the UK Government to extend the VCT 'sunset clause' beyond the end date of 5 April 2025, although Shareholders should note the VCT industry has seen no further detail provided to date and any extension will most likely require parliamentary approval. This clause was due to expire in 2025 and would have meant that investor income tax relief would have no longer been available on new VCT subscriptions.

Performance

For the year ended 31 December 2022, the Company experienced a negative NAV total return per share of (15.8)% (2021: +42.2%) and a negative share price total return of (8.8)% (2021: +47.8%). This difference in NAV and share price total returns arises principally due to the timing of NAV announcements and is explained more fully under Performance in the Strategic Report on page 21.

The reduction in shareholder value over the financial year resulted from falls in the valuation of the portfolio. This was driven initially by lower benchmark market comparables and, more recently, also by softening trading performance of investee companies. This timing differential is due to markets very quickly factoring in the impact of inflation and higher interest rates on consumer spending and business investment. The full extent of the impact of these on portfolio company trading will only emerge over time.

At the year-end, the Company was ranked 1st over both five and ten-year periods (out of 37 and 31 Generalist VCTs respectively) in the Association of Investment Companies' analysis of NAV Total Return (assuming dividends are reinvested). Shareholders should note that the AIC's rankings are based on the latest available published NAVs and therefore do not fully reflect the NAV per share decrease up to 31 December 2022. For further details on the performance of the Company, please refer to the Strategic Report on pages 19 to 30.

Dividends

The Board endeavours to meet the Company's annual dividend target of at least 4.00 pence per share and provide an attractive income stream to Shareholders. The Board was pleased to have announced a second interim dividend of 4.00 pence per share, which was paid on 7 November 2022 to Shareholders on the register on 16 September 2022.

This second interim dividend, together with a first interim dividend of 4.00 pence per share paid on 15 July 2022 to Shareholders on the register on 10 June 2022, brings dividends paid and proposed in respect of the financial year ended 31 December 2022 to 8.00 pence per share. To date, cumulative dividends paid since inception are 156.80 pence per share.

As reported in previous years, the continuing move of the portfolio towards younger growth capital investments coupled with the realisations of older, more mature companies that have provided a good income yield, are likely to make dividends harder to achieve from income and capital returns generated in any given year. Thus, the Board continues to monitor the sustainability of the annual dividend target. Shareholders should also note that there may continue to be circumstances where the Company is required to pay dividends in excess of income and capital gains in order to maintain its regulatory status as a VCT, for example, to stay above the minimum percentage of assets required to be held in qualifying investments. Such dividends paid in excess of net income and capital gains achieved will cause the Company's NAV per share to reduce by a corresponding amount.

Following a query at the Annual General Meeting held in May 2022, the Board would like to inform Shareholders that it periodically considers the potential for the Company to operate a Dividend Investment Scheme. In line with previous considerations, the Board has concluded that the costs still outweigh the potential benefit to Shareholders and to the Company.

Investment Portfolio

The portfolio movements across the year were as follows:

	2022 £m	2021 £m
Opening portfolio value	79.81	51.14
New and further investments	4.71	7.54
Disposal proceeds	(11.27)	(15.23)
Net realised gains	*0.96*	*5.45*
Valuation movements	*(19.52)*	*30.91*
Net investment portfolio (losses)/gains	(18.56)	36.36
Portfolio value at 31 December	**54.69**	**79.81**

In the current changing environment, a number of investee companies experienced a decline in consumer confidence with a resultant impact on trading. There was a fall of £18.56 million in the overall value of the portfolio across the year to 31 December 2022 (2021: increase of £36.36 million), or a fall of (23.2)% on a like-for-like basis compared to the value of the portfolio at the start of the year. Notably, almost half of the fall of £18.56 million above relates to Virgin Wines which declined by £8.71 million. Virgin Wines is an AIM-listed investment, which has suffered from the negative sentiment of its sector, in spite of broadly positive news flows from the company itself and relative outperformance versus its peers.

The negative NAV total return for the year principally comprised unrealised falls in the value of investments still held of £19.52 million (primarily Virgin Wines, MyTutor and Buster & Punch) partially mitigated by an uplift of Tharstern together with exit proceeds from EOTH and MBI which contributed to net realised gains of £0.96 million.

During the year, the Company invested a total of £4.71 million into four new and six existing portfolio companies (2021: £7.54 million; four new, eight existing). New investments totalling £2.44 million were made into:

- Proximity Insight – retail technology software;
- Bidnamic – a marketing technology business;
- FocalPoint – a GPS enhancement software supplier; and
- Orri – an intensive day care provider for adults with eating disorders

Additional funding totalling £2.27 million was provided across six existing portfolio companies:

- Caledonian Leisure – a provider of UK leisure and experience breaks;
- Northern Bloc – a dairy and allergen-free ice cream brand;
- Rotageek – a workforce management software system;
- Andersen EV – a provider of premium EV chargers;
- Vivacity – an AI and Urban Traffic Control business; and
- Bleach London – a hair colourants brand

The Company generated a total of £10.66 million in proceeds from full and partial realisations alongside loan repayments and other capital receipts of £0.61 million. The Company therefore generated total proceeds of £11.27 million in the year to 31 December 2022. More detail on these realisations is provided below.

In June 2022, the Company realised its investment in MBI generating proceeds of £4.83 million from the sale (including deferred proceeds and loan repayments made earlier in the year) resulting in a realised gain in the year of £0.54 million. This exit contributed to returns received over the life of the investment amounting to £7.36 million, a 2.2x multiple of cost and an IRR of 13.8%.

In October 2022, Andersen EV, the electric charger provider, was compelled to enter into administration as a result of a substantial deterioration in its trading conditions which resulted in a realised loss of £(0.61) million being recognised during the year. This was particularly disappointing as the Company, alongside the other Mobeus VCTs, made a follow-on investment into the company in May 2022. The company had secured some impressive clients and funding was provided to drive product development in a premium brand which operated in the emerging electric car charging market. However, over the summer months, a combination of global supply issues, inflationary cost increases and the removal of Government consumer support for the purchase of EV chargers quickly impacted its ability to continue trading and so necessitated the appointment of administrators. On 22 December 2022, Parsley Box Group PLC delisted from the AIM market and the shares were cancelled. It has subsequently re-registered as a private company.

The end of the year brought the pleasing exit of the equity in EOTH, trading as Rab and Lowe Alpine, with amounts received on completion totalling £6.89 million including preference share dividends, generating a realised gain in the year of £0.49 million. Total proceeds received over the life of this investment are £8.96 million to date, a 6.9x multiple of cost and an IRR of 23.2%. The Company has retained its interest yielding loan stock to continue to generate income in the future.

Deferred proceeds from Red Paddle and Vectair were also received in the year; both investments were realised in a previous year generating realised gains totalling £0.55 million.

During these uncertain times, the management of the portfolio is absolutely critical and the Investment Adviser is, and has been, focused on deploying its Talent Management team to support its investments. We continue to expect follow-on investments to remain a significant feature of growth capital investments as they seek to achieve scale and move to profitability. Follow-on investment requests are subject to the same scrutiny as new deals and both rely on certain criteria being met, including the HMRC Financial Health Test.

Shareholders should be aware that this test is an effective tightening of the interpretation of HMRC policy and practice in a technical aspect of the VCT financing rules, now resulting in the restriction of potential follow-on investments to support certain companies, where more than half their subscribed share capital has been lost. In a small number of cases, this may result in the Company not being able to make follow-on investments, even where a compelling business case exists, which in turn could impact the prospects of the portfolio company. The Board continues to monitor developments in the interpretation of this area of legislation carefully.

Since the year-end, the Company has invested a total of £0.89 million into two new investment companies, Connect Earth and Cognassist in March 2023. Also following the year-end, again in March 2023, the sale of the Company's investment in Tharstern Group Limited was completed achieving a 2.6x return against cost over the life of the investment.

Revenue account

The results for the year are set out in the Income Statement on page 50 and show a revenue return (after tax) of 1.03 pence per share (2021: 0.54 pence per share). The revenue return for the year of £1.42 million has increased from last year's comparable figure of £0.68 million. This is primarily the result of higher dividends received from EOTH as well as loan interest that was not previously recognised received upon the sale of MBI.

Liquidity & Fundraising

Cash and cash equivalents held by the Company as at 31 December 2022 amounted to £45.72 million, or 45.6% of net assets. The Board continues to monitor credit risk in respect of its cash and near cash resources and to prioritise the security and protection of the Company's capital.

In January 2022, the Company completed a fundraise of £10 million for the 2021/2022 tax year which was fully subscribed in less than 24 hours. This level of demand was pleasing, but the Board was aware that a number of investors were left disappointed having not been able to subscribe. Later in the year, on considering the future cash requirements of the Company and the potential demand for the Company's shares, the Board approved a further fundraise for the 2022/23 tax year. Having provided a period of time between the launch of the prospectus and acceptance of applications, the Board was pleased that the initial amount of £14 million (as well as an over-allotment facility of a further £8 million), launched early in October 2022, was fully subscribed by 5 December 2022. Shares were allotted in November 2022 and February 2023 and your Company extends a warm welcome to an equal mix of both new and existing Shareholders.

The fundraising launched in October 2022 was to ensure that the Company retained adequate levels of liquidity to continue to take advantage of new investment opportunities and fund further expansion of the businesses in its investment portfolio; seeking the delivery of attractive returns for its Shareholders, including the payment of dividends; and buying back its shares from those Shareholders who may wish to sell shares. The Board are not currently minded to conduct another fundraise in 2023.

Further details of the Company's investment activity and the performance of the portfolio are contained in the Investment Adviser's Review and the Investment Portfolio Summary on pages 5 to 18.

Share buybacks

During the year, the Company bought back and cancelled 1,663,597 of its own shares (2021: 1,259,139), representing 1.3% of the shares in issue at the beginning of the year (2021: 1.0%), at a total cost of £1.07 million, inclusive of expenses (2021: £0.92 million). It is the Company's policy to cancel all shares bought back in this way. The Board regularly reviews its buyback policy and currently seeks to maintain the discount at which the Company's shares trade at no more than 5% below the latest published NAV.

Shareholder Communications & Annual General Meeting

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

Following the well-received virtual Shareholder Event held on 25 February 2022, the Investment Adviser held another successful virtual Shareholder Event with a live Q&A session on 23 March 2023 with 280 attendees.

Your Board is pleased to be able to hold the next Annual General Meeting ("AGM") of the Company in person at 1.00 pm on Wednesday, 24 May 2023 at the offices of Shoosmiths LLP, 1 Bow Churchyard, London EC4M 9DQ. A joint presentation by the Investment Adviser to the Company's and Mobeus Income & Growth 4 VCT plc Shareholders will take place at 1.30 pm and a light lunch will be available.

A webcast will also be available at the same time for those Shareholders who cannot attend in person. However, please note that you will not be able to vote via this method and you are encouraged to return your proxy form before the deadline of 22 May 2023. Information setting out how to join the meeting by virtual means will be shown on the Company's website. For further details, please see the Notice of the Meeting which can be found at the end of this Annual Report & Financial Statements, on pages 76 to 78.

Fraud Warning

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

The Board strongly recommends Shareholders take time to read the Company's Fraud warning section, including details of who to contact, contained within the Information for Shareholders section on pages 74 to 75.

Environmental, Social and Governance ("ESG")

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

Gresham House has a team which is focused on sustainability and the Board views this as an opportunity to enhance the Company's existing protocols and procedures through the adoption of the highest industry standards.

The future FCA reporting requirements consistent with the Task Force on Climate-related Financial Disclosures, which commenced on 1 January 2021, do not currently apply to the Company but will be kept under review, the Board being mindful of any recommended changes.

Consumer Duty

The Financial Conduct Authority (FCA) has introduced the concept of Consumer Duty, the rules and principles of which come into effect during the course of 2023. Consumer Duty is an advance on the existing concept of 'treating customers fairly' and looks to ensure good outcomes for purchasers of investment products.

As a quoted equity, VCTs and other investment trusts are not themselves subject to Consumer Duty. But the investment adviser to the Company, Gresham House, is in their role as promoter of the VCTs, as are your financial adviser or any investment platform you may use, if they are FCA regulated.

It is encumbent on all parties to uphold the principles behind Consumer Duty and to that end we are working with the Investment Adviser to review what information we should provide to assist consumers and their advisers to discharge their obligations under Consumer Duty.

Outlook

The geopolitical and economic context for the next year is liable to be challenging although this can also provide an opportunity for the Company to make high quality investments and build strategic stakes in businesses with great potential for the future. Notwithstanding the successful exit of EOTH in November, the exit environment will most likely be subdued in comparison to recent years. However, this is not seen as a significant issue given that the Company is not time-limited. The combined impact of inflation, interest rates and restrictions in Government spending can be expected to impact both consumer and business confidence. We therefore anticipate that further stresses will become evident across the UK business population over the forthcoming year. We expect that all sectors will be vulnerable, although the Company has a reasonably large and diverse portfolio, managed by a professional and capable investment team, which mitigates the challenges that lie ahead.

I would like to take this opportunity once again to thank all Shareholders for their continued support.

Clive Boothman
Chair

4 April 2023

Investment Portfolio

Investment Adviser's Review

Portfolio Review

Many quoted market values declined significantly in the year to 31 December 2022 and the current economic conditions continue to create challenging circumstances. UK business has seen both demand and operating margins come under pressure in the face of widely reported increases in inflation, interest rates and the associated threat of recession. The impact of this is now being seen on consumer confidence and business investment.

Portfolio value change in the early half of 2022 was therefore characterised by declining market multiples with relatively stable company level trading performance carried over in part from the momentum gained during 2021. However, in the latter months of 2022 and into 2023, the situation has reversed. Markets and multiples appear to be stabilising while value change has been driven by the challenging economic conditions which have started to feed through to portfolio company trading performance. The Company's investment values have been insulated partially from market movements by the preferred investment structures employed in many of the portfolio companies. These act to moderate valuation swings and the net result is a more modest decline in portfolio value.

Whilst inflation is moderating following the rises in base rates, it is still at a very high level and therefore a recession is expected in the UK during 2023 – albeit recent comment suggests this may be shallower and shorter than originally feared. There are also early signs that supply chains are returning to normality, that the labour shortage is easing and that there are pockets of positive market sentiment. The outlook is therefore mixed, and the emphasis is thus on robust funding structures and on being prepared for all eventualities. The Gresham House non-executive directors who sit on each portfolio company board have responded by working with their boards to ensure that appropriate scenario planning has been done to achieve the best results during these uncertain times. There is also now a greater focus on cash management and capital efficiency. With ample liquidity following the recent fund raise, the Company is also well placed to support portfolio companies with follow-on funding where it is appropriate and can be done on attractive terms.

There are some specific highs in the portfolio such as Preservica which continues to see strong trading and is out-performing budget. The partial exit from EOTH was also an excellent result after a long running process which had to negotiate numerous economic and geo-political hurdles. By contrast, there were also some significant falls. The largest was at Virgin Wines, where market sentiment shifted heavily against the whole sector despite Virgin Wines itself outperforming its peers. MyTutor was also impacted by declining sector multiples combined with slower than anticipated growth over the year.

The portfolio movements in the year are summarised as follows:

	2022 £m	2021 £m
Opening portfolio value	79.81	51.14
New and follow-on investments	4.71	7.54
Disposal proceeds	(11.27)	(15.23)
Net investment portfolio movement in the year	(18.56)	36.36
Portfolio value at 31 December	**54.69**	**79.81**

The Company made four new growth capital investments during the year totalling £2.44 million:

- Proximity Insight - £0.73 million. Retail technology software;
- Bidnamic - £0.58 million. Marketing technology business;
- FocalPoint - £0.60 million. A GPS enhancement software provider; and
- Orri - £0.53 million. An intensive day care provider for adults with eating disorders.

These investments were made by all six VCTs advised or managed by Gresham House, including the two Baronsmead VCTs.

During the year, the Company also made follow-on investments into six portfolio companies totalling £2.27 million, a breakdown of which is included later in this review.

Two good exits were achieved during the year at MBI and EOTH. On MBI, the Company received a total of £4.83 million in proceeds during the year generating a realised gain of £0.54 million. For EOTH the Company received a total of £5.83 million in proceeds during the year producing a realised gain of £0.49 million and the interest yielding loan stock was also retained. These were both extremely successful investments which, over their lifetime, produced returns of 2.2x and 6.9x as a multiple of the original investment cost.

Alongside these successes, it was disappointing that Andersen EV went into administration towards the end of the year despite securing some large clients such as Porsche and JLR. Andersen encountered very challenging trading conditions with substantially reduced demand, supply chain issues, cost pressures and the removal of government consumer support for the purchase of EV chargers. A realised loss of £0.61 million was recognised during the financial year as a result.

The investment and divestment activity during the year has further increased the proportion of the portfolio comprised of investments made since the 2015 VCT rule change to 80.3% by value at the year-end (31 December 2021: 63.6%).

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

Investment Portfolio Capital Movement	2022 £m	2021 £m
Increase in the value of unrealised investments	0.98	32.82
Decrease in the value of unrealised investments	(20.50)	(1.91)
Net (decrease)/increase in the value of unrealised investments	**(19.52)**	**30.91**
Realised gains	1.57	5.53
Realised losses	(0.61)	(0.08)
Net realised gains in the year	**0.96**	**5.45**
Net investment portfolio movement in the year	**(18.56)**	**36.36**

New Investments during the year

The Company made four new investments totalling £2.44 million during the year, as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
proximityinsight	Proximity Insight	Retail software	February 2022	0.73

Proximity Insight (proximityinsight.com) is a retail technology business that offers a 'Super-App' that is used by the customer-facing teams of brands and retailers to engage, inspire and transact with customers. Headquartered in London with offices in New York and Sydney, Proximity Insight has a global client base that includes over 20 brands, boutiques and department stores in fashion, beauty, jewellery, electronics and homewares. These clients use Proximity Insight's platform to blur the lines between physical and digital retail, enhancing the customer experience and improving the lifetime value of their customers by upwards of 35%. The business grew annual recurring revenue by 117% to £2.2 million in 2021, and the investment will support Proximity Insight's continued product development and international growth.

	Company	Business	Date of investment	Amount of new investment (£m)
Bidnamic	Bidnamic	Marketing technology business	May 2022	0.58

Lads Store Limited, trading as "Bidnamic" (bidnamic.com) is a marketing technology business that offers a platform for online retailers to manage their search engine marketing spend. The technology was all developed internally and uses bespoke machine learning algorithms to automate the management and optimisation of online retailers' Google shopping spend. The ARR of the business has grown substantially over the last two years and this is projected to continue. The investment round will be used further to enhance the product's capabilities and drive continued ARR growth through expanding the sales & marketing team and building a presence in North America.

	Company	Business	Date of investment	Amount of new investment (£m)
FocalPoint	FocalPoint	GPS enhancement software provider	September 2022	0.60

Focal Point Positioning Limited (focalpointpositioning.com) is a deep tech business with a growing IP and software portfolio. Its proprietary technology applies advanced physics and machine learning dramatically to improve the satellite-based location sensitivity, accuracy, and security of devices such as smartphones, wearables and vehicles and reduce costs.

	Company	Business	Date of investment	Amount of new investment (£m)
ORRI	Orri	Specialists in eating disorder support	September 2022	0.53

Orri Limited (orri-uk.com) is an intensive day care provider for adults with eating disorders. Orri provides an alternative to expensive residential in-patient treatment and lighter-touch outpatient services by providing highly structured day and half day sessions either online or in-person at its clinic on Hallam Street, London. Orri opened its current clinic in London in February 2019 which provides a homely environment in a converted 4-storey house but which is operating at capacity. The plan sees a larger site being leased nearby with Hallam Street being used to provide a step-down outpatient service.

Further investments during the year

A total of £2.27 million was invested into six existing portfolio companies during the year, as detailed below:

	Company	Business	Date of investment	Amount of further investment (£m)
Caledonian Leisure Ltd	Caledonian Leisure	UK Leisure and experience breaks	January / February 2022	0.27

Caledonian Leisure works with accommodation providers, coach businesses and other experienced providers (such as entertainment destinations and theme parks) to deliver UK-based leisure and experience breaks to its customers. It comprises two brands, Caledonian Travel (caledoniantravel.com) and UK Breakaways (ukbreakaways.com). The domestic leisure and experience travel market was devastated by the COVID-19 pandemic, but the company was well-placed to expand as lockdown and travel restrictions eased. A series of planned investment tranches has helped the company prepare for and capitalise on the strong demand for UK staycation holidays.

	Company	Business	Date of investment	Amount of further investment (£m)
NORTHERN BLOC	Northern Bloc	Dairy and allergen-free ice cream producer	April 2022	0.17

Northern Bloc Ice Cream (northern-bloc.com) is an established food brand in the emerging and rapidly growing vegan market. By focusing on chef quality and natural ingredients, Northern Bloc has carved out an early mover position in the dairy and allergen-free ice cream sector. The company's focus on plant-based alternatives has strong environmental credentials as well as it being the first ice cream brand to move wholly into sustainable packaging. Following the initial investment in December 2020, Northern Bloc has grown and strengthened its prospects against a challenging market backdrop. This further investment provides additional working capital and funds a new production facility to increase its resilience, flexibility and margins in the future.

	Company	Business	Date of investment	Amount of further investment (£m)
ANDERSEN	Andersen EV	Premium EV chargers	May 2022	0.34

Muller EV Limited (trading as Andersen EV) (andersen-ev.com) was a design-led manufacturer of premium electric vehicle (EV) chargers. Incorporated in 2016, this business secured high profile partnerships with household brands, establishing an attractive niche position in charging points for the high-end EV market. This follow-on funding was to further support its premium brand and product positioning whilst ensuring all new and existing products met the most recent and highest safety and compliance standards. Unfortunately, external factors caused its market and trading prospects to worsen rapidly, including substantially reduced demand, global supply chain issues, inflation and the removal of government consumer support for the purchase of EV chargers. The company therefore entered administration before the year end.

	Company	Business	Date of investment	Amount of further investment (£m)
rotageek	RotaGeek	Workforce management software	June 2022	0.28

RotaGeek (rotageek.com) is a provider of cloud-based enterprise software to help larger retail, leisure and healthcare organisations to schedule staff effectively. RotaGeek has proven its ability to solve the scheduling issue for large retail clients competing due to the strength of its technologically advanced proposition. The company has made significant commercial progress since the VCTs first investment nearly doubling Annual Recurring Revenues (ARR). This investment aims to help boost ARR and enable the company to take advantage of further large client opportunities.

	Company	Business	Date of investment	Amount of further investment (£m)
VIVA CITY	Vivacity	Provider of artificial intelligence & urban traffic control systems	July 2022	0.78

Vivacity (vivacitylabs.com) develops camera sensors with on-board video analytics software that enables real-time anonymised data gathering of road transport system usage. It offers city transport authorities the ability to manage their road infrastructure more effectively, enabling more efficient monitoring of congestion and pollution levels as well as planning for other issues, such as the changing nature of road usage (e.g. the increasing number of cyclists). The technology and software represent a significant leap forward for local planning authorities which have traditionally relied upon manual data collection methods. This new investment will help boost the company's revenues through development of new functionality to enhance its product suite which can also be installed into the existing asset base.

	Company	Business	Date of investment	Amount of further investment (£m)
BLEACH LONDON	Bleach	Hair Colourants brand	August 2022	0.43

Bleach London Holdings ("Bleach") (bleachlondon.com) is an established brand which develops and markets a range of innovative haircare and colouring products. Bleach is regarded as a leading authority in the hair colourant market having opened one of the world's first salons focused on colouring and subsequently launched its first range of products in 2013. This further investment was part of a wider £5.5 million investment round alongside existing shareholders and a strategic partner. The funds will be used to drive further expansion into the strategically important North American market and to consolidate the brand's position in the UK.

Portfolio valuation movements

Across the portfolio, comparable market multiples that are used as the basis of valuation have declined over the year, some by over 30%, but the levels at the year-end reflect a degree of stabilisation over the final quarter. Together with several downward revisions to trading forecasts in the latter half of the year, this has driven a general decline in investee company values. As noted, the preference investment structures used in many of the portfolio companies serve to moderate the impact of such company value movements on VCT value. The need to protect and develop value going forwards in such an uncertain environment underlines the need for portfolio readiness and planning, robust funding and close monitoring by the Gresham House team.

The main reductions within total valuation decreases of £(20.50) million, were:

- Virgin Wines £(8.71) million
- MyTutor £(2.03) million
- Buster and Punch £(1.64) million
- Wetsuit Outlet £(1.36) million
- Active Navigation £(1.30) million

Virgin Wines has suffered from negative sentiment across its sector despite outperforming its peers. More recently, it also experienced some short term operational difficulties particularly in the last quarter of 2022. MyTutor's growth has slowed post COVID coupled with a decline in market multiples. Buster and Punch and Wetsuit Outlet are both consumer facing businesses that have experienced challenging trading conditions which resulted in profit downgrades. ActiveNav has developed a new business line which has gained significant traction and offers potential but the core business has grown more slowly than planned which has led to an overall reduction in its valuation.

The uplifts within the total valuation increase of £0.98 million were:

- Tharstern £0.55 million
- Orri £0.26 million
- Preservica £0.17 million

Tharstern has continued to deliver strong trading performance. Following the year-end, in March 2023, the Company completed a successful sale of Tharstern generating a 2.6x return. Preservica continues to build its high retention, long contract term SaaS business, improving recurring revenues year on year. Orri is performing as planned and the valuation uplift simply reflects the first time recognition of the preferential investment structure.

Growth capital investing involves companies which often have not achieved profitability and as a result, have to be measured on other metrics. The table below shows the proportion of the portfolio that is represented by pre-profit companies (often valued by reference to revenue multiple), compared with more mature, established companies with a history of profitability and which are therefore valued on an earnings multiple:

Valuation methodology	2022 £m	2022 % of total investments	2021 £m	2021 % of total investments
Revenue multiple	38.60	70.6%	41.28	51.7%
Earnings multiple	10.90	19.9%	25.67	32.3%
Bid price	3.32	6.1%	12.52	15.7%
Recent investment price (reviewed for impairment)	0.60	1.1%	0.27	0.3%
Other	1.27	2.3%	0.07	0.1%
Total	**54.69**	**100.0%**	**79.81**	**100.0%**

Portfolio Realisations during the year

The Company realised two of its investments during the year one of which was a partial realisation, as detailed below:

	Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
MBI	MBI	Publishing and events business	January 2015 to June 2022	£7.36 million 2.2x cost

The Company realised its whole investment in MBI for £4.83 million (realised gain in the year: £0.54 million) including deferred proceeds received since completion. Total proceeds received over the life of the investment were £7.36 million compared to an original investment cost of £3.28 million, representing a multiple on cost of 2.2x and an IRR of 13.8%.

	Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
equip outdoor technologies ltd	EOTH	Branded clothing (Rab and Lowe Alpine)	October 2011 to November 2022	£8.96 million 6.9x cost

The Company realised its equity investment in EOTH for £6.89 million (realised gain in the year: £0.49 million) including preference dividends. Total proceeds received over the life of the investment were £8.96 million compared to an original investment cost of £1.30 million, representing a multiple on cost of 6.9x and an IRR of 23.2%. The Company has retained its interest yielding loan stock investment. Once repaid, this should increase the multiple on cost to 7.9x.

Loan stock repayments and other gains/(losses) during the year

The Company also received loan repayments totalling £0.07 from Jablite Holdings Limited.

In addition, deferred consideration totalling £0.55 million in realised gains was received in respect of investments realised in a previous year. Conversely, as discussed earlier, Muller EV (trading as Andersen EV) generated a realised loss in the year of £(0.61) million.

Portfolio income and yield

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

Investment Portfolio Yield	2022 £m	2021 £m
Interest received in the year	0.91	1.26
Dividends received in the year	1.24	0.45
Total portfolio income in the year[1]	**2.15**	**1.71**
Portfolio Value at 31 December	**54.69**	**79.81**
Portfolio Income Yield (Income as a % of Portfolio value at 31 December)	**3.9%**	**2.1%**

[1] Total portfolio income in the year is generated solely from investee companies within the portfolio. .

New investment made after the year-end

£0.89 million was invested into two new investments after the year-end, as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
Connect Earth	Connect Earth	Environmental data provider	March 2023	0.30

Founded in 2021, Connect Earth (connect.earth) is a London-based environmental data company that democratises easy access to sustainability data. With its carbon tracking API technology, Connect Earth supports financial institutions in offering their customers transparent insights into the climate impact of their daily spending and investment decisions. Connect Earth's defensible and scalable product platform suite has the potential to be a future market winner in the nascent but rapidly growing carbon emission data market, for example, by enabling banks to provide end retail and business customers with carbon footprint insights of their spending. This funding round is designed to facilitate the delivery of the technology and product roadmap to broaden the commercial reach of a proven product.

	Company	Business	Date of investment	Amount of new investment (£m)
Cognassist	Cognassist	Education and neuro-inclusion solutions	March 2023	0.59

Cognassist (cognassist.com) is an education and neuro-inclusion solutions company that provides a Software-as-a-Service (SaaS) platform focused on identifying and supporting individuals with hidden learning needs. The business is underpinned by extensive scientific research and a vast cognitive dataset. Founded in 2019 by Chris Quickfall, Cognassist has scaled its underlying business within the education market, enabling apprentices to unlock government funding and helping diverse minds to thrive. This investment will empower Cognassist to continue its growth within the education market and penetrate the enterprise market, where demand for neuro-inclusive solutions to adequately support employees is rapidly emerging.

Realisations after the year-end

	Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
Tharstern	Tharstern	Software based management information systems	July 2014 to March 2023	£3.79 million 2.6x cost

The Company realised its investment in Tharstern Group for £2.70 million. Total proceeds received over the life of the investment were £3.79 million compared to an original cost of £1.46 million, representing a multiple on cost of 2.6x and an IRR of 15.0%.

Investment Portfolio

Environmental, Social and Governance considerations

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

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

- Ensure its team understands the imperative for effective ESG management and is equipped to carry this out through management support and training.
- Conduct regular monitoring of ESG risks, opportunities and performance in its investments.
- Incorporate ESG into its monitoring processes.

Outlook

With inflation, political uncertainty and the threat of recession impacting consumer confidence and business investment, the number of UK businesses experiencing financial stress is set to increase. This will impact all sectors and businesses to varying degrees and may present attractive opportunities for a selective investor with the advantage of being able to take a longer term view, such as your Company. However, the economic backdrop will also impact our existing portfolio companies and would present a challenge to less experienced management teams and their advisers.

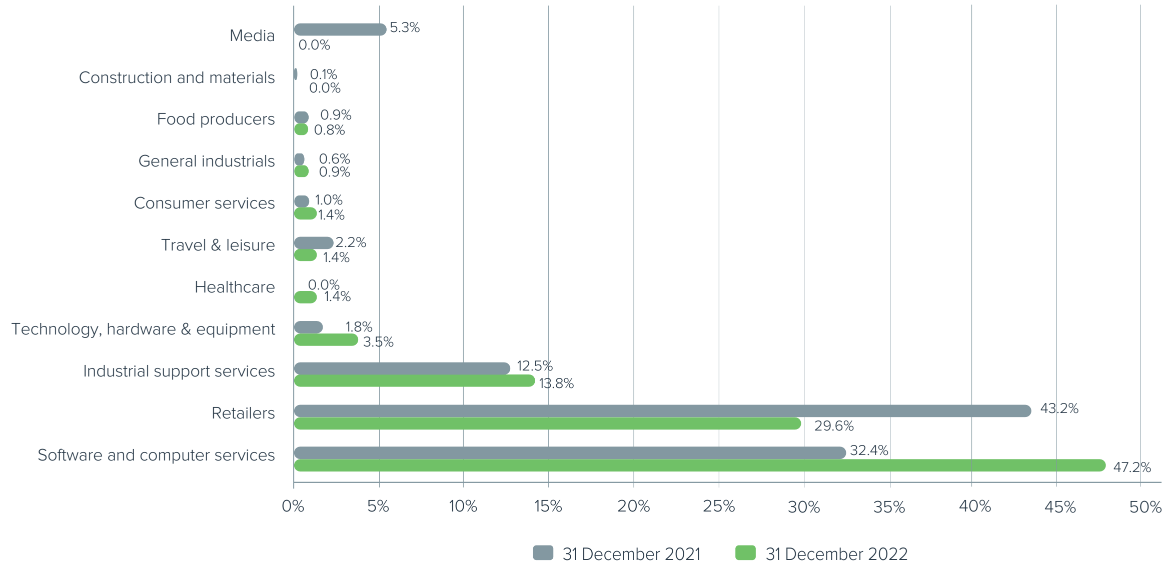
Markets are volatile and uncertain and business planning is acutely difficult. As such, the experience of seasoned investment managers will be increasingly important in the coming year as they seek to support their portfolio management teams in navigating through some particularly challenging short-term trading conditions. In this respect, Gresham House feels well placed in having one of the largest and most experienced portfolio teams in the industry with an average of over 18 years relevant industry experience. The Company has ample liquidity to provide further support to its portfolio businesses through this period and is keen to make such investments where there is a commercial case to do so over the medium to long-term.

Gresham House Asset Management Limited
Investment Adviser

4 April 2023

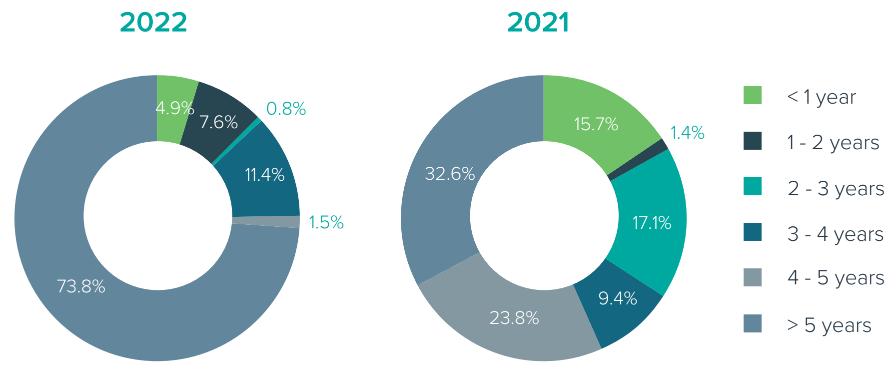
Investments by market sector

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

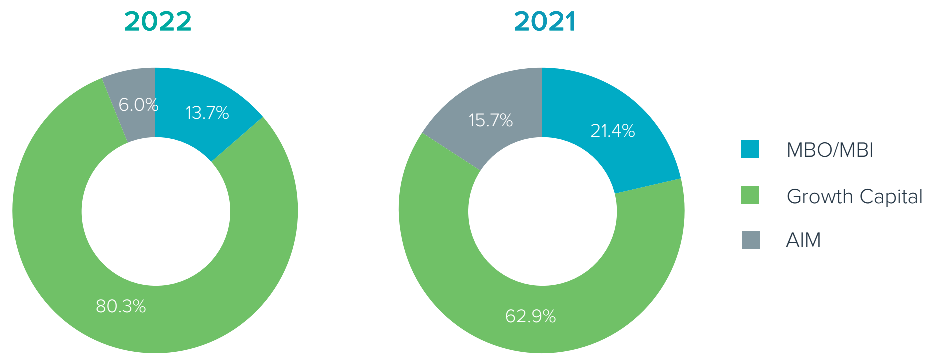


* - All of the retail investments have branded online direct to consumer businesses with no or minimal direct physical high street retail presence, being Bleach London, Buster + Punch, EOTH (trading as RAB and Lowe Alpine), MPB Group, Parsley Box, Wetsuit Outlet, and Virgin Wines.

Age of the portfolio by value



Type of investment by value



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

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

Principal investments in the portfolio at 31 December 2022 by valuation

Preservica Limited

www.preservica.com

Cost £4,498,000

Valuation £14,802,000

Basis of valuation
Revenue multiple

Equity % held
17.4%

Income receivable in year
£110,581

Business
Seller of proprietary digital archiving software

Location
Abingdon, Oxfordshire

Original transaction
Growth capital

Audited financial information

Year ended	31 March 2022
Turnover	Not disclosed
Operating profit/(loss)	Not disclosed
Net liabilities	£(1,001,000)
Year ended	31 March 2021
Turnover	Not disclosed
Operating profit/(loss)	Not disclosed
Net liabilities	£(3,057,000)

Additions/disposals during the year

None.

MPB Group Limited

www.mpb.com

Cost £1,405,000

Valuation £6,586,000

Basis of valuation
Revenue multiple

Equity % held
4.1%

Income receivable in year
Nil

Business
Online marketplace for photographic and video equipment

Location
Brighton

Original transaction
Growth capital

Audited financial information

Year ended	31 March 2022
Turnover	£97,793,000
Operating loss	£(4,959,000)
Net assets	£25,624,000
Year ended	31 March 2021
Turnover	£64,888,000
Operating loss	£(911,000)
Net assets	£31,267,000

Additions/disposals during the year

None.

My Tutorweb Limited

www.mytutor.co.uk

Cost £2,892,000

Valuation £3,858,000

Basis of valuation
Revenue multiple

Equity % held
6.2%

Income receivable in year
Nil

Business
Digital marketplace connecting school pupils seeking one-to-one tutoring with tutors

Location
London

Original transaction
Growth capital

Audited financial information

Year ended	31 December 2021
Turnover	£17,152,000
Operating loss	£(7,482,000)
Net assets	£11,247,000
Year ended	31 December 2020[1]
Turnover	£7,246,000
Operating loss	£(2,379,000)
Net assets	£3,242,000

[1] The financial information quoted for 2020 is restated.

Additions/disposals during the year

None.

Master Removers Group 2019 Limited (trading as Anthony Ward Thomas, Bishopsgate and Aussie Man & Van)

www.ward-thomas.co.uk

Cost £419,000

Valuation £3,584,000

Basis of valuation
Earnings multiple

Equity % held
7.9%

Income receivable in year
£182,598

Business
A specialist logistics, storage and removals business

Location
London

Original transaction
Growth capital

Audited financial information

Year ended	30 September 2021
Turnover	£38,530,000
Operating profit	£8,694,000
Net assets	£16,378,000
Year ended	30 September 2020
Turnover	£26,984,000
Operating profit	£4,143,000
Net assets	£14,286,000

Additions/disposals during the year

None.

Virgin Wines UK plc

www.virginwines.co.uk

Cost £58,000

Valuation £3,294,000

Basis of valuation
Bid price (AIM quoted)

Equity % held
10.5%

Income receivable in year
Nil

Business
Online wine retailer

Location
Norwich

Original transaction
Management buyout

Audited financial information

Period ended	1 July 2022
Turnover	£69,152,000
Operating profit	£6,164,000
Net assets	£22,073,000
Period ended	2 July 2021
Turnover	£73,634,000
Operating profit	£3,468,000
Net assets	£17,627,000

Additions/disposals during the year

None.

End Ordinary Group Limited (trading as Buster and Punch)

www.busterandpunch.com

Cost £1,885,000

Valuation £2,522,000

Basis of valuation
Earnings multiple

Equity % held
9.8%

Income receivable in year
Nil

Business
Industrial inspired lighting and interiors retailer

Location
Stamford, Lincolnshire

Original transaction
Growth capital

Audited financial information

Year ended	31 March 2022
Turnover	Not disclosed
Operating profit/(loss)	Not disclosed
Net assets	£5,614,000
Year ended	31 March 2021
Turnover	Not disclosed
Operating profit/(loss)	Not disclosed
Net assets	£5,614,000

Additions/disposals during the year

None.

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

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

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

Principal investments in the portfolio at 31 December 2022 by valuation

Arkk Consulting Limited (trading as Arkk Solutions)

www.arkksolutions.com

Cost	£2,069,000
Valuation	£2,159,000

Basis of valuation
Revenue multiple

Equity % held
8.7%

Income receivable in year
£47,707

Business
Services and software to enable organisations to remain compliant with regulatory reporting requirements

Location
London

Original transaction
Growth capital

Financial information (unaudited)

Year ended	31 December 2021
Turnover	Not disclosed
Operating profit/(loss)	Not disclosed
Net liabilities	£(1,056,000)
Year ended	31 December 2020
Turnover	Not disclosed
Operating profit/(loss)	Not disclosed
Net liabilities	£(428,000)

Additions/disposals during the year

None.

Tharstern Group Limited

www.tharstern.com

Cost	£1,377,000
Valuation	£2,074,000

Basis of valuation
Earnings multiple

Equity % held
16.1%

Income receivable in year
£111,848

Business
Software based management information systems

Location
Lancashire

Original transaction
Management buyout

Audited financial information

Year ended	31 January 2022
Turnover	£4,519,000
Operating profit	£351,000
Net liabilities	£(1,679,000)
Year ended	31 January 2021
Turnover	£4,365,000
Operating profit	£585,000
Net liabilities	£(1,298,000)

Additions/disposals during the year

None during the year. Full disposal in March 2023.

Data Discovery Solutions Limited (trading as ActiveNav)

www.activenav.com

Cost	£1,809,000
Valuation	£2,068,000

Basis of valuation
Revenue multiple

Equity % held
9.1%

Income receivable in year
Nil

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

Location
Winchester

Original transaction
Growth capital

Audited financial information

Year ended	29 June 2022
Turnover	Not disclosed
Operating profit/(loss)	Not disclosed
Net assets	£4,305,000
Year ended	29 June 2021
Turnover	Not disclosed
Operating profit/(loss)	Not disclosed
Net assets	£3,940,000

Additions/disposals during the year

None

Vivacity Labs Limited

www.vivacitylabs.com

Cost	£1,938,000
Valuation	£1,938,000

Basis of valuation
Revenue multiple

Equity % held
7.0%

Income receivable in year
Nil

Business
Provider of artificial intelligence & urban traffic control systems

Location
London

Original transaction
Growth capital

Financial information (unaudited)

Year ended	31 December 2021
Turnover	Not disclosed
Operating profit/(loss)	Not disclosed
Net assets	£3,954,000
Year ended	31 December 2020
Turnover	Not disclosed
Operating profit/(loss)	Not disclosed
Net assets	£632,000

Additions/disposals during the year

Follow-on investment in July 2022.

Manufacturing Services Investment Limited (trading as Wetsuit Outlet)

www.wetsuitoutlet.co.uk

Cost	£2,745,000
Valuation	£1,387,000

Basis of valuation
Earnings multiple

Equity % held
7.6%

Income receivable in year
Nil

Business
Online retailer in the water sports market

Location
Southend on Sea, Essex

Original transaction
Growth capital

Audited financial information

Year ended	31 March 2022
Turnover	£28,817,000
Operating profit	£2,363,000
Net assets	£8,992,000
Year ended	31 March 2021
Turnover	£25,149,000
Operating profit	£1,970,000
Net assets	£8,897,000

Additions/disposals during the year

None.

EOTH Limited (trading as Equip Outdoor Technologies)

www.equipuk.com

Cost	£1,297,000
Valuation	£1,270,000

Basis of valuation
Net asset value

Equity % held
0.0%

Income receivable in year
£1,180,106

Business
Branded outdoor equipment and clothing (Rab and Lowe Alpine)

Location
Alfreton, Derbyshire

Original transaction
Growth capital

Audited financial information

Year ended	31 January 2022
Turnover	£95,790,000
Operating profit	£20,360,000
Net assets	£45,230,000
Year ended	31 January 2021
Turnover	£61,258,000
Operating profit	£8,241,000
Net assets	£32,711,000

Additions/disposals during the year

Partial realisation in November 2022.

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

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

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

Investment Portfolio

Investment Portfolio Summary

as at 31 December 2022

	Market sector	Date of investment	Total book cost £'000	Valuation £'000	Like for like valuation increase/ (decrease) over year[1]	% value of net assets	% of equity held by funds managed and advised by Gresham House
Qualifying investments							
Preservica Limited Seller of proprietary digital archiving software	Software and computer services	Dec-15	4,498	14,802	1.1%	14.8%	57.9%
MPB Group Limited Online marketplace for used photographic and video equipment	Retailers	Jun-16	1,405	6,586	(10.9)%	6.6%	14.4%
My TutorWeb Limited (trading as MyTutor) Digital marketplace connecting school pupils seeking one-to-one online tutoring	Industrial support services	May-17	2,892	3,858	(34.5)%	3.8%	22.6%
Virgin Wines UK plc (AIM quoted) Online Wine retailer	Retailers	Nov-13	58	3,274	(72.7)%	3.3%	41.5%
End Ordinary Group Limited (trading as Buster and Punch) Industrial inspired lighting and interiors retailer	Retailers	Mar-17	1,885	2,522	(39.4)%	2.5%	34.6%
Arkk Consulting Limited (trading as Arkk Solutions) Provider of services and software to enable organisations to remain compliant with regulatory reporting requirements	Software and computer services	May-19	2,069	2,159	(0.7)%	2.2%	30.1%
Tharstern Group Limited Software based management information systems	Software and computer services	Jul-14	1,377	2,074	36.5%	2.1%	55.0%
Data Discovery Solutions Limited (trading as Active Navigation) Provider of global market leading file analysis software for information governance, security and compliance	Software and computer services	Nov-19	1,809	2,068	(38.6)%	2.1%	32.3%
Vivacity Labs Limited Provider of artificial intelligence & urban traffic control systems	Technology, hardware & equipment	Feb-21	1,938	1,938	-	1.9%	25.4%
Bleach London Holdings Limited Hair colourants brand	Retailers	Dec-19	1,244	1,081	(36.4)%	1.1%	14.1%
EOTH Limited (trading as Equip Outdoor Technologies) Branded outdoor equipment and clothing (RAB and Lowe Alpine)	Retailers	Oct-11	999	946	-	0.9%	0.0%
IPV Limited Provider of media asset software	Software and computer services	Nov-19	890	890	-	0.9%	26.6%
Legatics Holdings Limited SaaS LegalTech software provider	Software and computer services	Jun-21	822	822	-	0.8%	27.3%
Manufacturing Services Investment Limited (trading as Wetsuit Outlet) Online retailer in the water sports market	Retailers	Jul-17	2,174	816	(62.4)%	0.8%	27.5%
Rota Geek Limited Workforce management software	Software and computer services	Aug-18	1,428	804	(48.2)%	0.8%	20.3%
Orri Limited An intensive day care provider for adults with eating disorders	Healthcare	Sep-22	526	784	New investment	0.8%	28.4%
Pets' Kitchen Limited (trading as Vet's Klinic) Veterinary clinics	Consumer services	Jun-21	763	763	-	0.8%	20.0%
Proximity Insight Holdings Limited Offers a 'Super-App' that is used by the customer- facing teams of brands and retailers to better-engage with customers	Software and computer services	Feb-22	730	730	New investment	0.7%	20.4%
Caledonian Leisure Limited Provider of UK leisure and experience breaks	Travel & leisure	Mar-21	681	634	(58.2)%	0.6%	30.0%
FocalPoint Positioning Limited A deeptech business with a growing IP and software portfolio	Software and computer services	Sep-22	601	601	New investment	0.6%	4.9%
Lads Store Limited (trading as Bidnamic) Marketing technology business that offers a SaaS platform for online retailers to manage their search engine marketing spend	Software and computer services	May-22	582	578	New investment	0.6%	9.1%
CGI Creative Graphics International Limited Vinyl graphics to global automotive, recreational vehicle and aerospace markets	General industrials	Jun-14	1,808	470	(5.0)%	0.5%	26.9%
Northern Bloc Ice Cream Limited Supplier of premium vegan ice cream	Food producers	Dec-20	588	441	(60.4)%	0.4%	31.1%
Connect Childcare Group Limited Nursery management software provider	Software and computer services	Dec-20	1,168	292	(78.7)%	0.3%	14.4%
Spanish Restaurant Group Limited (trading as Tapas Revolution) Spanish restaurant chain	Travel & leisure	Jan-17	1,453	138	(84.3)%	0.1%	29.0%
RDL Corporation Limited Recruitment consultant for the pharmaceutical, business intelligence and IT industries	Industrial support services	Oct-10	1,558	90	(81.8)%	0.1%	44.5%
Parsley Box Group Limited (formerly Parsley Box Group plc)[2] Supplier of home delivered ambient ready meals targeting the over 60s	Retailers	May-19	807	50	(90.6)%	0.0%	8.3%
Muller EV Limited (trading as Andersen EV) (in liquidation) Provider of premium electric vehicle (EV) chargers	Technology, hardware & equipment	Jun-20	809	-	(100.0)%	0.0%	37.0%
Veritek Global Holdings Limited Maintenance of imaging equipment	Industrial support services	Jul-13	2,045	-	-	0.0%	65.6%
Racoon International Group Limited Supplier of hair extensions, hair care products and training	Personal goods	Dec-06	1,213	-	-	0.0%	47.5%
BookingTek Limited Direct booking software for hotels	Software and computer services	Oct-16	688	-	-	0.0%	14.9%

Blue Investment made prior to 2015 VCT rule change

Green Investment made after 2015 VCT rule change

Investment Portfolio Summary

as at 31 December 2022

	Market sector	Date of investment	Total book cost £'000	Valuation £'000	Like for like valuation increase/ (decrease) over year[1]	% value of net assets	% of equity held by funds managed and advised by Gresham House
Jablite Holdings Limited (in members' voluntary liquidation) Manufacturer of expanded polystyrene products	Construction and materials	Apr-15	454	-	-	0.0%	40.1%
Kudos Innovations Limited Online platform that provides and promotes academic research dissemination	Software and computer services	Nov-18	421	-	(100.0)%	0.0%	10.9%
Total qualifying investments			**42,381**	**50,211**		**50.1%[3]**	
Non-qualifying investments							
Master Removers Group 2019 Limited (trading as Anthony Ward Thomas, Bishopsgate and Aussie Man & Van) A specialist logistics, storage and removals business	Industrial support services	Dec-14	419	3,584	(0.5)%	3.6%	28.0%
Manufacturing Services Investment Limited (trading as Wetsuit Outlet) Online retailer in the water sports market	Retailers	Jul-17	571	571	-	0.6%	27.5%
EOTH Limited (trading as Equip Outdoor Technologies) Branded outdoor equipment and clothing (Rab and Lowe Alpine)	Retailers	Oct-11	298	324	-	0.3%	-
Total non-qualifying investments			**1,288**	**4,479**		**4.5%**	
Total investment portfolio			**43,669**	**54,690**		**54.6%**	
Current asset investments and cash at bank[4]			45,721	45,721		45.6%	
Total investments			**89,390**	**100,411**		**100.2%**	
Other assets				208		0.1%	
Current liabilities				(303)		(0.3)%	
Net assets				**100,316**		**100.0%**	
Portfolio split by type							
Investment made prior to 2015 VCT rule change			**10,228**	**10,762**		**19.7%**	
Investment made after 2015 VCT rule change			**33,441**	**43,928**		**80.3%**	
			43,669	**54,690**		**100.0%**	

[1] - This percentage change in 'like for like' valuations is a comparison of the 31 December 2022 valuations with the 31 December 2021 valuations (or where a new investment has been made in the year, the investment amount), having adjusted for any partial disposals, loan stock repayments or new investments in the year.

[2] - Parsley Box Group plc was delisted in December 2022, the company changed its name to Parsley Box Group Limited on 11 January 2023.

[3] - At 31 December 2022, the Company held more than 80% of its total investments in qualifying holdings, and therefore complied with the VCT qualifying investment test. For the purposes of the VCT qualifying investment test, the Company is permitted to disregard disposals of investments for twelve months from the date of disposal. It also has up to three years to bring in new funds raised, before these need to be included in the qualifying investment test.

[4] - Disclosed as Current asset investments and Cash at bank within Current assets in the Balance Sheet on page 51.

Blue Investment made prior to 2015 VCT rule change

Green Investment made after 2015 VCT rule change

Strategic Report

Company Objective

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

Summary of Investment Policy

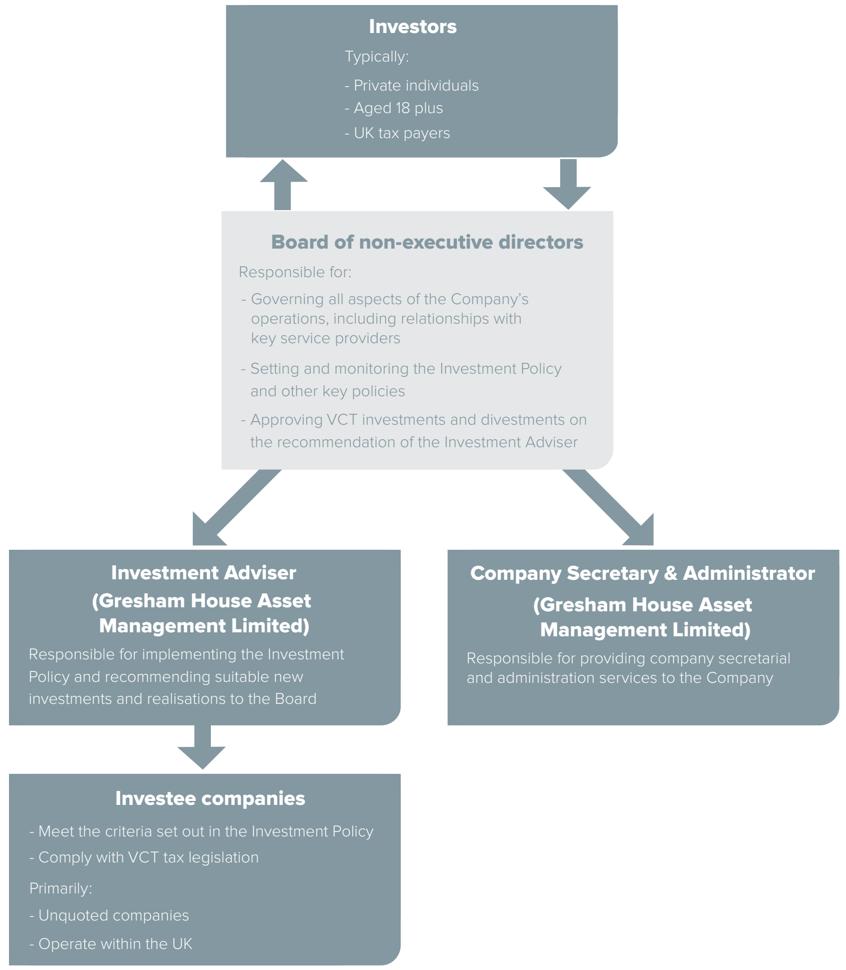
The Company's policy is to invest primarily in a diverse portfolio of UK unquoted companies. Investments are generally structured as part loan and part equity in order to receive regular income, to generate capital gain upon sale and to reduce the risk of high exposure to equities. To spread the risk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

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

The Company seeks to make investments in accordance with the requirements of VCT regulation. A summary of this is set out on page 20.

The full text of the Company's Investment Policy is available in Key Policies on page 24 of this Strategic Report.

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



The Company and its business model

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

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

The Company is an externally advised Fund with a Board comprising Non-Executive Directors only. The Board has overall responsibility for the Company's affairs including the determination of its Investment Policy (material changes to which are subject to approval by Shareholders). Investment advice and operational support are outsourced to external service providers (including the Investment Adviser, Company Secretary and Administrator and Registrar), with the key strategic and operational framework and key policies set and monitored by the Board. Investment and divestment proposals are originated, negotiated and recommended by the Investment Adviser and are then subject to comment, approval or rejection by the Directors. Further details are contained in the Stakeholder Engagement and Directors' Duties section on pages 25 to 27.

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

The total percentage of equity held in each investment by all funds advised by the Investment Adviser is shown in the Investment Portfolio Summary on pages 16 to 18.

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

Summary of VCT regulation

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

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

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

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

In addition, VCTs may not:

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

[1] VCT tax value means as valued in accordance with prevailing VCT legislation. The calculation of VCT tax value is arrived at using tax values, based on the cost of the most recent purchase of an investment instrument in a particular company, which may differ from the actual cost of each investment shown in the Investment Portfolio Summary on pages 16 to 18.

Performance and Key Performance Indicators

The Board has identified six key performance indicators that it uses to assess the Company's progress. Some of these are classified as alternative performance measures ("APMs") in line with Financial Reporting Council ("FRC") guidance. See Glossary of terms for details on pages 83 and 84. APMs are measures of performance in addition to the data reported in the Financial Statements:

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

1 Relative shareholder total returns

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

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

Period to 31 December 2022	Total return (share price basis) %	Ranking (AIC generalist VCTs)
3 years	56.1	4 out of 39
5 years	103.4	1 out of 37
10 years	272.8	1 out of 31

Source: AIC 31 December 2022

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

Overall, the Board considers the long term relative shareholder total returns to be good. The nature of VCT investing reflects a medium to long-term horizon particularly by reference to the five-year hold period for investors to be eligible for upfront income tax relief. In view of this, future Annual Reports will exclude one-year performance benchmarks.

2 Relative and Absolute NAV total returns

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

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

Period to 31 December 2022	Total return (NAV basis)[1] %	Ranking (AIC generalist VCTs)
1 year	(16.2)	37 out of 39
3 years	57.7	2 out of 39
5 years	90.9	1 out of 37
10 years	217.3	1 out of 31

Source: AIC 31 December 2022

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

[1] The one-year NAV Total return per share of (16.2)% above differs to that shown in the Chair's Statement and overleaf of (15.8)%. There are two reasons for this difference. Firstly, the figure of (15.8)% assumes dividends were paid out as cash rather than invested in further shares. Secondly, the AIC data does not include the Company's year-end NAV figure of 64.01 pence per share because this figure will not have been disclosed at the time Morningstar prepared its figures. These two reasons apply for the 3, 5, and 10-year cumulative NAV Total return % figures also shown on page 1.

Overall, the Board considers the long term relative NAV total returns to be good. The nature of VCT investing reflects a medium to long-term horizon particularly by reference to the five-year hold period for investors to be eligible for upfront income tax relief. In view of this, future Annual Reports will exclude one-year performance benchmarks.

Absolute NAV Returns for the year

Total return (p)		2022 (pence per share)	2021 (pence per share)
	Closing NAV per share	64.01	90.31
	Plus: dividends paid in year	12.00[1]	5.00
	NAV Total return for year	**76.01**	**95.31**
	Less: opening NAV per share	90.31	67.03
	(Decrease)/Increase in NAV Return for year per share[2]	**(14.30)**	**+28.28**
	% NAV Total return for year	(15.80)%	+42.2%

Note 1 - Dividends paid in the year refers to the interim dividend of 4.00 pence per share paid on 7 January 2022 in respect of year ended 31 December 2021 and 4.00 pence per share each paid on 15 July 2022 and 7 November 2022 in respect of the year under review.

Note 2 - The analysis of the source of the NAV Return of (14.30) pence per share is set out below:

NAV Return per share for the year is comprised of: Year ended 31 December	2022 (pence per share)	2021 (pence per share)
Gross portfolio capital returns*	(11.84)	29.07
Gross income returns*	1.63	1.37
Costs (including tax charge)	(1.78)	(2.05)
Other movements	(2.31)	(0.11)
(Decrease)/increase in NAV return for the year as above	**(14.30)**	**28.28**

* - The contributions from gross portfolio capital returns and gross income returns are shown before deducting attributable costs. They are explained below under Review of financial performance for the year. Costs are referred to in section 6 on page 24.

The NAV return for the year of (14.30) pence per share is split between its capital and revenue elements (expressed in £ millions) under Review of financial performance for the year below.

Shareholders should note that the Board assesses these returns against the Company's ability to meets its current annual dividend target of 4.00 pence per share (explained in section 3 Dividends paid compared with the dividend target).

Review of financial performance for the year

For the year ended 31 December	2022 (£ millions)	2021 (£ millions)
Capital return	(20.21)	34.84
Revenue return	1.42	0.67
Total return	**(18.79)**	**35.51**

The capital loss for the year of £(20.21) million (12.89 pence fall in NAV return for the year per share, plus costs charged to capital) is primarily due to a net decrease in the unrealised valuation of portfolio companies which was partially offset by realised gains from MBI and EOTH. The decrease in capital return from £34.84 million to £(20.21) million is principally due both to lower realised gains on disposals in 2022 compared to 2021 (£4.49 million decrease), as well as due to net unrealised losses in 2022 in comparison to net unrealised gains in 2021 (£50.43 million decrease).

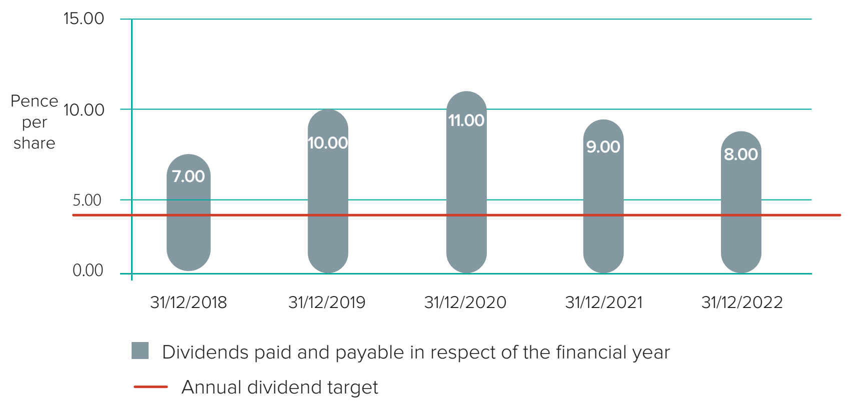
The revenue profit for the year of £1.42 million (0.90 pence of NAV return for the year per share, net of costs charged to revenue) is derived from income, primarily loan interest and dividends, outweighing revenue expenses. The reason for the increase over the year is mainly due to a large preference dividend received from EOTH in 2022.

3 Dividends paid compared with the dividend target

The Company has a target of paying an annual dividend of at least 4.00 pence per share in respect of each financial year.

It has comfortably exceeded this target in each of the last thirteen financial years, the last five of which are shown below. However, the ability of the Company to pay dividends in the future cannot be guaranteed and will be subject to performance and available cash and reserves.

Dividends paid and payable in respect of the financial year



Dividends per share paid and declared in respect of the financial year ended 31 December 2022 are 8.00 pence.

4 Management of share price discount to NAV

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

The discount for the Company's shares at 31 December 2022 was 4.9% (2021: 4.2%) based upon the share price shown in the Performance Summary on page 1 and the NAV at 30 September 2022 of 64.16 pence per share (adjusted for a 4.00 pence dividend paid on 7 November 2022).

Shareholders granted the Directors authority to buy back up to 20.60 million of the Company's shares, representing 14.99% of the shares in issue at the date of the notice of the meeting, at the AGM held on 26 May 2022. Shares bought back under this authority are cancelled and the Directors do not intend to exercise this authority unless they believe that in doing so it would result in an increase in net assets per share, which would be in the interests of Shareholders generally. A resolution to renew this authority will be proposed at the forthcoming AGM, further details of which can be found on page 34.

During the year ended 31 December 2022, the Company bought back 1,663,597 shares, representing 1.3% of its issued share capital at the beginning of the year. The Company instructed its brokers, Panmure Gordon (UK) Limited, to purchase these shares at prices at a discount to the latest previously announced NAV per share in line with the stated discount policy at the time. The Company subsequently purchased these shares at prices ranging from 60.95 pence to 78.07 pence per share and cancelled them.

5 Compliance with VCT legislation

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

The principal tests are summarised in the panel entitled "Summary of VCT regulation" on page 20. Throughout the year ended 31 December 2022, and at the date of this Report, the Company continued to meet these tests.

6 Management of expenses

Shareholders will be aware there are a number of costs involved in operating a VCT. Although Shareholders do not bear costs in excess of the expense cap of 3.60%, the Board aims to maintain the ratio before any performance fees at not more than 3.00%.

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

Financial year	2022	2021	2020	2019	2018
Ongoing charges ratio	**2.58%**	2.28%	2.56%	2.59%	2.47%

The Ongoing Charges Ratio has been calculated using the AIC recommended methodology.

The Ongoing Charges Ratio for the year has increased primarily due to certain costs as explained below as well as lower average net assets over the year.

Investment Adviser fees and other expenses

Investment Adviser fees have increased from £2.10 million to £2.26 million, charged to both revenue (increase of £0.04 million) and capital (increase of £0.13 million). This was mainly due to the net assets upon which Investment Adviser's fees are calculated (quarterly in arrears), being higher in the first half of the year. Other expenses (all charged to revenue) have increased from £0.46 million to £0.57 million. This was a combination of a rise in registrar and audit fees and the provision against loan interest receivable regarded as collectable in previous years. Further details of these expenses are contained in the Financial Statements on pages 58 and 59 of this Annual Report.

Key policies

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

Investment policy

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

Investments

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

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

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

Liquidity

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

Borrowing

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

Other key policies

Diversity policy

The Directors have considered diversity in relation to the composition of the Board and have concluded that the Board's membership in the year to 31 December 2022 was diverse in relation to gender and experience. Prior to Catherine Wall's retirement on 1 January 2022 and following Lucy Armstrong's subsequent appointment on 1 March 2022, the Board continues to comprise one male and two female directors. The Company does not have any senior managers or employees. The Directors had taken the Board's diversity into consideration in the recruitment and appointment of a successor to Catherine Wall, and took this opportunity to re-emphasise the commitment it made to continue to consider diversity when making all future appointments.

Further policies

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

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

These further policies are explained in the Directors' Report on pages 32 to 35 of this Annual Report.

Stakeholder Engagement and Directors' Duties

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

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

Stakeholders	Engagement Type	Outcome
Shareholders	The key mechanisms of Shareholder engagement include: ● Annual General Meeting ● Annual, Half-year Reports and Interim Management Statements ● Annual Investor Events ● Share buybacks ● RNS Announcements ● Website ● Offers for Subscription ● Appointment of Directors	● The AGM will be held on 24 May 2023. There will also be a live stream providing access to view the meeting remotely for those that cannot attend the meeting in person, although only Shareholders physically attending will be able to formally take part in the meeting and vote on resolutions on the day. Shareholders unable to attend have therefore been encouraged to submit their votes on resolutions via proxy forms ahead of the meeting. A recording of the AGM webcast will be available on the Company's website under Key Shareholder Information. ● The Board made a decision to hold the AGM on the same day as the Mobeus Income & Growth 4 VCT Plc AGM so that Shareholders in both companies can attend on one day with a joint presentation by the Investment Adviser. This will reduce the amount of travel required by the Directors, Investment Adviser and Shareholders and save time for Shareholders by attending one rather than two meetings on different dates in the same month. ● Shareholders are provided with Annual and Half-Year Reports in hard or soft copy according to their choice, which are also available on the Company's website. Voluntary Interim Management Statements are released in the quarters between reports to ensure Shareholders are kept up to date with events. The website is an important source of information for Shareholders and announcements are also regularly made through the London Stock Exchange. ● The Share buyback programme has continued to be offered throughout the year. This provides Shareholders with liquidity if they wish to sell their shares, at a price close to the latest announced NAV per share. Further details are contained in the Chair's Statement on page 2 and in the Directors' Report on page 32. ● Shareholders are welcome to contact the Chair or the Investment Adviser by email as advised on page 85 of this Report. ● The Annual Shareholder Event was held as a virtual event and took place on 23 March 2023 with a live Q&A session. Please register to view a recording of the event which is available via the Company's website or at the following link: https://mvcts.connectid.cloud/. ● The Company seeks to create value for Shareholders by generating good returns which are eventually distributed to Shareholders as dividends. The importance of tax-free dividends to Shareholders is recognised by the Board and is considered at each quarterly meeting. Decisions were made to declare two interim dividends totalling 8.00 pence per share for payment in respect of the year. The Company's dividend target has consistently been achieved or exceeded as outlined in the Chair's Statement on page 2 and in the Strategic Report.

Stakeholders	Engagement Type	Outcome
		● During the year the Board considered offering a Dividend Investment Scheme, however the costs of running the Scheme outweighed the potential benefit to the Shareholders and to the Company. ● The liquidity level of the Company has remained strong and is managed with the primary aim of preserving capital, as discussed at each Board meeting. Liquidity levels are managed after considering, inter alia, new or follow-on investments, annual dividend commitments as well as the provision of the buyback facility. ● The Board, along with the three other Mobeus VCTs, launched Offers for Subscription on each of 20 January and 5 October 2022. Both Offers received applications in excess of the initial amounts and, where applicable, the over-allotment amounts. In considering Offers for Subscription for the 2021/2022 and 2022/2023 tax years, the Board reviewed and considered: the impact of dilution of Shareholder's holdings; the ability to adhere to the dividend policy of the Company; the effect on the Net Asset Value and the ability of the Company to be able to meet HMRC's VCT investment rules and timeline; the costs involved in issuing a prospectus and charges to Shareholders; and the equal treatment of investors across the four Mobeus VCTs and those investors that the Company co-invests with.
Suppliers	Including: Registrar, Broker, Auditor, Lawyer, Sponsor, Banker and the VCT Status Adviser.	● The Investment Adviser regularly communicates with each of the professional advisers and secures an annual confirmation of the policies they have in place. The Board reviews the performance of each provider on an annual basis.
Government & Regulators	The Board is committed to conducting business in line with the appropriate laws and regulation. Mobeus Income & Growth VCT plc does not provide financial contributions to political parties or lobby groups.	● As a UK listed company the Board and Investment Adviser comply with the Companies Act, the UKLA, HMRC, UK Accounting Standards and FCA regulatory requirements in addition to the Alternative Investment Fund Managers Directive, to ensure the Company can continue to trade. Non-compliance with the VCT regulations in particular is viewed as a principal risk for the Company. The Company continued to comply with these regulations throughout the year and to the date of this Report.
Investee Companies	The Investment Adviser, on behalf of the Company, provides support to the portfolio companies through continued communications, providing assistance such as the help of the Gresham House Talent Management Team.	● The Board has delegated authority for the day-to-day management of the Company to the Investment Adviser and engages with the Investment Adviser in setting, approving and overseeing the execution of the business strategy and related policies. ● The Board aims to have a diverse mix of early stage and more mature companies across a range of different sectors and regularly reviews the composition of the portfolio. ● The Investment Adviser reports at the Company's quarterly Board meetings on each of the portfolio companies. Members of the Investment Adviser sit on the majority of the portfolio companies' boards. This is to provide input on key matters such as advancing the shareholder value agenda, ensuring class leading corporate governance and encouraging best practice in areas such as ESG. ● Gresham House organises seminars and events that involve portfolio companies to benefit from the Gresham House network.

Stakeholders	Engagement Type	Outcome
Investment Adviser	The Investment Adviser's performance is vital for the Company to deliver its investment strategy, meet its objectives and generate investment returns for Shareholders, and is a crucial relationship for the Board.	● The Investment Adviser meets with the Board at each quarterly meeting and is in regular contact throughout the periods in between meetings e.g. to consider and approve or reject investment proposals. All key strategic and operational topics are discussed in detail and a close dialogue is maintained with the Board. The Board takes an active interest in the challenges faced by the portfolio companies and considers each potential disposal based on the company's performance, market conditions and the offer(s) in its decision to sell the Company's holding. The Investment Adviser's performance is evaluated annually.

Strategic Report

Principal and Emerging risks, risk management and regulatory environment

The Directors acknowledge the Board's responsibilities for the Company's internal control systems and have instigated systems and procedures for identifying, evaluating and managing the significant and emerging risks faced by the Company. The Board's risk appetite is cognitive of the risks and rewards of investing in small unquoted companies. A key risk management review and robust assessment of the risks takes place at each quarterly Board meeting and the Board discusses emerging risks as and when they arise, such as the COVID-19 pandemic, and puts in place mitigating actions to manage the risk. The principal and emerging risks identified by the Board, a description of the possible consequences of each risk and how the Board manages each risk are set out below:

Risk	Possible consequence	How the Board manages risk
Economic	Events such as the war in Ukraine, the COVID-19 pandemic, the impact of Brexit, an economic recession, supply shortages or a movement in sterling or in interest rates, could affect trading conditions for smaller companies and consequently the value of the Company's qualifying investments. Movements in UK Stock Market indices may affect the valuation of the Company's investments, as well as affecting the Company's own share price and its discount to net asset value.	● The Board monitors (1) the portfolio as a whole to ensure that the Company invests as far as possible in a diversified portfolio of companies; (2) developments in the macro-economic environment such as movements in interest rates and availability of labour under new immigration plans; and (3) the Company's cash position ensuring it can be flexible in light of economic impacts. Ongoing discussions and planning is held with the portfolio companies to provide assistance and support during the current uncertain economic environment.
Loss of approval as a Venture Capital Trust	A breach of the VCT Rules, which change on a frequent basis, may lead to the Company losing its approval as a VCT, which would inter alia result in: (1) qualifying Shareholders who have not held their shares for the designated period having to repay the income tax relief they obtained; (2) future dividends paid by the Company being subject to tax; and (3) the Company losing its exemption from corporation tax on capital gains.	● The Company's VCT qualifying status is regularly reviewed by the Board and the Investment Adviser. ● The Board receives regular reports from its VCT Status Adviser who has been retained by the Board to monitor the Company's ongoing compliance with the VCT Rules.
Investment and strategic	Investment in VCT qualifying earlier stage unquoted small companies involves a higher degree of risk than investment in fully listed companies. Smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals.	● The Board regularly reviews the Company's Objective and Investment Policy. ● Investments are made across a number of diverse sectors to mitigate risk. Investee companies are carefully selected by the Investment Adviser for recommendation to the Board. The investment portfolio is reviewed by the Board on a regular basis. ● A member of the Investment Adviser normally sits on boards of the investee companies. Regular monitoring reports are assessed by the Investment Adviser.
Regulatory	The Company is required to meet its legal and regulatory obligations as a VCT, a listed company and its own AIFM. Failure to comply might result in suspension of the Company's Stock Exchange listing, financial penalties, a qualified audit report or loss of its VCT status.	● Regulatory and legislative developments are kept under review by the Company's solicitors, its VCT Status Adviser and the Board.

Risk	Possible consequence	How the Board manages risk
Financial and operating	Failure of the systems (including breaches of cyber security) at any of the third-party service providers that the Company has contracted with could lead to inaccurate reporting or monitoring. Inadequate controls could lead to the misappropriation or insecurity of assets. Outsourcing and the increase in remote working could give rise to cyber and data security risk and internal control risk.	● The Board carries out a bi-annual review of the internal controls in place and reviews the risks facing the Company at Board meetings and receives control reports by exception. ● It reviews the performance of the service providers annually and has obtained assurance that such providers have controls in place to reduce the risk of breaches of their cyber security.
Valuations and stock market	The majority of the Company's assets are minority holdings in unquoted companies, which are inherently difficult to value. Changes in valuations are taken to Profit and Loss account, so any inaccuracy in valuations will affect both the Income Statement and the Balance Sheet.	● The Board receives quarterly valuation reports from the Investment Adviser and, where necessary, challenges its valuation process and metrics. ● The Investment Adviser alerts the Board about any adverse movements.
Asset liquidity	The Company's unquoted investments cannot be realised in a short timescale. Under-performing unquoted investments may be difficult to realise on any timescale.	● The Board receives reports from the Investment Adviser and reviews the portfolio at each quarterly board meeting. It carefully monitors investments where a particular risk has been identified.
Market liquidity	As a result of the limited secondary market in VCT shares, Shareholders may find it difficult to sell their shares at a price which is close to the net asset value. Whilst demand has always been met to date, it may not be possible for the Company to buy back large percentages of the share capital, other than over several years.	● The Board has a share buyback policy which seeks to mitigate market liquidity risk. This policy is reviewed at each quarterly Board meeting.
Counterparty	A counterparty may fail to discharge an obligation or commitment that it has entered into with the Company.	● The Board regularly reviews and agrees policies for managing these risks. Further details can be found under 'credit risk' in Note 15 to the accounts on pages 67 and 68.
Key staff	A partner or key member of staff at the Investment Adviser may leave the organisation or the Investment Adviser may fail to maintain adequate levels of experience and expertise in its team. This may have an adverse effect on the standard of service that the Company receives from the Investment Adviser and therefore the performance of the Company.	● The Board maintains regular dialogue with the Investment Adviser to ensure that the team is adequately resourced.
Environmental, Social and Governance Emerging Risk	Non-compliance with current and future reporting requirements could lead to a fall in demand from investors. That may affect the level of capital the Company has available to meet its investment objectives.	● ESG and climate change is taken into account when considering new investment proposals. The Investment Adviser monitors the potential impact on investee companies of any proposed new legislation regarding environmental, social and governance matters and advises and adapts accordingly. ● The Board recognises that climate change is an important emerging risk which the Company is taking into account in their strategic planning although the Company itself has little direct impact on environmental issues. Measures have been introduced to reduce the cost and environmental impact of providing paper copies of Shareholder correspondence and to decrease the amount of travel undertaken.

Strategic Report

Going Concern and Long-Term Viability of the Company

The Board is required to assess the Company's operation as a "going concern". The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the preceding pages of this Strategic Report. The majority of companies in the portfolio are well funded and the portfolio taken as a whole remains resilient and well-diversified, although the impact of the cost of living crisis and the challenging economic environment may impose further considerable demands upon the liquidity and trading prospects of some of these companies in the near-term. In keeping with the ongoing need to take advantage of opportunities for further investment within the portfolio, the Company announced its intention to raise further funds in the 2021/22 tax year and again for the 2022/23 tax year, with both offers reaching full subscription. The major cash outflows of the Company (namely investments, share buybacks and dividends) are within the Company's control. Accordingly, the Board believes that the Company's cash position, noting the successful fundraises, is adequate to enable the Company to continue as a going concern under any plausible stress scenario. Further details of this assessment are shown within Note 2 on page 55. The Board's assessment of liquidity risk, and details of the Company's policies for managing financial risk and its capital, are shown in Notes 15 and 16 on pages 66 to 73. Accordingly, the Directors believe that it is appropriate to continue to apply the going concern basis of accounting in preparing the annual Financial Statements.

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

Viability Statement

The Directors have assessed the prospects of the Company over the three-year period to 31 December 2025. The Directors believe a three-year period is appropriate given the frequency with which it is necessary to review and assess the impact of past, current and proposed regulatory changes. A period greater than three years is considered to be too uncertain for it to be meaningful. The Directors' assessment of viability has been made with reference to the Company's current position and prospects, the Company's present strategy, the Board's risk appetite and the Company's principal and emerging risks and how these are managed, as described on the preceding pages.

The Directors have carried out a robust assessment comparing emerging and principal risks facing the Company and these are listed on pages 28 to 29. Subsequent to this review they have a reasonable expectation that the Company will continue to operate and meet its liabilities, as they fall due, for the next three years.

The Board has focused upon the range of future investments that the Company will be permitted to fund under current VCT legislation. The Board anticipates that attractive returns should continue to be achievable from future investments and from the existing portfolio and will continue to monitor the investment programme, paying particular attention to the return potential and impact of growth capital investments. The Board considers that the Company's liquidity is currently more than adequate following the fundraising activity and recent investment disposals.

Subsequent to this review, the Board has a reasonable expectation that the Company will continue to operate and meet its liabilities, as they fall due, for the next three years. The Board is mindful of the risks contained therein, but considers that its actions to manage those risks provide reasonable assurance that the Company's affairs are safeguarded for the stated period and are appropriate, given the Company's Investment Policy and Objective of "providing investors with a regular income stream, by way of tax-free dividends generated from income and capital returns, while continuing, at all times, to qualify as a VCT".

Shareholders should be aware that, under the Company's Articles of Association ("Articles"), it is required to hold a continuation vote at the next AGM falling after the fifth anniversary of the last allotment of shares. As shares were last allotted in February 2023, this factor has not affected the Board's assumptions for the next three years.

Future Prospects

For a discussion of the Company's future prospects, please see the Chair's Statement on pages 2 to 4.

By order of the Board

Clive Boothman
Chair

4 April 2023

Board of Directors

Clive Boothman

Independent, Non-executive Chair

Date of Appointment: 1 August 2015

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

Bridget Guérin

Independent, Non-executive Director and Chair of Nomination and Remuneration and Management Engagement Committees

Date of Appointment: 1 July 2004

Bridget has over 30 years' experience in the financial services industry. She was Managing Director of Matrix Money Management Limited between June 1999 and March 2011 and sat on the Matrix Group Board between 2000 and 2009. Bridget was also a director of Matrix Income & Growth 3 VCT plc which was merged with the Company in May 2010. Prior to joining Matrix, Bridget gained 14 years' of retail investment fund experience at Schroder Unit Trusts Limited, Ivory & Sime and County NatWest. She also sat on the Board of Charles Stanley PLC as a Non-Executive Director between 2012 and 2020 and was a Non-Executive Director and Chair of Schroder Income Growth Fund plc between 2012 and 2022. Bridget is currently the Non-Executive Director Chair of Troy Income & Growth Trust plc and is a non-executive director of Invesco Perpetual UK Smaller Companies Investment Trust plc both of which are London listed investment trusts. She is the Non-Executive Chair of York Racecourse and a trustee of the York Racecourse Pension Fund.

Lucy Armstrong

Independent, Non-Executive Director and Chair of Audit Committee

Date of Appointment: 1 March 2022

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

Lucy was educated at Oxford University and holds an MBA and an MSc in forensic psychology and criminology.

Directors' Report

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

The Corporate Governance Statement on pages 36 and 37, and the Report of the Audit Committee on pages 38 and 39, form part of this Directors' Report.

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

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

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

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

Share capital

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

Issued share capital

The issued share capital of the Company as at 31 December 2022 was £1,567,186 (2021: £1,250,775) and the number of shares in issue at this date was 156,718,602 (2021: 125,077,481).

Buyback of shares

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

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

At the Annual General Meeting of the Company held on 26 May 2022, Shareholders granted the Company authority, pursuant to section 701 of the Companies Act, to make market purchases of up to 20,597,900 of its own shares, representing 14.99% of the issued share capital of the Company at that date.

Such authority has been in place throughout the year under review and a resolution to renew this authority will be proposed to Shareholders at the forthcoming Annual General Meeting to be held on 24 May 2023.

During the year under review, the Company bought back 1,663,597 (2021: 1,259,139) of its own shares at an average price of 65.66 (2021: 73.12 pence) pence per share and a total cost of £1.070,900 including expenses (2021: £923,642). All shares bought back by the Company were subsequently cancelled.

Substantial interests

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

Dividends

Shareholders received interim dividends in respect of the year ended 31 December 2022 of 4.00 pence per share each on 15 July 2022 and 7 November 2022 respectively.

Directors

The Board has considered its composition and is satisfied that it comprises a good balance of experience in the different areas of the Company's activity. This matter will be kept under continual review.

The names, dates of appointment and brief biographical details of each of the Directors are given on page 31 of this Annual Report. Further details of each Director's interests in the Company's shares are set out on page 42 of the Directors' Remuneration Report.

The powers of the Directors have been granted by company law, the Company's Articles of Association and resolutions passed by the Company's members in general meeting.

Resolutions are proposed annually at each Annual General Meeting of the Company to authorise the Directors to allot shares, disapply pre-emption rights of members and buyback the Company's own shares on behalf of the Company. These authorities are currently in place and resolutions to renew them will be proposed at the Annual General Meeting of the Company to be held on 24 May 2023.

Disclosure of Information to the Auditor

So far as each of the Directors that were in office at 31 December 2022 are aware, there is no relevant audit information of which the external auditor is unaware. They have individually taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' and officers' liability insurance

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

Directors' indemnity

The Company's Articles grant the Board, subject to the provisions of UK legislation, the power to indemnify Directors of the Company out of the assets of the Company. No such indemnity is currently in place.

Policies

Anti-bribery policy

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

Anti-Tax Evasion

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

Whistleblowing policy

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

Financial Risk Management

The main risks arising from the Company's financial instruments are due to investment risk, fluctuations in the market price and interest rates, credit risk and liquidity risk. The Board regularly reviews and agrees policies for managing these risks and full details can be found in Note 15 to the Financial Statements on pages 66 to 72 of this Annual Report.

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

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

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

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

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

Post balance sheet events

For a full list of the post balance sheet events that have occurred since 31 December 2022, please see Note 17 to the Financial Statements on page 73.

Articles of Association

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

Annual General Meeting

The Notice of the Annual General Meeting, which will be held at 1.00 pm on Wednesday, 24 May 2023 at the offices of Shoosmiths, 1 Bow Churchyard, London EC4M 9DQ is set out on pages 76 to 78 of this Annual Report. A joint presentation by the Investment Adviser to the Company's and Mobeus Income & Growth 4 VCT plc Shareholders will take place at 1.30 pm and a light lunch will be available.

A webcast of the Annual General Meeting will also be available and details of how to join the webcast will be shown on the Company's website. If possible, Shareholders intending to join the Meeting by means of the webcast (which would be as an attendee only) are requested to join at least ten minutes prior to the commencement of the Annual General Meeting at 1.00 pm on Wednesday, 24 May 2023. Where a member intends to join the Annual General Meeting by means of the webcast, they shall be permitted to ask questions at the Annual General Meeting but shall not be entitled to vote on resolutions at the Annual General Meeting (and are, therefore, encouraged to lodge their proxy vote and appoint the Chair of the Annual General Meeting as their proxy).

A proxy form for the meeting is enclosed separately with Shareholders' copies of this Annual Report. Proxy votes may be submitted electronically via the Computershare Shareholder Portal at www-uk.computershare.com/investor/. Shareholders may also request a hard copy proxy form by contacting the Company's Registrar, Computershare, using their details as stated on page 85. Shareholders are encouraged to lodge their proxy vote and appoint the Chair of the Meeting as their proxy, as soon as possible.

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

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

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

Resolution 1 – To receive the Annual Report and Financial Statements

The Directors are required to present the Financial Statements, Directors' report and Auditor's report for the financial year ended 31 December 2022 to the meeting.

Resolution 2 – To approve the Directors' Annual Remuneration Report

Under section 420 of the Companies Act 2006 (the "Act"), the Directors must prepare an annual report detailing the remuneration of the Directors and a statement by the Chair of the Nomination and Remuneration Committee (together the "Directors' Remuneration Report"). The Act also requires that a resolution be put to Shareholders each year for their approval of that report. The Directors' Remuneration Report can be found on pages 40 to 43. Resolution 2 is an advisory vote only.

Resolution 3 – To approve the Company's Remuneration Policy

The Company is required to put its Remuneration Policy to Shareholders every three years under section 439A of the Companies Act and is subject to a binding shareholder vote. A resolution on the Remuneration Policy was last voted on at the Annual General Meeting held on 12 May 2020 and therefore a similar resolution will be proposed at the forthcoming meeting. The Remuneration Policy is set out below and full details of Directors' remuneration can be found in the Directors' Remuneration Report on pages 40 to 43 of this Annual Report.

Reports of the Directors

Directors' Report

Remuneration Policy

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

Resolutions 4 to 6 – To re-elect the Directors

All Directors have agreed to retire annually from the Board under the requirements of principle 7 of the AIC Code and the Company's policy on tenure. This is in line with the recommendation of provision 18 of the revised UK Corporate Governance Code, published in July 2018, and which applied to the Company from 1 January 2019 onwards. Being eligible, each of the remaining Directors are offering themselves for re-election.

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

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

Bridget Guérin – Following a performance review, the remaining Directors agree that Bridget continues to make a substantial contribution to the work of the Board as Chair of the Nomination and Remuneration and Management Engagement Committees and continues to demonstrate commitment to her role. As per the 2019 AIC Code of Corporate Governance, the Board would like to state that, having served on the Board for a period of more than 9 years, they remain satisfied that Bridget provides invaluable experience and remains independent. The remaining Directors have no hesitation in recommending her re-election to Shareholders.

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

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

At each meeting at which the Company's accounts are presented to its members, the Company is required to appoint an auditor to serve until the next such meeting. The Board, on the recommendation of the Audit Committee, recommends the reappointment of BDO LLP. This resolution also gives authority to the Directors to determine the remuneration of the auditor. For further information, please see the Report of the Audit Committee on pages 38 and 39.

Resolution 8 - Authority to allot shares in the Company and Resolution 9 - Disapply the pre-emption rights of members

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

Resolution 8 will enable the Directors to allot new shares up to an aggregate nominal amount of £562,328 representing approximately one-third of the existing issued share capital of the Company as at the date of the Notice convening the Annual General Meeting.

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

(i) with an aggregate nominal value of up to, but not exceeding, £168,694 (representing approximately 10% of the existing issued share capital of the Company) in connection with offer(s) for subscription; and

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

in each case where the proceeds may be used in whole or part to purchase the Company's shares in the market. The Company normally allots shares at prices based on the prevailing net asset value per share of the existing shares on the date of the allotment (plus costs).

The Directors thus seek to manage any potential dilution of existing shareholdings as a result of the disapplication of members' pre-emption rights proposed in Resolution 9.

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

Both of these authorities, unless previously renewed, varied or revoked, will expire on the date falling fifteen months after the passing of the resolution or, if earlier, on the conclusion of the Annual General Meeting of the Company to be held in 2024. However, the Directors may allot securities after the expiry dates specified above in pursuance of offers or agreements made prior to the expiration of these authorities. Both resolutions generally renew previous authorities approved by Shareholders at the Annual General Meeting of the Company held on 26 May 2022 and are intended to be used for the purposes of top-up offer(s) for subscription.

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

This resolution authorises the Company to purchase its own shares pursuant to section 701 of the Act. The authority is limited to the purchase of an aggregate of 25,287,888 shares (representing approximately 14.99% of the issued share capital of the Company as at the date of the Notice convening the Annual General Meeting) or, if lower, such number of shares (rounded down to the nearest whole share) as shall equal 14.99% of the issued share capital at the date the resolution is passed. The maximum price that may be paid for a share will be the higher of:

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

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

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

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

It is the Directors' intention to cancel any shares bought back under this authority.

Shareholders should note that the Directors do not intend to exercise this authority unless they believe that to do so would result in an increase in net assets per share, which would be in the interests of Shareholders generally. This resolution will expire on the date falling fifteen months after the passing of this resolution or, if earlier, on the conclusion of the Annual General Meeting of the Company to be held in 2024, except that the Company may purchase its own shares after this date in pursuance of a contract or contracts made prior to the expiration of this authority.

Voting rights of Shareholders

The Board recommends that Shareholders vote in favour of the resolutions to be proposed at the Annual General Meeting of the Company, as the Directors intend to do in respect of their own beneficial holdings of 328,551 shares (representing 0.19% of the issued share capital as at the date of publication).

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

Restrictions on voting rights

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

By order of the Board

Gresham House Asset Management Limited
Company Secretary

4 April 2023

Reports of the Directors

Corporate Governance Statement

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

The Directors have adopted the Association of Investment Companies (AIC) Code of Corporate Governance 2019 ("the AIC Code") for the financial year ended 31 December 2022.

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

The current version of the AIC Code was endorsed by the Financial Reporting Council (FRC) in February 2019. The FRC has confirmed that in adopting the AIC Code, the Company will meet its obligations in relation to the reporting requirements of the Financial Conduct Authority's Listing and Disclosure and Transparency Rules on corporate governance and the UK Corporate Governance Code published in July 2018.

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

Statement of compliance

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

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

Internal control

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

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

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

The Board has contractually delegated to Gresham House, the management of the investment portfolio, the day-to-day accounting, company secretarial and administration requirements and to Computershare Investor Services plc for the registrar services.

The system of internal control and the procedure for the bi-annual review of control systems has been in place and operational throughout the year under review and up to the date of this Report. An assessment of the effectiveness of internal controls in managing risk was conducted on the basis of reports from Gresham House on 22 March 2023. The Board has identified no significant problems with the Company's internal control mechanisms.

Financial risk management

The main risks arising from the Company's financial instruments are investment risk, fluctuations in the market price and interest rates, credit risk and liquidity risk. The Board regularly reviews and agrees policies for managing these risks and full details can be found in Note 15 to the Financial Statements on pages 66 to 72 of this Annual Report.

Section 172 Director Duties

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

Investment management and service providers

The Directors carry out an annual review of the performance of and contractual arrangements with the Investment Adviser. The annual review of the Investment Adviser forms part of the Board's overall internal control procedures discussed above. As part of this review, the Board considers the quality and continuity of the investment management team, investment performance, quality of information provided to the Board, remuneration of the Investment Adviser, the investment process and the results achieved to date. A review of the performance of the Company is included in the Strategic Report on pages 19 to 30. The Board concluded that the Investment Adviser had performed consistently well over the medium-term and delivered above target dividend returns to Shareholders in the year under review. The Company remains informed and well-positioned to maintain compliance with VCT tax legislation.

The Board places significant emphasis on the Company's performance against its peers and further information on this has been included in the Strategic Report on page 21. The Board further considered the Investment Adviser's commitment to the promotion of the Company and was satisfied that this was well prioritised by the Investment Adviser as evidenced by, inter alia, the Mobeus VCT fundraisings which have taken place between 2010 and 2022 and the annual Shareholder events.

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

Overall, the Board has continued to believe that the Investment Adviser possesses the experience, knowledge and resources that are required to support the Board in achieving the Company's long term investment objectives. The Directors therefore believe that the continued appointment of the Investment Adviser to the Company on the terms currently agreed is in the interests of Shareholders, and this was formally approved by the Management Engagement Committee and the Board on 9 November 2022.

The principal terms of the Company's Investment Advisory Agreement are set out in Note 4 to the Financial Statements on pages 56 and 57 of this Annual Report. The Board seeks to ensure that the terms of these agreements represent an appropriate balance between cost and the incentivisation of the Investment Adviser.

Fees paid to the Investment Adviser

The fees paid to the Investment Adviser are set out in Note 4 to the Financial Statements on pages 56 and 57.

In addition, the Investment Adviser received fees totalling £382,312 during the year ended 31 December 2022 (2021: £430,390), being £99,071 (2021: £161,076) in advisory and arrangement fees and £282,241 (2021: £269,314) in non-executive directors' fees for its partners, and other senior managers, to sit on a number of investee company boards. These amounts are the share of such fees attributable to investments made by the Company. These figures are not part of the Financial Statements.

Alternative Investment Fund Manager ("AIFM")

The Board appointed the Company as its own AIFM in compliance with the European Commission's Alternative Investment Fund Management Directive with effect from 22 July 2014. The Company is registered as a small AIFM and is therefore exempt from the principal requirements of the Directive. Gresham House continues to provide investment advisory and administrative services to the Company. However, in order for the Company to continue to discharge its safekeeping responsibilities for the documents of title to its investments, it has contracted a third-party, Apex Group, to act as custodian.

The Board and its Committees

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

Operation of the Board

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

Performance Evaluation

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

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

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

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

Board Committees

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

Full descriptions of the work of the Audit and Nomination and Remuneration Committees are set out in the Report of the Audit Committee and the Director's Remuneration Report on pages 38 to 39 and 40 to 43 respectively, of this Annual Report.

As part of the recruitment process for a new Director Lucy Armstrong, who was appointed on 1 March 2022, the Board considered diversity, including gender and will continue to do so in making future appointments. The Board's gender split remains the same, with a majority of two female Directors and one male Director.

Management Engagement Committee

The Management Engagement Committee is chaired by Bridget Guérin and comprises all three independent Directors.

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

By order of the Board

Gresham House Asset Management Limited
Company Secretary

4 April 2023

Reports of the Directors

Report of the Audit Committee

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

The Audit Committee is chaired by Lucy Armstrong and comprises all three independent Directors. Due to there being only three directors appointed to the Company, it is appropriate that the Chair of the Board, who was independent upon his appointment, also be a member of the Audit Committee.

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

The Committee's Key objectives are:

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

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

Valuation of investments

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

Financial statements

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

Income from investee companies

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

Internal control

The Committee has monitored the system of internal controls throughout the year under review and as described in more detail in the Corporate Governance Statement on page 36. It received reports by exception on the Company's progress against its internal controls at its annual and half-year results meetings and reviews a schedule of key risks at the same time. A full review of the internal controls in operation by the Company was undertaken by the Committee on 22 March 2023.

The Board has identified the key risks faced by the Company and established appropriate controls. A list of the risks identified is set out on pages 28 and 29 of the Strategic Report. The Committee monitors these controls and reviews any incidences of non-compliance.

Cyber Security

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

Compliance with the VCT tests

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

Going concern and long-term viability of the Company

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

Counterparty risk

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

AIFM registration

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

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

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

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

Relationship with the external auditor

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

Permissible non-audit services

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

The Committee has reviewed the implications of the Financial Reporting Council's ("FRC") Revised Ethical Reporting Standard 2019 effective from 5 March 2020. The Committee, based upon the review of this 2019 Ethical Standard, has decided to purchase certain non-audit services, such as tax compliance services and iXBRL tagging, from separate firms. The auditor is permitted to provide audit-related services in respect of the Half-Year Report (if requested by the Board), whereas PHA provides tax compliance services, and Arkk Consulting Limited, one of the Company's investee companies, provides the iXBRL tagging service.

Re-appointment of the external auditor

The Committee undertook a review of the Auditor's performance during the 2022 audit and considered the effectiveness of the audit process. When assessing the effectiveness of the process, the Committee considers whether the auditor:

- met the agreed audit plan;
- demonstrated strong technical knowledge and a clear understanding of the business;
- indicated professional scepticism in key judgements and raised any significant issues in advance of the audit process commencing;
- allocated an audit team that is appropriately resourced;
- demonstrated a proactive approach to the audit planning process and engaged with the Committee Chair and other key individuals within the business;
- provided a clear explanation of the scope and strategy of the audit;
- demonstrated the ability to communicate clearly and promptly with the members of the Committee and the Investment Adviser and produce comprehensive reports on its findings;
- demonstrated that it has appropriate procedures and safeguards in place to maintain its independence and objectivity;
- charged justifiable fees in respect of the scope of services provided; and
- handled key audit issues effectively and responded robustly to the Committee's questions.

This review constituted the Audit Committee's annual assessment of the effectiveness of the external audit process. The Audit Committee concluded that the re-appointment of BDO LLP was in the best interests of the Company and the Shareholders.

The Committee undertook an audit tender process in 2016 in compliance with the requirements on audit firm rotation under the European Audit Regulation Directive. As a consequence of that process, BDO were reappointed as independent auditor.

By order of the Board

Lucy Armstrong
Chair of the Audit Committee

4 April 2023

Directors' Remuneration Report

I am pleased to introduce the Director's Remuneration Report for the financial year ended 31 December 2022.

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

As part of its annual review of Directors' remuneration, at its meeting on 9 November 2022, the Nomination and Remuneration Committee considered the aggregate level of remuneration for each director, which was increased in the previous year, and agreed no change in remuneration was necessary for the forthcoming year.

Following a review of the composition of the Board, the Directors have confirmed their belief that the current Board of three directors have the skills and experience to run the Company effectively, although an additional director may be appointed if the workload or mix of skills required make this necessary.

The tables on page 42 show the remuneration paid to each of the Non-Executive Directors who have served during the year, and those to be paid in 2023.

I would welcome any comments you may have.

Bridget Guérin
Chair of the Nomination and Remuneration Committee

4 April 2023

Introduction

This Report has been prepared by the Directors in accordance with the requirements of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2013, the Companies Act 2006 ("the Companies Act") and the Listing Rules of the UK Listing Authority ("the Listing Rules"). The Company's independent Auditor is required to give its opinion on the specified information provided on Directors' emoluments and Directors' interests on page 42 and this is explained further in its report to Shareholders on pages 45 to 49.

Directors' Remuneration Policy

The Remuneration Policy is set by the Board on the recommendation of the Committee. The level and make-up of remuneration is set at a point which is sufficient to attract, retain and motivate experienced directors of the quality required to run the Company successfully. When considering the level of Directors' fees, the Committee takes account of the workload and responsibilities of each role and the value and amount of time that a Director is required to commit to the Company. It considers the remuneration levels elsewhere in the Venture Capital Trust industry for companies of a similar size and structure and other relevant information. Supplements are paid to the Directors in respect of their chairmanships of the Board and its Committees as set out in the table on page 42.

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

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

Performance related remuneration

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

Additional benefits

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

Recruitment Remuneration

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

Shareholders' views on remuneration

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

Directors' terms of appointment

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

The Articles also contain provisions whereby, subject to the Companies Act, one-third of the Directors retire from office by rotation at each annual general meeting. However, the Board has agreed that each of the Directors will offer themselves for re-election annually in accordance with the 2019 AIC Code.

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

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

New directors are asked to undertake that they will have sufficient time to carry out their responsibilities to the Company and to disclose their other significant time commitments to the Board before appointment. Each of the Director's appointments may be terminated by either party by giving not less than three months' notice in writing and in certain other circumstances. Copies of the Directors' appointment letters will be available for inspection at the place of the Annual General Meeting on 24 May 2023 from 12.30 pm.

Shareholder approval of the Directors' remuneration policy

A resolution to approve the Directors' Remuneration Policy as set out in the Annual Report for the year ended 31 December 2019 was approved by Shareholders at the AGM of the Company held on 12 May 2020. Proxy votes in favour of the resolution represented 96.1% of the votes received (including those who appointed the Chair to vote as his discretion) (against 3.9%). This policy applied throughout the year ended 31 December 2022.

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

Directors' Annual Remuneration Report

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

A resolution to approve the Directors' Annual Remuneration Report as set out in the Annual Report for the year ended 31 December 2021 was approved by Shareholders at the AGM of the Company held on 26 May 2022. The Company also received proxy votes in favour of the resolution representing 97.1% of the votes submitted (including those who appointed the Chair to vote at his discretion) (against: 2.9%).

An ordinary resolution for the approval of the Annual Remuneration Report will be proposed at the AGM of the Company to be held on 24 May 2023.

Future policy

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

Director	Role	Components of Pay Package	Maximum payment per annum	Performance conditions
Clive Boothman	Chair	**Director's fee**	**£25,000**	None
		Supplement payable to Company Chair	£18,000	
		Total	**£43,000**	
Bridget Guérin	Chair of Nomination and Remuneration Committee and Management Engagement Committees	**Director's fee**	**£25,000**	None
		Supplements payable to Chair of the:		
		Nomination and Remuneration Committee	£3,250	
		Management Engagement Committee	£3,250	
		Total	**£31,500**	
Lucy Armstrong	Chair of Audit Committee	**Director's fee**	**£25,000**	None
		Supplement payable to Chair of the Audit Committee	£11,500	
		Total	**£36,500**	
		Total fees payable	**£111,000**	

Company Objective

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

Remuneration Policy

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

Directors' Remuneration Report

Nomination and Remuneration Committee

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

One new appointment to the Board was made during the year under review. On 1 March 2022, Lucy Armstrong was appointed as a Non-Executive Director. She was appointed as Chair of the Audit Committee with effect from 1 April 2022. Catherine Wall resigned as a Director of the Company on 31 December 2021.

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

Audited information

Directors' emoluments

The total emoluments in respect of qualifying services of each person who served as a Director during the year are as set out in the table below:

Year ended 31 December	2022 £	2021 £	2020 £
Clive Boothman	43,000	40,000	40,000
Bridget Guérin[1]	34,375	30,000	30,000
Lucy Armstrong	29,458	-	-
Catherine Wall[2]	-	35,000	35,000
Total	**106,833**	**105,000**	**105,000**

[1] Bridget assumed the role of audit committee chair from 1 January 2022 until the appointment of Lucy Armstrong on 1 April 2022.

[2] Catherine Wall resigned as a director on 31 December 2021.

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

Directors' interests in the Company's shares

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

	Shares held on: 31 December 2022	Shares held on: 31 December 2021
Clive Boothman	188,684	113,749
Bridget Guérin	301,793	228,497
Catherine Wall	-	58,947
Lucy Armstrong	-	-

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

Relative importance of spend on Directors' fees

Year ended	31 December 2022 £	31 December 2021 £
Total directors' fees	106,833	105,000
Dividends paid and payable in respect of the year	10,966,476	11,338,351
Share buybacks	1,070,900	923,642
Directors' fees as a share of:		
Closing net assets	0.1%	0.1%
Dividends paid and payable in respect of the year	1.0%	0.9%
Total fees and expenses[1]	3.8%	4.1%

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

Directors' remuneration: 5-year comparison

	2022	2017	Change (%)
Director	25,000	25,000	0.0%
Supplement for Chair	18,000	15,000	20.0%
Supplement for Chair: Nomination and Remuneration and Management Engagement Committees	6,500	5,000	30.0%
Supplement for Chair: Audit Committee	11,500	10,000	15.0%

Directors' attendance at Board and Committee meetings in 2022

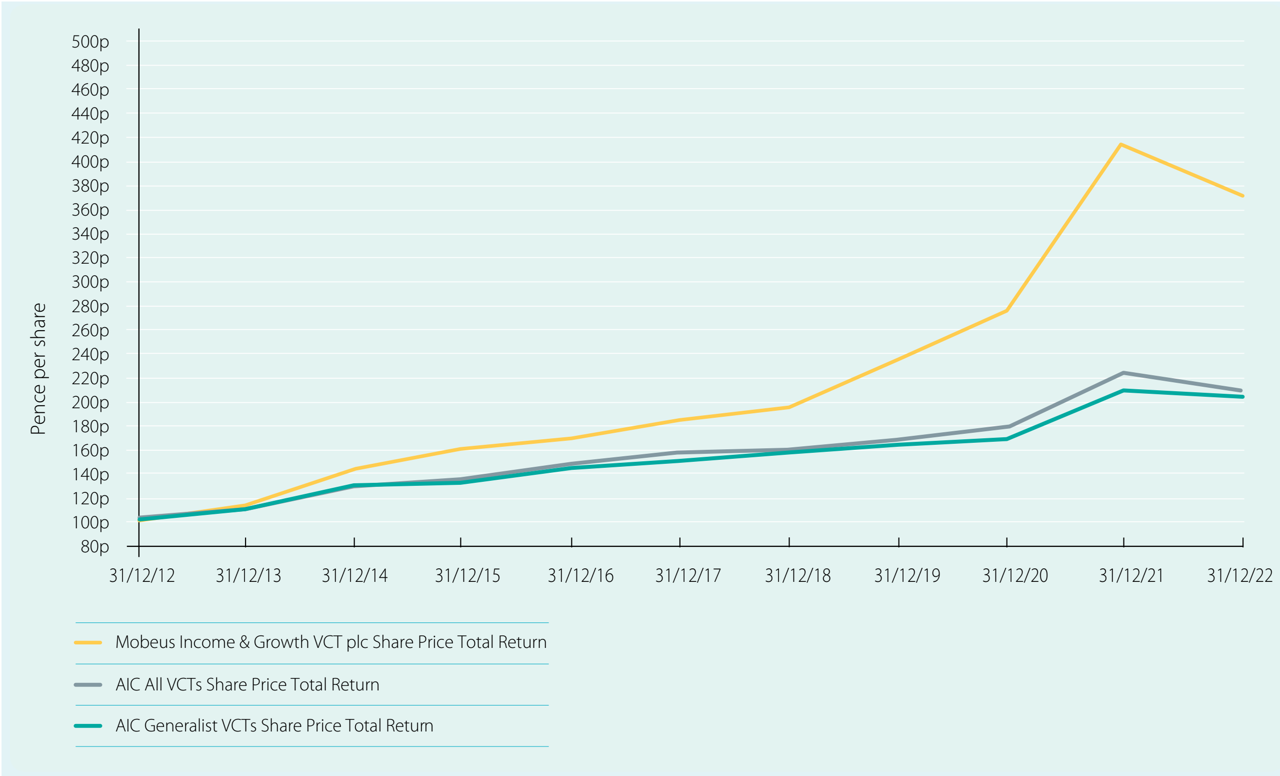
The table below sets out the Directors' attendance at quarterly Board meetings and Committee meetings held during the year to 31 December 2022. In addition to the quarterly Board meetings, the Board met on other occasions to consider specific issues as they arose.

Directors	Board Meetings		Audit Committee Meetings		Nomination and Remuneration Committee Meetings		Management Engagement Committee Meeting	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Clive Boothman	4	4	2	2	2	2	1	1
Bridget Guerin	4	4	2	2	2	2	1	1
Lucy Armstrong	4	4	2	2	2	2	1	1

Company performance

The graph below charts the Share Price total return of the Company (assuming all dividends are re-invested in shares in the Company on the last trading day of the month in which the shares were quoted ex-dividend) over the past ten years compared with that of an index of all VCTs and an index of generalist VCTs which are members of the AIC, based on figures provided by Morningstar. The Board considers these indices to be the most appropriate indices against which to measure the Company's relative performance over the medium to long-term. The total returns have each been re-based to 100 pence at 31 December 2012.

Share Price Total Return Performance Graph



An explanation of the recent performance of the Company is given in the Chair's Statement on page 2, in the Investment Adviser's Review on pages 5 to 11 and in the Strategic Report on pages 21 to 23.

By order of the Board

Gresham House Asset Management Limited
Company Secretary

4 April 2023

Reports of the Directors

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare Financial Statements for each financial year and the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

Website publication

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

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

The Directors confirm to the best of their knowledge that:

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

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

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

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

The names and functions of the Directors are stated on page 31.

For and on behalf of the Board

C. W. Boothman

Clive Boothman
Chair

4 April 2023

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Mobeus Income & Growth VCT Plc ("the Company") for the year ended 31 December 2022 which comprise the Income statement, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the

Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were appointed by the Board of Directors in 2004 to audit the financial statements for the year ended 30 September 2004 and subsequent financial periods. The period of total uninterrupted engagement, including retenders and reappointments is 18 years, covering the years ended 30 September 2004 to 31 December 2022. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions relating to going concern

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

- Obtaining the VCT compliance reports during the year and as at year-end and reviewing the calculations therein to check that the Company was meeting its requirements to retain VCT status;
- Reviewing the forecasted cash flows that support the Directors' assessment of going concern, challenging assumptions and judgements made in the forecasts, and assessing them for reasonableness. In particular, we considered the available cash resources relative to the forecast expenditure which was assessed against the prior year for reasonableness;
- Evaluating the Directors' method of assessing going concern in light of market volatility and the present uncertainties in economic recovery created by the ongoing matters including the current situation in Ukraine/Russia, the cost of living crisis and the increase in inflation; and
- Calculating financial ratios to ascertain the financial health of the Company.

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

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

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

Overview

		2022	2021
Key audit matters	Valuation of unquoted investments	✓	✓
Materiality	£1,093,800 (2021: £1,490,000) based on 2% (2021: 2%) of Total investments		

An overview of the scope of our audit

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. This matter was 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 this matter.

Key audit matter		How the scope of our audit addressed the key audit matter
Valuation of investments (Note 8)	We consider the valuation of unquoted investments to be the most significant audit area as there is a high level of estimation uncertainty involved in determining the unquoted investment valuations. There is also an inherent risk of management override arising from the unquoted investment valuations being prepared by the Investment Adviser, who is remunerated based on the net asset value of the Company. For these reasons we considered the valuation of unquoted investments to be a key audit matter.	Our sample for the testing of the unquoted investments was stratified according to risk considering, inter alia, the value of the individual investments, the nature of the investments, the extent of the fair value movement and the subjectivity of the valuation technique. For investments in our sample we: Challenged whether the valuation methodology was the most appropriate in the circumstances under the International Private Equity and Venture Capital Valuation ("IPEV") guidelines and applicable accounting standards; Recalculated the value attributable to the Company, having regard to the application of enterprise value across the capital structures of the investee companies. For a sample of investments valued using less subjective valuation techniques (price of recent investment reviewed for changes in fair value) we: ● Agreed the cost or price of the recent investment to supporting documentation; ● Considered whether the investment was an arms length transaction through reviewing the parties involved in the transaction and checking whether or not they were already investors of the investee company; ● Considered whether there were any indications that the cost or price of the recent investment was no longer representative of fair value considering, inter alia the current performance of the investee company and the milestones and assumptions set out in the investment proposal; and ● Considered whether the price of the recent investment is supported by alternative valuation techniques. For a sample of investments that were valued using more subjective techniques (earnings and revenue multiples) we: ● Challenged and corroborated inputs to the valuation with reference to management information of investee companies and market data, including considering the impact of the current situation in Ukraine/Russia, high cost of living crisis, increase in inflation on the valuation. We assessed the impact of estimation uncertainty concerning these assumptions and the disclosure of these uncertainties in the financial statements; ● Reviewed the historical financial statements and any recent management information available to support assumptions about maintainable revenues and earnings used in the valuation; ● Considered the revenue or earnings multiples applied by reference to observable listed company market data; and ● Challenged the consistency and appropriateness of adjustments made to such market data in establishing the earnings or revenue multiple applied in arriving at the valuations adopted by agreeing the adjusted multiples to independent sources, the peer group, the market and sector in which the investee company operates and obtaining independent third party multiples. Where appropriate, we performed a sensitivity analysis by developing our own point estimate where we considered that alternative input assumptions could reasonably have been applied and we considered the overall impact of such sensitivities on the portfolio of investments in determining whether the valuations as a whole are reasonable and free from bias. **Key observations:** Based on the procedures performed we consider the investment valuations to be appropriate considering the level of estimation uncertainty.

Our application of materiality

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

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

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

Company financial statements	2022 £m	2021 £m
Materiality	1.093	1.490
Basis for determining materiality	2% of Total investments	2% of Total investments
Rationale for the benchmark applied	In setting materiality, we have had regard to the nature and disposition of the investment portfolio. Given that the VCT's portfolio is comprised of unquoted investments which would typically have a wider spread of reasonable alternative possible valuations, we have applied a percentage of 2% of total investments, as asset values are the primary focus of the users of these financial statements.	
Performance materiality	0.820	1.110
Basis for determining performance materiality	75% of materiality	
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

Lower testing threshold

We determined that for Revenue return before tax, a misstatement of less than materiality for the financial statements as a whole, could influence users of the financial statements as it is a measure of the Company's performance of income generated from its investments after expenses. As a result, we determined a lower testing threshold for those items impacting revenue return of £72,900 based on 5% of Income before tax (2021: £79,000 based on 5% of Income before tax).

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £54,600 (2021: £74,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

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

We have nothing to report in this regard.

Corporate governance statement

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

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

Going concern and longer-term viability

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

Other Code provisions

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

Other Companies Act 2006 reporting

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

Strategic report and Directors' report

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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

Directors' remuneration

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Non-compliance with laws and regulations

Based on:

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

we considered the significant laws and regulations to be the Companies Act 2006, the FCA listing and DTR rules, the principles of the UK Corporate Governance Code, industry practice represented by the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("the SORP") and updated in 2022 with consequential amendments and the applicable financial reporting framework. We also considered the Company's qualification as a VCT under UK tax legislation.

Our procedures in respect of the above included:

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

Fraud

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

Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of Board and other Committee meetings throughout the period for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

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

Our procedures in respect of the above included:

- The procedures set out in the Key Audit Matters section above;

- Obtaining independent evidence to support the ownership of a sample of investments;
- Recalculating investment management fees and incentive fees in total;
- Obtaining independent confirmation of bank balances; and
- Testing of journals, based on risk assessment criteria as well as an unpredictable sample, to supporting documentation and evaluating whether there was evidence of bias by the Investment Adviser and Directors that represented a risk of material misstatement due to fraud.

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

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

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

Use of our report

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

BDO LLP

Vanessa Jayne Bradley
(Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, United Kingdom
4 April 2023

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

Income Statement for the year ended 31 December 2022

	Notes	Year ended 31 December 2022 Revenue £	Capital £	Total £	Year ended 31 December 2021 Revenue £	Capital £	Total £
Net investment portfolio (losses)/gains	8	-	(18,554,354)	(18,554,354)	-	36,360,661	36,360,661
Income	3	2,588,860	-	2,588,860	1,710,712	-	1,710,712
Investment Adviser's fees	4a	(564,528)	(1,693,582)	(2,258,110)	(525,873)	(1,577,618)	(2,103,491)
Other expenses	4c	(567,503)	-	(567,503)	(455,452)	-	(455,452)
(Loss)/profit on ordinary activities before taxation		1,456,829	(20,247,936)	(18,791,107)	729,387	34,783,043	35,512,430
Taxation on (loss)/profit on ordinary activities	5	(41,493)	41,493	-	(53,768)	53,768	-
(Loss)/profit for the year and total comprehensive income		**1,415,336**	**(20,206,443)**	**(18,791,107)**	**675,619**	**34,836,811**	**35,512,430**
Basic and diluted earnings per ordinary share	7	**1.03p**	**(14.76)p**	**(13.73)p**	**0.54p**	**27.67p**	**28.21p**

The revenue column of the Income Statement includes all income and expenses. The capital column accounts for the net investment portfolio (losses)/gains (unrealised losses and realised gains on investments) and the proportion of the Investment Adviser's fee and performance fee charged to capital.

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

All the items in the above statement derive from continuing operations of the Company. No operations were acquired or discontinued in the year.

The Notes on pages 55 to 73 form part of these Financial Statements.

Balance Sheet as at 31 December 2022

Company No. 5153931

	Notes	31 December 2022 £	31 December 2021 £
Fixed assets			
Investments at fair value	8	54,690,078	79,807,671
Current assets			
Debtors and prepayments	10	207,835	433,761
Current asset investments	11	45,364,121	24,362,614
Cash at bank and in hand	11	357,292	8,604,505
		45,929,248	33,400,880
Creditors: amounts falling due within one year	12	(303,437)	(248,076)
Net current assets		45,625,811	33,152,804
Net assets		**100,315,889**	**112,960,475**
Capital and reserves			
Called up share capital	13	1,567,186	1,250,775
Capital redemption reserve		54,763	38,127
Share premium reserve		37,467,699	14,397,509
Revaluation reserve		15,194,553	39,729,600
Special distributable reserve		3,338,271	18,967,400
Realised capital reserve		40,442,486	36,056,813
Revenue reserve		2,250,931	2,520,251
Equity Shareholders' funds		**100,315,889**	**112,960,475**
Basic and diluted net asset value per ordinary share	14	**64.01p**	**90.31p**

The Notes on pages 55 to 73 form part of these Financial Statements.

The Financial Statements were approved and authorised for issue by the Board of Directors on 4 April 2023 and were signed on its behalf by:

C. W. Boothman

Clive Boothman
Chair

Statement of Changes in Equity for the year ended 31 December 2022

	Notes	Non-distributable reserves Called up share capital £	Capital redemption reserve £	Share premium reserve £	Revaluation reserve £	Distributable reserves Special distributable reserve (Note a) £	Realised capital reserve £	Revenue reserve £	Total £
At 1 January 2022		**1,250,775**	**38,127**	**14,397,509**	**39,729,600**	**18,967,400**	**36,056,813**	**2,520,251**	**112,960,475**
Comprehensive income for the year									
Loss for the year		-	-	-	(19,520,013)	-	(686,428)	1,415,334	(18,791,107)
Total comprehensive income for the year		**-**	**-**	**-**	**(19,520,013)**	**-**	**(686,428)**	**1,415,334**	**(18,791,107)**
Contributions by and distributions to owners									
Shares issued under Offer for Subscription (Note b)	13	333,047	-	23,672,944	-	-	-	-	24,005,991
Issue costs and facilitation fees on Offer for Subscription (Note b)	13	-	-	(602,754)	-	(197,818)	-	-	(800,572)
Shares bought back (Note c)	13	(16,636)	16,636	-	-	(1,070,900)	-	-	(1,070,900)
Dividends paid	6	-	-	-	-	(10,190,915)	(4,112,429)	(1,684,654)	(15,987,998)
Total contributions by and distributions to owners		**316,411**	**16,636**	**23,070,190**	**-**	**(11,459,633)**	**(4,112,429)**	**(1,684,654)**	**6,146,521**
Other movements									
Realised losses transferred to special reserve (Note a)		-	-	-	-	(4,169,496)	4,169,496	-	-
Realisation of previously unrealised appreciation		-	-	-	(5,015,034)	-	5,015,034	-	-
Total other movements		-	-	-	(5,015,034)	(4,169,496)	9,184,530	-	-
At 31 December 2022		**1,567,186**	**54,763**	**37,467,699**	**15,194,553**	**3,338,271**	**40,442,486**	**2,250,931**	**100,315,889**

Note a: The Company's special reserve is available to fund buybacks of shares as and when it is considered by the Board to be in the interests of Shareholders, and to absorb any existing and future realised losses and for other corporate purposes. The transfer of £4,169,496 to the special reserve from the realised capital reserve above is the total of realised losses incurred by the Company in the year. As at 31 December 2022, the Company has a special reserve of £3,338,271, £3,313,634 of which arises from shares issued more than three years ago. Reserves originating from share issues are not distributable under VCT rules if they arise from share issues that are within three years of the end of an accounting period in which shares were issued.

Note b: Under the Company's Offer for Subscription launched on 20 January 2022, 12,233,462 ordinary shares were allotted on 9 March 2022 at an average effective offer price of 81.74 pence per share, raising net funds of £9,685,597 for the Company. This figure is net of issue costs of £250,953 and facilitation fees of £63,450. A further Offer for Subscription was launched on 5 October 2022, 21,071,256 ordinary shares were alloted on 16 November 2022 at an average effective offer price of 66.47 pence per share, raising net funds fo £13,519,822 for the Company. This figure is net of issue costs of £351,801 and faciliation fee of £134,368.

Note c: During the year, the Company purchased 1,663,597 of its own shares at the prevailing market price for a total cost of £1,070,900, which were subsequently cancelled.

Statement of Changes in Equity for the year ended 31 December 2021

	Non-distributable reserves Called up share capital £	Capital redemption reserve £	Share premium reserve £	Revaluation reserve £	Distributable reserves Special distributable reserve £	Realised capital reserve £	Revenue reserve £	Total £
At 1 January 2021	**1,263,366**	**25,536**	**14,397,509**	**12,498,006**	**27,415,880**	**26,927,746**	**2,160,473**	**84,688,516**
Comprehensive income for the year								
Profit for the year	-	-	-	30,913,086	-	3,923,725	675,619	35,212,430
Total comprehensive income for the year	**-**	**-**	**-**	**30,913,086**	**-**	**3,923,725**	**675,619**	**35,512,430**
Contributions by and distributions to owners								
Shares bought back	(12,591)	12,591	-	-	(923,642)	-	-	(923,642)
Dividends paid	-	-	-	-	(6,000,988)	-	(315,841)	(6,316,829)
Total contributions by and distributions to owners	**(12,591)**	**12,591**	**-**	**-**	**(6,924,630)**	**-**	**(315,841)**	**(7,240,471)**
Other movements								
Realised losses transferred to special reserve	-	-	-	-	(1,523,850)	1,523,850	-	-
Realisation of previously unrealised appreciation	-	-	-	(3,681,492)	-	3,681,492	-	-
Total other movements	-	-	-	(3,681,492)	(1,523,850)	5,205,342	-	-
At 31 December 2021	**1,250,775**	**38,127**	**14,397,509**	**39,729,600**	**18,967,400**	**36,056,813**	**2,520,251**	**112,960,475**

The composition of each of these reserves is explained below:

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

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

Share premium reserve - This reserve contains the excess of gross proceeds less issue costs over the nominal value of shares allotted under recent Offers for Subscription.

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

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

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

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

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

Revenue reserve - Income and expenses that are revenue in nature are accounted for in this reserve, as well as 25% of the Investment Adviser fee together with the related tax effect, as well as income dividends paid that are classified as revenue in nature.

The Notes on pages 55 to 73 form part of these Financial Statements.

Financial Statements

Statement of Cash Flows for the year ended 31 December 2022

	Notes	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Cash flows from operating activities			
(Loss)/profit after tax for the financial year		(18,791,107)	35,512,430
Adjustments for:			
Net investment portfolio losses/(gains)		18,554,354	(36,360,661)
Decrease in debtors		225,926	83,516
Increase in creditors		55,361	18,678
Net cash inflow/(outflow) from operations		**44,534**	**(746,037)**
Corporation tax paid		-	(191,171)
Net cash inflow/(outflow) from operating activities		**44,534**	**(937,208)**
Cash flows from investing activities			
Acquisitions of investments	8	(4,709,591)	(7,541,213)
Disposals of investments	8	11,272,830	15,238,387
(Decrease)/increase in bank deposits with a maturity over three months		(1,239)	256
Net cash inflow from investing activities		**6,562,000**	**7,697,430**
Cash flows from financing activities			
Shares issued as part of Offer for subscription	13	24,005,991	-
Issue costs and facilitation fees as part of Offer for subscription	13	(800,572)	-
Equity dividends paid	6	(15,987,998)	(6,316,829)
Share capital bought back	13	(1,070,900)	(967,755)
Net cash inflow/(outflow) from financing activities		**6,146,521**	**(7,284,584)**
Net increase/(decrease) in cash and cash equivalents		**12,753,055**	**(524,362)**
Cash and cash equivalents at start of year		31,962,077	32,486,439
Cash and cash equivalents at end of year		**44,715,132**	**31,962,077**
Cash and cash equivalents comprise:			
Cash equivalents	11	44,357,840	23,357,572
Cash at bank and in hand	11	357,292	8,604,505

The Notes on pages 55 to 73 form part of these Financial Statements.

Notes to the Financial Statements for the year ended 31 December 2022

1 Company Information

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

2 Basis of preparation of the Financial Statements

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

These Financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 ("FRS102"), with the Companies Act 2006 and the 2014 Statement of Recommended practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('the SORP') (updated in July 2022) issued by the Association of Investment Companies. The Company has a number of financial instruments which are disclosed under FRS102 s11/12 as shown in Note 15.

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

3 Income

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

Interest income on loan stock is accrued on a daily basis. Provision is made against this income where recovery is doubtful or where it will not be received in the foreseeable future. Where the loan stocks only require interest or a redemption premium to be paid on redemption, the interest and redemption premium is recognised as income or capital as appropriate once redemption is reasonably certain. When a redemption premium is designed to protect the value of the instrument holder's investment rather than reflect a commercial rate of revenue return the redemption premium is recognised as capital. The treatment of redemption premiums is analysed to consider if they are revenue or capital in nature on a company by company basis. Accordingly, the redemption premium recognised in the year ended 31 December 2022 has been classified as capital and has been included within gains on investments.

	2022 £	2021 £
Income from bank deposits	17,817	4,755
Income from investments		
– from equities	1,238,443	446,397
– from OEIC funds	417,740	2,664
– from loan stock	914,860	1,256,891
	2,571,043	1,705,952
Other income	-	5
Total income	**2,588,860**	**1,710,712**
Total income comprises		
Dividends	1,656,183	449,061
Interest	932,677	1,261,646
Other income	-	5
	2,588,860	**1,710,712**

Total loan stock interest due but not recognised in the year was £623,434 (2021: £639,625) due to uncertainty over its recoverability.

Financial Statements

Notes to the Financial Statements for the year ended 31 December 2022

4 Investment adviser's fees and Other expenses

All expenses are accounted for on an accruals basis

a) Investment adviser's fees and performance fees

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

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

	Revenue 2022 £	Capital 2022 £	Total 2022 £	Revenue 2021 £	Capital 2021 £	Total 2021 £
Gresham House Asset Management Limited						
Investment Adviser's fees	564,528	1,693,582	2,258,110	525,873	1,577,618	2,103,491

Under the terms of a revised Investment Management Agreement dated 20 May 2010 (such agreement having been novated to Gresham House), Gresham House provides investment advisory, administrative and company secretarial services to the Company, for a fee of 2% per annum of closing net assets, paid in advance, calculated on a quarterly basis by reference to the net assets at the end of the preceding quarter, plus a fixed fee of £134,168 per annum, the latter inclusive of VAT and subject to annual increases in RPI. In 2013, it was agreed to waive such further increases due to indexation, until otherwise agreed with the Board.

The Investment Adviser's fee includes provision for a cap on expenses excluding irrecoverable VAT and exceptional items set at 3.6% of closing net assets at the year-end. In accordance with the Investment Management Agreement, any excess expenses are borne by the Investment Adviser. The excess expenses during the year amounted to £nil (2021: £nil).

In line with common practice, Gresham House retains the right to charge arrangement and syndication fees and directors' or monitoring fees to companies in which the Company invests. The Investment Adviser received fees totalling £382,312 during the year ended 31 December 2022 (2021: £430,390), being £99,071 (2021: £161,076) for advisory and arrangement fees and £283,241 (2021: £269,314) for acting as non-executive directors on a number of investee company boards. These fees attributable to the Company are proportionate to the investment allocation applicable to the Company which applied at the time of each investment. These figures are not part of these financial statements.

Incentive agreement

Under the Incentive Agreement dated 9 July 2004, and a variation of this agreement dated 20 May 2010, the Investment Adviser is entitled to receive an annual performance-related incentive fee of 20% of the dividends paid in a year in excess of a "Target Rate" comprising firstly, an annual dividend paid in a year target which started at 6.00 pence per share on launch (indexed each year for RPI) and secondly a requirement that any shortfall of cumulative dividends paid in each year beneath the cumulative annual dividend target is carried forward and added to the Target Rate for the next accounting period. Any excess of cumulative dividends paid above the cumulative annual dividend target is not carried forward, whether an incentive fee is payable for that year or not. Payment of a fee is also conditional upon the daily weighted average Net Asset Value ("NAV") per share throughout such year equalling or exceeding the daily weighted average Base NAV per share throughout the same year.

At 31 December 2022, the Target Rate is 13.55 pence per share, comprising of the annual dividend paid in the year target of 9.83 pence and a 3.72 pence shortfall of cumulative dividends paid in the previous year. As cumulative dividends paid in the year were 12.00 pence, the Target Rate was not met. Also, the average NAV per share was 75.95 pence for the year, which was less than the average base NAV per share for the year of 87.20 pence. Accordingly, no performance incentive fee is payable for the year.

b) Offer for subscription fees

	2022 £m	2021 £m
Gross funds raised by the Company	24.01	-
Offer costs payable to Gresham House at 3.00% of gross funds raised by the Company	0.72	-

Under the terms of an Offer for Subscription, with the other Mobeus VCTs, launched on 20 January 2022 and 5 October 2022, Gresham House was entitled to fees of 3.00% of the investment amount received from investors. This amount totalled £2.47 million across all four VCTs, out of which all the costs associated with the allotment were met.

c) Other expenses

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

	2022 £	2021 £
Directors' remuneration (including NIC of £5,995 (2021: £6,830)) - (Note a)	112,828	111,830
IFA trail commission	119,167	111,674
Broker's fees	14,400	14,400
Auditor's fees – Audit of Company (excluding VAT)	45,150	31,069
– audit related assurance services - Note b) (excluding VAT)	-	7,073
Registrar's fees	59,127	32,692
Printing	65,923	60,224
Legal & professional fees	26,918	16,794
VCT monitoring fees	9,000	9,000
Directors' insurance	11,430	8,975
Listing and regulatory fees	37,576	32,260
Sundry	27,656	19,461
Running costs	**529,175**	**455,452**
Provision against loan interest receivable (Note c)	38,328	-
Other expenses	**567,503**	**455,452**

Note a): Directors' remuneration is a related party transaction, see analysis of Directors' fees payable and their interests in the shares of the Company in the Directors' Remuneration Report within the Annual Report, which excludes the NIC above. The key management personnel are the three non-executive Directors. The Company has no employees. There were no amounts outstanding and due to the Directors at 31 December 2022 (2021: £nil).

Note b): The audit-related assurance services in the previous year were in relation to a limited scope engagement in respect of the Financial Statements within the Company's Interim Report. The Audit Committee reviews the nature and extent of these services to ensure that auditor independence is maintained.

Note c): Provision against loan interest receivable above relates to an amount of £38,328 (2021: nil), being a provision made against loan stock regarded as collectable in previous years.

Notes to the Financial Statements for the year ended 31 December 2022

5 Taxation on profit on ordinary activities

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

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the Financial Statements that arise from the inclusion of gains and losses in the tax assessments in periods different from those in which they are recognised in the Financial Statements.

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

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

Tax relief relating to Investment Adviser fees is allocated between revenue and capital where such relief can be utilised. The Company is an Investment Trust and Investment Trust companies are exempt from tax on capital gains if they meet the HMRC criteria set out in section 274 of the ITA.

	2022 Revenue £	2022 Capital £	2022 Total £	2021 Revenue £	2021 Capital £	2021 Total £
a) Analysis of tax charge:						
UK Corporation tax on profits/(losses) for the year	41,493	(41,493)	-	53,768	(53,768)	-
Total current tax charge/(credit)	**41,493**	**(41,493)**	**-**	**53,768**	**(53,768)**	**-**
Corporation tax is based on a rate of 19.00% (2021: 19.00%)						
b) (Loss)/profit on ordinary activities before tax	1,456,829	(20,247,936)	(18,791,107)	729,387	34,783,043	35,512,430
(Loss)/profit on ordinary activities multiplied by main company rate of corporation tax in the UK of 19.00% (2021: 19.00%)	276,798	(3,847,108)	(3,570,310)	138,584	6,608,778	6,747,362
Effect of:						
UK dividends	(235,305)	-	(235,305)	(84,816)	-	(84,816)
Net investment portfolio losses/(gains) not taxable	-	3,525,327	3,525,327	-	(6,908,526)	(6,908,526)
Losses not utilised	-	280,288	280,288	-	245,980	245,980
Actual current tax charge	**41,493**	**(41,493)**	**-**	**53,768**	**(53,768)**	**-**

Deferred taxation

No provision for deferred taxation has been made on potential capital gains due to the Company's current status as a VCT under section 274 of the ITA and the Directors' intention to maintain that status.

There is no potential liability to deferred tax (2021: £nil). There is an unrecognised deferred tax asset of £692,457 (2021: £nil).

6 Dividends paid and payable

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

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

Amounts recognised as distributions to equity Shareholders in the year:						
Dividend	**Type**	**For year ended 31 December**	**Pence per share**	**Date Paid**	**2022 £**	**2021 £**
Interim	Income	2021	0.25p	12 July 2021	-	315,841
Interim	Capital	2021	4.75p*	12 July 2021	-	6,000,988
Interim	Income	2021	0.25p	07 January 2022	313,845	-
Interim	Capital	2021	3.75p*	07 January 2022	4,707,677	-
Interim	Capital	2022	4.00p*	15 July 2022	5,483,238	-
Interim	Income	2022	1.00p	07 November 2022	1,370,809	-
Interim	Capital	2022	3.00p	07 November 2022	4,112,429	-
					15,987,998	**6,316,829**

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

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

Recognised income distributions in the financial statements for the year						
Dividend	**Type**	**For year ended 31 December**	**Pence per share**	**Date paid**	**2022 £**	**2021 £**
Revenue available for distribution by way of dividends for the year					**1,415,336**	**675,619**
Interim	Income	2021	0.25p	12 July 2021	-	315,841
Interim	Income	2021	0.25p	07 January 2022	-	313,845
Interim	Income	2022	1.00p	07 November 2022	1,370,809	-
Total income dividends for the year					**1,370,809**	**629,686**

Notes to the Financial Statements for the year ended 31 December 2022

7 Basic and diluted earnings per share

	2022 £	2021 £
Total earnings after taxation:	(18,791,107)	35,512,430
Basic and diluted earnings per share (Note a)	**(13.73)p**	**28.21p**
Revenue earnings from ordinary activities after taxation	1,415,336	675,619
Basic and diluted revenue earnings per share (Note b)	**1.03p**	**0.54p**
Net investment portfolio (losses)/gains	(18,554,354)	36,360,661
Capital Investment Adviser fees less taxation	(1,652,089)	(1,523,850)
Total capital earnings	(20,206,443)	34,836,811
Basic and diluted capital earnings per share (Note c)	**(14.76)p**	**27.67p**
Weighted average number of shares in issue in the year	136,844,411	125,868,010

Notes

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

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

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

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

8 Investments at fair value

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

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

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

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

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

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

or:-

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

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

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

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

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

A key judgement made in applying the above accounting policy relates to investments that are permanently impaired. Where the value of an investment has fallen permanently below price of recent investment, the loss is treated as a permanent impairment and as a realised loss, even though the investment is still held. The Board assesses the portfolio for such investments and, after agreement with the Investment Adviser, will agree the values that represent the extent to which an investment loss has become realised. This is based upon an assessment of objective evidence of that investment's future prospects, to determine whether there is potential for the investment to recover in value.

Accounting standards classify methods of fair value measurement as Levels 1, 2 and 3. This hierarchy is based upon the reliability of information used to determine the valuation. All of the unquoted investments are Level 3, i.e. fair value is measured using techniques using inputs that are not based on observable market data.

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Notes to the Financial Statements for the year ended 31 December 2022

Movements in investments during the year are summarised as follows:

	Traded on AIM £ Level 1	Unquoted ordinary shares £ Level 3	Unquoted preference shares £ Level 3	Unquoted loan stock £ Level 3	Total £
Cost at 31 December 2021	864,604	26,085,667	1,934,690	13,421,908	42,306,869
Net unrealised gains/(losses) at 31 December 2021	11,653,827	30,975,015	178,275	(3,077,517)	39,729,600
Permanent impairment in value of investments as at 31 December 2021	-	(2,228,496)	(302)	-	(2,228,798)
Valuation at 31 December 2021	**12,518,431**	**54,832,186**	**2,112,663**	**10,344,391**	**79,807,671**
Purchases at cost	-	4,151,591	-	558,000	4,709,591
Sale proceeds (Note a)	-	(3,971,455)	(5,829,959)	(1,471,416)	(11,272,830)
Reclassification at value (Note b)	(533,727)	676,427	-	(142,700)	-
Net realised (losses)/gains on investments (Note a)	-	(4,862,843)	5,828,501	-	965,658
Net unrealised (losses)/gains on investments (Note c)	(8,710,834)	(9,364,785)	148,195	(1,592,588)	(19,520,012)
Valuation at 31 December 2022	**3,273,870**	**41,461,121**	**2,259,400**	**7,695,687**	**54,690,078**
Cost at 31 December 2022	58,008	29,293,629	1,933,232	12,384,096	43,668,965
Net unrealised gains/(losses) at 31 December 2022	3,215,862	15,443,403	327,947	(3,792,659)	15,194,553
Permanent impairment in cost of investments as at 31 December 2022 (Note d)	-	(3,275,911)	(1,779)	(895,750)	(4,173,440)
Valuation at 31 December 2022	**3,273,870**	**41,461,121**	**2,259,400**	**7,695,687**	**54,690,078**

Net realised gains on investments of £965,658 together with net unrealised losses on investments of £19,520,012 equal net investment portfolio losses of £18,554,354 as shown on the Income Statement.

See Notes on next page.

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

Company	Type	Investment cost £	Disposal proceeds £	Valuation at 31 December 2021 £	Realised gain/(loss) in year £
Media Business Insight Holdings Limited	Realisation	2,718,127	4,828,249	4,291,604	536,645
EOTH Limited (trading as Equip Outdoor Technologies)	Partial realisation	1,458	5,829,959	5,342,327	487,632
Jablite Holdings Limited (in members' voluntary liquidation)	Realisation	47,890	66,194	66,194	-
Oakheath Limited	Liquidation	580,020	-	-	-
Muller EV Limited (trading as Andersen EV) (in members' voluntary liquidation)	Impairment	-	-	607,047	(607,047)
Other capital proceeds*	Additional proceeds	-	548,428	-	548,428
		3,347,495	**11,272,830**	**10,307,172**	**965,658**

* Other capital proceeds contains additional proceeds received from Vian Marketing Limited (trading as Red Paddle) of £529,929 and Vectair Holdings Limited of £20,252. Transaction costs of £1,753 have also been incurred.

Note b) The Company's equity investments in Parsley Box were delisted from AIM during the year. The amount transferred from Level 1 to Level 3 of £533,727 reflects the equity value held at the start of the year. £142,700 was also transferred from unquoted loan stock to unquoted equity shares representing the conversion of loans held in one portfolio company during the year.

Note c) Within the net unrealised loss of £19,520,012 for the year, the significant decreases in value compared to last year were as follows: £8,710,834 in Virgin Wines UK plc, £2,027,264 in My Tutorweb Limited (trading as MyTutor), £1,640,590 in End Ordinary Group Limited (trading as Buster & Punch), £1,355,608 in Manufacturing Services Investment Limited (trading as Wetsuit Outlet), £1,302,054 in Data Discovery Solutions Limited (trading as Active Navigation) and £1,080,828 in Connect Childcare Limited. These losses were partly offset by unrealised gains of £554,860 in Tharstern Group Limited, £258,704 in Orri Limited, and £165,971 in Preservica Limited.

Note d) During the year, permanent impairments of the cost of investments have increased from £2,228,798 to £4,173,440. The increase of £1,944,642 is due to the impairments of four companies of £2,524,662 offset by the removal of the cost of £580,020 of one company that was impaired in a previous year that was liquidated in the year.

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Notes to the Financial Statements for the year ended 31 December 2022

9 Significant interests

At 31 December 2022 the Company held significant investments, amounting to 3% or more of the equity capital of an undertaking, in the following companies:

	Equity investment (Ordinary Shares) £	Investment in loan stock and preference shares £	Total investment (at cost) £	Percentage of investee company's total equity	% of equity held by all funds managed and advised by Gresham House[1]
Preservica Limited	1,799,276	2,699,064	4,498,340	17.4%	57.9%
My Tutorweb Limited (trading as MyTutor)	2,891,800	-	2,891,800	6.2%	22.6%
Manufacturing Services Investment Limited (trading as Wetsuit Outlet)	1,372,362	1,372,362	2,744,724	7.6%	27.5%
Arkk Consulting Limited (trading as Arkk Solutions)	867,908	1,200,595	2,068,503	8.7%	30.1%
Veritek Global Holdings Limited	54,950	1,990,325	2,045,275	19.4%	65.6%
Vivacity Labs Limited	1,938,174	-	1,938,174	7.0%	25.4%
End Ordinary Group Limited (trading as Buster & Punch)	1,885,094	-	1,885,094	9.8%	34.6%
Data Discovery Solutions Limited (trading as Active Navigation)	1,808,640	-	1,808,640	9.1%	32.3%
CGI Creative Graphics International Limited	594,236	1,213,296	1,807,532	7.8%	26.9%
RDL Corporation Limited	271,044	1,287,290	1,558,334	13.9%	44.5%
Spanish Restaurant Group Limited (trading as Tapas Revolution)	484,229	968,800	1,453,029	8.0%	29.0%
RotaGeek Limited	1,142,000	285,500	1,427,500	5.8%	20.3%
MPB Group Limited	1,404,971	-	1,404,971	4.1%	14.4%
Tharstern Group Limited	427,196	949,324	1,376,520	16.1%	55.0%
Bleach London Holdings Limited	1,244,336	-	1,244,336	5.2%	18.4%
Connect Childcare Limited	584,191	584,200	1,168,391	4.2%	14.4%
IPV Limited	890,382	-	890,382	7.9%	26.6%
Legatics Holdings Limited	822,285	-	822,285	7.5%	27.2%
Muller EV Limited (trading as Andersen) (in members' voluntary liquidation)	809,397	-	809,397	12.1%	37.0%
Pet's Kitchen Limited (trading as Vets' Klinic)	436,000	327,000	763,000	5.5%	20.0%
Proximity Insight Holdings Limited	729,500	-	729,500	3.0%	20.4%
BookingTek Limited	688,236	-	688,236	4.1%	14.9%
Caledonian Leisure Limited	408,755	272,500	681,255	8.2%	30.0%
Northern Bloc Ice Cream Limited	587,790	-	587,790	8.7%	31.1%
Orri Limited	525,700	-	525,700	4.3%	28.4%
Jablite Holdings Limited (in members' voluntary liquidation)	454,049	-	454,049	12.1%	40.1%
Kudos Innovations Limited	420,600	-	420,600	3.1%	10.9%
Master Removers Group 2019 Limited (trading as Anthony Ward Thomas, Bishopsgate and Aussie Man & Van)	418,518	-	418,518	7.9%	28.0%
Virgin Wines UK plc	58,008	-	58,008	10.5%	41.5%

All of the above companies are incorporated in the United Kingdom.

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

10 Debtors

	2022 £	2021 £
Amounts due within one year:		
Accrued income	185,183	413,935
Prepayments	22,493	19,826
Other debtors	159	-
	207,835	**433,761**

11 Current asset investments and Cash at bank

Cash equivalents, for the purposes of the Statement of Cash flows, comprises bank deposits repayable on up to three months' notice and funds held in OEIC money-market funds. Current asset investments are the same but also include bank deposits that mature after three months. Current asset investments are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at their carrying values at immediate or up to three months' notice. Cash, for the purposes of the Statement of Cash Flows, is cash held with banks in accounts subject to immediate access. Cash at bank in the Balance Sheet is the same.

	2022 £	2021 £
OEIC Money market funds	44,357,840	23,357,572
Cash equivalents per Statement of Cash Flows	44,357,840	23,357,572
Bank deposits that mature after three months but are not immediately repayable	1,006,281	1,005,042
Current asset investments	**45,364,121**	**24,362,614**
Cash at bank	**357,292**	**8,604,505**

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	7,273	14,348
Other creditors	-	13,892
Accruals	296,164	219,836
	303,437	**248,076**

13 Called up Share capital

	2022 £	2021 £
Allotted, called-up and fully paid:		
Ordinary Shares of 1p each: 156,718,602 (2021: 125,077,481)	**1,567,186**	**1,250,775**

During the year the Company purchased 1,663,597 (2021: 1,259,139) of its own shares for cash (representing 1.3% (2021: 1.0%) of the shares in issue at the start of the year) at the prevailing market price for a total cost of £1,070,900 (2021: £923,642). These shares were subsequently cancelled by the Company.

Under the 2021/22 Offer launched on 20 January 2022, 12,233,462 (2021: nil) Ordinary shares were allotted at an average effective offer price of 81.74 pence per share; raising net funds of £9,685,597 (2021: nil) for the Company.

Under the 2022/23 offer launched on 5 October 2022, 21,071,256 Ordinary shares were allotted at an average effective offer price of 66.47 pence per share raising net funds of £13,519,822 for the Company.

Notes to the Financial Statements for the year ended 31 December 2022

14 Basic and diluted net asset value per share

Net asset value per ordinary share is based on net assets at the end of the year and on 156,718,602 (2021: 125,077,481) ordinary shares, being the number of ordinary shares in issue on that date.

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

15 Financial Instruments

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

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

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

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

The fair value of Cash at bank and Current asset investments equates to their carrying value in the Balance Sheet. Loans and receivables and other financial liabilities are stated at amortised cost which the Directors consider is equivalent to fair value.

Classification of financial instruments

	2022 £	2021 £
Financial assets		
Assets at fair value through profit and loss:		
Investment portfolio	54,690,078	79,807,671
Loans and receivables		
Accrued income	185,183	413,935
Current asset investments	45,364,121	24,362,614
Cash at bank	357,292	8,604,505
Other debtors	159	-
Financial liabilities		
Liabilities at amortised cost or equivalent		
Other creditors	(303,437)	(248,076)
Total for financial instruments	100,293,396	112,940,649
Non financial instruments	22,493	19,826
Net assets	**100,315,889**	**112,960,475**

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

The investment portfolio consists primarily of unquoted investments 94.0% (2021: 84.3%) and AIM quoted stocks 6.0% (2021: 15.7%).

The investment portfolio has a 100% (2021: 100%) concentration of risk towards small UK based, £ denominated companies and represents 54.5% (2021: 70.7%) of net assets at the year-end.

Current asset investments are money market funds and bank deposits which, along with Cash at bank, are discussed under credit risk below and represent 45.6% (2021: 29.2%) of net assets at the year-end.

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

Investment risk

The Company's investment portfolio is made up of predominantly UK companies which are not quoted on any recognised stock exchange, although 6.0% of the portfolio value at the year-end is held in AIM quoted assets. The companies held in the portfolio are usually smaller than those which are quoted on a stock exchange. They are therefore usually regarded as carrying more risk compared to larger companies, as they are more sensitive to changes in key financial indicators, such as a reduction in turnover or an increase in costs. The Board is of the view that the Investment Adviser mitigates this risk as the investment in an investee company is held as part of a portfolio of such companies so that the performance of one company does not significantly affect the value of the portfolio as a whole. The Investment Adviser also usually only recommends companies for investment that have a proven business model, a sound financial record and a strong management team. The Investment Adviser also usually takes a seat on the Board of each investee company such that it is able to monitor its progress on a regular basis and contribute to the strategic direction of the company.

Liquidity risk

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

To counter these risks to the Company's liquidity, the Investment Adviser maintains sufficient cash and money market funds to meet running costs and other commitments. The Company invests its surplus funds in high quality money market funds and bank deposits, together totalling £45,364,121 (2021: £24,362,614) which are all accessible at varying points over the next 3 months. The Board also receives regular cash flow projections in order to manage this liquidity risk.

The table below shows a maturity analysis of financial liabilities:

Financial liabilities	<3 months £	3-6 months £	6-12 months £	over 12 months £	2022 Total £
Other creditors	**179,214**	**124,223**	-	-	**303,437**

Financial liabilities	<3 months £	3-6 months £	6-12 months £	over 12 months £	2021 Total £
Other creditors	**156,464**	**91,612**	-	-	**248,076**

The Company does not have any derivative financial liabilities.

Credit risk

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

The Company's maximum exposure to credit risk is:

	2022 £	2021 £
Current asset investments	45,364,121	24,362,614
Loan stock investments	7,695,687	10,344,391
Cash at bank	357,292	8,604,505
Accrued income	185,183	413,935
Other debtors	159	-
	53,602,442	**43,725,445**

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

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Notes to the Financial Statements for the year ended 31 December 2022

The accrued income shown on the previous page of £185,183 was all due within six months of the year-end.

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

Repayable within	2022 £	2021 £
0 to 1 year	1,958,256	1,336,514
1 to 2 years	1,510,762	4,702,043
2 to 3 years	2,767,102	1,405,222
3 to 4 years	1,083,947	1,333,878
4 to 5 years	375,620	1,073,657
Over 5 years	-	493,077
Total	**7,695,687**	**10,344,391**

Included within loan stock investments above are loans to four investee companies at a carrying value of £4,546,320 (2021: £5,016,950) which are past their repayment date but have been renegotiated. Loans to two other companies with a value of £138,400 (2021: £66,194) are now past their repayment date but have not yet been renegotiated. The loan stock investments are made as part of the qualifying investments within the investment portfolio, and the risk management processes applied to the loan stock investments are set out under market price risk below.

An aged analysis of the value of loan stock investments included above, which are past due but not individually impaired, is set out below. For this purpose, these loans are considered to be past due when any payment due under the loan's contractual terms (such as payment of interest or redemption date) is received late or missed. We are required to report in this format and include the full value of the loan even though, in some cases, it is only in respect of interest that they are in default.

Past due loan stock assets:

	0-6 months £	6-12 months £	over 12 months £	2022 Total £
Loans to investee companies past due	-	-	2,055,886	2,055,886

	0-6 months £	6-12 months £	over 12 months £	2021 Total £
Loans to investee companies past due	-	-	2,454,310	2,454,310

Credit risk also arises from cash and cash equivalents, deposits with banks and amounts held in liquidity funds. There is a risk of liquidity fund defaults such that there could be defaults within their underlying portfolios that could affect the values at which the Company could sell its holdings. However, as the six OEIC money market funds holding £44,357,840 are all triple A rated funds along with bank deposits of £1,363,573 at a well-known financial institutions with credit ratings of at least A1, credit risk is considered to be relatively low in current circumstances. The Board manages credit risk in respect of these money market funds and cash by ensuring a spread of such investments such that none should exceed 15% of the Company's total investment assets. The Company's current account totalling £313,933 is held with NatWest Bank plc (credit rating A1), so the risk of default is considered to be low.

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

Market price risk

Market price risk arises from uncertainty about the future valuations of the unquoted portfolio held in accordance with the Company's investment objectives. These future valuations are determined by many factors but include the operational and financial performance of the underlying investee companies (investment risk), as well as market perceptions of the future performance of the UK economy and its impact upon the economic environment in which these companies operate. This risk represents the potential loss that the Company might suffer through holding its investment portfolio in the face of market movements, which was a maximum of £54,690,078, the fair value of the investment portfolio.

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

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

Market price risk sensitivity

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

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

The Board considers that the value of investments in equity and loan stock instruments are ultimately sensitive to changes in their trading performance (discussed under investment risk above) and to changes in quoted share prices, insofar as such changes eventually affect the enterprise value of unquoted companies. The table below shows the impact on profit and net assets if there were to be a 20% (2021: 20%) movement in overall share prices, and has used a 20% change in the bid price or quoted market comparator multiple as a proxy for this.

The sensitivity analysis below assumes the actual portfolio of investments held by the Company is perfectly correlated to this overall movement in share prices. However, Shareholders should note that this level of correlation is unlikely to be the case in reality, particularly in the case of small, unquoted companies which may have other factors which may influence the extent of the valuation change, e.g. a strong niche brand may limit the valuation fall compared to comparators, or may be more affected by external market factors than larger companies.

For each of the companies in the investment portfolio that are valued on a multiple or bid price basis, the calculation below has applied plus and minus 20% to bid price or multiple (such as earnings or revenue) derived from quoted market comparators that are used to value the companies. The companies valued on a multiple or bid price basis represent £52.82 million (2021: £79.47 million) of the total investment portfolio of £54.69 million (2021: £79.81 million). The remainder of the portfolio is valued at either price of recent investment or net asset value, as shown below.

The impact of a change of 20% (2021: 20%) has been selected as this is considered reasonable given the level of volatility observed both on a historical basis and market expectations for future movement.

	2022 Profit and net assets £	2021 Profit and net assets £
If multiples used in valuations rose/fell by 20% (2021: 20%), with all other variables held constant – increase/(decrease)	7,511,696/(5,983,210)	10,790,242/ (10,846,325)
Increase/(decrease) in earnings, and net asset value, per Ordinary share (in pence)	4.79p / (3.82)p	8.63p / (8.67)p
Increase / (decrease) as a % of closing NAV	7.5% / (6.0)%	9.6% / (9.6)%

Notes to the Financial Statements for the year ended 31 December 2022

Cash flow interest rate risk

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

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

The interest rate profile of the Company's financial net assets at 31 December 2022 was:

	Financial net assets on which no interest paid £	Fixed rate financial assets £	Variable rate financial assets £	Total £	Weighted average interest rate (see Note) %	Average period to maturity (years)
Equity shares	44,734,991	-	-	44,734,991		
Preference shares	-	2,259,400	-	2,259,400	6.6	3.9
Loan stocks	-	7,695,687	-	7,695,687	6.9	1.8
Current asset investments	-	-	45,364,121	45,364,121	3.2	
Cash	-	-	357,292	357,292	-	
Debtors	185,342	-	-	185,342		
Creditors	(303,437)	-	-	(303,437)		
Total for financial instruments	44,616,896	9,955,087	45,721,413	100,293,396		
Non-financial instruments	22,493	-	-	22,493		
Net assets	**44,639,389**	**9,955,087**	**45,721,413**	**100,315,889**		

The interest rate profile of the Company's financial net assets at 31 December 2021 was:

	Financial net assets on which no interest paid £	Fixed rate financial assets £	Variable rate financial assets £	Total £	Weighted average interest rate (see Note) %	Average period to maturity (years)
Equity shares	67,350,617	-	-	67,350,617		
Preference shares	-	2,112,663	-	2,112,663	-	3.9
Loan stocks	-	10,344,391	-	10,344,391	10.1	2.2
Current asset investments	-	-	24,362,614	24,362,614	0.3	
Cash	-	-	8,604,505	8,604,505	-	
Debtors	413,935	-	-	413,935		
Creditors	(248,076)	-	-	(248,076)		
Total for financial instruments	67,516,476	12,457,054	32,967,119	112,940,649		
Non-financial instruments	19,826	-	-	19,826		
Net assets	**67,536,302**	**12,457,054**	**32,967,119**	**112,960,475**		

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

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

Cash flow interest rate sensitivity

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

	2022 Profit and net assets £	2021 Profit and net assets £
If interest rates rose / fell by 5% (2021: 1%) with all other variables held constant – increase / (decrease)	1,851,717 / (1,851,717)	267,034 / (267,034)
Increase / (decrease) in earnings, and net asset value, per Ordinary share (in pence)	1.18p / (1.18)p	0.21p / (0.21)p

Currency risk

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

Fair value hierarchy

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

Financial assets at fair value through profit and loss At 31 December 2022	Level 1 £	Level 2 £	Level 3 £	Total £
Equity investments	3,273,870	-	41,461,121	44,734,991
Preference shares	-	-	2,259,400	2,259,400
Loan stock	-	-	7,695,687	7,695,687
Total	**3,273,870**	**-**	**51,416,208**	**54,690,078**

Financial assets at fair value through profit and loss At 31 December 2021	Level 1 £	Level 2 £	Level 3 £	Total £
Equity investments	12,518,431	-	54,832,186	67,350,617
Preference shares	-	-	2,112,663	2,112,663
Loan stock	-	-	10,344,391	10,344,391
Total	**12,518,431**	**-**	**67,289,240**	**79,807,671**

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

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

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

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

Notes to the Financial Statements for the year ended 31 December 2022

There was one transfer out of Level 1 into Level 3 during the year as one investment was delisted during the year. A reconciliation of this and fair value measurements in Level 3 is set out below:

Level 3 valuation movements	Equity investments £	Preference shares £	Loan stock £	Total £
Opening balance at 1 January 2022	54,832,186	2,112,663	10,344,391	67,289,240
Purchases	4,151,591	-	558,000	4,709,591
Sales	(3,971,455)	(5,829,959)	(1,471,416)	(11,272,830)
Transfers into Level 3	533,727	-	-	533,727
Reclassification at value	142,700	-	(142,700)	-
Total gains included in the Income Statement:				-
- on assets sold	(4,862,843)	5,828,501	-	965,658
- on assets held at the year-end	(9,364,785)	148,195	(1,592,588)	(10,809,178)
Closing balance at 31 December 2022	**41,461,121**	**2,259,400**	**7,695,687**	**51,416,208**

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

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

	31 December 2022 £	31 December 2021 £
Valuation methodology		
Multiple of earnings, revenues or gross margin, as appropriate	49,495,140	66,953,246
Net asset value	1,270,320	-
Recent investment price (reviewed for impairment)	600,711	269,800
Average share price	50,037	-
Estimated realisation proceeds	-	66,194
	51,416,208	**67,289,240**

The unquoted equity and loan stock investments had the following movements between valuation methodologies between 31 December 2021 and 31 December 2022:

Change in valuation methodology (2021 to 2022)	Carrying value as at 31 December 2022 £	Explanatory note
Multiple basis to net asset basis	1,270,320	Net asset value is a more appropriate basis for determining fair value

The valuation will be the most appropriate valuation methodology for an investment within its market, with regard to the financial health of the investment and the December 2022 IPEV guidelines. The Directors believe that, within these parameters, these are the most appropriate methods of valuation which would be reasonable as at 31 December 2022.

16 Management of capital

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

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

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

17 Post balance sheet events

On 6 February 2023, the Company allotted 11,979,787 Ordinary Shares at an average effective offer price of 66.49 pence per share, raising net funds of £7.67 million under the Offer for Subscription launched on 5 October 2022.

On 7 March 2023, £0.30 million was invested into Connect Earth Limited.

On 22 March 2023, £0.59 million was invested into Cognassist UK Limited.

On 24 March 2023, proceeds of £2.70 million were received in respect of the sale of Tharstern Group Limited.

Financial Statements

Information for Shareholders

Shareholder Information

Communication with Shareholders

We aim to communicate regularly with our Shareholders. The annual general meetings provide a useful platform for the Board to meet Shareholders and exchange views and we are pleased to invite Shareholders to attend the Annual General Meeting to be held at 1.00 pm on 24 May 2023 to give you the opportunity to meet the Directors and representatives of the Investment Adviser who will give a joint Investment Adviser presentation with Mobeus Income & Growth 4 VCT plc who will hold their Annual General Meeting at 2.30 pm. A light lunch will be provided. For those Shareholders unable to attend the AGM, we will also offer a facility whereby you can view the meeting and submit questions remotely via a live stream. Details of how to join will be on the Company's website. The Company releases Interim Management Statements in respect of those quarters where it does not publish half or full year accounts via the London Stock Exchange RNS service. The Investment Adviser held its first annual virtual Shareholder event on 25 February 2022 which was very successful and held a further virtual Shareholder Event with a live Q&A session on 23 March 2023. A recording of the Event is available on the Company's website, please register to view the recording which is available online at: https://mvcts.connectid.cloud/.

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

Financial calendar

23 March 2023	Virtual Shareholder Event with a live Q&A session
4 April 2023	Announcement of Annual Results and circulation of Annual Report & Financial Statements for the year ended 31 December 2022 to Shareholders
24 May 2023	Annual General Meeting
September 2023	Announcement of Half-Year Results and circulation of Half-Year Report for the six months ended 30 June 2023 to Shareholders
31 December 2023	Year-end

Annual General Meeting

The Company's next Annual General Meeting will be held on Wednesday, 24 May 2023 at 1.00 pm at the offices of Shoosmiths LLP, 1 Bow Churchyard, London EC4M 9DQ. Shareholders will also be able to view the meeting remotely by registering for access to a web stream link which can be found on the Company's website at www.migvct.co.uk. Shareholders will be able to vote on a show of hands at the meeting. Shareholders will also be able to submit questions to the Board in advance of the meeting using the AGM@GreshamHouse.com email address. Details of how to join the meeting by virtual means will be shown on the Company's website. Shareholders attending virtually will not be able to vote at the meeting and therefore you are encouraged to lodge your proxy form, which is included with Shareholders' copies of this Annual Report, or on-line at https:// www-uk.computershare.com/investor/ before 22 May 2023 at 1.00 pm for your votes to be valid. A copy of the Notice of the Meeting is included on pages 76 to 78.

Dividends

Shareholders who wish to have dividends paid directly into their bank account, rather than sent by cheque to their registered address, can complete a mandate for this purpose. Mandates can be updated online by visiting www-uk.computershare.com/investor/ or, alternatively, they can be obtained by contacting the Company's Registrar, Computershare Investor Services PLC, at the address provided under Corporate Information on page 85 of this Annual Report.

Shareholders are encouraged to ensure that the Registrar has the correct up-to-date details for their accounts and to check whether they have received all dividend payments. This is particularly important if a Shareholder has recently changed address or changed their bank. We are aware that a number of dividends remain unclaimed by Shareholders and whilst we will endeavour to contact them if this is the case, we cannot guarantee that we will be able to do so if the Registrar does not have an up-to-date postal or email address.

Selling your shares

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

The Company is unable to buy back shares direct from Shareholders, so you will need to use a stockbroker to sell your shares. If you are considering selling your shares or trading in the secondary market, please contact the Company's Corporate Broker, Panmure Gordon (UK) Limited ("Panmure"). Panmure is able to provide details of close periods (when the Company is prohibited from buying in shares) and details of the price at which the Company has bought in shares.

Panmure can be contacted as follows:

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

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

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

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

Fraud Warning

Boiler Room fraud and unsolicited communications to Shareholders.

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

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

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

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

Shareholder enquiries

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

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

Full contact details for each of Gresham House and Computershare are included under Corporate Information on page 85 of this Annual Report.

Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Mobeus Income & Growth VCT plc will be held at **1.00 pm on Wednesday, 24 May 2023**, at the offices of Shoosmiths LLP, 1 Bow Churchyard, London EC4M 9DQ, for the purposes of considering and, if thought fit, passing the following resolutions of which resolutions 1 to 8 will be proposed as ordinary resolutions and resolutions 9 and 10 will be proposed as special resolutions. An explanation of the business to be proposed is included in the Directors' Report on pages 33 to 35 of this Annual Report:

1. To receive and adopt the annual report and financial statements of the Company for the year ended 31 December 2022 ("Annual Report"), together with the auditor's report thereon.
2. To approve the directors' annual remuneration report as set out in the Annual Report.
3. To approve the remuneration policy as set out in the Annual Report.
4. To re-elect Clive Boothman as a director of the Company.
5. To re-elect Bridget Guérin as a director of the Company.
6. To re-elect Lucy Armstrong as a director of the Company.
7. To re-appoint BDO LLP of 55 Baker Street, London, W1U 7EU as auditor of the Company until the conclusion of the next annual general meeting at which accounts are laid before the Company and to authorise the directors to determine the remuneration of the auditor.
8. That, in substitution for any existing authorities, the directors of the Company be and hereby are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 ("the Act") to exercise all the powers of the Company to allot ordinary shares of 1 penny each in the capital of the Company ("Shares") and to grant rights to subscribe for, or convert any security into, Shares ("Rights") up to an aggregate nominal value of £562,328, provided that the authority conferred by this resolution shall (unless renewed, varied or revoked by the Company in general meeting) expire on the date falling fifteen months after the passing of this resolution or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2024, but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require Shares to be allotted or Rights to be granted after such expiry and the directors of the Company shall be entitled to allot Shares or grant Rights pursuant to any such offers or agreements as if the authority conferred by this resolution had not expired.
9. That, subject to the passing of resolution 8 set out in this notice and in substitution for any existing authorities, the directors of the Company be and hereby are empowered in accordance with sections 570 and 573 of the Act to allot or make offers or agreements to allot equity securities (as defined in section 560(1) of the Act) for cash, pursuant to the authority conferred upon them by resolution 8 set out in this notice, or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such sale or allotment, provided that the power conferred by this resolution shall be limited to the allotment of equity securities:

   i) with an aggregate nominal value of up to, but not exceeding, £168,694 in connection with offer(s) for subscription; and

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

   in each case where the proceeds of the allotment may be used, in whole or in part, to purchase the Company's Shares in the market and provided that this authority shall (unless renewed, varied or revoked by the Company in general meeting) expire on the date falling fifteen months after the passing of this resolution or, if earlier, on the conclusion of the annual general meeting of the Company to be held in 2024, except that the Company may, before the expiry of this authority, make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities in pursuance of such offers or agreements as if the power conferred by this resolution had not expired.
10. That, in substitution for any existing authorities, the Company be and hereby is authorised pursuant to and accordance with section 701 of the Act to make one or more market purchases (within the meaning of section 693(4) of the Act) of its own Shares provided that:

    (i) the aggregate number of Shares which may be purchased shall not exceed 25,287,888 or, if lower, such number of Shares (rounded down to the nearest whole Share) as shall equal 14.99% of the Shares in issue at the date of passing of this resolution;

    (ii) the minimum price which may be paid for a Share is 1 penny (the nominal value thereof);

    (iii) the maximum price which may be paid for a Share (excluding expenses) shall be the higher of (a) an amount equal to 5% above the average of the middle market quotations for a Share in the Company taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Share is contracted to be purchased and (b) the amount stipulated by Article 5(6) of the Market Abuse Regulation (EU) 596/2014 (as such Regulation forms part of the UK law and as amended);

    (iv) the authority conferred by this resolution shall (unless renewed, varied or revoked by the Company in general meeting) expire on the date falling fifteen months after the passing of this resolution or, if earlier, on the conclusion of the annual general meeting of the Company to be held in 2024; and

    (v) the Company may make a contract or contracts to purchase its own Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of its own Shares in pursuance of any such contract.

By order of the Board

Gresham House Asset Management Limited
Company Secretary

Dated: 4 April 2023

Registered Office:
5 New Street Square
London
EC4A 3TW

Notes to the Notice of the Annual General Meeting

The following Notes explain your general rights as a Shareholder and your right to attend and vote at this Meeting or to appoint someone else to vote on your behalf.

A webcast of the Meeting will also be available and details of how to join the webcast will be shown on the Company's website. If possible, Shareholders intending to join the Meeting by means of the webcast (which would be as an attendee only) are requested to join at least ten minutes prior to the commencement of the Meeting at 1.00 pm on Wednesday, 24 May 2023. Where a member intends to join the Meeting by means of the webcast, they are permitted to ask questions at the Meeting but shall not be entitled to vote on resolutions at the Meeting (and are, therefore, encouraged to submit their votes by way of proxy). Note 14 below will apply to those who join the meeting (which would be in attendance only) by means of the webcast.

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A Shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a Shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Gresham House Asset Management Limited, the Company Secretary, at 80 Cheapside, London EC2V 6EE or by email to: mobeusvcts@greshamhouse.com or telephone on +44(0) 20 7382 0999.
2. Shareholders may appoint a proxy either by (a) completing a hard copy of the form of proxy or other instrument appointing a proxy and sending it to be received by post (during normal business hours only) or delivering it by hand at the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or (b) submitting their votes electronically through Computershare's Investor Centre at www.investorcentre.co.uk/eproxy. In each case, the proxy votes submitted must be received not later than 1.00 pm on 22 May 2023 or 48 hours before the time appointed for any adjourned meeting (ignoring any part of a day that is not a working day, before the time fixed for the meeting) or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll.
3. To vote electronically, Shareholders will be asked to provide the Control Number, their individual Shareholder Reference Number (SRN) and PIN, details of which are contained on the form of proxy, or the electronic broadcast message issued by the Company. Computershare's Investor Centre is the only acceptable means by which proxy instructions may be submitted electronically.
4. The return of a completed proxy form, other such instrument or any electronic Proxy Instruction will not preclude a Shareholder from attending the Annual General Meeting and voting in person if they wish to do so.
5. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
6. Any person to whom this Notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a "Nominated Person") may, under an agreement between them and the Shareholder by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.
7. If you have been nominated to receive general Shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains as it was (i.e. the registered Shareholder, or perhaps custodian or broker, who administers the investment on your behalf). Therefore any changes or queries relating to your personal details and holding (including any administration thereof) must continue to be directed to your existing contact at your financial adviser or custodian. The Company cannot guarantee dealing with matters that are directed to it in error. The only exception to this is where the Company, in exercising one of its powers under the Act, writes to you directly for a response.
8. The statement of the rights of Shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by Shareholders of the Company.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by 1.00 pm on 22 May 2023. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. You may submit your proxy electronically using Computershare's Investor Centre at www.investorcentre.co.uk/eproxy.

Notice of the Annual General Meeting

11. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
12. Pursuant to Regulation 41 of the Uncertificated Securities Regulation 2001, entitlement to attend and vote at the Annual General Meeting (and the number of votes that may be cast thereat) will be determined by reference to the Register of Members of the Company at the close of business on the day which is two days before the day of the meeting or of the adjourned meeting. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
13. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
14. Any member attending the meeting has the right to ask questions relating to the business being dealt with at the meeting and the Company is obliged to answer any such questions under section 319A of the Act. However, no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on the Company's website www.migvct.co.uk in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
15. Under section 527 of the Act (i) members representing at least 5% of the total voting rights of all the members or (ii) at least 100 members who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum, per member, of at least £100 (in accordance with section 527 of the Act) can require the Company to publish a statement on its website setting out any matter relating to (a) the audit of the Company's financial statements (including the Auditor's Report and the conduct of the audit) that are to be laid before the meeting; or (b) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with section 437 of the Act, that the members propose to raise at the meeting. The Company cannot require the members requesting the publication to pay its expenses in complying with sections 527 or 528 of the Act. Any statement required to be placed on the Company's website must also be sent to the Company's auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website under section 527.
16. By attending the meeting, members and their proxies and representatives are understood by the Company to have agreed to receive any communications relating to the shares of the Company made at the meeting.
17. As at 3 April 2023 (being the last business day prior to the publication of this notice) the Company's issued share capital consisted of 168,698,389 ordinary shares, all of which carry one vote each. Therefore, the total voting rights in the Company as at 3 April 2023 were 168,698,389.
18. The Register of directors' interests and directors' appointment letters shall be available for inspection at the Company's registered office during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) and at the place of the meeting for at least fifteen minutes prior to and during the meeting. The directors do not have any service contracts with the Company.
19. A copy of this notice, and other information required by section 311A of the Act, can be found on the Company's website at www.migvct.co.uk.

Performance Data at 31 December 2022

The following table shows, for all investors in Mobeus Income & Growth VCT plc and the former Matrix Income & Growth 3 VCT plc, how their investment has performed since they were originally allotted shares in each fundraising.

Total return data, which includes cumulative dividends paid to date, is shown on both a share price and a NAV basis as at 31 December 2022. The NAV basis enables Shareholders to evaluate more clearly the performance of the Investment Adviser, as it reflects the underlying value of the portfolio at the reporting date. This is the most widely used measure of performance in the VCT sector.

VCT Fundraisings

Share price as at 31 December 2022 61.00p[1]

NAV per share as at 31 December 2022 64.01p

Allotment date(s)	Allotment price (p)	Net allotment price[2] (p)	Cumulative dividends paid per share[3] (p)	Total return per share to Shareholders since allotment (Share price basis) (p)	Total return per share to Shareholders since allotment (NAV basis) (p)
Funds raised 2004/05					
Between 5 October 2004 and 29 June 2005	100.00	60.00	156.80	217.80	220.81
Funds raised 2011 (Linked offer)					
21 January 11	98.00	68.60	135.50	196.50	199.51
28 February 11	102.30	71.61	135.50	196.50	199.51
22 March 11	102.30	71.61	135.50	196.50	199.51
01 April 11	102.30	71.61	135.50	196.50	199.51
05 April 11	102.30	71.61	135.50	196.50	199.51
10 May 11	100.60	70.42	135.50	196.50	199.51
06 July 11	95.30	66.71	130.50	191.50	194.51
Funds raised 2012 (Linked offer)					
08 March 12	101.20	70.84	130.00	191.00	194.01
04 April 12	101.20	70.84	130.00	191.00	194.01
05 April 12	101.20	70.84	130.00	191.00	194.01
10 May 12	101.20	70.84	130.00	191.00	194.01
10 July 12	95.50	66.85	123.75	184.75	187.76
Funds raised 2013 (Linked offer)					
14 January 13	94.60	66.22	118.75	179.75	182.76
28 March 13	97.40	68.18	118.75	179.75	182.76
04 April 13	97.40	68.18	118.75	179.75	182.76
05 April 13	97.40	68.18	118.75	179.75	182.76
10 April 13 pre RDR[4]	99.80	69.86	118.75	179.75	182.76
10 April 13 post RDR[4]	97.40	68.18	118.75	179.75	182.76
07 May 13	95.40	66.78	116.75	177.75	180.76
Funds raised 2014 (Linked offer)					
09 January 14	100.01[5]	70.01	112.75	173.75	176.76
11 February 14	100.28[5]	70.20	112.75	173.75	176.76
31 March 14	106.71[5]	74.70	112.75	173.75	176.76
03 April 14	107.19[5]	75.03	112.75	173.75	176.76
04 April 14	106.54[5]	74.58	112.75	173.75	176.76
06 June 14	108.50[5]	75.95	109.50	170.50	173.51

[1] - Source: Panmure Gordon & Co (mid-price basis), when the latest announced NAV was 64.16p adjusted for a 4.00 pence dividend paid on 7 November 2022.

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

[3] - For derivation, see table on page 81.

[4] - RDR means the date of implementation of the Retail Distribution Review on 31 December 2012, which affected the level of charges in the allotment price for applications received before and after that date.

[5] - Average effective offer price. Shares were allotted pursuant to the 2013/14 Offers at individual prices for each investor in accordance with the allotment formula as set out in each Offer's Securities Note.

Performance Data at 31 December 2022

Allotment date(s)	Allotment price (p)	Net allotment price[1] (p)	Cumulative dividends paid per share[2] (p)	Total return per share to Shareholders since allotment (Share price basis) (p)	(NAV basis) (p)
Funds raised 2015 (Joint offer)					
14 January 15	96.90[3]	**67.83**	92.50	**153.50**	**156.51**
17 February 15	98.37[3]	**68.86**	92.50	**153.50**	**156.51**
10 March 15	99.40[3]	**69.58**	92.50	**153.50**	**156.51**
Funds raised 2017 (Joint offer)					
28 September 17	74.70[3]	**52.29**	52.00	**113.00**	**116.01**
20 October 17	74.89[3]	**52.42**	52.00	**113.00**	**116.01**
09 November 17	75.82[3]	**53.07**	52.00	**113.00**	**116.01**
20 November 17	76.98[3]	**53.89**	52.00	**113.00**	**116.01**
21 November 17	76.90[3]	**53.83**	52.00	**113.00**	**116.01**
24 January 18	72.68[3]	**50.88**	48.00	**109.00**	**112.01**
13 March 18	72.64[3]	**50.85**	48.00	**109.00**	**112.01**
Funds raised 2020 (Joint offer)					
08 January 20	65.20[3]	**45.64**	28.00	**89.00**	**92.01**
02 April 20	61.25[3]	**42.88**	28.00	**89.00**	**92.01**
Funds raised 2021/22 (Joint offer)					
09 March 22	81.74[3]	**57.22**	-	**61.00**	**64.01**
Funds raised 2022/23 (Joint offer)					
16 November 22	64.16[3]	**44.91**	-	**61.00**	**64.01**

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

[2] - For derivation, see table on page 81.

[3] - Average effective offer price. Shares were allotted pursuant to the 2015, 2017/18, 2019/20 and 2021/22 Offers at individual prices for each investor in accordance with the allotment formula as set out in each Offer's Securities Note.

MIG 3 VCT Fundraising

Share price as at 31 December 2022 69.26p[1]

NAV per share as at 31 December 2022 68.20p

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

Allotment date(s)	Allotment price (p)	Net allotment price[2] (p)	Cumulative dividends paid per share[3] (p)	Total return per share to Shareholders since allotment (Share price basis) (p)	(NAV basis) (p)
Funds raised 2006					
Between 24 January 2006 and 5 April 2006	100.00	**60.00**	153.92	**218.92**	**222.12**

[1] - Source: Panmure Gordon & Co (mid-price basis), as adjusted for the merger ratio.

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

[3] - For derivation, see table on page 81.

Cumulative dividends paid

Payment date	2004 (MIG VCT) (p)	2006 (MIG 3 VCT) (p)	2011 (Linked offer) (p)	2012 (Linked offer) (p)	2013 (Linked offer) (p)	2014 (Linked offer) (p)	2015 (Joint offer) (p)	2017 (Joint offer) (p)	2020 (Joint offer) (p)	2022 (Joint offer) (p)
27 September 2005	0.30									
16 May 2006	0.70									
14 September 2006	0.80									
18 May 2007	1.40	1.25								
20 September 2007	1.00	1.00								
21 May 2008	7.80	1.50								
11 September 2008	3.30	1.00								
15 May 2009	1.00	0.80								
21 April 2010	5.00	4.00								
20 May 2010 Merger of MIG VCT and MIG 3 VCT										
27 May 2011	5.00	5.33[1]	5.00							
15 September 2011	0.50	0.53[1]	0.50							
22 May 2012	6.25	6.66[1]	6.25	6.25						
20 September 2012	5.00	5.33[1]	5.00	5.00						
15 May 2013	2.00	2.13[1]	2.00	2.00	2.00					
18 September 2013	4.00	4.26[1]	4.00	4.00	4.00					
14 May 2014	3.25	3.46[1]	3.25	3.25	3.25	3.25				
17 September 2014	17.00	18.11[1]	17.00	17.00	17.00	17.00				
30 April 2015	7.00	7.46[1]	7.00	7.00	7.00	7.00	7.00			
17 September 2015	3.00	3.20[1]	3.00	3.00	3.00	3.00	3.00			
31 May 2016	7.00	7.46[1]	7.00	7.00	7.00	7.00	7.00			
20 September 2016	8.50	9.06[1]	8.50	8.50	8.50	8.50	8.50			
31 March 2017	6.00	6.39[1]	6.00	6.00	6.00	6.00	6.00			
13 September 2017	9.00	9.59[1]	9.00	9.00	9.00	9.00	9.00			
08 December 2017	4.00	4.26[1]	4.00	4.00	4.00	4.00	4.00	4.00		
17 May 2018	3.00	3.20[1]	3.00	3.00	3.00	3.00	3.00	3.00		
21 September 2018	2.00	2.13[1]	2.00	2.00	2.00	2.00	2.00	2.00		
17 May 2019	5.00	5.33[1]	5.00	5.00	5.00	5.00	5.00	5.00		
20 September 2019	4.00	4.26[1]	4.00	4.00	4.00	4.00	4.00	4.00		
06 December 2019	2.00	2.13[1]	2.00	2.00	2.00	2.00	2.00	2.00		
08 January 2020	4.00	4.26[1]	4.00	4.00	4.00	4.00	4.00	4.00		
07 May 2020	6.00	6.39[1]	6.00	6.00	6.00	6.00	6.00	6.00	6.00	
17 December 2020	5.00	5.33[1]	5.00	5.00	5.00	5.00	5.00	5.00	5.00	
12 July 2021	5.00	5.33[1]	5.00	5.00	5.00	5.00	5.00	5.00	5.00	
07 January 2022	4.00	5.33[1]	4.00	4.00	4.00	4.00	4.00	4.00	4.00	
15 July 2022	4.00	4.26[1]	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
07 November 2022	4.00	4.26[1]	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Total dividends paid[2]	**156.80**	**153.92**	**135.50**	**130.00**	**118.75**	**112.75**	**92.50**	**52.00**	**28.00**	**8.00**

[1] - The dividends paid after the merger, on the Company's shareholdings arising from former MIG 3 VCT shareholdings, have been restated for the merger conversion ratio.

[2] - The above data relates to an investor in the first allotment of each fundraising. The precise amount of dividends paid to Shareholders by date of allotment is shown on pages 79, 80 and above.

Information for Shareholders

Timeline of the Company

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

Glossary of terms

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

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

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

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

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

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

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

Net asset value per share or NAV per share
The net asset value per share is calculated as total equity Shareholders' funds divided by the number of Ordinary shares in issue at the year-end.

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

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

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

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

Ongoing charges ratio (APM)
This figure, calculated using the AIC recommended methodology, shows Shareholders the annual percentage reduction in shareholder returns as a result of recurring operational expenses, assuming markets remain static and the portfolio is not traded. Although the Ongoing Charges figure primarily is based upon historic information, it provides Shareholders with an indication of the likely level of costs that will be incurred in managing the Company in the future. This is calculated by dividing Investment Adviser fees of £2,258,110 and running costs of £529,175 (per Note 4a and 4c on pages 56 and 57), the latter being reduced by IFA Trail commission fees and one off professional fees, by average net assets throughout the year of £102,520,830.

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

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

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

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Gresham House

Specialist asset management

Mobeus Income & Growth VCT plc