18 JUNE 2024

NORTHERN 2 VCT PLC

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2024

Northern 2 VCT PLC is a Venture Capital Trust (VCT) managed by Mercia Fund Management Limited. It invests mainly in unquoted venture capital holdings in growing UK companies and aims to provide long-term tax-free returns to shareholders through a combination of dividend yield and capital growth.

Financial highlights (comparative figures as at 31 March 2023):

	Year ended 31 March 2024	Year ended 31 March 2023
Net assets	**£119.5m**	£109.6m
Net asset value per share	**57.3p**	59.0p
Return per share		
Revenue	**0.8p**	(0.2)p
Capital	**0.6p**	(1.7)p
Total	**1.4p**	(1.9)p
Dividend per share declared in respect of the period		
Interim dividend	**1.8p**	2.0p
Proposed final dividend	**1.2p**	1.3p
Total	**3.0p**	3.3p
Return to shareholders since launch		
Net asset value per share	**57.3p**	59.0p
Cumulative dividends paid per share*	**139.1p**	136.0p
Cumulative return per share	**196.4p**	195.0p
Mid-market share price at end of period	**54.5p**	54.5p
Share price discount to net asset value	**4.9%**	7.6%
Annualised tax-free dividend yield**	**5.1%**	5.1%

* Excluding proposed final dividend payable on 23 August 2024

** Based on net asset value per share at the start of the period

Enquiries:

James Sly / Sarah Williams, Mercia Asset Management PLC – 0330 223 1430
Website: www.mercia.co.uk/vcts/n2vct/

Chair's statement

I am pleased to report that investment activity during the year remained buoyant with a total of £14.8 million invested across 20 promising early stage businesses, of which six were new investments. It is reassuring to find that entrepreneurial spirit and drive remain active in the UK.

Our investment rate was in line with the past three years and comes despite the headwinds facing the UK economy including continued inflationary pressures, higher interest rates, and a technical recession during the financial year. Geopolitical events, conflict and the upcoming worldwide election cycles have created volatility in financial markets. While the UK listed equity markets staged a late rally on the prospect of interest rate cuts, the AIM market, which focusses on smaller companies, was down more than 8% in the year to March 2024.

Against this challenging backdrop we were delighted that our share offer of £20 million was oversubscribed. I would like to thank those existing shareholders who continued to support the Company and warmly welcome the many new shareholders who have joined our ranks. Proceeds from the share offer together with sales proceeds from investments mean that the Company is well positioned both to pursue new opportunities to support emerging businesses and to work with existing portfolio companies to realise their growth plans.

Results and dividend
In the year ended 31 March 2024 the Company delivered a return of 1.4 pence per share (2023: minus 1.9 pence), equivalent to 2.4% of the opening net asset value (NAV) per share. Gains in the unquoted portfolio were partly offset by declines in our listed venture investments. The NAV per share as at 31 March 2024, after deducting dividends paid during the year totalling 3.1 pence, was 57.3 pence compared with 59.0 pence as at 31 March 2023.

While realisation activity was lower than in previous years, a notable realisation was Evotix, sold for initial net proceeds of £11.5 million compared to an original cost of £2.5 million, a 4.6 times initial return. As Evotix continued to hit its forecasts following its sale, contractual deferred proceeds of £0.7 million were also received after the balance sheet date and have been included in these results.

In 2018 your Directors set an objective of paying an annual dividend representing a yield of at least 5% of the opening NAV per share in each year whilst endeavouring to protect the NAV from erosion over the medium term. Your Board is conscious of the need to balance payment of dividends while also growing NAV per share and sees this as a medium term target. Given the number of profitable realisations over the past few years and the prospects for good realisations from the current portfolio, the Board considers that that the 5% dividend target is still appropriate.

Having already declared an interim dividend of 1.8 pence per share which was paid in January 2024, your Directors now propose a final dividend of 1.2 pence per share. The total of 3.0 pence per share is equivalent to 5.1% of the opening NAV of 59.0 pence per share. The proposed final dividend will be paid on 23 August 2024, subject to approval by shareholders at the Annual General Meeting.

The target dividend yield will remain subject to regular review and the level of future dividend distributions will continue to reflect the level of returns generated by the Company in the medium term, the timing of investment realisations, the availability of distributable reserves and continuing compliance with the VCT scheme rules.

Investment portfolio
The Company continues to be a generalist investor, with allocations in the software, life sciences, health-tech and consumer sectors. Given the prevailing market sentiment towards consumer investments and a softer market for software over the past year, investment has been predominantly directed at a number of new health-tech and life science businesses, while we continue to seek opportunities across all sectors as they arise.

Investment levels have remained strong, with £7.3 million of capital provided to six new venture capital investments and £7.5 million of follow-on capital invested into fourteen existing portfolio investments.

Over the year the Company saw increases in the valuations of its unquoted portfolio by an aggregate of £2.6 million and reductions in its quoted portfolio of an aggregate £0.8 million. Unquoted portfolio investments benefitted from strong trading in a number of portfolio companies such as Pure Pet Food, Project Glow TopCo (t / a Currentbody.com) and Pimberly, while the value of the Company's unquoted portfolio reduced, predominantly as a result of the £0.8 million reduction in the value of musicMagpie. Your Directors always consider the state of the investment markets and how these might impact the valuations of the unquoted venture portfolio and have updated valuations to reflect current market conditions where appropriate.

Share offer and liquidity
In April 2023 gross proceeds of £6.0 million were received from the fully subscribed 2022/2023 share offer as 10,290,184 new ordinary shares were issued. The Board was also recently pleased to announce the successful subscription of the 2023/2024 share offer, which amounted to £20 million. In relation to this offer, an interim allotment of 15,720,030 new ordinary shares was issued in December 2023, generating £9.6 million in gross proceeds, and 17,376,231 new ordinary shares were issued just after the end of the period in April 2024, yielding gross proceeds of £10.4 million.

The Board continues to monitor liquidity carefully and will publish details of the plans to fundraising in the 2024/25 tax year in due course.

Our dividend investment scheme continues to operate. This enables shareholders to invest their dividends in new ordinary shares free of dealing costs and with the benefit of the tax reliefs available on new VCT share subscriptions. During the year around 15% of total dividends were reinvested by shareholders.

We have maintained our policy of being willing to buy back the Company's shares in the market when necessary in order to maintain liquidity, at a 5% discount to NAV. During the year, a total of 4,602,428 shares were repurchased for cancellation, equivalent to approximately 2.5% of the opening share capital.

Responsible Investment
The Company continues to be mindful of its Environmental, Social and Governance (ESG) responsibilities and we have outlined our evolving approach in the annual report.

VCT legislation and qualifying status
The Company has continued to meet the stringent and complex qualifying conditions laid down by HM Revenue & Customs for maintaining its approval as a VCT. The Manager monitors the position closely and reports regularly to the Board. Philip Hare & Associates LLP has continued to act as independent adviser to the Company on VCT taxation matters.

The Board were pleased to note the recognition by the UK Government of the vital role that VCTs perform, following the announcement of the extension to the VCT tax reliefs for a further 10 years. The Board considers that the Company, and VCTs more generally, are successfully delivering in-line with the Government's mandate, which is to channel money into higher-risk, early-stage businesses.

Whilst no further amendments to VCT legislation have been announced, it is possible that further changes will be made in the future. We will continue to work closely with the Manager to maintain compliance with the scheme rules at all times.

Board succession
The Board continues to maintain a process of ordinary succession. Upon the retirement of Frank Neale at the 2022 Annual General Meeting (AGM), your Board has actively searched for a new Non-executive Director, and has appointed Tom Chambers, effective from 19 June 2024. Tom brings a wealth of experience and will be a valuable addition to the Board as we look to make senior succession plans over coming years.

During the year, Cecilia McAnulty was appointed to the role of Senior Independent Director and Ranjan Ramparia was appointed as Chair of the Audit Committee.

Investor communications
The Board is conscious of its responsibility to communicate transparently and regularly with shareholders. Aside from the recent newsletter, we look forward to welcoming shareholders to our AGM and to our forthcoming investor seminar to be held on 22 October 2024 in London. A copy of the recent newsletter and details of how to register for the October seminar can be found on the Company's website at www.mercia.co.uk/vcts/n2vct/

Annual General Meeting
The Company's AGM will take place on 31 July 2024. The AGM provides an excellent opportunity for shareholders, directors and the Manager to meet in person, exchange views and comment. We intend to hold the 2024 AGM in person at Howard Kennedy LLP, No. 1 London Bridge, London SE1 9BG. Following positive feedback received from the last three years, we also intend to offer remote access for shareholders through an online webinar facility for those who would prefer not to travel. Please note that shareholders attending remotely must register their votes ahead of time, as it will not be possible to count votes from online participants at the AGM.

Outlook
Despite the challenging macroeconomic environment, our commitment remains steadfast in providing patient capital to nurture innovative early-stage businesses across the UK. The Board is encouraged by the sustained robust deployment rates and will continue to support innovative early stage UK businesses. We maintain confidence in the portfolio's ability to drive sustained long-term shareholder value and as we look ahead, are optimistic about its continued success.

We thank our investors for their continuing support.

David Gravells
Chair
18 June 2024

Extracts from the audited financial statements for the year ended 31 March 2024 are set out below.

Income statement

for the year ended 31 March 2024	**Year ended 31 March 2024**			Year ended 31 March 2023		
	Revenue £000	**Capital £000**	**Total £000**	Revenue £000	Capital £000	Total £000
Gain / (loss) on disposal of investments	-	933	933	-	(219)	(219)
Unrealised fair value gains / (losses) on investments	-	1,839	1,839	-	(1,302)	(1,302)
	-	2,772	2,772	-	(1,521)	(1,521)
Dividend and interest income	2,738	-	2,738	598	-	598
Investment management fee	(515)	(1,545)	(2,060)	(505)	(1,514)	(2,019)
Other expenses	(602)	-	(602)	(522)	-	(522)
Return before tax	1,621	1,227	2,848	(429)	(3,035)	(3,464)
Tax on return	73	(73)	-	109	(109)	-
Return after tax	1,694	1,154	2,848	(320)	(3,144)	(3,464)
Return per share	0.8p	0.6p	1.4p	(0.2)p	(1.7)p	(1.9)p

Balance sheet

as at 31 March 2024	**31 March 2024 £000**	31 March 2023 £000
Fixed assets		
Investments	**75,779**	80,314

Current assets		
Debtors	**911**	118
Cash and cash equivalents	**42,999**	29,318
	43,910	29,436
Creditors (amounts falling due within one year)	**(163)**	(174)
Net current assets	**43,747**	29,262
Net assets	**119,526**	109,576
Capital and reserves		
Called-up equity share capital	**10,434**	9,282
Share premium	**52,737**	38,165
Capital redemption reserve	**1,079**	849
Capital reserve	**54,973**	59,176
Revaluation reserve	**(853)**	2,015
Revenue reserve	**1,156**	89
Total equity shareholders' funds	**119,526**	109,576
Net asset value per share	**57.3p**	59.0p

Statement of changes in equity

for the year ended 31 March 2024

	---------	Non Distributable reserves		------------	Distributable Reserves		
	Called up share capital £000	**Share premium £000**	**Capital redemption reserve £000**	**Revaluation reserve £000**	**Capital reserve £000**	**Revenue reserve £000**	**Total £000**
At 1 April 2023	9,282	38,165	849	2,015	59,176	89	109,576
Return after tax	-	-	-	(2,868)	4,022	1,694	2,848
Dividends paid	-	-	-	-	(5,664)	(627)	(6,291)
Net proceeds of share issues	1,382	14,572	-	-	-	-	15,954
Shares purchased for cancellation	(230)	-	230	-	(2,561)	-	(2,561)
At 31 March 2024	10,434	52,737	1,079	(853)	54,973	1,156	119,526

Year ended 31 March 2023							
At 1 April 2022	8,145	21,952	615	9,765	63,642	735	104,854
Return after tax	-	-	-	(7,750)	4,606	(320)	(3,464)
Dividends paid	-	-	-	-	(6,408)	(326)	(6,734)
Net proceeds of share issues	1,371	16,213	-	-	-	-	17,584
Shares purchased for cancellation	(234)	-	234	-	(2,664)	-	(2,664)
At 31 March 2023	9,282	38,165	849	2,015	59,176	89	109,576

Statement of cash flows

for the year ended 31 March 2024	**Year ended 31 March 2024 £000**	**Year ended 31 March 2023 £000**
Cash flows from operating activities		
Return before tax	2,848	(3,464)
Adjustments for:		

(Gain) / loss on disposal of investments	(933)	219
Movements in fair value of investments	(1,839)	1,302
(Increase) / decrease in debtors	(85)	(75)
Increase / (decrease) in creditors	(11)	21
Net cash inflow / (outflow) from operating activities	(20)	(1,997)
Cash flows from investing activities		
Purchase of investments	(15,569)	(17,600)
Proceeds on disposal of investments	22,168	13,643
Net cash inflow / (outflow) from investing activities	6,599	(3,957)
Cash flows from financing activities		
Issue of ordinary shares	16,507	18,075
Share issue expenses	(553)	(491)
Purchase of ordinary shares for cancellation	(2,561)	(2,664)
Equity dividends paid	(6,291)	(6,734)
Net cash inflow / (outflow) from financing activities	7,102	8,186
Increase / (decrease) in cash and cash equivalents	13,681	2,232
Cash and cash equivalents at beginning of year	29,318	27,086
Cash and cash equivalents at end of year	42,999	29,318

INVESTMENT PORTFOLIO SUMMARY
as at 31 March 2024

	Cost £'000	**Valuation** £'000	**Like for like valuation increase / (decrease) over year**** £'000	**% of net assets by value**
Fifteen largest venture capital investments				
1 Gentronix	1,164	3,689	1,059	3.1%
2 Project Glow Topco (t / a Currentbody.com)	1,544	3,257	1,714	2.7%
3 Pimberly	1,876	3,170	1,294	2.7%
4 Tutora (t / a Tutorful)	3,023	3,023	(105)	2.5%
5 Rockar	1,766	2,979	349	2.5%
6 Newcells Biotech	2,741	2,965	187	2.5%
7 Pure Pet Food	1,605	2,905	1,236	2.4%
8 Netacea	2,486	2,486	–	2.1%
9 Adludio	2,395	2,404	9	2.0%
10 Grip-UK (t / a The Climbing Hangar)	3,536	2,372	(1,164)	2.0%
11 Buoyant Upholstery	1,057	2,314	607	2.0%
12 Ridge Pharma	1,387	2,009	619	1.7%
13 Biological Preparations Group	2,166	1,986	(84)	1.7%
14 Broker Insights	1,961	1,969	8	1.7%
15 Volumatic Holdings	216	1,921	(1,354)	1.6%
Other venture capital investments				
16 LMC Software	1,842	1,842	–	1.6%
17 Forensic Analytics	1,836	1,836	–	1.6%
18 Clarilis	1,828	1,828	–	1.5%
19 Camena Bioscience	1,702	1,702	–	1.4%
20 Turbine Simulated Cell Technologies	1,503	1,700	197	1.4%
21 Social Value Portal	1,680	1,680	–	1.4%
22 Locate Bio	1,597	1,597	–	1.4%
23 VoxPopMe	1,518	1,518	12	1.3%
24 Risk Ledger	1,509	1,509	–	1.3%
25 Enate	1,394	1,394	–	1.2%
26 Administrate	2,148	1,353	(367)	1.1%
27 Moonshot	1,235	1,235	–	1.0%
28 Optellum	1,206	1,206	–	1.0%
29 Centuro Global	1,109	1,109	–	0.9%
30 MIP Discovery	1,094	1,094	–	0.9%

31 Wobble Genomics	1,034	1,034	–	0.9%
32 Send Technology Solutions	1,023	1,023	–	0.9%
33 Wonderush Ltd (t / a Hownow)	1,009	1,009	–	0.8%
34 iOpt	1,006	1,006	–	0.8%
35 Axis Spine Technologies	1,002	1,002	–	0.8%
36 Warwick Acoustics	1,002	1,002	–	0.8%
37 Seahawk Bidco	479	926	490	0.8%
38 Naitive Technologies	731	731	–	0.6%
39 Oddbox	1,002	730	41	0.6%
40 Intuitive Holding	1,508	669	50	0.6%
41 Northrow	1,406	648	(102)	0.5%
42 Duke & Dexter	1,132	589	(550)	0.5%
43 Rego Technologies (t / a Upp) (formerly Volo)	2,223	532	92	0.4%
44 Synthesized	482	482	–	0.4%
45 Fresh Approach (UK) Holdings	911	471	(375)	0.4%
46 Thanksbox (t / a Mo)	1,524	375	(207)	0.3%
47 Atlas Cloud	648	356	(291)	0.3%
48 musicMagpie*	222	282	(755)	0.2%
49 Sen Corporation	643	280	(363)	0.2%
50 Arnlea Holdings	1,287	234	11	0.2%
51 Sorted	164	164	(26)	0.1%
52 Customs Connect Group	1,431	106	(8)	0.1%
53 Angle*	134	46	(29)	0.0%
54 Velocity Composites*	84	30	(1)	0.0%
55 Quotevine	1,187	–	–	0.0%
56 Nutshell	675	–	(354)	0.0%
57 Ablatus Therapeutics	559	–	–	0.0%
Total venture capital investments	**76,632**	**75,779**		**63.4%**
Net current assets		**43,747**		**36.6%**
Net assets		**119,526**		**100.0%**

*Quoted on AIM
**This change in 'like for like' valuations is a comparison of the 31 March 2024 valuations with the 31 March 2023 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 and follow-on investments in the year

Risk management
The Board carries out a regular and robust assessment of the risk environment in which the Company operates and seeks to identify new risks as they emerge. The principal and emerging risks and uncertainties identified by the Board which might affect the Company's business model and future performance, and the steps taken with a view to their mitigation, are as follows:

Investment and liquidity risk: investment in smaller and unquoted companies, such as those in which the Company invests, involves a higher degree of risk than investment in larger listed companies because they generally have limited product lines, markets and financial resources and may be more dependent on key individuals. The securities of smaller companies in which the Company invests are typically unlisted, making them illiquid, and this may cause difficulties in valuing and disposing of the securities. The Company may invest in businesses whose shares are quoted on AIM – the fact that a share is quoted on AIM does not mean that it can be readily traded and the spread between the buying and selling prices of such shares may be wide.

Mitigation: the Directors aim to limit the risk attaching to the portfolio as a whole by careful selection, close monitoring, and timely realisation of investments, by carrying out rigorous due diligence procedures and maintaining a wide spread of holdings in terms of financing stage and industry sector, within the rules of the VCT scheme. The Board reviews the investment portfolio with the Manager on a regular basis.

Financial risk: most of the Company's investments involve a medium to long-term commitment and many are illiquid.

Mitigation: the Directors consider that it is inappropriate to finance the Company's activities through borrowing except on an occasional short-term basis. Accordingly they seek to maintain a proportion of the Company's assets in cash or cash equivalents in order to be in a position to pursue new unquoted investment opportunities and to make follow-on investments in existing portfolio companies. The Company has very little direct exposure to foreign currency risk and does not enter into derivative transactions.

Economic risk: events such as economic recession or general fluctuation in stock markets, exchange rates and interest rates may affect the valuation of investee companies and their ability to access adequate financial resources, as well as affecting the Company's own share price and discount to net asset value. The level of economic risk has been elevated recently by inflationary pressures, interest rate increases, and supply shortages.

Mitigation: the Company invests in a diversified portfolio of investments spanning various industry sectors, and maintains sufficient cash reserves to be able to provide additional funding to investee companies where it is appropriate and in the interests of the Company to do so. The Manager typically provides an investment executive to actively support the board of each unquoted investee company. At all times, and particularly during periods of heightened economic uncertainty, the investment executives share best practice from across the portfolio with investee management teams in order to mitigate economic risk.

Stock market risk: some of the Company's investments are quoted on AIM and will be subject to market fluctuations upwards and downwards. External factors such as terrorist activity, political activity or global health crises can negatively impact stock markets worldwide. In times of adverse sentiment there may be very little, if any, market demand for shares in smaller companies quoted on AIM.

Mitigation: the Company's AIM quoted investments are actively managed by the Manager, and the Board keeps the portfolio and the actions taken under ongoing review.

Credit risk: the Company holds a number of financial instruments and cash deposits and is dependent on the counterparties discharging their commitment.

Mitigation: the Directors review the creditworthiness of the counterparties to these instruments and cash deposits and seek to ensure there is no undue concentration of credit risk with any one party.

Legislative and regulatory risk: in order to maintain its approval as a VCT, the Company is required to comply with current VCT legislation in the UK. Changes to UK legislation in the future could have an adverse effect on the Company's ability to achieve satisfactory investment returns whilst retaining its VCT approval.

Mitigation: the Board and the Manager monitor political developments and where appropriate seek to make representations either directly or through relevant trade bodies

Internal control risk: the Company's assets could be at risk in the absence of an appropriate internal control regime which is able to operate effectively even during times of disruption.

Mitigation: the Board regularly reviews the system of internal controls, both financial and non-financial, operated by the Company and the Manager. These include controls designed to ensure that the Company's assets are safeguarded and that proper accounting records are maintained.

VCT qualifying status risk: while it is the intention of the Directors that the Company will be managed so as to continue to qualify as a VCT, there can be no guarantee that this status will be maintained. A failure to continue meeting the qualifying requirements could result in the loss of VCT tax relief, the Company losing its exemption from corporation tax on capital gains, to shareholders being liable to pay income tax on dividends received from the Company and, in certain circumstances, to shareholders being required to repay the initial income tax relief on their investment.

Mitigation: the Manager keeps the Company's VCT qualifying status under continual review and its reports are reviewed by the Board on a quarterly basis. The Board has also retained Philip Hare & Associates LLP to undertake an independent VCT status monitoring role.

The Board continually assesses and monitors emerging risks that could impact the Company's operations and strategic objectives. As part of the risk assessment process, the Board evaluates a wide range of potential threats and uncertainties that may arise from evolving market dynamics, regulatory changes, technological advancements, geopolitical developments, and other external factors. By remaining aware of emerging risks, the Board ensures that the Company is better equipped to anticipate challenges and adapt swiftly to changing circumstances.

Directors' responsibilities
The Directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK accounting standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 its profit or loss for the year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic

alternative but to do so.

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 its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Strategic Report and Directors' Report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face.

The Directors consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

The Directors of the company at the date of this announcement were Mr D P A Gravells (Chair), Mr S P Devonshire, Miss C A McAnulty and Miss R K Ramparia.

Other matters

The above summary of results for the year ended 31 March 2024 does not constitute statutory financial statements within the meaning of Section 435 of the Companies Act 2006 and has not been delivered to the Registrar of Companies. Statutory financial statements will be filed with the Registrar of Companies in due course; the independent auditor's report on those financial statements under Section 495 of the Companies Act 2006 is unqualified, does not include any reference to matters to which the auditor drew attention by way of emphasis without qualifying the report and does not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

The calculation of the return per share is based on the profit after tax for the year of £2,848,000 (2023: loss £3,464,000) and on 199,198,196 (2023: 187,331,778) shares, being the weighted average number of shares in issue during the year.

The calculation of net asset value per share as at 31 March 2024 is based on net assets of £119,526,000 (2023: £109,576,000) divided by the 208,675,544 (2023: 185,640,724) ordinary shares in issue at that date.

If approved by shareholders, the proposed final dividend of 1.2 pence per share for the year ended 31 March 2024 will be paid on 23 August 2024 to shareholders on the register at the close of business on 26 July 2024.

The full annual report including financial statements for the year ended 31 March 2024 is expected to be made available to shareholders on or around 28 June 2024 and will be available to the public at the registered office of the company at Forward House, 17 High Street, Henley-in-Arden B95 5AA and on the Company's website.

The contents of the Mercia Asset Management PLC website and the contents of any website accessible from hyperlinks on the Mercia Asset Management PLC website (or any other website) are not incorporated into, nor form part of, this announcement.