

18 JUNE 2024

NORTHERN VENTURE TRUST PLC

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2024

Northern Venture Trust PLC is a Venture Capital Trust (VCT) advised by Mercia Fund Management Limited. The trust was one of the first VCTs launched on the London Stock Exchange in 1995. It invests mainly in unquoted venture capital holdings and aims to provide high 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):

	12m period ended 31 March 2024	Unaudited 12m period ended 31 March 2023	18m period ended 31 March 2023
Net assets	£114.8m	£102.5m	£102.5m
Net asset value per share	60.3p	62.1p	62.1p
Return per share			
Revenue	0.6p	(0.3)p	(0.3)p
Capital	1.2p	(2.1)p	(5.7)p
Total	1.8p	(2.4)p	(6.0)p
Dividend per share declared in respect of the period			
Interim dividend	1.6p	—	2.0p
Second interim dividend	—	2.0p	2.0p
Proposed final dividend	1.6p	2.0p	2.0p
Total	3.2p	4.0p	6.0p
Return to shareholders since launch			
Net asset value per share	60.3p	62.1p	62.1p
Cumulative dividends paid per share*	192.1p	188.5p	188.5p
Cumulative return per share	252.4p	250.6p	250.6p
Mid-market share price at end of period	57.5p	57.5p	57.5p
Share price discount to net asset value	4.6%	7.4%	7.4%
Annualised tax-free dividend yield**	5.2%	5.8%	5.4%

*Excluding proposed final dividend payable on 23 August 2024

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

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Chair's statement

Over the past twelve months, the UK economy has faced challenging macroeconomic conditions, with inflationary pressures, higher interest rates, and a technical recession. Alongside this, uncertainties posed by geopolitical events and conflicts have created volatility in financial markets. Whilst some of these headwinds have shown signs of abating recently, the impact of this backdrop during the year created challenges and opportunities for the portfolio.

It is pleasing to note that the valuation of our unquoted portfolio has increased during the past year. Investment activity remained consistent with the previous two years, with £15.0 million invested in 6 new and 14 existing portfolio companies.

Despite difficult fundraising conditions, our share offer of £20 million was oversubscribed and I would like to thank existing shareholders for their continued support and warmly welcome new investors. 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 small and medium 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 on ordinary activities of 1.8 pence per share (18-months ended 31 March 2023: minus 6.0 pence), representing a total return of 2.9% on the opening net asset value (NAV) per share. The NAV per share as at 31 March 2024, after deducting dividends paid during the year of 3.6 pence, was 60.3 pence, compared with 62.1 pence at 31 March 2023.

It was a quieter year for realisation activity, with the lower number of transactions reflecting the underlying tone of the market. The most notable realisation was Evotix, sold for initial net proceeds of £12.7 million compared to an original cost of £2.8 million, a 4.6 times initial return. As Evotix continued to meet its forecasts following its sale, contractual deferred proceeds of £0.8 million were also received after the balance sheet date and have been included in these results.

Investment income was higher than the prior period at £2.2 million (18-months ended 2023: £0.9 million), due largely to the increased interest rate environment resulting in a higher yield on the Company's liquid cash deposits. During the year we made the decision to liquidate the Company's portfolio of listed shares with RBC Brewin Dolphin, placing the cash in a money market fund attracting a higher yield.

In 2018 we revised our dividend policy in the light of the new VCT rules for investment introduced in 2015 and 2017, which we expected to result in more volatile returns. We introduced an annualised target dividend yield of 5% of opening NAV, which has been exceeded in every period since. Having already declared an interim dividend of 1.6 pence per share which was paid in January 2024, your Directors now propose a final dividend of 1.6 pence per share. The total of 3.2 pence per share is equivalent to 5.2% of the opening net asset value per share of 62.1 pence. The final dividend, if approved, will be paid on 23 August 2024 to shareholders on the register on 26 July 2024.

Our dividend investment scheme, under which dividends can be reinvested in new ordinary shares free of dealing costs and with the benefit of the tax reliefs available on new VCT share subscriptions, continues to operate with around 17% participation during the year. Instructions on how to join the scheme are included within the dividend section of our website, which can be found here: mercia.co.uk/vcts/nvt/.

Investment portfolio

The Company continues to be a generalist investor, with large allocations in the software, healthcare / life science and consumer sectors. Given the prevailing market sentiment towards consumer investments and a weaker market for software businesses over the past year, investment has been predominantly directed into a number of new healthcare / life science businesses, whilst we remained open to other opportunities as they arose.

Investment activity has remained strong, with £6.9 million of capital provided to six new venture capital investments and £8.1 million of follow-on capital invested into the existing portfolio. We also made progress in realising the Company's mature portfolio acquired under the previous VCT rules with the remaining such investments now valued at £16.0 million (31 March 2023: £17.3 million).

The value of the portfolio increased by £2.5 million (1.4 pence per share) in the year, with several portfolio companies enjoying significant growth – Pure Pet Food, Project Glow Topco (t / a Currentbody.com), Pinberly and Gentronix all increased in value by over £1 million. Against this there were some significant write-downs in the investments in Volumatic Holdings and Grip UK (t / a The Climbing Hangar). Additionally the value of musicMagpie, which is listed on AIM, fell by £0.8 million.

Share offers and liquidity

In April 2023 gross proceeds of £6.0 million were received from the fully subscribed 2022/23 share offer as 9,741,182 new ordinary shares were issued. The Board was also pleased to announce recently the successful subscription of the 2023/24 share offer, which amounted to £20 million. In relation to this offer, an interim allotment of 19,211,579 new ordinary shares was issued in December 2023, generating £12.2 million in gross subscriptions, and 12,234,307 new ordinary shares were issued in April 2024, yielding gross subscriptions of £7.8 million.

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

Share buy-backs

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 ended 31 March 2024 a total of 5,263,205 (18-months ended 31 March 2023: 7,335,532) shares were repurchased by the Company for cancellation at an average price of 58.0 pence (18-months ended 31 March 2023: 61.2 pence), representing 3.2% (18-months ended 31 March 2023: 4.6%) of the opening issued share capital.

Responsible investment

The Company is 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 Investment Adviser 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 was pleased to note the recognition by the UK Government of the vital role that VCTs perform, following the announcement of the extension to VCT tax relief for a further 10 years to 2035. The Board considers that the Company, and VCTs more generally, are successfully

delivering in line with the Government's mandate, which is to invest and support 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 our Investment Adviser to maintain compliance with the scheme rules at all times.

Annual General Meeting

The Company's AGM will be held at 11.30am on 30 July 2024. The AGM provides an excellent opportunity for shareholders, the Directors and the Investment Adviser to meet in person, exchange views and comment. We will hold the AGM in person at Howard Kennedy LLP, No. 1 London Bridge, London SE1 9BG. Following positive feedback received from the last four years, we also intend to offer remote access for shareholders through an online webinar facility for those who would prefer not to travel. Full details and formal notice of the AGM are set out in a separate document. 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.

Board succession

We announced the appointment of Brigid Sutcliffe to the Board in April as Chair-elect of the Audit Committee in advance of Richard Green's retirement from the Board at the AGM. Brigid brings a wealth of experience in listed investment trusts, particularly in the areas of finance, audit and risk management governance. The Board continues to execute its succession plans, and expects to make one further appointment later this year.

Further biographical details for all the Directors can be found in the annual report.

On behalf of the Board and all shareholders, I would like to thank Richard for his very significant contribution to the Company. He has served as a Director for the past 10 years, most recently as Chair of the Audit Committee but his contribution goes way beyond that. His experience in managing and chairing private equity funds has been invaluable as we navigated the new rules on investing and the transfer of the Company's management contract to Mercia.

I will be retiring at this AGM, my tenth as Chair and so will not be standing for re-election. It has been a privilege to serve you as Chair during such an eventful decade. The EU's decision in 2015 that VCTs were not taking enough risk led to a significant re-focus and hiring of new resources within NVM, our Investment Adviser at the time. NVM's decision to sell our management contract to Mercia in 2019 led to numerous discussions and meetings as a board to ensure the Company's interests and opportunities were protected and indeed enhanced under the new ownership. Almost as soon as these arrangements were completed the pandemic struck in 2020, leading to months of uncertainty for many of our investee companies, which needed sustained support both from Mercia operationally and from ourselves as shareholders.

I would like to thank all my colleagues on the Board over the years for their considerable support, which has made my job as Chair possible. I leave the Board in good shape under the leadership of Deborah Hudson, who I am sure will be an excellent Chair. Finally thank you, our shareholders, for your support over the years. As a Board we are always cognisant that we represent you as the owners of this Company and have your best interests at the centre of our discussions and decisions.

Outlook

We are encouraged by the recent reductions in inflation and expectations of lower interest rates, which create a more favourable environment in the UK to provide capital and support to innovative early-stage businesses. The Directors remain optimistic about the resilience, diversity and growth potential of the portfolio and its ability to generate long-term shareholder value.

Simon Constantine

Chair

18 June 2024

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

Income Statement

	Year ended 31 March 2024			18-month period ended 31 March 2023		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Gain / (loss) on disposal of investments	-	1,203	1,203	-	2,944	2,944
Unrealised fair value gains / (losses) on investments	-	2,499	2,499	-	(9,776)	(9,776)
	-	3,702	3,702	-	(6,832)	(6,832)
Dividend and interest income	2,220	-	2,220	948	-	948
Investment management fee	(516)	(1,549)	(2,065)	(811)	(2,432)	(3,243)
Other expenses	(641)	-	(641)	(796)	-	(796)

Return before tax	1,063	2,153	3,216	(659)	(9,264)	(9,923)
Tax on return	79	(79)	-	181	(181)	-
Return after tax	1,142	2,074	3,216	(478)	(9,445)	(9,923)
Return per share	0.6p	1.2p	1.8p	(0.3)p	(5.7)p	(6.0)p

Balance Sheet

	31 March 2024	31 March 2023
	£000	£000
Fixed assets		
Investments	82,574	88,609
Current assets		
Debtors	951	70
Cash and cash equivalents	31,497	14,001
	32,448	14,071
Creditors (amounts falling due within one year)	(191)	(183)
Net current assets	32,257	13,888
Net assets	114,831	102,497
Capital and reserves		
Called-up equity share capital	47,615	41,230
Share premium	30,418	19,394
Capital redemption reserve	6,658	5,342
Capital reserve	28,099	34,433
Revaluation reserve	882	1,698
Revenue reserve	1,159	400
Total equity shareholders' funds	114,831	102,497
Net asset value per share	60.3p	62.1p

Statement of changes in equity for the year ended 31 March 2024

	Non-distributable reserves				Distributable reserves		Total
	Called-up share capital £000	Share premium £000	Capital redemption reserve £000	Revaluation reserve £000	Capital reserve £000	Revenue reserve £000	£000
At 31 March 2023	41,230	19,394	5,342	1,698	34,433	400	102,497
Return after tax	-	-	-	(816)	2,890	1,142	3,216
Dividends paid	-	-	-	-	(6,156)	(383)	(6,539)
Net proceeds of share issues	7,701	11,024	-	-	-	-	18,725
Shares purchased for cancellation	(1,316)	-	1,316	-	(3,068)	-	(3,068)

At 31 March 2024	47,615	30,418	6,658	882	28,099	1,159	114,831
For the 18-month period ended 31 March 2023	Non-distributable reserves				Distributable reserves		Total
	Called-up share capital	Share premium	Capital redemption reserve	Revaluation reserve	Capital reserve	Revenue reserve	
	£000	£000	£000	£000	£000	£000	£000
At 30 September 2021	40,268	14,608	3,508	21,430	38,325	1,159	119,298
Return after tax	-	-	-	(19,732)	10,287	(478)	(9,923)
Dividends paid	-	-	-	-	(9,609)	(281)	(9,890)
Net proceeds of share issues	2,796	4,786	-	-	-	-	7,582
Shares purchased for cancellation	(1,834)	-	1,834	-	(4,570)	-	(4,570)
At 31 March 2023	41,230	19,394	5,342	1,698	34,433	400	102,497

Statement of cash flows

for the year ended 31 March 2024	Year ended 31 March 2024	18 month period ended 31 March 2023
	£000	£000
Cash flows from operating activities		
Return before tax	3,216	(9,923)
Adjustments for:		
(Gain) / loss on disposal of investments	(1,203)	(2,944)
Movements in fair value of investments	(2,499)	9,776
(Increase) / decrease in debtors	(103)	238
Increase / (decrease) in creditors	8	(2,496)
Net cash inflow / (outflow) from operating activities	(581)	(5,349)
Cash flows from investing activities		
Purchase of investments	(15,351)	(27,450)
Proceeds on disposal of investments	24,310	28,572
Net cash inflow / (outflow) from investing activities	8,959	1,122
Cash flows from financing activities		
Issue of ordinary shares	19,353	7,796
Share issue expenses	(628)	(214)
Purchase of ordinary shares for cancellation	(3,068)	(4,570)
Equity dividends paid	(6,539)	(9,890)
Net cash inflow / (outflow) from financing activities	9,118	(6,878)
Increase / (decrease) in cash and cash equivalents	17,496	(11,105)
Cash and cash equivalents at beginning of period	14,001	25,106
Cash and cash equivalents at end of year	31,497	14,001

INVESTMENT PORTFOLIO SUMMARY
as at 31 March 2024

	Cost	Valuation	Like for like valuation increase / (decrease) over period	% of net assets by value
	£'000	£'000	£'000	%
Fifteen largest venture capital investments				
1 Gentronix	1,362	4,323	1,241	3.8%
2 Project Glow Topco (t/a Currentbody.com)	1,686	3,557	1,871	3.1%
3 Pinberly	2,060	3,480	1,420	3.0%
4 Tutora (t/a Tutorful)	3,305	3,305	(114)	2.9%
5 Newcells Biotech	3,011	3,257	206	2.8%
6 Pure Pet Food	1,774	3,210	1,366	2.8%
7 Rockar	1,877	3,166	371	2.8%
8 Adludio	2,629	2,639	10	2.3%
9 Netacea	2,631	2,631	--	2.3%
10 Grip-UK (t/a Climbing Hangar)	3,885	2,607	(1,278)	2.3%
11 Buoyant Upholstery	1,173	2,569	674	2.2%
12 Biological Preparations Group	2,366	2,176	(92)	1.9%
13 Ridge Pharma	1,497	2,168	668	1.9%
14 Broker Insights	2,076	2,084	9	1.8%
15 Forensic Analytics	2,016	2,016	--	1.8%
Other venture capital investments				
16 Clarilis	1,972	1,972	--	1.7%
17 LMC Software Limited	1,950	1,950	--	1.7%
18 IDOX*	238	1,938	(32)	1.7%
19 Volumatic Holdings	216	1,921	(1,354)	1.7%
20 Locate Bio	1,753	1,753	--	1.5%
21 VoxPopMe	1,660	1,660	13	1.4%
22 Turbine Simulated Cell Technologies	1,433	1,621	188	1.4%
23 Camena Bioscience	1,594	1,594	--	1.4%
24 Social Value Portal	1,573	1,573	--	1.4%
25 Enate	1,516	1,516	--	1.4%
26 Administrate	2,374	1,495	(406)	1.3%
27 Risk Ledger	1,412	1,412	--	1.2%
28 Moonshot	1,329	1,329	--	1.2%
29 Optellum	1,276	1,276	--	1.1%
30 Centuro Global	1,038	1,038	--	0.9%
31 MIP Discovery	1,025	1,025	--	0.9%
32 Seahawk Bidco	513	993	525	0.9%
33 Send Technology Solutions	974	974	--	0.8%
34 Wobble Genomics	968	968	--	0.8%
35 Warwick Acoustics	964	964	--	0.8%
36 Axis Spine Technologies	955	955	--	0.8%
37 Wonderush Ltd (t/a Hownow)	947	947	--	0.8%
38 iOpt	941	941	--	0.8%
39 Oddbox	1,093	798	45	0.7%
40 Naitive Technologies	787	787	--	0.7%
41 Intuitive Holding	1,674	742	56	0.6%
42 Northrow	1,495	690	(108)	0.6%
43 Duke & Dexter	1,237	644	(602)	0.6%
44 Rego Technologies (t/a Upp)(formerly Volo)	2,369	568	98	0.5%
45 Synthesized	510	510	--	0.4%
46 Fresh Approach (UK) Holdings	924	478	(380)	0.4%
47 Thanksbox (t/a Mo)	1,685	415	(229)	0.4%
48 Atlas Cloud	704	387	(317)	0.3%

49 RTC Group*	436	345	287	0.3%
50 musicMagpie*	238	302	(809)	0.3%
51 Sen Corporation	681	296	(384)	0.3%
52 Arnlea Holdings	1,305	238	11	0.2%
53 Sorted	182	182	(29)	0.2%
54 Customs Connect Group	1,525	112	(9)	0.1%
55 Angle*	131	45	(28)	0.0%
56 Velocity Composites*	90	32	(1)	0.0%
57 Quotevine	1,311	--	--	0.0%
58 Nutshell	734	--	(385)	0.0%
59 Ablatus Therapeutics	612	--	--	0.0%
Total venture capital investments	81,692	82,574		71.9%
Net current assets		32,257		28.1%
Net assets		114,831		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 Investment Adviser 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 most 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 Investment Adviser 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 Mercia, 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 Investment Adviser 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 Investment Adviser. 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 Investment Adviser 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 statement were Mr S J Constantine (Chair), Mr R J Green, Ms D N Hudson, Mr D A Mayes, and Ms B A Sutcliffe.

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 return after tax for the year of £3,216,000 (18 month period ending 31 March 2023: minus £9,923,000) and on 179,260,563 (18 month period ending 31 March 2023: 165,209,895) shares, being the weighted average number of shares in issue during the period.

The calculation of net asset value per share as at 31 March 2024 is based on net assets of £114,831,000 (31 March 2023: £102,497,000) divided by the 190,460,878 (31 March 2023: 164,920,166) shares in issue at that date.

The proposed final dividend of 1.6 pence per share for the year ended 31 March 2024 will, if approved by shareholders at the Annual General Meeting, be paid on 23 August 2024 to shareholders on the register 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.

Neither the contents of the Mercia Asset Management PLC website, nor the contents of any website accessible from hyperlinks on the Mercia Asset Management PLC website (or any other website), are incorporated into, or form part of, this announcement.