Octopus AIM VCT 2 plc
Final Results

Octopus AIM VCT 2 plc today announces the final results for the year ended 30 November 2024.

Octopus AIM VCT 2 plc (the â€˜Companyâ€™) is a Venture Capital Trust (VCT) which aims to provide shareholders with attractive tax-free dividends and long-term capital growth by investing in a diverse portfolio of predominantly AIM-traded companies. The Company is managed by Octopus Investments Limited (â€˜Octopusâ€™ or the â€˜Investment Managerâ€™).

Financial summary

Â	**Year to 30 November 2024**	Year to 30 November 2023
Net assets (Â£â€™000)	**79,062**	84,690
Loss after tax (Â£â€™000)	**(399)**	(15,709)
Net asset value (NAV) per share (p)[1]	**40.5**	47.9
Dividends per share paid in year (p)	**7.2**	4.1
NAV Total return (%)[2]	**(0.4)**	(15.6)
Final dividend proposed (p)[3]	**1.8**	1.8
Special dividend (p)	**â€“**	3.6
Ongoing charges (%)[4]	**2.4**	2.2

[1] NAV per share is calculated on the underlying assets less liabilities of the Company divided by the number of shares.

[2] Total return is an alternative performance measure calculated as movement in NAV per share in the period plus dividends paid in the period, divided by the NAV per share at the beginning of the period.

[3] Subject to shareholder approval at the Annual General Meeting, the proposed final dividend will be paid on 29 May 2025 to shareholders on the register on 25 April 2025.

[4] Ongoing charges is an alternative performance measure calculated using the AIC recommended methodology.

Chairâ€™s statement

Introduction
Firstly, I would like to welcome all new shareholders who have joined us in the past year.

The year ending 30 November 2024 was marked by contrasting halves. The first six months experienced a positive shift in market sentiment after a prolonged period of depressed markets. Inflation hit its 2% target, UK GDP growth exceeded expectations, consumer confidence rose, and there was a surge in corporate, secondary fundraising and IPO activity, boosting UK capital markets.

However, the second half of the year saw market sentiment dampened by widespread uncertainties surrounding the policies of the new Labour Government. The recovery in share prices was notably hindered by the announcement of tax changes reducing Inheritance Tax (IHT) relief on AIM shares, which slowed the rate of IPOs and further fundraisings in UK capital markets. This, coupled with ongoing geo-political conflicts in the Middle East and Europe, prolonged UK fund outflows despite the boost from interest rate cuts in August and November.

Despite these challenges, opportunities to invest in innovative, growth-oriented companies persisted. AIM raised a total of Â£1.8 billion in new capital for both new and existing companies during the year under review, marking a 12.5% increase from the previous year. The majority of fundraisings in 2024 were for existing AIM companies seeking additional capital, totalling Â£1.5 billion during the review period. The Company made Â£4.2 million in qualifying investments, representing a 7.1% increase from the previous year.

Performance
Amidst this backdrop of economic, market, political, and geo-political uncertainty, the year to 30 November 2024 proved challenging for the fund. The net asset value (NAV) of the Company decreased by 0.4%, even after accounting for the 7.2p of dividends paid during the period. Over the review period, the AIM Index grew by 4.6%, compared to a 23.1% increase for the FTSE SmallCap index (excluding investment companies) and a 15.8% rise for the FTSE All-Share Index, all on a total return basis.

Despite mixed overall performance, AIM continued to attract capital and support the development of innovative companies, maintaining its role as a crucial platform for small, growing businesses. However, AIMâ€™s significant exposure to growth stocks in the software, technology, and healthcare sectors proved disadvantageous as market sentiment shifted away from smaller growth stocks, in which the portfolio is predominantly invested. However, despite the significant additional investment constraints faced by VCTs, the AIM Index remains the most suitable broad equity market index for comparative purposes, given the nature of the underlying investments. The FTSE SmallCap and All-Share indices provide a broader market context, with the weaker relative performance of AIM underscoring investorsâ€™ preference for large companies in more traditional sectors over the past three years.

Dividends

In November 2024 an interim dividend of 1.8p was paid to all shareholders. The Board is recommending a final dividend in respect of the year to 30 November 2024 of 1.8p per share totalling 3.6p in respect of the year, which is an 8.6% yield on the prior year closing share price of 42.1p, all paid from special distributable reserves. This is in line with our policy of maintaining a minimum annual dividend payment of 3.6p per share or a 5%

yield based on the prior year closing share price, whichever is the greater. Subject to the approval of shareholders at the Annual General Meeting (AGM), the final dividend will be paid on 29 May 2025 to shareholders on the register on 25 April 2025.

Shareholders are encouraged to ensure that the details held for them by the registrar remain accurate and to check whether they have received all dividends payable to them. This is particularly important for those who move house or change their bank account or email address. We are aware that some dividends remain unclaimed by shareholders, so if you believe you are impacted by this, please contact our registrar, Computershare, at the details provided in the Annual Report.

Cancellation of share premium account
At the last AGM, shareholders voted to cancel share premium to increase the pool of distributable reserves by the amount of Â£12.0 million. This is a regular occurrence to enable the continued payment of dividends and buyback of shares. A special resolution to this effect is being proposed at Resolution 12.

Dividend reinvestment scheme
In common with a number of other VCTs, the Company has established a dividend reinvestment scheme (DRIS) following approval at the AGM in 2014. Some shareholders have already taken advantage of this opportunity. For investors who do not need income, but value the additional tax relief on their reinvested dividends, this is an attractive scheme and I hope that more shareholders will find it useful. Over the course of the year 5,689,493 new shares have been issued under this scheme, returning Â£2.5 million to the Company. The final dividend referred to above will be eligible for the DRIS.

Share buybacks
During the year to 30 November 2024 the Company continued to buy back shares in the market from selling shareholders and purchased 5,783,439 Ordinary shares for a total consideration of Â£2.5 million. We have maintained a discount of approximately 4.5% to NAV (equating to up to a 5% discount to the selling shareholder after costs), which the Board monitors and intends to retain as a policy which fairly balances the interests of both remaining and selling shareholders. Buybacks remain an essential practice for VCTs, as providing a means of selling is an important part of the initial investment decision and has enabled the Company to grow. As such, I hope you will all support the appropriate resolution at the AGM.

Share issues
On 23 September 2024, a prospectus offer was launched alongside Octopus AIM VCT plc to raise a combined total of up to Â£20 million, with a Â£10 million over-allotment facility. We expect to be fully subscribed by the end of the 2025 tax year. In the year to 30 November 2024 the Company raised a total of Â£10.7 million after costs and a total of 24,311,327 shares were issued.

Liquidity
Shareholders may be interested to know that at the year end, 28.2% of the Companyâ€™s net assets were held in cash or collective investment funds including funds managed by the team at Octopus and money market funds, providing short-term liquidity. 59.7% was invested in individual quoted shares and 11.6% was held in unquoted single company investments. The proportion of the portfolio represented by unquoted shares has increased over the period, not because of additional investment in the sector, but because of strong individual performances from some of the holdings, notably Hasgrove Limited and Popsa Holdings Ltd. Shareholders should be aware that a proportion of the quoted securities may have limited liquidity owing to the size of the portfolio company and the overall proportion held by the Company.

VCT status
Shoosmiths LLP provide the Board and Investment Manager with advice concerning continuing compliance with HMRC regulations for VCTs. The Board has been advised that the Company is in compliance with the conditions laid down by HMRC for maintaining approval as a VCT. A key requirement is to maintain at least an 80% qualifying investment level according to HMRC definitions. As at 30 November 2024, the level was 87.1%.

Annual General Meeting
The AGM will take place on 23 May 2025 at 10.30am. Further information can be found in the Notice of Annual General Meeting. The Investment Manager will provide an update on the Companyâ€™s activities and future plans at the AGM.

Formal notices will be sent to shareholders by their preferred method (email or post) and shareholders are encouraged to submit their votes by proxy. We always welcome questions from our shareholders at the AGM. Please send these via email to AIMVCT2AGM@octopusinvestments.com by 5.00pm on 20 May 2025 if you are unable to attend the AGM in person.

If your shares are held through a nominee account, formal notices will be sent to your nominee.

Outlook
Despite facing various policy, market, and economic challenges (which are referred to in more detail in the Investment Managerâ€™s Review), AIM has shown remarkable resilience over the past year. However, recent amendments by the new Labour Government to tax reliefs for AIM investors under business relief have dampened market sentiment and reduced the appetite for investing in small growth companies. While the timeline for a potential recovery remains uncertain, the anticipated Mansion House reforms aimed at directing pension funds into UK investments could act as a significant catalyst for revitalising sentiment in UK capital markets. Market commentators continue to express cautious optimism regarding the outlook for UK capital markets in 2025, although ongoing challenges related to fund outflows and their impact on market performance persist. A more stable economic environment, supported by expected interest rate cuts in the coming months, should provide a favourable backdrop for potential market recovery.

The portfolio contains 83 holdings across a range of sectors with exposure to some exciting new technologies in the environmental and healthcare sectors. Although the current market environment remains challenging for those companies in need of further funding, this can provide the Investment Manager with good opportunities to invest newly raised cash at attractive valuations. The balance of the portfolio towards profitable companies remains, with the majority of these now trading at a significant valuation discount to their long-term averages.

Keith Mullins
Chair

Investment Managerâ€™s review
Introduction
Building on a positive first half of the year, investor sentiment remained optimistic (albeit cautiously) at the start of the second half of the year, buoyed by improved UK macroeconomic data. The threat of recession diminished, inflation concerns had eased, and interest rates had finally peaked. The UK economyâ€™s return to growth, driven by the service and manufacturing sectors, rising consumer confidence, and a robust employment market, strengthened the market recovery outlook. In August 2024, the Bank of England cut interest rates for the first time in four years, further boosting market confidence. Additionally, the new Labour Governmentâ€™s commitment to a growth agenda was well received by the market.

However, in the lead-up to the Autumn Budget sentiment tempered due to uncertainty over Business Property Relief (BPR) changes and its potential impact on AIM and UK capital markets. The 2024 Autumn Budget introduced significant changes to BPR, impacting inheritance tax planning and the UK capital markets. AIM-listed shares, which previously qualified for 100% BPR, will now only qualify for 50% relief, regardless of their value. The reduction in BPR for AIM shares has led to increased uncertainty among investors, particularly those focused on growth stocks. Initially, there was a sense of relief among investors that the BPR was not entirely removed. This relief led to a brief rally, with the FTSE AIM All-Share Index rising by nearly 4% on the day of the announcement. Despite the relief, there remain concerns about the reduction of this relief and its long-term impact on AIM.

On a more positive note, the stable UK macroeconomic environment has improved operational performance for many portfolio companies. Furthermore, confidence in further interest rate cuts has grown and inflation remains stable, close to the Bank of England target level of 2%, providing a much-needed foundation for the growth of small companies. UK equities remain significantly undervalued compared to global peers, despite the intermittent signs of market recovery during the year under review, evidenced by increased opportunistic corporate activity, particularly on AIM. The rise in IPOs and further fundraisings has renewed interest in UK equity markets that had not been seen for a while and has encouragingly continued since the year end.

The Alternative Investment Market
AIM has a high exposure to growth stocks in the software, technology and healthcare sectors, which counted against it as sentiment moved against highly rated growth stocks as inflationary and recessionary pressures intensified. Although VCTs have additional investment constraints, the AIM Index is considered to be the most appropriate broad equity market index for comparative purposes, given the nature of the underlying investments. The FTSE SmallCap and All-Share indices provide wider market context. The continued movement away from growth and momentum-driven shares and subsequent weak performance of AIM versus its market peers, highlighted that investors sought value in more traditional sectors which has been the case for the last three years.

The rate of IPOs on AIM remained slow, while the number of companies leaving the market throughout 2024 picked up pace. There was a total of nine IPOs on AIM over the year, compared to 14 the previous financial year. AIM ended the year with 690 companies, which was down 9.5% on the previous year. We still believe in the importance of functioning equity markets as a driver of growth in the UK, particularly at the smaller, growth company end, where the Company invests. The pipeline for new issues remains active in the new financial year and the significance of VCTs as a critical funding platform for smaller companies remains, which is evident by the flow of further fundraisings on AIM, albeit at a slower speed than previous years. In the year to 30 November 2024 AIM raised Â£1.8 billion of new capital for both new and existing companies, which compares to a figure of Â£1.6 billion the previous year.

Performance
Adding back the 7.2p of dividends paid in the year, the NAV total return was -0.4%. This compares with a rise in the FTSE AIM All-Share Index of 4.6%, a rise in the FTSE SmallCap (excluding investment companies) of 23.1% and a rise in the FTSE All-Share Index of 15.8% all on a total return basis.

Poor market sentiment towards AIM growth stocks persisted in the period and the portfolio was not immune to this, though there were also company specific factors that impacted valuations. UK equity markets proved to be a particularly unforgiving place for those who failed to show financial discipline and control costs, highlighting the current lack of risk appetite, something we expect the recent and anticipated interest rate cuts this year should start to reverse. Equipmake Holdings plc was the biggest detractor to the portfolioâ€™s performance over the year. While successful in growing revenue and getting many of its retrofit buses into operation the business struggled against the headwind of component cost volatility, incurring significantly more cost than anticipated therefore, widening losses and significantly shortening the cash runway, resulting in a need to raise further capital at dilutive levels. Scientific Digital Imaging plc saw growth stall due to a challenging macroeconomic backdrop resulting in a significant drop in its rating. Lunglife AI Inc continued to make meaningful clinical progress with successful validation of its LungLB test through a multi-site trial. Despite meeting the major milestones set out at IPO, commercialisation of this technology has taken longer than hoped, resulting in the need for cost saving measures and further fundraising. Haydale Graphene Industries plc were unable to meet revenue forecasts for the period; in response to this the business has refocused its efforts on near-term commercial opportunities and raised further capital to support them through this transition. Verici Dx plc achieved significant milestones in their agreement with Thermo Fischer generating a significant uplift in revenue for the year. Their share price fell sharply on news of a delay in local coverage determination for its Tutivia test, causing a delay to those revenues but this appears a minor setback and the long-term opportunity remains intact. Next 15 Group plc saw the loss of its largest customer for portfolio business Mach49; this was both unexpected and material to the Group causing a significant downgrade to forecasts. This setback is frustrating, but the business remains one with a global reach and strong brand portfolio capable of delivering growth going forward.

On the positive side, many companies in the portfolio reported solid trading performances, which was reflected in their share prices and contributed positively to the portfolioâ€™s performance. This included Breedon Group plc who traded robustly in their major regions despite difficult conditions; the business also took the long-anticipated step of expansion into the United States with the acquisition of BMC Enterprises Inc. This transaction provides the opportunity to launch a scalable third platform, in what is a growing but still fragmented market. Craneware plc saw continued growth in revenue and profits, benefitting from improved confidence in US hospitals and healthcare. The growth opportunity remains significant having formed a strategic alliance between Microsoft for a joint go to market approach, further expanding their reach. Beeks Financial Cloud Group plc delivered excellent growth in revenue and profitability, announcing significant new contract wins and extensions for its Exchange Cloud product with a number of global exchanges. The business remains in the enviable position of having new jurisdictions to target as well as being able to expand sales into their existing customers. GB Group plc made good progress against their cost and simplification initiatives, improving revenue growth, profitability and reducing net debt. Animalcare Group plc has continued to implement its growth strategy, delivering good revenue growth while maintaining margins. The most transformational element of this year for the business was the sale of Identicare and a minority stake of STEM Animal Health Inc, giving management sufficient balance sheet strength to pursue M&A opportunities. A conditional acquisition of Randlab, an Australian based equine veterinary business, was announced shortly after the Company year end.

In our private company holdings, Hasgrove Limitedâ€™s valuation increased over the year due to strong operational performance and continued growth in ARR. Popsa Holdings Ltd also saw its valuation rise, having traded ahead of expectations, leading to an upgrade to the budget.

Portfolio activity

Having made seven qualifying investments at a total cost of Â£2.5 million in the first half of the year, we added one new qualifying investment totalling Â£0.2 million as well as four follow-on qualifying investments totalling Â£1.5 million in the second half of the year. We added seven new non-qualifying investments totalling Â£2.7 million in the second half of the year. This made a total investment of Â£6.9 million, of which Â£4.2 million was qualifying for the year, an increase on last yearâ€™s Â£3.9 million. Post the year end, we have invested a further Â£2.8 million.

Of the seven first half investments, two were new investments in Strip Tinning Holdings plc and Alusid Limited. Five were follow-on investments in GenInCode plc, Verici Dx plc, Equipmake Holdings plc, PCI Pal plc and Cambridge Cognition Holdings plc.

We invested in one new issue in the second half of the year, Getech Group plc. We made an investment of Â£0.2 million, this business provides data rich products and geographic information system solutions to support the exploration of subsurface resources, which are vital for the global energy transition.

The four follow-on investments into existing holdings were Ixico plc, Rosslyn Data Technologies plc, Abingdon Health plc and Haydale Graphene Industries plc. We invested Â£0.4 million into Ixico plc, a leading neuroscience imaging business. We supported Rosslyn Data Technologies plc, a United Kingdom based provider of a cloud-based enterprise data analytics platform with an investment of Â£0.2 million. We invested Â£0.7 million into Abingdon Health plc, a leading international lateral flow contract research and contract development and manufacturing organisation, and a follow-on investment in Haydale Graphene Industries plc of Â£0.2 million, who engage in the integration of graphene and other nanomaterials into next generation industrial materials.

We also invested Â£2.7 million into non-qualifying, main list stocks primarily to manage liquidity but also providing increased UK equity market exposure. We invested Â£0.4 million into GSK plc, a multinational pharmaceutical and biotechnology company; Â£0.4 million into Cranswick plc, a leading UK food producer; Â£0.4 million into WISE plc, a global payments solutions business; Â£0.3 million into Bytes Technology Group plc, an IT solutions and services business; Â£0.4 million into JTC plc, a global professional services business; Â£0.4 million into Ricardo plc, a global strategic, environmental and engineering consultancy group and Â£0.4 million into Bloomsbury Publishing plc, a leading independent publisher.

During the year we sold partial holdings in three companies, two of these where we took profits into rising share prices, Beeks Financial Cloud Group plc and Judges Scientific plc. We also had full disposals of ten holdings being LoopUp Group plc, Cordel Group, Mattioli Woods plc, Renalytix plc, Cirata plc, Polarean Imaging plc, Eluceda Limited, Spectral AI Inc, Velocys plc and Clean Power Hydrogen plc. Total disposals made a Â£2.8 million loss over original cost and generated Â£2.2 million of cash proceeds.

Non-qualifying investments are used to manage liquidity while awaiting new qualifying investment opportunities. We continue to hold some existing non-qualifying AIM holdings where we see the opportunity for further share price progress. During the year we increased our holdings in the FP Octopus Micro Cap Fund and the FP Octopus Future Generations Fund, investing a total of Â£0.9 million over the period and disposed of part of our holding in FP Octopus UK Multi Cap Income Fund for Â£0.5 million.

VCT regulations

There have been no further changes to the VCT regulations since publication of the previous set of audited accounts, however the sunset clause was extended to 2035 in the recent Autumn statement. As a reminder, the current requirements are that 30% of any funds raised should be invested in qualifying holdings within twelve months of the end of the accounting period in which the shares were issued, and the Company has to maintain a minimum of 80% of the portfolio (at HMRC value) invested in qualifying holdings. We are determined to maintain a threshold of quality and to invest where we see the potential for returns from growth. At present there has been only gradual change to the profile of the portfolio as we continue to hold the larger market capitalisation companies in which we invested several years ago as qualifying companies, or which we bought in the market prior to the rule changes, where we see the potential for them to continue to grow.

In order to qualify, companies must:

- have fewer than 250 full time equivalent employees;
- have less than Â£15 million of gross assets at the time of investment and no more than Â£16 million immediately post investment;
- be less than seven years old from the date of its first commercial sale (or ten years if a knowledge intensive company) if raising state aided (i.e. VCT) funds for the first time;
- not receive more than Â£5 million state aided funds in the previous twelve months (Â£10 million for a knowledge intensive company from 6 April 2018), or more than the lifetime limit of Â£12 million (Â£20 million for a knowledge intensive company); and
- produce a business plan to show that the funds are being raised for growth and development.

Outlook and future prospects
Over the past year, the AIM IPO and fundraising market has shown modest signs of recovery, a trend that has continued into the post-year-end period. The current environment presents unique opportunities to invest in innovative and growth-oriented companies at attractive valuations. The deal pipeline remains active, and we are confident that we will continue to identify compelling investments that can deliver solid capital growth over time. While the timeline for consistent market recovery remains uncertain, the anticipated Mansion House reforms aimed at directing pension funds into UK investments could serve as a significant catalyst for boosting market sentiment. Additionally, the ongoing news of takeovers involving AIM companies, along with the transition of companies from AIM to the Main Market, highlights the urgent need for participants in the UK capital markets, including regulatory bodies and the Government, to explore new and impactful initiatives that support AIM. As Europeâ€™s largest market for small growth companies, AIM plays a crucial role in fostering innovation and economic growth in the UK and beyond. We await news of more broader capital reform initiatives in the coming months.

The Octopus Quoted Companies team
Octopus Investments Limited

Viability statement
As part of their continuing programme of monitoring risk the Directors have assessed the prospects of the Company over a longer period than the minimum of twelve months required by the â€˜going concernâ€™ provision. The Board conducted this review for a period of ï¬ve years, which was considered to be a reasonable time horizon given that the Company has raised funds under an oï¬€er for subscription and, under VCT rules, subscribing investors are required to hold their investment for a ï¬ve-year period in order to beneï¬t from the associated tax reliefs. The Board regularly considers the Companyâ€™s strategy, including investor demand for the Companyâ€™s shares, and a ï¬ve-year period is considered to be a reasonable time horizon for this.

The Board carried out a robust assessment of the emerging and principal risks facing the Company and its current position. This includes the impact of economic, market, political, and geo-political uncertainty and any other risks which may adversely impact its business model such as future performance, solvency or liquidity. Particular consideration was given to the Companyâ€™s reliance on, and close working relationship with, the Investment Manager and the ability to raise new capital. The principal risks faced by the Company and the procedures in place to monitor and mitigate them are set out below.

The Board has also considered the liquidity of the underlying investments and the Companyâ€™s cash ï¬‚ow projections and found these to be realistic and reasonable. The Companyâ€™s cash ï¬‚ow includes cash equivalents which are short-term, highly liquid investments.

Based on the above assessment the Board conï¬rms that it has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the ï¬ve-year period to 30 November 2029.

Risk and risk management
Principal risks, risk management and regulatory environment
The Board carries out a regular review of the risk environment in which the Company operates. The Board seeks to mitigate risks by setting policy, reviewing performance and monitoring progress and compliance. In the mitigation and management of these risks, the Board applies the principles detailed in the Financial Reporting Councilâ€™s Guidance on Risk Management, Internal Control and Related Financial and Business reporting. Detailed below are what the Board deems to be the principal risks of the Company and the mitigating actions in relation to those risks.

Risk	**Mitigation**
Investment risk: The focus of the Companyâ€™s investments is into VCT qualifying companies quoted on AIM and the AQSE exchange, which by their nature entail a higher level of risk and lower liquidity than investments in larger quoted companies.	The Investment Manager has signiï¬cant experience and a strong track record of investing in AIM and AQSE companies, and appropriate due diligence is undertaken on every new investment. The overall risk in the portfolio is mitigated by maintaining a wide spread of holdings in terms of ï¬nancing stage, age, industry sector and business models. The Board reviews the investment portfolio with the Investment Manager on a regular basis.
VCT qualifying status risk: The Company is required at all times to observe the conditions for the maintenance of HMRC-approved VCT status. The loss of such approval could lead to the Company and its investors losing access to the tax beneï¬ts associated with VCT status and, in certain circumstances, to investors being required to repay the initial income tax relief on their	Prior to investment, the Investment Manager seeks assurance that the investment will meet the legislative requirements for VCT investments. On an ongoing basis, the Investment Manager monitors the Companyâ€™s compliance with VCT regulations on a current and forecast basis to ensure ongoing compliance with VCT legislation. Regular updates are provided to the Board throughout the year.

investment.	The VCT status adviser formally reviews the Companyâ€™s compliance with VCT regulations on a bi-annual basis and reports its results to the Board and Investment Manager.
Operational risk: The Board is reliant on the Investment Manager to manage investments eï¬€ectively, and manage the services of a number of third parties, in particular the registrar and tax advisers. A failure of the systems or controls at the Investment Manager or third-party providers could lead to an inability to provide accurate reporting and to ensure adherence to VCT and other regulatory rules.	The Board reviews the system of internal control, both ï¬nancial and non-ï¬nancial, operated by the Investment Manager (to the extent the latter are relevant to the Companyâ€™s internal controls). These include controls that are designed to ensure that the Companyâ€™s assets are safeguarded and that proper accounting records are maintained, as well as any regulatory reporting. Feedback on other third parties is reported to the Board on at least an annual basis, including adherence to service level agreements where relevant.
Information security: A loss of key data could result in a data breach and ï¬nes. The Board is reliant on the Investment Manager and third parties to take appropriate measures to prevent a loss of conï¬dential customer information.	Annual due diligence is conducted on third parties by the Investment Manager which includes a review of their controls for information security. The Investment Manager has a dedicated information security team and a third party is engaged to provide continual protection in this area. A security framework is in place to help prevent malicious events. The Investment Manager reports to the Board on an annual basis to update them on relevant information security arrangements. Signiï¬cant and relevant information security breaches are escalated to the Board when they occur.
Economic: Events such as an economic recession, movement in interest rates, inï¬‚ation, political instability and rising living costs could cause volatility in the market, adversely impacting the valuation of investments. This could result in a reduction in the value of the Companyâ€™s assets.	The Company invests in a diverse portfolio of companies across a range of sectors, which helps to mitigate against the impact of poor performance in any one sector. The Company also maintains adequate liquidity to ensure that it can continue to provide follow-on investment to those portfolio companies which require it and which is supported by the individual investment case. The Investment Manager monitors the impact of macroeconomic conditions on an ongoing basis and provides updates to the Board at least quarterly.
Legislative: A change to the VCT regulations could adversely impact the Company by restricting the companies the Company can invest in under its current strategy. Similarly, changes to VCT tax reliefs for investors could make VCTs less attractive and impact the Companyâ€™s ability to raise further funds. Failure to adhere with other relevant legislation and regulation could result in reputational damage and/or ï¬nes.	The Investment Manager engages with HM Treasury and industry bodies to demonstrate the positive beneï¬ts of VCTs in terms of growing UK companies, creating jobs and increasing tax revenue, and to help shape any change to VCT legislation. The Investment Manager employs individuals with expertise across the legislation and regulation relevant to the Company. Individuals receive ongoing training and external experts are engaged where required.
Liquidity: The risk that the Companyâ€™s available cash will not be suï¬ƒcient to meet its ï¬nancial obligations. The Company invests into smaller companies, quoted on the AIM and AQSE exchanges, and private companies which are inherently less liquid than stocks on the main market. Therefore, these may be diï¬ƒcult to realise for their fair market value at short notice.	The Investment Manager prepares cash ï¬‚ow forecasts to ensure cash levels are maintained in accordance with policies agreed with the Board. The Companyâ€™s overall liquidity levels are monitored on a quarterly basis by the Board, with close monitoring of available cash resources. The Company maintains suï¬ƒcient cash and readily realisable securities, including MMFs and OEICs, which can be accessed at short notice. At 30 November 2024, 15.4% of net assets was held in cash and MMFs, realisable within one business day, and 12.8% in open-ended investment companies (OEICs), realisable in seven business days.
Valuation: For smaller companies or illiquid shares, establishing a fair value can be diï¬ƒcult due to the lack of readily available market data for similar shares, resulting in a limited number of external reference points.	Investments in companies traded on AIM and AQSE exchange are valued by the Investment Manager using closing bid prices as reported on Bloomberg. Where investments are in unquoted companies or where there are indicators the bid price is not appropriate, alternative valuation techniques are used in accordance with the IPEV guidelines. Valuations of unquoted portfolio companies are performed by appropriately experienced staï¬€, with detailed knowledge of both the portfolio company and the market in which it operates. These valuations are then subject to review and approval by the Octopus Valuations Committee, comprised of staï¬€ who are independent of the Investment team and with relevant knowledge of unquoted company valuations. The Board reviews valuations after they have been agreed by the Octopus Valuations Committee.

Emerging risks
The Board has considered emerging risks. The Board seeks to mitigate emerging risks and those noted below by setting policy, regular review of performance and monitoring progress and compliance.

The following are some of the potential emerging risks management and the Board are currently monitoring:

- adverse changes in global macroeconomic environment;
- geo-political tensions; and

- climate change.

Gender and diversity
The Board of Directors currently comprises one female and three male Non-Executive Directors with considerable experience of the VCT industry and a broad range of skills and backgrounds. All appointments to the Board are made on the basis of ability and knowledge. The composition of the Board, including gender and diversity, is reviewed on an annual basis. As at 30 November 2024 the Company has not met the UK Listing Rule 6.6.6R (9)(a) target of the Board comprising 40% women. The target of at least one member of the Board being from a minority ethnic background was not met during the year. The Board believes in the value and importance of diversity in the boardroom but does not consider that it is in the best interests of the Company and its shareholders to set prescriptive targets for gender or ethnicity on the Board. As the Company is externally managed the roles of CEO or CFO do not exist.

Please see the tables below which report on gender identity/sex and ethnic background for completeness as at 30 November 2024.

Gender identity or sex

Â	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)
Men	3	75%	Not applicable[1]
Women	1	25%	Â
Not speciﬁed/prefer not to say	-	-	Â

[1] This column is not applicable as the Company is externally managed and does not have executive management functions, speciﬁcally it does not have a CEO or CFO. The Company considers that the role of Chair and Chair of the Audit Committee are senior positions. Of these two senior positions, both are performed by men.

Ethnic background

Â	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)
White British or other White (including minority white groups)	4	100%	Not applicable[2]
Mixed/Multiple Ethnic Groups	-	-	Â
Asian/Asian British	-	-	Â
Black/African/Caribbean/Black British	-	-	Â
Other ethnic group	-	-	Â
Not specified/prefer not to say	-	-	Â

[2] This column is not applicable as the Company is externally managed and does not have executive management functions, speciﬁcally it does not have a CEO or CFO. The Company considers that the role of Chair and Chair of the Audit Committee are senior positions. Of these two senior positions, both are performed by those from a White British background.

Directors' responsibilities statement
The Directors are responsible for preparing the Strategic Report, the Directorsâ€™ Report, the Directorsâ€™ Remuneration Report and the financial statements in accordance with applicable laws and regulations. They are also responsible for ensuring that the annual report and accounts include information required by the Listing Rules of the Financial Conduct Authority.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (GAAP), including Financial Reporting Standard 102 â€“ â€˜The Financial Reporting Standard Applicable in the United Kingdom and Republic of Irelandâ€™ (FRS 102), (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 and profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

â€¢ select suitable accounting policies and then apply them consistently;
â€¢ make judgements and accounting estimates that are reasonable and prudent;
â€¢ state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
â€¢ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
â€¢ prepare a Strategic Report, a Directorsâ€™ Report and Directorsâ€™ 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 Companyâ€™s transactions, to disclose with reasonable accuracy at any time the financial position of the Company and to 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.

The Directors are responsible for ensuring that the annual report and accounts, taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the Companyâ€™s performance, business model and strategy.

In so far as each of the Directors is aware:

â€¢ there is no relevant audit information of which the Companyâ€™s auditor is unaware; and
â€¢Â the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors are responsible for preparing the annual report and accounts in accordance with applicable laws and regulations. Having taken advice from the Audit Committee, the Directors are of the opinion that this report as a whole provides the necessary information to assess the Companyâ€™s performance, business model and strategy and is fair, balanced and understandable.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Companyâ€™s website. Legislation in the United Kingdom 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:

â€¢ the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
â€¢Â the annual report and accounts (including the Strategic Report), give 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.

On behalf of the Board

Keith Mullins
Chair

Income statement

Â	**Year to 30 November 2024**			Year to 30 November 2023		
Â	**Revenue**	**Capital**	**Total**	Revenue	Capital	Total
Â	**Â£'000**	**Â£â€™000**	**Â£â€™000**	Â£'000	Â£â€™000	Â£â€™000
(Loss)/Gain on disposal of fixed asset investments	**-**	**(30)**	**(30)**	-	668	668
Gain/(loss) on disposal of current asset investments	**-**	**57**	**57**	-	(91)	(91)
Loss on valuation of fixed asset investments	**-**	**(837)**	**(837)**	-	(14,333)	(14,333)
Gain/(loss) on valuation of current asset investments	**-**	**881**	**881**	-	(1,047)	(1,047)
Investment income	**1,588**	**-**	**1,588**	1,194	-	1,194
Investment management fees	**(353)**	**(1,058)**	**(1,411)**	(393)	(1,179)	(1,572)
Other expenses	**(647)**	**-**	**(647)**	(528)	-	(528)
Profit/(loss) before tax	**588**	**(987)**	**(399)**	273	(15,982)	(15,709)
Tax	**-**	**-**	**-**	-	-	-
Total comprehensive income/(loss) after tax	**588**	**(987)**	**(399)**	273	(15,982)	(15,709)
Earnings per share â€“ basic and diluted	**0.3p**	**(0.5p)**	**(0.2p)**	0.2p	(9.8p)	(9.6p)

â€¢The â€˜Totalâ€™ column of this statement represents the statutory income statement of the Company prepared in accordance with the accounting policies detailed in the Notes to the financial statements; the supplementary revenue return and capital return columns have been prepared in accordance with the AIC Statement of Recommended Practice.
â€¢ All revenue and capital items in the above statement derive from continuing operations.
â€¢ The Company has only one class of business and derives its income from investments made in shares and securities and money market funds, as well as OEIC funds.

The Company has no recognised gains or losses other than the results for the period as set out above. Accordingly, a statement of comprehensive income is not required.

The accompanying notes are an integral part of the financial statements.

Balance sheet

Â	**As at 30 November 2024**	As at 30 November 2023

Â		**Â£â€™000**	**Â£â€™000**	Â£â€™000	Â£â€™000
Fixed asset investments		Â	**57,141**	Â	53,288
Current assets:		Â	Â	Â	Â
Investments		**10,146**	Â	8,796	Â
Money market funds		**10,564**	Â	21,893	Â
Debtors		**152**	Â	152	Â
Cash at bank		**1,595**	Â	1,045	Â
Â		**22,457**	Â	31,886	Â
Creditors: amounts falling due within one year		**(536)**	**Â**	(484)	Â
Net current assets		**Â**	**21,921**	Â	31,402
Total assets less current liabilities	**Â**		**79,062**	Â	84,690
	Â			Â	
Called up equity share capital			**20**		18
Share premium	**Â**		**6,314**	Â	7,619
Capital redemption reserve	**Â**		**4** Â		3
Special distributable reserve	**Â**		**76,116** Â		80,043
Capital reserve realised	**Â**		**(13,501)** Â		(5,400)
Capital reserve unrealised	**Â**		**11,879** Â		4,765
Revenue reserve	**Â**		**(1,770)** Â		(2,358)
Total equity shareholdersâ€™ funds	**Â**		**79,062** Â		84,690
NAV per share â€“ basic and diluted	**Â**		**40.5p** Â		47.9p

The statements were approved by the Directors and authorised for issue on 10 March 2025 and are signed on their behalf by:

Keith Mullins
Chair
Company No: 05528235

The accompanying notes are an integral part of the financial statements.

Statement of changes in equity

Â	**Share capital Â£â€™000**	**Share premium Â£â€™000**	**Capital redemption reserve Â£â€™000**	**Special distributable reserves[1] Â£â€™000**	**Capital reserve realised[1] Â£â€™000**	**Capital reserve unrealised Â£â€™000**	**Revenue reserve[1] Â£â€™000**	**Total Â£â€™000**
Balance as at 1 December 2023	18	7,619	3	80,043	(5,400)	4,765	(2,358)	84,690
Comprehensive income/(loss) for the year:	Â	Â	Â	Â	Â	Â	Â	Â
Management fee allocated as capital expenditure	-	-	-	-	(1,058)	-	-	(1,058)
Current year net gain on disposal	-	-	-	-	27	-	-	27
Current year gain on fair value of investments	-	-	-	-	-	44	-	44
Profit after tax	-	-	-	-	-	-	588	588
Total comprehensive loss for the year	-	-	-	-	(1,031)	44	588	(399)
Contributions by and distributions to owners:	Â	Â	Â	Â	Â	Â	Â	Â
Repurchase and cancellation of own shares	(1)	-	1	(2,533)	-	-	-	(2,533)
Issue of shares	3	11,264	-	-	-	-	-	11,267
Share issue costs	-	(554)	-	-	-	-	-	(554)
Dividends paid	-	-	-	(13,409)	-	-	-	(13,409)
Total contributions by and distributions to owners	2	10,710	1	(15,942)	-	-	-	(5,229)

Other movements:	Â	Â	Â	Â	Â	Â	Â	Â
Cancellation of share premium	-	(12,015)	-	12,015	-	-	-	-
Prior yearsâ€™ holding loss now realised	-	-	-	-	(7,070)	7,070	-	-
Total other movements	-	(12,015)	-	12,015	(7,070)	7,070	-	-
Balance as at 30 November 2024	**20**	**6,314**	**4**	**76,116**	**(13,501)**	**11,879**	**(1,770)**	**79,062**

Â	Share capital Â£â€™000	Share premium Â£â€™000	Capital redemption reserve Â£â€™000	Special distributable reserves[1] Â£â€™000	Capital reserve realised[1] Â£â€™000	Capital reserve unrealised Â£â€™000	Revenue reserve[1] Â£â€™000	Total Â£â€™000
As at 1 December 2022	**17**	**12,904**	**3**	**76,154**	**(5,843)**	**21,190**	**(2,631)**	**101,794**
Comprehensive income/(loss) for the year:	Â	Â	Â	Â	Â	Â	Â	Â
Management fee allocated as capital expenditure	-	-	-	-	(1,179)	-	-	(1,179)
Current year net gain on disposal	-	-	-	-	577	-	-	577
Current year loss on fair value of investments	-	-	-	-	-	(15,380)	-	(15,380)
Profit after tax	-	-	-	-	-	-	273	273
Total comprehensive loss for the year	-	-	-	-	(602)	(15,380)	273	(15,709)
Contributions by and distributions to owners:	Â	Â	Â	Â	Â	Â	Â	Â
Repurchase and cancellation of own shares	-	-	-	(3,076)	-	-	-	(3,076)
Issue of shares	1	8,821	-	-	-	-	-	8,822
Share issue costs	-	(468)	-	-	-	-	-	(468)
Dividends paid	-	-	-	(6,673)	-	-	-	(6,673)
Total contributions by and distributions to owners	1	8,353	-	(9,749)	-	-	-	(1,395)
Other movements:	Â	Â	Â	Â	Â	Â	Â	Â
Cancellation of share premium	-	(13,638)	-	13,638	-	-	-	-
Prior yearsâ€™ holding gains now realised	-	-	-	-	3,215	(3,215)	-	-
Transfer between reserves	-	-	-	-	(2,170)	2,170	-	-
Total other movements	-	(13,638)	-	13,638	1,045	(1,045)	-	-
Balance as at 30 November 2023	**18**	**7,619**	**3**	**80,043**	**(5,400)**	**4,765**	**(2,358)**	**84,690**

[1]Included within these reserves is an amount of Â£60,845,000 (2023: Â£72,285,000) which is considered distributable to shareholders under Companies Act rules. The Income Taxes Act 2007 restricts distribution of capital from reserves created by the conversion of the share premium account into a special distributable reserve until the third anniversary of the share allotment that led to the creation of that part of the share premium account. As at 30 November 2024, Â£20,921,000 of the special reserve is distributable under this restriction.

The accompanying notes are an integral part of the financial statements.

Cash flow statement

Â Â	**Year to 30 November 2024** **Â£'000**	Year to 30 November 2023 Â£'000
Cash flows from operating activities	Â	Â
	Â	Â

Loss on ordinary activities before tax	**(399)**	(15,709)
Adjustments for:	Â	Â
Decrease in debtors	â€“	53
Increase/(decrease) in creditors	**52**	(82)
Loss/(gain) on disposal of fixed assets	**30**	(668)
(Gain)/loss on disposal of current asset investments	**(57)**	91
Loss on valuation of fixed asset investments	**837**	14,333
(Gain)/loss on valuation of current asset investments	**(881)**	1,047
Net cash utilised in operating activities	**(418)**	(935)
Â	Â	Â
Cash flows from investing activities	Â	Â
Purchase of fixed asset investments	**(6,934)**	(4,086)
Proceeds from sale of fixed asset investments	**2,214**	9,157
Purchase of current asset investments	**(924)**	(2,040)
Proceeds from sale of current asset investments	**512**	1,505
Net cash flows (utilised in)/generated from investing activities	**(5,132)**	4,536
Â	Â	Â
Cash flows from financing activities	Â	Â
Purchase of own shares	**(2,533)**	(3,076)
Share issues net of DRIS	**8,815**	7,519
Share issue costs net of DRIS	**(554)**	(468)
Dividends paid net of DRIS	**(10,957)**	(5,370)
Net cash flows utilised in financing activities	**(5,229)**	(1,395)
(Decrease)/increase in cash and cash equivalents	**(10,779)**	2,206
Opening cash and cash equivalents	**22,938**	20,732
Closing cash and cash equivalents	**12,159**	22,938
Â	Â Â	
Closing cash and cash equivalents is represented by:	Â	Â
Cash at bank	**1,595**	1,045
Money market funds	**10,564**	21,893
Â Total cash and cash equivalents	**12,159**	22,938

The accompanying notes are an integral part of the financial statements.

Events after the end of the reporting period
The following events occurred between the balance sheet date and the signing of these financial statements:

The following shares have been allotted since the year end:

- 12 December 2024: 5,310,639 Ordinary shares at a price of 43.1p per share
- 23 January 2025: 2,927,288 Ordinary shares at a price of 42.6p per share

The following shares have been bought back since the year end:

- 18 December 2024: 560,613 shares at a price of 39.1p per share
- 30 January 2025: 802,694 shares at a price of 38.4p per share
- 20 February 2025: 544,996 shares at a price of 38.5p per share

Notes to the financial statements

1. Significant accounting policies
The Company is a Public Limited Company (plc) incorporated in England and Wales and its registered office is 6th Floor, 33 Holborn, London,

EC1N 2HT.

The Companyâ€™s principal activity is to invest in a diverse portfolio of predominantly AIM-traded companies with the objective of providing shareholders with attractive tax-free dividends and long-term capital growth.

Basis of preparation
The financial statements have been prepared under the historical cost convention, except for the measurement at fair value of certain financial instruments, and in accordance with UK Generally Accepted Accounting Practice (GAAP), including Financial Reporting Standard 102 â€“ â€˜The Financial Reporting Standard applicable in the United Kingdom and Republic of Irelandâ€™ (FRS 102), and with the Companies Act 2006 and the Statement of Recommended Practice (SORP) â€˜Financial Statements of Investment Trust Companies and Venture Capital Trusts (issued 2014 and updated in July 2022).â€™

The significant accounting policies have remained unchanged since those set out in the Companyâ€™s 2023 annual report and accounts.

2. Income
Accounting policy
Investment income includes interest earned on money market securities and shown net of income tax withheld at source. Dividend income is shown net of any related tax credit. Dividends are allocated to revenue or capital depending on whether the dividend is of a revenue or capital nature.

Dividends receivable are recognised when the Companyâ€™s right to receive payment is established and it is probable that payment will be received. Fixed returns on debt and money market securities are recognised on a time apportionment basis so as to reflect the effective yield, provided there is no reasonable doubt that payment will be received in due course.

Disclosure

Â	**30 November**	30 November
Â	**2024**	2023
Â	**Â£â€™000**	Â£â€™000
Dividends receivable from fixed asset investments	**590**	563
Loan note interest receivable	**67**	20
Income receivable on money market securities	**931**	611
Â	**1,588**	1,194

3. Investment management fees

Â	**30 November 2024**			30 November 2023		
Â	**Revenue**	**Capital**	**Total**	Revenue	Capital	Total
Â	**Â£â€™000**	**Â£â€™000**	**Â£â€™000**	Â£â€™000	Â£â€™000	Â£â€™000
Investment management fees	**353**	**1,058**	**1,411**	393	1,179	1,572

Octopus provides investment management and accounting and administration services to the Company under a management agreement which may be terminated at any time thereafter by not less than 12 monthsâ€™ notice given by either party. No compensation is payable in the event of terminating the agreement by either party, if the required notice period is given. The fee payable, should insufficient notice be given, will be equal to the fee that would have been paid should continuous service be provided, or the required notice period was given. The management fee is an annual charge and is set at 2% of the Companyâ€™s net assets. The Investment Manager is not entitled to any annual performance incentive scheme.

During the year Octopus charged gross management fees of Â£1,708,000 (2023: Â£1,860,000). When the various allowances detailed below are included, the net management fee for the year is Â£1,411,000 (2023: Â£1,572,000). At the year end Â£379,000 was payable to Octopus (2023: Â£356,000). Octopus received Â£189,000 as a result of upfront fees charged on allotments of Ordinary shares (2023: Â£154,000). The increase in upfront fees this year has proportionately increased in line with the value of allotments in the year.

The Company pays ongoing adviser charges to independent financial advisers (IFAs). Ongoing adviser charges are an ongoing fee of up to 0.5% per annum of the amount invested for a maximum of nine years paid to Advisers who are on an advised and ongoing fee structure. The Company is rebated for this cost by way of a reduction in the annual management fee. For the year to 30 November 2024 the rebate received was Â£108,000 (2023: Â£105,000).

The Company also facilitates upfront fees to IFAs where an investor has invested through a financial adviser and has received upfront advice. Where an investor agrees to an upfront fee only, the Company can facilitate a payment of an initial adviser charge of up to 4.5% of the investment amount. If the investor chooses to pay their intermediary/adviser less than the maximum initial adviser charge, the remaining amount will be used for the issue and allotment of additional new shares for the investor. In these circumstances the Company does not facilitate ongoing annual payments. To ensure that the Company is not financially disadvantaged by such payment, a notional ongoing adviser charge equivalent to 0.5% per annum of the amount invested will be deemed to have been paid by the Company for a period of nine years. The Company is rebated for this cost, also by way of a reduction in the annual management fee. For the year to 30 November 2024 the rebate received was Â£134,000 (2023: Â£127,000).

The Company also receives a reduction in the management fee for the investments in other Octopus managed funds, being the Multi Cap, Micro Cap Growth and Future Generations products, to ensure the Company is not double charged on these products. This amounted to Â£55,000 for the year to 30 November 2024 (2023: Â£56,000).

The management fee has been allocated 25% to revenue and 75% to capital, in line with the Boardâ€™s expected long-term return in the form of income and capital gains respectively from the Companyâ€™s investment portfolio.

4. Other expenses
Accounting policy
All expenses are accounted for on an accruals basis and are charged wholly to revenue, apart from management fees which are charged 25% to revenue and 75% to capital.

The transaction costs incurred when purchasing or selling assets are written off to the Income Statement in the period that they occur.

Disclosure

Â	**30 November 2024 Â£â€™000**	30 November 2023 Â£â€™000
IFA charges	**108**	105
Directorsâ€™ remuneration	**117**	103
Audit fees	**51**	51
Registrar fees	**55**	49
Printing and postage	**15**	22
VCT monitoring fees	**18**	20
Legal and professional fees	**15**	14
Directorsâ€™ and officersâ€™ liability insurance	**43**	13
Brokersâ€™ fees	**6**	6
Other administration expenses	**219**	145
Â	**647**	528

The fees payable to the Companyâ€™s auditor above are stated net of VAT and the VAT is included within other administration expenses. No non-audit services were provided by the Companyâ€™s auditor.

The ongoing charges of the Company were 2.4% of average net assets during the year to 30 November 2024 (2023: 2.2%).

5. Tax
Accounting policy
Current tax is recognised for the amount of income tax payable in respect of the taxable profit/(loss) for the current or past reporting periods using the current UK corporation tax rate. The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue return on the â€˜marginalâ€™ basis as recommended in the SORP.

Deferred tax is recognised on an undiscounted basis in respect of all timing differences that have originated but not reversed at the balance sheet date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Disclosure
The corporation tax charge for the year was Â£nil (2023: Â£nil).

Â	**30 November 2024 Â£â€™000**	30 November 2023 Â£â€™000
Loss before tax	**(399)**	(15,709)
Current tax at 25% (2023: 23.0%)	**(100)**	(3,615)
Effects of	Â	Â
Non-taxable income	**(380)**	(270)
Non-taxable capital gains	**(18)**	3,406
Non-deductible expenses	**10**	3
Excess management expenses on which deferred tax not recognised	**488**	476
Total tax charge	**-**	-

Approved VCTs are exempt from tax on capital gains within the Company. Since the Board intends that the Company will continue to conduct its affairs so as to maintain its approval as a VCT, no deferred tax has been provided in respect of any capital gains or losses arising on the revaluation or disposal of investments.

As at 30 November 2024, there is an unrecognised deferred tax asset of Â£5,450,000 (2023: Â£5,118,000) in respect of surplus management expenses of Â£21,800,000 (2023: Â£20,500,000), based on a prospective tax rate of 25% (2023: 25%). This deferred tax asset could in future be used against taxable profits.

Provided the Company continues to maintain its current investment profile, it is unlikely that the surplus management expenses will be utilised and that the Company will obtain any benefit from this asset.

6. Dividends
Accounting policy
Dividends payable are recognised as distributions in the financial statements when the Companyâ€™s liability to make a payment has been established. This liability is established on the record date, the date on which those shareholders on the share register are entitled to the dividend.

Disclosure

Â	**30 November 2024 Â£â€™000**	30 November 2023 Â£â€™000
Dividends paid on Ordinary shares during the year	Â	Â
2023 Final dividend â€“ 1.8p per share paid 27 June 2024 (2022: 2.3p per share)	**3,302**	3,746
2023 Special dividend â€“ 3.6p per share paid 27 June 2024 (2022: Nil)	**6,605**	Â
2024 Interim dividend â€“ 1.8p per share paid 28 November 2024 (2023: 1.8p per share)	**3,502**	2,927
Total	**13,409**	**6,673**

During the year Â£2,452,000 (2023: Â£1,303,000) of dividends were reinvested under the DRIS.

Under Section 32 of FRS 102 â€˜Events After the end of the Reporting Periodâ€™, dividends payable at year end are not recognised as a liability. Details of these dividends and all other dividends declared in the year are set out below.

Â	**30 November 2024 Â£â€™000**	30 November 2023 Â£â€™000
Dividends paid and proposed	Â	Â
2023 Special dividend â€“ 3.6p per share paid 27 June 2024 (2022: Nil)	**6,605**	6,639
2024 Interim dividend â€“ 1.8p per share paid 28 November 2024 (2023: 1.8p per share)	**3,502**	2,927
2024 Final dividend â€“ 1.8p per share payable 29 May 2025 (2023: 1.8p per share)	**3,517**	3,328
Â	**13,624**	12,894

The above proposed final dividend is based on the number of shares in issue at the date of this report. The actual dividend paid may differ from this number as the dividend payable will be based on the number of shares in issue on the record date and will reflect any changes in the share capital between the year end and the record date.

7. Earnings per share

Â	**30 November 2024**			30 November 2023		
Â	**Revenue Â£â€™000**	**Capital Â£â€™000**	**Total Â£â€™000**	Revenue Â£â€™000	Capital Â£â€™000	Total Â£â€™000
Profit/(loss) attributable to Ordinary shareholders	**588**	**(987)**	**(399)**	273	(15,982)	(15,709)
Earnings per Ordinary share	**0.3p**	**(0.5p)**	**(0.2p)**	0.2p	(9.8p)	(9.6p)

The profit/(loss) per share is based on 184,864,715 (2023: 164,257,336) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year, and the loss on ordinary activities after tax for the year of Â£399,000 (2023: loss of Â£15,709,000).

There are no potentially dilutive capital instruments in issue and, as such, the basic and diluted earnings per share are identical.

8. Net asset value per share

Â	**30 November 2024**	30 November 2023
Net assets (Â£â€™000)	**79,062**	84,690
Shares in issue	**195,403,293**	176,875,405
NAV per share (p)	**40.5**	47.9

There are no potentially dilutive capital instruments in issue and, as such, the basic and diluted NAV per share are identical.

9. Related Party Transactions

As at 30 November 2024, Octopus Investments Nominees Limited (OINL) held nil shares (2023: nil) in the Company as beneficial owner, having purchased these at a cost of Â£nil (2023: Â£nil) from shareholders to protect their interests after delays or errors with shareholder instructions and other similar administrative tasks. Throughout the period to 30 November 2024 OINL purchased nil shares (2023: nil) at a cost of Â£nil (2023: Â£nil) and sold nil shares (2023: 4,284) for proceeds of Â£nil (2023: Â£2,000). In accordance with the listing rules, this is classed as a related party transaction as Octopus, the Investment Manager, and OINL are part of the same group of companies. Any such future transactions, where OINL takes over the legal and beneficial ownership of Company shares will be announced to the market and disclosed in annual and half-yearly reports.

10. 2024 financial information

The figures and financial information for the year ended 30 November 2024 are extracted from the Companyâ€™s annual financial statements for the period and do not constitute statutory accounts. The Companyâ€™s annual financial statements for the year to 30 November 2024 have been audited but have not yet been delivered to the Registrar of Companies. The Auditorsâ€™ report on the 2024 annual financial statements was unqualified, did not include a reference to any matter to which the auditors drew attention without qualifying the report, and did not contain any statements under Sections 498(2) or 498(3) of the Companies Act 2006.

11. 2023 financial information

The figures and financial information for the period ended 30 November 2023 are compiled from an extract of the published financial statements for the period and do not constitute statutory accounts. Those financial statements have been delivered to the Registrar of Companies and included the Auditorsâ€™ report which was unqualified, did not include a reference to any matter to which the auditors drew attention without qualifying the report, and did not contain any statements under Sections 498(2) or 498(3) of the Companies Act 2006.

12. Annual Report and financial statements

The Annual Report and financial statements will be posted to shareholders in March and will be available on the Companyâ€™s website. The Notice of Annual General Meeting is contained within the Annual Report.

13. General information

Registered in England & Wales. Company No. 05528235
LEI: 213800BW27BKJCI35L17

14. Directors

Keith Mullins (Chair), Andy Raynor, Brad Ormsby and Virginia (Connelly) Bull

15. Secretary and registered office

Octopus Company Secretarial Services Limited
33 Holborn, London EC1N 2HT