SENECA
GROWTH CAPITAL VCT PLC

Seneca Growth Capital VCT Plc

# Annual Report and Financial Statements

For the year ended 31 December 2024

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# Financial Headlines

# B Shares

**£1.7m** Amount raised during the year from the issue of B shares

**£2.0m** Amount invested during the year into seven investments

**69.8p** B share NAV plus cumulative dividends paid at 31 December 2024 ("Total Return")

**51.8p** B share NAV at 31 December 2024

**3.0p** Interim dividends paid per B share during year

# Ordinary Shares

**90.0p** Ordinary share NAV plus cumulative dividends paid at 31 December 2024 ("Total Return")

**16.7p** Ordinary share NAV at 31 December 2024

# Financial Summary

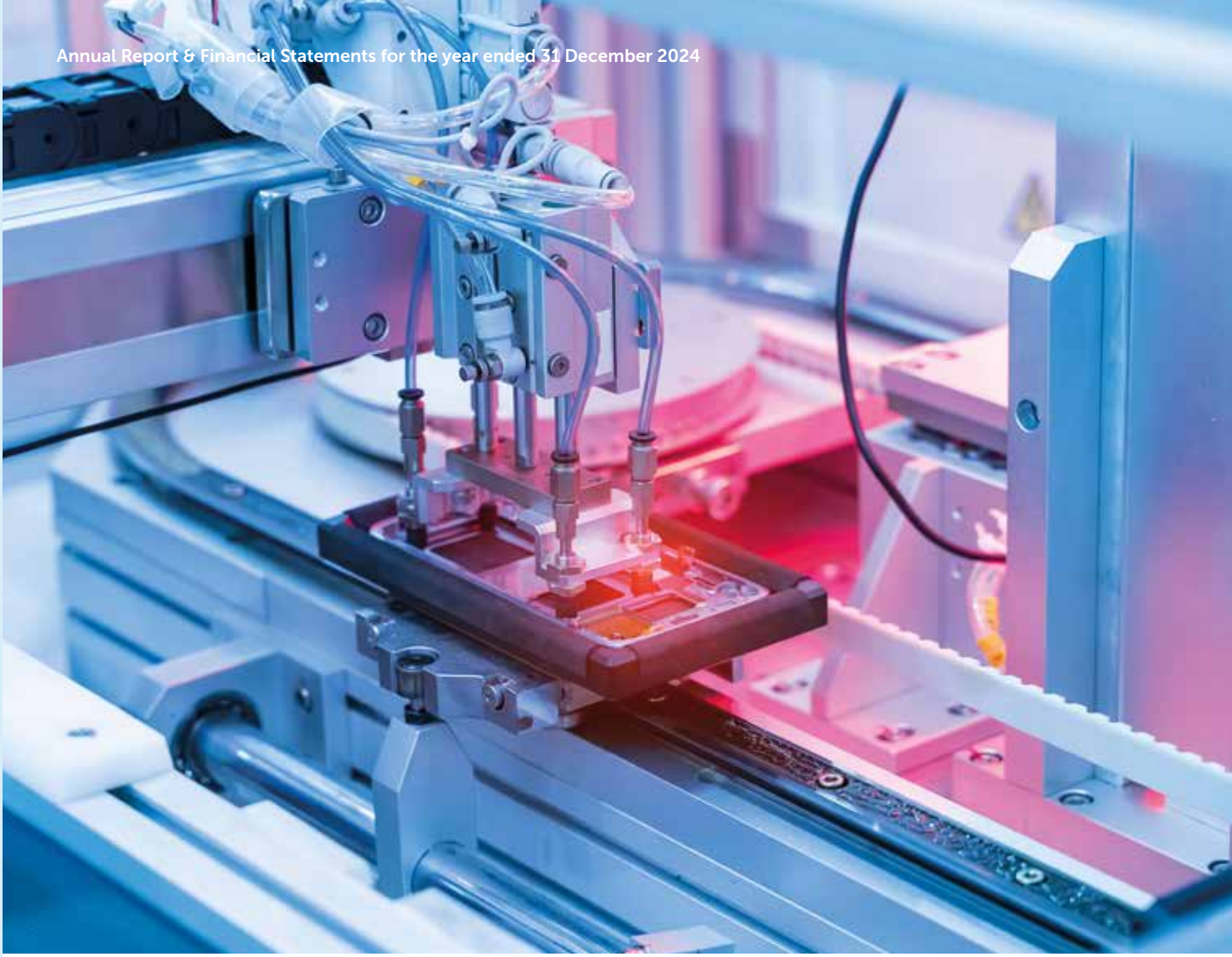
| | Year to 31 December 2024 | | Year to 31 December 2023 | |
|---|---|---|---|---|
| | **Ordinary share pool** | **B share pool** | Ordinary share pool | B share pool |
| Net assets (£'000s) | **1,357** | **12,581** | 1,499 | 15,393 |
| Return on ordinary activities after tax (£'000s) | **(142)** | **(3,600)** | (1,347) | (1,324) |
| Earnings per share (p) | **(1.7)** | **(15.6)** | (16.6) | (6.6) |
| Net asset value per share (p) | **16.7** | **51.8** | 18.5 | 70.7 |
| Dividends paid since inception (p) | **73.3** | **18.0** | 73.3 | 15.0 |
| **Total return (NAV plus cumulative dividends paid) (p)** | **90.0** | **69.8** | 91.8 | 85.7 |



# Financial Calendar

The Company's financial calendar is as follows:

| | |
|---|---|
| **22 May 2025** | Annual General Meeting will be held at 11.00 a.m. at 9 The Parks, Haydock, WA12 0JQ |
| **July 2025** | Half-Yearly results to 30 June 2025 published |
| **April 2026** | Annual results for the year to 31 December 2025 announced and Annual Report and Financial Statements published |





# About Seneca Growth Capital VCT Plc

**Seneca Growth Capital VCT Plc ("the Company", "the VCT" or "Seneca Growth Capital") is a Venture Capital Trust, launched in 2001, which aims to generate returns from a diverse portfolio of both unquoted and AIM/AQSE quoted growth capital investments. Until 23 August 2018 the Company was called Hygea vct plc. On 9 May 2018, the Company launched an offer for subscription for a new B share class and made an initial allotment of B shares on 23 August 2018, at which point the Company's name was changed to Seneca Growth Capital VCT Plc and Seneca Partners Limited ("Seneca") was appointed as the Company's Investment Manager.**

**The Company has raised £22.4 million under the Company's B share offers as at 31 December 2024. It launched a new offer of B shares on 12 September 2024 to raise, in aggregate, up to £5 million with an over-allotment facility of up to a further £5 million (before issue costs) (the "Offer") and had raised £416k under this Offer by the year end.**

The Company's Investment Manager, Seneca, is registered as a full-scope UK Alternative Investment Fund Manager (AIFM). The Company's Board is composed of four non-executive Directors, three of whom are independent.

As the Company's Investment Manager, Seneca is responsible for the management of the Company's B share pool investments, whilst responsibility for the management of the Ordinary share pool investments has been delegated to former Chair and non-executive Director John Hustler as the sole remaining member of the Commercial Advisory Committee ("CAC") established just prior to Seneca's appointment as Investment Manager.

The Company and Seneca continue to manage both share classes in accordance with its investment policy.

The funds raised from the issue of B shares under the Offer and any subsequent fund raisings are not limited to being invested in any specific sector. Instead, the Company's B share pool targets well managed businesses with strong leadership that can demonstrate established and proven propositions and which are seeking an injection of growth capital to support their continued development. The B share pool made three new investments and four follow-on investments during the year, details of which are included on pages 14 to 35. The Company intends to distribute a proportion of the net profits it receives from realisations of B share pool investments by way of special tax-free dividends. This is intended to provide B share investors with an attractive income stream whilst also maintaining a relatively stable Net Asset Value ("NAV") per B share, subject to the requirements and best interests of the Company.

The Directors continue to seek to return to Ordinary shareholders over time the proceeds from any realisations in the form of dividends or by means of a return of capital.

## Venture Capital Trusts (VCTs)

VCTs were introduced by the UK Government in 1995 to encourage individuals to invest in smaller UK companies. The Government achieved this by offering VCT investors a series of tax benefits.

The Company has been approved as a VCT by HM Revenue & Customs (HMRC). In order to maintain its approval, the Company must comply with certain requirements on a continuing basis which are discussed further in the Business Review on pages 36 to 40. The Company has continued its compliance with these requirements during the year, and both share classes in the Company are eligible shares as defined by section 273 ITA 2007.

In 2015, a sunset clause for VCT income tax relief was introduced which meant that income tax relief would no longer be given to subscriptions made on or after 6 April 2025, unless the legislation was renewed by HM Treasury. On 22 November 2023, the Government in the Autumn Statement announced the extension of the VCT and EIS sunset clause to April 2035. The finance bill to confirm this extension received Royal Assent on 22 February 2024 and the extension was confirmed via a treasury order on 2 September 2024.



# Strategic Report

The Directors are required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2014 to include a Strategic Report to shareholders.

The following sections form part of the Strategic Report:

Our Strategy
Chair's Statement
Investment Manager's Report
Business Review

# Our Strategy

Seneca was appointed as the Company's Investment Manager in August 2018 and is specifically responsible for the management of the Company's B share pool investments. Responsibility for the management of the Ordinary share pool investments has been delegated to the CAC, which is made up of those remaining members of the Board of Directors who served immediately prior to 23 August 2018, which is now solely John Hustler.

There has been no change during the year in the way either share pool's assets are managed. John Hustler does not envisage making any new investments from the funds in the Ordinary share pool, apart from any follow-on investment in existing portfolio companies where the Board believes this will protect the Ordinary share pool's existing investment and/or improve the overall prospects of a timely exit from the investee company. The Directors have not made any new Ordinary share pool investments during the year but will continue to monitor portfolio companies for any follow-on investment opportunities that are suitable should they arise and continue to seek to return to Ordinary shareholders over time the proceeds from any realisations in the form of dividends or by means of a return of capital.

The Company's latest Offer for new B shares opened on 12 September 2024 seeking to raise up to £5 million, with an over-allotment facility of up to a further £5 million (before issue costs). The funds raised from the issue of B shares will not be limited to being invested in any specific sector. Instead, in line with the Company's investment policy, the Company is targeting well managed businesses with strong leadership that can demonstrate established and proven propositions, and which are seeking an injection of growth capital to support their continued development.

The Company fosters a culture of innovation, risk mitigation and collaboration supported by policies, practices and behaviours to further our purpose as an investment company, seeking to provide growth capital to leading UK SMEs which share our values, in order to deliver on our investment strategy and objectives as described below. The Directors will continually monitor and assess the investment process and ensure compliance with both the relevant VCT regulations for qualifying investments, summarised below, and the Company's investment policy, included further below. These robust internal controls are discussed in the Business Review on page 40, the Corporate Governance policy on pages 50 to 54 and within the Audit Committee Report on pages 56 to 57.

## Qualifying Investments

Compliance with VCT tax rules and regulations is considered with all investment decisions made. The Company is further monitored on a continual basis by Shoosmiths LLP to ensure compliance on an ongoing basis. The main criteria to which the Company must adhere include:

- At least 80% of investments must be made in qualifying shares or securities;
- At least 70% of qualifying investments must be invested into ordinary shares with no prohibited preferential rights (investments made before 6 April 2018, from funds raised before 6 April 2011 are excluded);
- At least 30% of funds raised after 31 December 2018 must be invested in qualifying investments by the anniversary of the end of the accounting period in which those funds were raised;
- No single investment made can exceed 15% of the total HMRC company value at the time the investment is made; and
- In respect of VCT shares issued on or after 6 April 2014, VCT status will be withdrawn if a dividend is paid (or other forms of distribution or payments are made to investors) from the capital received by the VCT from that issue within three years of the end of the accounting period in which shares were issued to investors.

Qualifying investments can only be made in trading companies which fall within the following limits:

- Have fewer than 250 full time equivalent employees (500 if a knowledge intensive company);
- Have no more than £15 million of gross assets at the time of investment and no more than £16 million immediately post investment;
- Its first commercial sale must be less than seven years old (or ten years if a knowledge intensive company) if raising State Aided funds for the first time subject to certain exceptions;
- Have raised no more than £5 million of State Aided funds in the previous 12 months (or £10 million if a knowledge intensive company) and less than the lifetime limit of £12 million (or £20 million if a knowledge intensive company);
- Produce a business plan to show that its funds are being raised for growth and development;
- Not be in financial difficulty;
- Be an unquoted company or quoted on AIM/AQSE;
- Have a permanent establishment in the United Kingdom;
- Not be under the control of any other company, nor control any company which is not a qualifying subsidiary of the company; and
- Are operating a trade which is not an "excluded activity".

The Finance Act 2018 introduced a "risk-to-capital" condition for qualifying investments, designed to focus investments towards earlier stage, growing businesses, and away from investments which could be regarded as lower risk. The Board is satisfied that the Company's investment policy is in line with this "risk-to-capital" condition.

The Investment Policy, as approved by shareholders on 19 January 2018, is set out below and includes the sections titled Investment Policy, Qualifying Investments, Non-Qualifying Investments, Risk Management, Borrowing and Changes to the Investment Policy.

## Investment Policy

The Company's investment objective is to provide shareholders with an attractive income and capital return by investing its funds in a portfolio of both unquoted and AIM/AQSE quoted UK companies which meet the relevant criteria under the VCT rules.

The Company will target well managed businesses with strong leadership that can demonstrate established and proven propositions and which are seeking an injection of growth capital to support their continued development.

At least the minimum required percentage of the Company's assets will be invested in qualifying investments as required by the VCT rules, with the remainder held in cash and money market securities.

## Qualifying Investments

Compliance with required rules and regulations is to be considered with all investment decisions made. The Company is further monitored on a continual basis to ensure compliance.

## Non-Qualifying Investments

An active approach is taken to manage any cash held, both prior to its investment in qualifying companies and in relation to any remaining cash after expenses and all investment qualification targets in the VCT rules have been satisfied. Any cash invested in non-qualifying investments is done so in accordance with VCT rules. The majority of cash held pending investment in VCT-qualifying securities is held in interest bearing instant access, short-notice bank accounts and money market funds.

## Risk Management

The Directors control the overall risk of the portfolio by ensuring that the Company has exposure to a diversified range of unquoted and AIM/AQSE quoted companies. In order to limit risk in the portfolio that is derived from any particular investment accounting for too much of the fund, as per HMRC VCT rules, no more than 15% of the portfolio by VCT value will be in any one investment at the point of investment or when an addition is made to an existing investment. Further, investments may also be made by way of loan stock and/or redeemable preference shares as well as ordinary shares to generate income, whilst ensuring compliance with whatever VCT rules apply at the time.

## Key Information Document

The EU PRIIPs regulations came into effect in January 2018. The intent of the regulations is to increase customer protection by improving the functioning of financial markets and in this instance through the Key Information Document ("KID") which provides shareholders with more information about the risks, potential returns and charges within VCTs. Although well intended, there were widespread concerns about the application of some aspects of the prescribed methodologies to VCTs. Specifically, there were concerns that:

1. the risk indicator in the KID (a number on a scale of 1 to 7, with 1 being "lower risk" and 7 being "higher risk") may have understated the level of risk; and
2. investment performance scenarios included in the KID may have indicated future returns for shareholders that were too optimistic.

In what is one of the first examples of the Financial Conduct Authority ("FCA") confirming UK divergence from EU rules following Brexit, revised requirements for what information should be included in a KID were published in March 2022 and these came into full effect on 31 December 2022. Amongst other changes, these revised requirements addressed both of the concerns highlighted above by:

1. stating that a VCT must have a risk indicator of 6 or 7 (on the same scale of 1 to 7); and
2. replacing the investment performance scenarios included with text describing:
   a) what the investment risks are and what an investor could get in return;
   b) what could affect an investor's return positively; and
   c) what could affect an investor's return negatively.

As before, the Company is required to publish a KID and retail investors must be directed to this before buying shares in the Company. The KID is published on the Company website www.senecavct.co.uk/current-offer/. The KID has been prepared using the methodology prescribed in the FCA's guidance.

The Board is aware of the new regulations regarding the KID and has produced a revised KID in line with the new Regulations. The Board recommends that shareholders continue to classify VCTs as a high-risk investment.

## Borrowing

Whilst the Board does not intend that the Company will borrow funds (other than to manage short term cash requirements), the Company is entitled to do so subject to the aggregate principal amount, at the time of borrowing, not exceeding 25% of the value of the adjusted capital and reserves of the Company

(being, in summary, the aggregate of the issued share capital, plus any amount standing to the credit of the Company's reserves, deducting any distributions declared and intangible assets and adjusting for any variations to the above since the date of the relevant balance sheet). The Company did not borrow any funds in 2024.

## Changes to the Investment Policy

The Company will not make any material changes to its investment policy without shareholder approval.

## Section 172(1) Statement

The Directors discharge their duties under section 172 of the Companies Act 2006 to act in good faith and to promote the success of the Company for the benefit of shareholders as a whole as set out in the Business Review from page 36. As an investment company, Seneca Growth Capital has no employees. The Directors assessed the impact of the Company's activities on other stakeholders, in particular shareholders and our third-party advisers, as well as the portfolio of companies.

The Board's decision-making process incorporates, as part of the Company's investment policy and investment objectives as set out on page 7, considerations for supporting the Company's business relationships with the Investment Manager, shareholders, advisers and registrar, independent financial advisers and the impact of the Company's operations on the community and the environment, which by nature of the business, only extends to the holdings in portfolio companies.

## Key stakeholders

### Investors

Outside of general meetings, the Company engages with shareholders through regulatory news service announcements, interim and annual reports as well as regular correspondence with shareholders and their advisers to address any queries that arise.

The Company also hosts biannual shareholder presentations in addition to the AGM in order to engage directly with shareholders. Shareholder update presentations are produced for shareholders as a means for direct engagement, questions and answers and to discuss the current portfolio, investment process and objectives as well as the wider investment market. Any shareholder queries that arise throughout the year are discussed by the Board and factored into any decision-making and responses are made available to shareholders as appropriate. The Board uses a number of measures to assess the Company's success in meeting its strategic objectives with regard to shareholder interests as detailed in the Key Performance Indicators on page 38.

### Investment Manager

The Company's most important business relationship is with the Investment Manager. There is regular contact with the Investment Manager, and members of the Investment Manager's Growth Capital investment team attend all of the Company's Board meetings. There is also an annual timetable agreed between the Investment Manager and the Company for matters related to the annual timetable which are discussed at each Board Meeting. The Company and Investment Manager also work together to maintain efficient operation of the VCT as detailed in the Key Performance Indicators on page 38.

### Portfolio Companies

The Company holds minority investments in its portfolio companies and it has appointed the Investment Manager to manage the B share portfolio, and responsibility for the management of the Ordinary share pool investments has been delegated to the CAC, which now solely comprises John Hustler. While the Board has little day-to-day involvement with the B share and Ordinary share portfolio, the Investment Manager provides updates on the B share portfolio at least quarterly and John Hustler also provide updates on the Ordinary share portfolio at least quarterly.

There were three investee company additions to the B share portfolio and four B share pool follow-on investments during the year. The Company achieved two full and one partial exit in the year, as detailed in the Chair's Statement on pages 9 to 12 and the Investment Manager's Report on pages 14 to 35.

### Environment and Community

The Company seeks to ensure that its business is conducted in a responsible manner with regards to the environment as far as is practicable given the nature of the business as an investment company. The management and administration of the Company is undertaken by the Investment Manager, who recognises the importance of its environmental responsibilities, monitors its impact on the environment and implements policies to reduce any damage that might be caused by its activities. Initiatives of the Investment Manager designed to minimise its and the Company's impact on the environment include recycling and reducing energy consumption. More details of the work that the Investment Manager has done in this area are set out on page 47.

# Chair's Statement

I am pleased to present the Annual Report for Seneca Growth Capital VCT Plc for the year ended 31 December 2024.

## Overview

2024 was another active year for the Company, and in particular the B share pool which completed seven new investments in the year totalling £2 million, the largest of which was a c.£1 million investment in new unquoted company Forma-Care (UK) Limited. The remaining £1 million was deployed across two additional new B share pool investee companies and four B share pool follow-on investments into Silkfred Limited, Solascure Limited, Verici Dx Plc and Aptamer Group Plc.

Whilst reductions in AIM quoted company share prices have adversely impacted on the B share NAV in recent times, it was encouraging to note that UK-focused equity funds recorded net inflows for the first time since mid-2021 in November 2024. Whilst it is too early to conclude whether this development could signal a turning point for AIM company valuations and an improved B share NAV, we continue to monitor the situation closely.

Whilst the FTSE AIM All-Share Total Return Index declined by 3.7% over the year, this period has also presented opportunities for strategic capital allocation. The Company has proactively adapted to these conditions by focusing on high-potential unquoted investments, adding £1 million of new unquoted investment to the B share pool unquoted investment portfolio. Softening investor sentiment on AIM over the year has enabled the Company to concentrate on promising private market opportunities, positioning the portfolio for long-term growth.

At the start of 2024, 37% of the B share portfolio was invested in AIM-quoted companies. By year-end, AIM holdings represented just 22% of the B share net asset value (NAV), reflecting both the impact of market movements and our strategic decision to rebalance towards private company investments. Despite these headwinds, the B share portfolio remains well-positioned for future growth, with a strong liquidity position of £3.9 million in cash as at 31 December 2024, representing 31% of the total B Share NAV of £12.6 million. This cash balance provides us with the flexibility to continue deploying capital into promising opportunities, particularly in the private company space, where we believe we can add significant value.

Crucially, we have continued to pay B share dividends of 3p per annum and have now paid a total of 18p of B share dividends since 2019 which have been largely covered by profits on exits.

## Fundraising

In September 2024, the Company launched its seventh offer for B shares and has now raised £22.4 million since 2018. I would like to welcome all new shareholders and thank both existing and new shareholders for their support. The share offer will remain open until 8 August 2025 unless the offer is filled or closed earlier at the discretion of the Directors.

## B Share Pool

**Investment Activity and Performance**

We are pleased to report that 2024 was an active year for the B share pool, with seven new investments added. These were made alongside other Seneca-managed funds and bring the current number of B share pool qualifying investments to twenty-eight.

Of the seven investments in the year, there were three new investments, including a £336k new investment in a previously exited portfolio company, and four follow-on investments.

The three new investments completed in the year were:

- £915k, including a £500k loan note, into Forma-Care (UK) Limited ("Forma-Care"), the highly competitive supplier of adult incontinence products to the UK healthcare sector, including the NHS, offering a range of solutions designed to improve patient well-being and quality of life;
- £312k into Directa Plus Plc, an existing Seneca EIS investment and a market leading developer and manufacturer of high-quality graphene-based products for industrial and commercial applications, including textiles, environmental remediation, composites, elastomers, batteries, and paints; and
- £336k into previously exited B share portfolio company OptiBiotix Health Plc ("OptiBiotix"), a specialist developer of microbiome modulators for use in food ingredients, supplements and active compounds to improve human health.

The four follow-on investments were largely defensive in nature and comprised:

- £206k into Verici Dx Plc;
- £100k into Aptamer Group Plc;
- £25k into Silkfred Limited; and
- £50k into Solascure Limited.

We were also encouraged that the Company's holdings in Bright Network Limited ("Bright Network"), Convenient Collect (t/a "HubBox"), Aptamer Group Plc ("Aptamer"), Northcoders Group Plc and SkinbioTherapeutics Plc have generated positive valuation movements, adding £600k to the Company's net assets (equivalent to 2.6p of NAV per B share) during the year. Although, it is disappointing that these positive movements were outweighed by further reductions in the share price of the remaining B share pool AIM quoted portfolio companies and the failure of Old Street Labs Limited (t/a Vizibl) which entered into administration during the year.

**NAV Total Return**

Over the course of the year, the B Share NAV Total Return declined by 15.9p from 85.7p as at 31 December 2023 to 69.8p as at 31 December 2024, a 19% decrease in the financial year.

The decline in the value of the quoted B share portfolio was driven primarily by a reduction in the share price of four AIM-listed holdings:

- Oxford Biodynamics Plc;
- Celadon Pharmaceuticals Plc;
- Arecor Therapeutics Plc; and
- Directa Plus Plc

These four companies accounted for 73% of the decline in value of the B share pool quoted holdings, equivalent to a 9p reduction in B share NAV per share.

- Oxford Biodynamics Plc saw a 95% fall in its share price in the year as commercial adoption of its diagnostic technology remained slower than anticipated.
- Celadon Pharmaceuticals Plc ("Celadon") saw an 87% decrease in its share price in the period as a result of a funding delay, which significantly impacted Celadon's cash flow, leading the company to manage its cash position and creditors tightly resulting in a decline in share price as cash pressures mounted.
- Arecor Therapeutics Plc ("Arecor") saw its share price drop by 60% due to a heavily discounted fundraising round reflective of the challenges AIM companies have faced accessing capital in this market, despite reporting an 11% increase in revenue for 2024, reaching £5.1 million, and continued confidence in its future prospects.
- Directa Plus Plc, despite making strong advancements in its graphene-based technology, saw its share price fall by 33% since June 2024 as the company adjusted its forecasts to reflect delays in the initiation of significant contracts, which postponed anticipated revenue streams.

Notwithstanding the above, many of the remaining B share pool quoted portfolio companies have made some compelling progress in the year, including:

- SkinBioTherapeutics Plc ("SkinBioTherapeutics"), which finalised its commercial agreement with Croda, outlining the framework for the commercialisation of SkinBiotix which is anticipated in 2025. Under this agreement, SkinBioTherapeutics is entitled to tiered royalties based on global sales revenues of any licensed products derived from the partnership. The company has indicated that these royalties are structured as double-digit percentages which could have a material impact on revenue. This resulted in a 24% increase in SkinBioTherapeutics' share price as at 31 December 2024 compared to 31 December 2023.
- Northcoders Group Plc has continued to grow in the tech training sector, reporting increased revenues and an expanding customer base. Northcoders Group Plc was also honoured as the Best Performing Company in the Business Process Outsourcing category at the 2024 Megabuyte Emerging Stars Awards. The launch of their brand-new part-time software development bootcamp that aims to make careers in tech even more accessible and to increase the number of people from different backgrounds taking its courses has also contributed to the 31% increase in share price as at 31 December 2024 compared to 31 December 2023.
- Probiotix Health Plc has achieved positive developments in its commercial partnerships and reported a 39% growth in sales to £1.5 million in the nine months to 30 September 2024. The company also has a strong cash balance with no requirement for further funding and reported an order book with record levels in the year.
- Velocity Composites Plc has benefited from increased demand in the aerospace sector, reporting a 40% increase in revenue to £23 million for the 2024 financial year and achieving

a positive adjusted EBITDA since the Covid-19 pandemic. The company anticipates further growth in FY25 and beyond, as higher monthly production rates are expected in the global aerospace industry.

- Gelion Plc ("Gelion") has also continued advancing its battery technology, securing key industry partnerships. The company signed Joint Development Agreements (JDAs) with Glencore and Ionblox, significant progress towards one of the key pillars of Gelion's strategy, which is to advance the commercialisation of the Group's next-generation battery technologies. The company also achieved a breakthrough 402 Wh/kg energy density with Gelion's GEN 3 Li-S technology, making it over 60% lighter than a comparable lithium-ion battery which was further bolstered by the acquisition and integration of OXLiD Ltd, strengthening the Group's position in lithium-sulfur technology and establishing a presence in the UK and relationships with leading universities and organisations.

These holdings highlight the potential for long-term value creation within the portfolio, and we remain confident in their ability to generate shareholder value.

**Unquoted Company Portfolio Update**

The unquoted B share portfolio now consists of ten investee companies and is also well positioned for growth.

In particular, we are encouraged by the progress being made by a number of companies, including:

- Bright Network, which has continued to grow its customer base and revenue, leading to a £200k uplift in valuation based on a revenue multiple; and
- Convenient Collect Limited (trading as "HubBox") demonstrated strong commercial momentum, resulting in a £236k increase in valuation.

Seneca continues to play a proactive role in the development of the B share pool unquoted company portfolio in order to help companies execute against their growth plans.

**Exits**

In line with our commitment to providing shareholders with attractive income and capital returns through strategic realisations, we are pleased to see Seneca achieved a partial realisation of our holding in OptiBiotix this year with the sale of 645,000 shares at an average price of 30.6p per share, generating £200k in proceeds and a profit of £69k, representing a 1.54x return on investment cost.

Seneca has achieved eleven full and partial B share pool exits to date with a weighted average return of 1.7x investment cost, delivering profits of £2.4 million versus investment cost to date.

**Ordinary Share Pool**

Our shareholders will recall that the objective of the Ordinary share pool is to focus on achieving profitable realisations where possible in order to return capital to shareholders as we continue to wind down this share class. The NAV per Ordinary share declined modestly from 18.5p to 16.7p during the year, with total return moving from 91.75p to 89.95p. There were no changes in the unquoted portfolio, which currently has three unquoted qualifying holdings which are held at nil value.

Within the quoted Ordinary Share portfolio, Scancell Holdings Plc ("Scancell") remains the largest holding, representing 75% of the Ordinary Share NAV, with a valuation of £1 million as at 31 December 2024. Whilst Scancell's closing bid price as at the financial year end was the same as its opening bid price for the period of 10.5p per share, there was a 30% increase in Q3, allowing the Company to realise 350,000 shares at an average price of 19.35p per share, generating £47k in profit at a 3.2x return.

Arecor, the second-largest holding in the Ordinary share pool, saw its share price fall from 180p to 72p, a 60% decrease, leading to a £242k reduction in the Ordinary share pool NAV. With the Scancell share price closing the year in line with its opening share price, the decline in the Arecor share price was the main contributor to the 1.8p decrease in Ordinary Share NAV for the year.

**Share issues and buybacks**

During the year the Company has allotted 2,788,399 B shares raising gross proceeds of £1.7 million in the process.

During the year, the Company repurchased 300,303 B shares as part of our B share buyback policy (representing 1.38% of the opening number of B shares in issue as at 31 December 2023). Further details can be found in Note 13 of the financial statements. The Board continued to buy back shares in the period from shareholders at no greater than a 5% discount to NAV per B share.

**Annual General Meeting ("AGM") and shareholder event**

The Company's AGM will be held at 11:00 a.m. on Thursday, 22 May 2025 at the Company's registered address 9 The Parks, Haydock, WA12 0JQ.

For any shareholders wishing to attend the AGM this year in person, we request that you please inform us in advance by e-mailing enquiries@senecavct.co.uk so that we may register your attendance with the facilities manager in order to issue you with the appropriate attendance pass. We will also be hosting our bi-annual shareholder update presentation with a question and answer (Q&A) session included, starting at 11:00 a.m. on 14 May 2025. Shareholders should note that only the formal business set out in the notice of AGM will be considered at the AGM and we encourage shareholders to attend the presentation and ask questions prior to the AGM. Further details about the shareholder update presentation can be found on the Company's website at www.senecavct.co.uk/shareholder-update/april-2025/.

We strongly encourage shareholders to vote on the matters of business through the completion of a proxy form, which can be submitted to the Company's Registrar. Proxy forms should be completed and returned in accordance with the instructions thereon and the latest time for the receipt of proxy forms is 11:00 a.m. on 20 May 2025. Proxy votes can also be submitted by CREST where shares are so held.

The Notice of the AGM includes resolutions empowering the Directors to issue further B shares following the date of the AGM. This requires authorisation for the Directors to be able to allot up to a further 35,000,000 B shares. Including these resolutions in the AGM business will avoid the Company having to convene a separate general meeting to approve the necessary increase in share capital for our future fundraising, which will be announced following the closure of the current Offer.

A summary of the resolutions to be proposed by the Company at the AGM is included on page 49.

## VCT Qualifying Status

Shoosmiths LLP provides the Board with advice on the ongoing compliance with HMRC rules and regulations concerning VCTs. They have confirmed that the Company remains compliant with all the appropriate VCT qualifying regulations as at 31 December 2024.

## Fund Administration

Our administration is conducted by Seneca at the Company's registered address. Neville Registrars Limited ("Neville") continues to maintain the shareholder register. All information in respect of both share classes including Annual Reports and notices of meetings can be found on our website www.senecavct.co.uk. We would remind shareholders who have not opted for electronic communications that this is more efficient, cost effective and ecologically friendly than receiving paper copies by post and we therefore encourage you to contact Neville, whose details are on page 99, to advise them of your wish to switch to electronic communication.

## Auditor

Royce Peeling Green Limited ("RPG") has audited the Company's financial statements for the year ending 31 December 2024. Shareholders will be asked to appoint RPG at the AGM for the audit of the financial statements for the year ending 31 December 2025.

## Outlook

We were pleased to complete seven new B share pool investments in the period, increasing the total number of B share investee companies to twenty-eight and significantly boosting diversification of the B share pool. The B share pool now has a spread of investments across nine different sectors, with no more than 23% exposure to any single sector. This diversification strengthens our position and reflects the Investment Manager's ability to source and secure attractive opportunities, even in a challenging market environment.

Investment activity and fundraising contracted across the whole of the VCT sector during the year, driven largely by ongoing economic challenges, including increased interest rates, persistent inflationary pressures, elevated debt levels, the threat of a global trade war and subdued confidence among both consumers and businesses.

In response to this evolving environment, we remain focused on identifying and backing high-potential growth businesses. Our investment strategy increasingly prioritises unquoted companies, where we seek to take larger, more meaningful stakes that allow us to play an active role in shaping their strategic direction and accelerating their expansion. This hands-on approach is designed to enhance long-term value creation and generate attractive returns for our shareholders.

Looking ahead to 2025, we anticipate increased fundraising through the ongoing B share offer and the addition of new growth capital investments to the B share portfolio. Seneca is excited about the growth potential of the B share pool and the progress being made by existing portfolio companies. Seneca also has a number of investments in the later stages of due diligence, reflecting our commitment to actively identifying and pursuing new opportunities. A greater proportion of these investments will be in private companies, aligning with our strategic focus and enabling us to balance the portfolio in response to prevailing market conditions.

We remain dedicated to continuing the diversification and improvement of the performance of the B share portfolio whilst capitalising on emerging growth opportunities. To that end, the Board continues to engage with Seneca to explore ways to further refine the strategic focus of the B Share pool, ensuring that future investments offer the strongest potential to generate attractive profits and enhance the B Share NAV.

Additionally, we continue to monitor the Ordinary share portfolio for opportunities to generate profitable returns for shareholders, particularly through dividend distributions following the realisation of holdings, with the ultimate objective of merging the two share classes when appropriate.

We remain confident in the long-term outlook for venture capital and our portfolio. By maintaining our disciplined investment approach and leveraging our sector expertise, we believe we can navigate the current economic landscape and continue to generate compelling returns for our investors over the years ahead.

**Ian Dighé**
Chair
23 April 2025

# Investments

# Investment Manager's Report

We have set out in this section further details in relation to the development of both the B and Ordinary share pools and their respective investee companies during 2024.

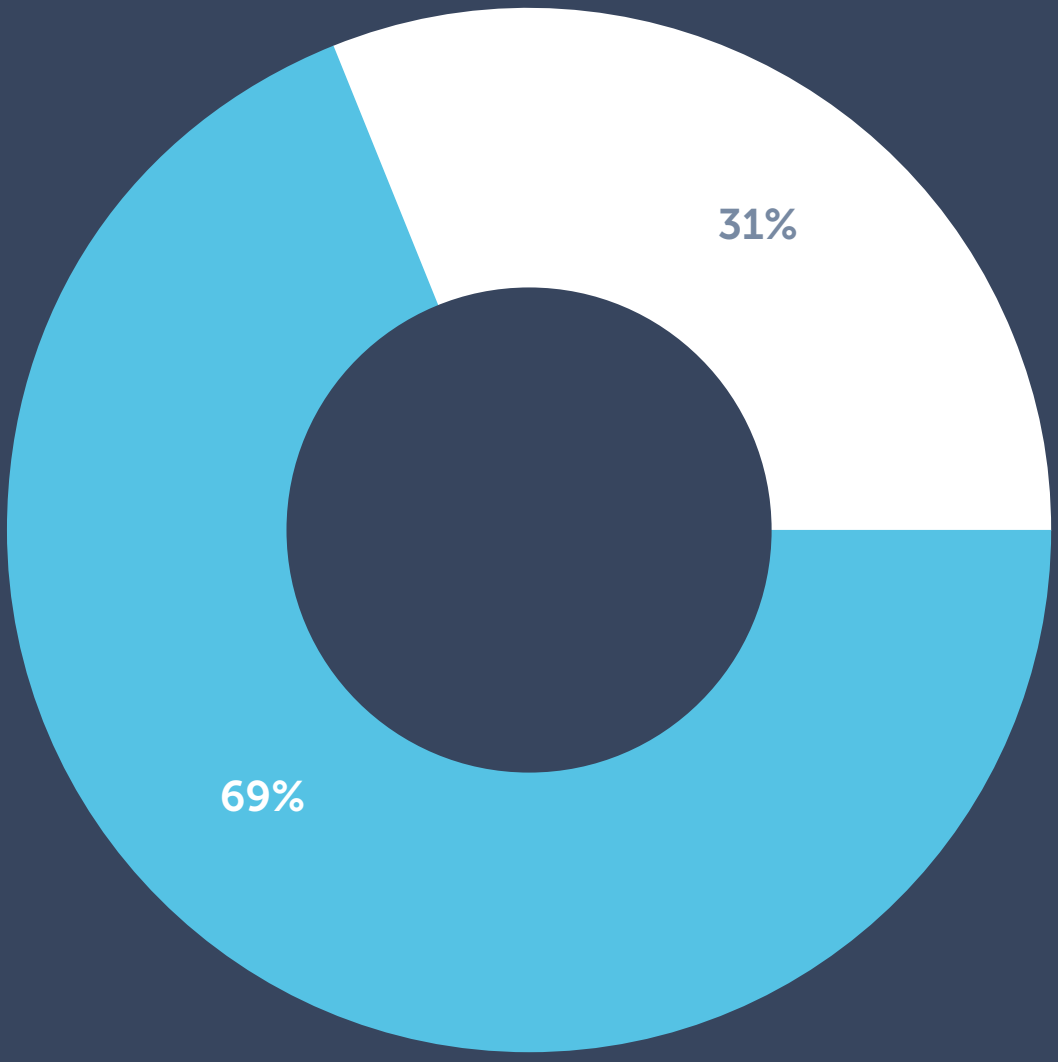
## The B Share Pool

**Investment Activity and Performance**

Seneca is pleased to have added seven additional investments to the B share portfolio in the period, across various sectors and comprising both AIM quoted and unquoted companies. Following one partial exit in the year there were twenty-eight investee companies at the year end.

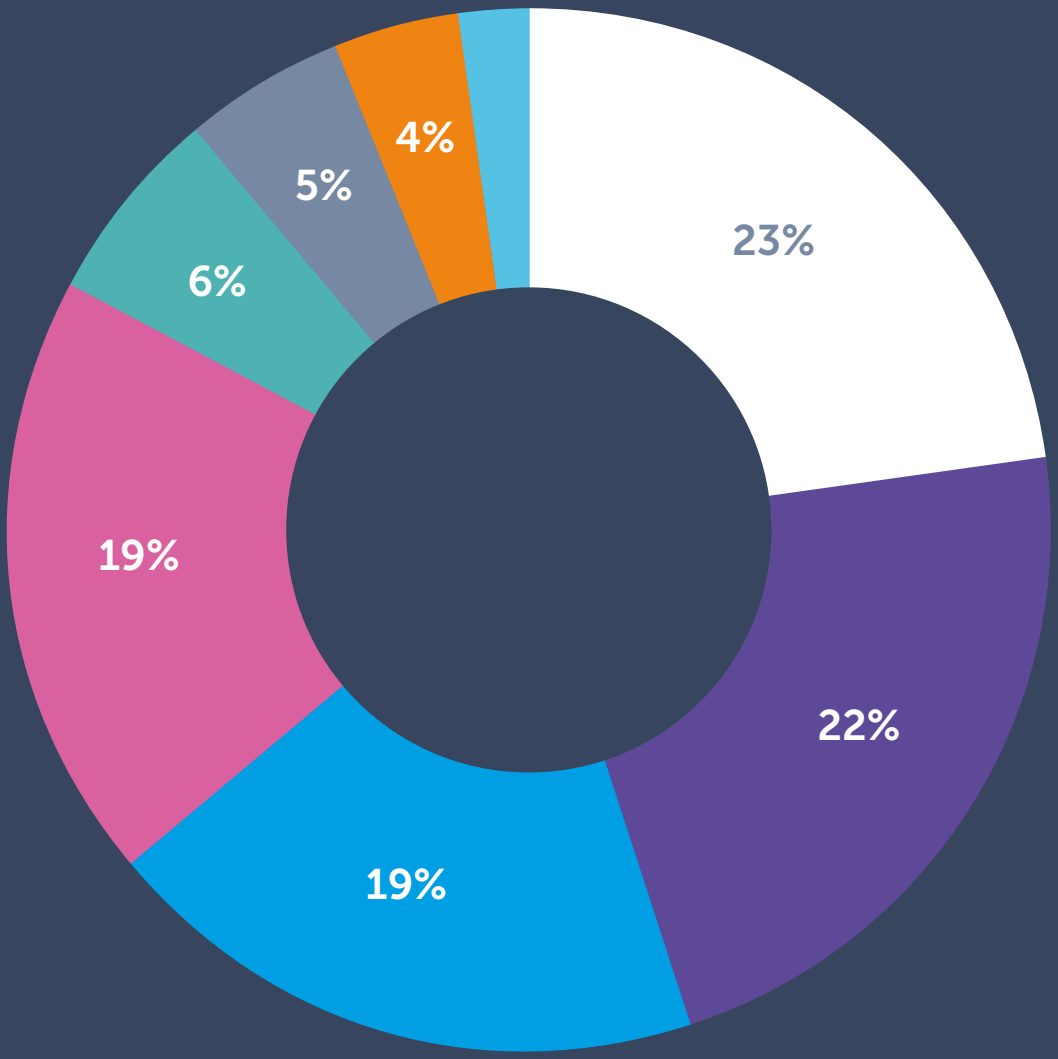
We continue to deliver on our investment strategy of providing a diverse spread of investments for B shareholders and believe that this remains the most effective strategy to deliver our target returns.

## B share portfolio split by carrying value as at 31 December 2024*




** Split represented by investment value as at 31 December 2024*

## B share portfolio split by sector as at 31 December 2024




| | | | | | |
|---|---|---|---|---|---|
| Business Services | 23% | | Manufacturing | 6% |
| Pharma / Biopharma | 22% | | Technology | 5% |
| Software | 19% | | Pharmatech / Biotech | 4% |
| Health & Consumer | 19% | | Retail | 2% |

The NAV Total Return declined by 15.9p in the year, 12.5p of which is attributed to the £2.9 million decline in the value of the AIM holdings portfolio. The NAV Total Return per B share was 69.8p as at 31 December 2024 (2023: 85.7p).

The negative revenue return of 0.2p per B share (2023: negative 1.4p per B share) for the year is principally a result of the impact of the Company's running costs on the B share pool; however, shareholders will recall that the Company's total running expenses are capped at 3% of the B share NAV. As a result, Seneca reduced its annual management fee for 2024 from £281k to £214k (2023: £298k to £228k) to ensure the Company's annual running expenses stayed within this 3% limit.

The negative capital return of 15.4p per B share (2023: negative 5.2p per B share) for the year was principally due to the decrease in the value of the B share pool's AIM holdings, slightly offset by the gain on disposals for the year which totalled £69k.

Seneca completed two follow-on investments into B share AIM quoted companies, Verici Dx Plc ("Verici") and Aptamer, and completed two follow-on investments into unquoted B share portfolio companies Silkfred Limited and Solascure Limited during the year. Seneca also completed three new investments, including previously exited AIM quoted B share pool portfolio company OptiBiotix, Seneca EIS AIM quoted portfolio company Directa Plus Plc and new unquoted company Forma-Care. Together, the seven investments in the year totalled £2 million, £1 million of which was invested into unquoted companies and £1 million into quoted companies. The total value of the B share portfolio as at 31 December 2024 is £8.8 million.

## New investments made in the year:

| Unquoted Investments | |
|---|---|
| **Forma-Care (UK) Limited ("Forma-Care")**<br>**July 2024**<br>**New investment of £915k**<br>**EIS co-investment of £110k**<br>Health & Consumer | Forma-Care is a new B share pool investee company. Forma-Care was established in 2019 and acts as a preferred supplier of adult incontinence products to the NHS, care homes and trade buyers. The business has established a strong position as a supplier to the NHS with a number of NHS Trusts using the company's products in acute settings, as well as there being a significant opportunity as the NHS continues to expand its home care / delivery offerings. As a result, Forma-Care has built an exceptional market position and has a unique opportunity to continue its growth trajectory over the coming years.<br>The company closed a £1.3 million funding round, led by a £1 million investment from Seneca (across EIS and VCT funds) in July 2024. The business is now showing the progress envisaged in the initial business plan and demonstrating strong commercial traction and sales growth. |
| **Silkfred Limited ("Silkfred")**<br>**November 2024**<br>**New investment of £25k**<br>Retail | SilkFred is an existing B share portfolio investee company. Seneca had previously invested £500k in December 2018. Silkfred is a UK-based online fashion retailer that specialises in offering unique and independent clothing, accessories and footwear from boutique brands. The company serves as a platform that connects small, emerging designers with customers looking for distinctive and trend-driven styles not typically found in mainstream retail outlets. SilkFred focuses on providing a curated shopping experience, emphasizing quality, originality, and support for independent labels. It primarily caters to women and aims to make boutique fashion accessible through its user-friendly website and strong social media presence.<br>SilkFred experienced challenging trading conditions over the past 18 months, leading to a tight cash position in Q4 2024. To address this, the company undertook a short-term funding round in November 2024, raising £400k. Seneca invested £25k in this bridge round. The company is now undertaking a wider funding round in order to improve its cash position and expand its product offering. |
| **Solascure Limited ("Solascure")**<br>**December 2024**<br>**New investment of £50k**<br>Pharma/Biopharma | Solascure is a current B share portfolio investee company. Seneca previously invested £750k in 2021 across two investment rounds. Solascure is an early stage wound care specialist, originally spun out of and working alongside BRAIN (world leading German biotech company), to develop a new-to-market wound care product. The business deconsolidated from BRAIN Biotech (BRAIN) in 2019 and subsequently brought in additional strategic investment from Eva Pharma (c.£2m). Solascure's Aurase product is a gel-based product that efficiently and gently cleans wounds, making the healing process much more straightforward.<br>In December 2024, the business opted to extend current cash runway by closing a blended equity / convertible loan note round to address feedback from potential partners and funders for phase 2b and phase 3 trial work. Seneca invested £50k via a VCT qualifying convertible loan note structure, alongside other material shareholders and management. Following a successful Phase IIa safety trial of Aurase Wound Gel, Solascure is now able to explore higher concentrations of the gel through further trials. A follow-up phase II trial with higher dose concentration has been planned for 2025, with first patients successfully enrolled in January 2025. |

## AIM Quoted Investments

**Verici Dx Plc ("Verici")**

**February 2024**

**New investment of £206k**

**EIS co-investment of £306k**

**Pharmatech/Biotech**

Verici is a current B share portfolio investee company. Seneca previously invested £280k in March 2022. Verici is a developer of advanced clinical diagnostics for organ transplant. In January 2024, Verici secured a new research collaboration funded by a four-year grant. Shortly thereafter, the company completed a successful fundraise of £6.5 million in February 2024 in which the VCT participated. The company boasts sufficient cash runway as a result of new contract wins, including a recent deal with Thermo Fisher Scientific, and the successful equity raise at the start of the period.

**OptiBiotix Health Plc ("OptiBiotix")**

**March 2024**

**New investment of £336k**

**EIS co-investment of £214k**

**Health & Consumer**

The B share pool originally invested in OptiBiotix in April 2020 and Seneca was able to achieve a successful full exit in 2023 due to positive progress made in the business and an increase in share price allowing Seneca to achieve a 1.4x return for shareholders. Following our exit, the AIM market, and in particular OptiBiotix's share price, began to decline despite continued positive trading performance. OptiBiotix was seeking finance for a new product launch and to fund continued commercial progress across existing products. Presented with the opportunity to reinvest in a business well-known to Seneca, which continues to demonstrate strong year-on-year revenue growth with improved margins at a favourable valation, Seneca invested £336k from the VCT and £214k from its EIS funds in March 2024. OptiBiotix successfully raised a total of £1.4 million as part of the fundraise.

**Directa Plus Plc ("Directa")**

**June 2024**

**New investment of £312k**

**EIS co-investment of £238k**

**Manufacturing**

Directa is a new B share portfolio investee company and one of the largest global producers and suppliers of graphene nanoplatelets-based products. Directa was an existing EIS investment for Seneca and the business and management team were well-known to the Investment Manager. Directa successfully raised £6.8 million in June 2024, including £312k from the VCT for growth capital to strengthen the commercial and operational capabilities, for capital expenditure and for working capital needs which will provide sufficient cash runway to profitability for the business.

**Aptamer Group Plc ("Aptamer")**

**August 2024**

**New investment of £100k**

**Pharmatech/Biotech**

Aptamer is a current B share portfolio investee company. Seneca previously invested £580k in December 2021. Aptamer is a leader in the provision of aptamer discovery services and the development of aptamer-based reagents. The Group solves intractable problems for biotech and big pharma by developing molecular binders called aptamers, as an alternative to antibodies which fail to perform 50% – 60% of the time. Led by an experienced team, Aptamer has developed novel, proprietary aptamer technology, known as Optimer® binders, which offer further performance and commercial benefits in addition to those of standard aptamers.

The company raised £2.8 million in August 2024 following a period of cost rationalisation and changes to the senior team and commercial strategy. Seneca viewed this round as an opportunity to support the company, which is demonstrating good progress. Seneca invested £100k at a share price of 0.2p achieving an average share price of 1.35p for both rounds of the B share pool's investment into Aptamer. The board has been strengthened with Dr Adam Hargreaves, who founded drug development contract research organisation Pathcelerate Ltd, moving to Chair as part of this fundraise and with Andrew Rapson being appointed CFO. The £2.8 million fundraise should provide sufficient working capital to cover costs in the near term alongside growing fees for service and to bring license opportunities to fruition.

## Current B share pool unquoted company portfolio

The value of the B share pool's holding in Bright Network was uplifted based on progress being made by the business, which has resulted in a c£200k increase in carrying value, to £1.2 million.

The Company has also uplifted the value of unquoted B share portfolio holding in HubBox, which was driven by material commercial progress and revenue growth since the last investment round in December 2022. The valuation for our holding in HubBox increased by c.£236k, resulting in a total carrying value of £952k.

The net movement in the unquoted B share portfolio was however a loss of £579k with the impact of the valuation increases from Bright Network and HubBox being outweighed by the impact of the £1 million write down of unquoted B share portfolio company Old Street Labs Limited t/a "Vizibl", which entered administration in the year as a result of the loss of key customer revenue.

Please refer to pages 22 and 24 to read more about the progress being made by both Bright Network and HubBox.

## Dividends

**3p**
paid in 2024

**18p**
in total

The two B share dividends paid during the year were in line with the Company's dividend ambitions to pay at least 3p per year. The majority of dividends paid to date have been covered by profits achieved through the eleven full and partial B share pool realisations achieved since the launch of the B share pool in 2018. Furthermore, the Company has sufficient distributable reserves to enable the continued declaration of B share dividends over the medium term subject to Board approval, B share pool investment activity and liquidity levels. The Company had £19.6 million of special distributable reserves as at 31 December 2024, £332k of which were distributable as at the financial year end (2023: £2.6 million). As at 1 January 2025, £5.6 million became available under the three year VCT rule resulting in a total of £5.9 million available for distribution as at 1 January 2025.

## Exits – Total exits to date have built our cumulative exit track record:

**5** Full exits to date

**£2.5m** Profits generated

**6** Partial exits to date

**1.7x** Average money multiple

**£5.5m** Gross exit proceeds

*from launch to 31 December 2024*

AIM continued to provide opportunities to de-risk existing holdings by harvesting profits. As such we took the opportunity to realise 645,000 shares in OptiBiotix, which represented 38% of the original holding of 1,681,343 shares, generating gross proceeds of £200k and profits of £69k. These were sold at an average share price of 30.6p per share providing a return of 1.5x versus average original investment cost.

## Co-investing With Seneca EIS Funds

More generally we continue to develop Seneca's position in the market as an active growth capital investor and up to 31 December 2024, Seneca has raised and deployed more than £150 million of EIS and VCT capital into over 80 SME companies, through over 150 funding rounds, since we undertook our first EIS investment in 2012. This includes over £18 million raised and deployed to date by the B share pool, a significant proportion of which has been co-invested with Seneca EIS funds. Seneca has recently made its 45th exit from its EIS funds and has now returned more than £85 million of exit proceeds to investors.

The twenty-eight investments in the B share portfolio had a value of £8.8 million as at 31 December 2024 and all but three are co-investments with EIS funds also managed by Seneca. We believe that the opportunity for the Company's B share pool to co-invest with EIS funds that are also managed by Seneca provides the B share pool with a number of advantages including being able to participate in a higher number of investments, of a larger scale, into more established businesses than would be possible for the B share pool on a standalone basis.

Further, as a result of Seneca's position in the UK market as an active growth capital investor we maintain a strong pipeline of investment opportunities, particularly in the North of England, with a focus on well managed businesses with strong leadership teams that can demonstrate established and proven propositions in addition to growth potential.

## Fundraising

Our sixth B share offer concluded in August 2024, bringing total funds raised to £22 million. Our fundraising efforts have since continued under our seventh B share Offer, with a further £416k being raised under this Offer as at 31 December 2024. We are encouraged by the funds raised and remain focused on increasing the size of the B share pool, which will in turn allow us to increase the number and diversity of new investments that we make.



## Outlook

We continue to remain highly active and selective of our investment opportunities in the current market, leveraging our strong network and investment expertise to source and secure compelling opportunities. We are encouraged by the quality of opportunities, particularly private company investments, in the current pipeline which we feel offer attractive growth prospects for value creation.

Despite broader market headwinds, the majority of our portfolio companies continue to perform well, guided by experienced management teams that we trust to navigate the evolving landscape effectively. In addition to seeking new investments, we are dedicated to providing ongoing support to our B share investee companies as they advance through their growth stages.

We also continue to work closely with the Board to further refine the strategic focus of the B share pool, with a shared commitment to ensuring that future investments offer the strongest potential to generate attractive profits and enhance the B Share NAV.

Following the realisations made in the year and with the benefit of special distributable reserves from the capital reduction undertaken in 2023, we are confident in our ability to sustain B share dividends in line with our dividend policy. We are pleased to have declared an interim B share dividend of 1.5p per B share on 19 March 2025, with payment scheduled for 23 May 2025.

Looking ahead, we are excited about the continued expansion of the B share portfolio, with several investment opportunities currently in advanced due diligence. With strong cash reserves and ongoing fundraising under the current Offer, we believe the Company is well-positioned to build on this momentum and drive further growth in the portfolio.

# Investment Portfolio – B shares

## Unquoted Investments

| | Equity held % | Investment at cost £'000 | Unrealised profit/(loss) £'000 | Carrying value at 31 December 2024 £'000 | Movement in the year to 31 December 2024 £'000 |
|---|---|---|---|---|---|
| Solascure Limited | 2.7 | 800 | 333 | 1,133 | - |
| Bright Network (UK) Limited | 2.5 | 594 | 650 | 1,244 | 185 |
| Convenient Collect Limited | 5.4 | 716 | 236 | 952 | 236 |
| Forma-Care (UK) Limited | 47.8 | 938 | - | 938 | - |
| Fabacus Holdings Limited | 1.5 | 500 | 202 | 702 | - |
| Alderley Lighthouse Labs Limited | 15.2 | 585 | 20 | 605 | - |
| Geomiq Limited | 1.1 | 334 | - | 334 | - |
| Silkfred Limited | 5.3 | 525 | (350) | 175 | - |
| Old Street Labs Limited | 6.4 | 1,000 | (1,000) | - | (1,000) |
| Ten80 Group Limited | 7.5 | 400 | (400) | - | - |
| **Total unquoted investments** | | **6,392** | **(309)** | **6,083** | **(579)** |

## Quoted Investments

| | Shares held | Investment at cost £'000 | Unrealised profit/(loss) £'000 | Carrying value at 31 December 2024 £'000 | Movement in the year to 31 December 2024 £'000 |
|---|---|---|---|---|---|
| Poolbeg Pharma plc | 7,550,000 | 755 | (227) | 528 | (136) |
| Velocity Composites plc | 1,740,000 | 696 | (244) | 452 | (157) |
| SkinBioTherapeutics plc | 1,857,107 | 297 | 37 | 334 | 65 |
| ProBiotix Health plc | 3,722,4451 | 777 | (572) | 205 | (19) |
| Arecor Therapeutics plc | 252,947 | 620 | (438) | 182 | (273) |
| OptiBiotix Health plc | 1,036,343 | 207 | (26) | 181 | (26) |
| Aptamer Group plc | 50,495,726 | 680 | (503) | 177 | 71 |
| Northcoders Group Plc | 100,000 | 300 | (130) | 170 | 40 |
| Verici DX plc | 3,088,753 | 486 | (378) | 108 | (174) |
| Directa Plus plc | 1,734,033 | 312 | (208) | 104 | (208) |
| Oxford BioDynamics Plc | 5,067,628 | 775 | (704) | 71 | (1,322) |
| Engage XR Holdings Plc | 9,391,704 | 376 | (324) | 52 | (127) |
| Celadon Pharmaceuticals Plc | 320,956 | 530 | (485) | 45 | (308) |
| Gelion plc | 250,492 | 363 | (326) | 37 | (23) |
| TheraCryf plc | 5,000,000 | 400 | (375) | 25 | (50) |
| Polarean Imaging Plc | 1,644,070 | 986 | (966) | 20 | (78) |
| Abingdon Health plc | 78,250 | 75 | (69) | 6 | (2) |
| Bidstack Group Plc | 32,123,391 | 916 | (916) | - | (161) |
| **Total quoted investments** | | **9,551** | **(6,854)** | **2,697** | **(2,888)** |
| **Total investments** | | **15,943** | **(7,163)** | **8,780** | **(3,467)** |

## Exits for the Year

| | Initial Investment Date | No. of Shares sold | Investment at cost £'000 | Sale Proceeds £'000 | Realised profit/(loss) £'000 | Exit Multiple |
|---|---|---|---|---|---|---|
| OptiBiotix Health Plc* | March 2024** | 645,000 | 129 | 198 | 69 | 1.5 |
| **Total** | | **645,000** | **129** | **198** | **69** | **1.5** |

**Partial exit*

*** The B share pool originally invested in OptiBiotix Health Plc in April 2020 and achieved a full 1.4x exit in 2023. Seneca was able to invest again in March 2024 at 20p per share when OptiBiotix Health Plc was seeking finance for a new product launch and to fund continued commercial progress across existing products. Share price performance meant Seneca was able to harvest profits achieving an average weighted return of 1.5x original investment cost in July 2024.*

# B Share Pool – Investment Portfolio

## Listed below are details of the Company's ten largest B share pool investments by value as at 31 December 2024

BRIGHT NETWORK

### Bright Network (UK) Limited

| | |
|---|---|
| **Round 1 investment date:** | March 2020 |
| **Round 2 investment date:** | July 2023 |
| **Cost:** | £594k |
| **Valuation:** | £1,244k |
| **Equity type:** | Unquoted |
| **Last statutory accounts:** | 31 March 2024 |
| **Turnover:** | £10.3 million |
| **Loss before tax:** | £1.4 million |
| **Net assets:** | £7.9 million |
| **Valuation method:** | Revenue Multiple |

Bright Network is a media technology platform which enables blue-chip employers to reach, identify and recruit high-quality graduates and young professionals. London-based Bright Network is led by serial entrepreneur James Uffindell, who previously established, grew, and successfully exited from another business in the education sector.

Its platform uses advanced data analytics and cutting-edge technology to pre-screen candidates and ensure that its membership contains only the top 20% of graduate talent. The quality of Bright Network's membership helps drive efficiencies in the recruitment process and improved candidate shortlisting outcomes for employers. As a result, the business has established a strong client base of over 300 employers, which includes global blue-chip organisations such as Bloomberg, Deloitte, Goldman Sachs, Morgan Stanley, PwC, P&G, SkyScanner and Vodafone.

**Progress made by the company in 2024 includes:**

Continued growth in the German market where the company held its inaugural Women in Banking & Finance event. New clients in that market include Goldman Sachs, Citi and Deutsche Bank.

Product and technology improvements are ongoing specifically to deliver better client engagement and improve ROI for customers.

Enhanced digital performance was complemented by the Autumn events season whereby five flagship events brought together 174 clients and more than 7,200 members.

One specific project was the company's Technology Academy supporting a major UK bank build out its internal capability.

## Solascure Limited

| | |
|---|---|
| **Round 1 investment date:** | January 2021 |
| **Round 2 investment date:** | November 2021 |
| **Round 3 investment date:** | December 2024 |
| **Cost:** | £800k |
| **Valuation:** | £1,133k |
| **Equity type:** | Unquoted |
| **Last statutory accounts:** | 30 June 2024 |
| **Turnover:** | Not Disclosed |
| **Profit/loss before tax:** | Not Disclosed |
| **Net assets:** | £4.9 million |
| **Valuation method:** | Price of last fundraise (reviewed for any fair value adjustment) |

SolasCure

Solascure is an early stage wound care specialist, originally spun out of and working alongside BRAIN (world leading German biotech company), to develop a new-to-market wound care product.

Solascure's Aurase product is a gel-based product that efficiently and gently cleans wounds, making the healing process much more straightforward. Pre-clinical work has been extremely positive and the clinical trial is now underway.

Chronic wounds are a growing global problem, and alternative methods of treatment for hard to heal wounds are extremely expensive, ineffective, impractical and slow. Solascure's proprietary technology utilises "maggot theory" debridement without the cost or labour input of live maggots. In simple terms, it uses maggot enzymes to facilitate and also promote the body's own wound cleansing processes. Core benefits of the product are the clear practical elements, as well as the reduced time scale to full debridement without delaying wound healing.

**Progress made by the company in 2024 includes:**

Successfully closed a £1 million funding round, made up of convertible loan note and equity investment. The round was supported by all major shareholders in the business, demonstrating confidence in the primary assets and progress made to date.

Being selected to receive further European Innovation Council (EIC) funding, enabling the team to continue to develop its groundbreaking technology. The receipt of this grant is a significant recognition of the company's technology and will propel the ongoing development of Aurase Wound Gel.

Following a successful Phase IIa safety trial of Aurase Wound Gel, Solascure are now able to explore higher concentrations of the gel through further trials. A follow up phase II trial with higher dose concentration has been planned for 2025, with first patients successfully enrolled in January 2025.

Significant interest in future investment rounds to fund phase 2b and phase 3 clinical trial, with data points from the 2025 clinical study expected to be key to those partnership discussions.

## Convenient Collect Limited (t/a HubBox)

| | |
|---|---|
| **Initial investment date:** | December 2022 |
| **Cost:** | £716k |
| **Valuation:** | £952k |
| **Equity type:** | Unquoted |
| **Last statutory accounts:** | 31 December 2023 |
| **Turnover:** | Not Disclosed |
| **Profit/loss before tax:** | Not Disclosed |
| **Net Assets:** | £447k |
| **Valuation method:** | Revenue multiple |

HubBox has developed plug-and-play software that gives shoppers a choice between home delivery and local pickup when they check-out on a retailer's website. This software has been created in conjunction with the largest global delivery network providers (including UPS and DPD) and is compatible with major ecommerce platforms like Shopify. Couriers are facing eroding margins on home deliveries as costs associated with the 'last mile' problem rise, and retailers are suffering from lost deliveries and failed delivery charges.

HubBox provides ecommerce software that integrates with both the retailer and the courier, enabling the retailer to offer shoppers the option to Click & Collect from the courier's network of Pick-Up Points. The software turns what would otherwise be a complex, costly and lengthy piece of custom development work for retailers into a simple integration that can be completed in a matter of hours.

**Progress made by the company in 2024 includes:**

Growth in recurring revenue as the business continues to attract new retail customers in both the UK and the USA. Customers include Selfridges, Gymshark and Birkenstock.

Continued strengthening of the senior management and technology teams including a recently appointed Network Partner Director whose role will be integral to geographical expansion.

Innovation in the software itself to build additional features and optimise functionality which provides increased insight for retailers and helps to drive adoption and conversion rates.

The maintaining of excellent relations with the major carrier networks with whom HubBox partners to promote the use of out of home delivery. In 2024 additional carrier relationships were also cemented as HubBox seeks to become a market-wide solution.

## Forma-Care (UK) Ltd

| | |
|---|---|
| **Initial investment date:** | July 2024 |
| **Cost:** | £938k (Inclusive of rolled up loan note interest) |
| **Valuation:** | £938k |
| **Equity type:** | Unquoted |
| **Last statutory accounts:** | 31 March 2024 |
| **Turnover:** | Not Disclosed |
| **Profit/loss before tax:** | Not Disclosed |
| **Net liabilities:** | £572,000 |
| **Valuation method:** | Price of last fundraise (reviewed for any fair value adjustment) |

Forma-Care, based in Durham, is a leading supplier of adult incontinence products into the NHS and private sector. The business, established in 2019, sells market leading products at a lower price point than competitors, driven by a well-established supply chain and network of high quality production partners.

Forma-Care sell direct to NHS trusts, through the NHS Supply Chain framework and into the private sector through distribution partners.

**Progress made by the company in 2024 includes:**

Successfully closed a £1.3 million funding round in July 2024 led by Seneca Growth Capital VCT, investing £915k into the business alongside Seneca EIS funds and incoming Chair James Steele.

Onboarded by multiple NHS Trusts as lead supplier of adult incontinence products for patients in their own home.

New product launches taking the business from a supplier of predominantly body-worn products, into a much more diversified product range including bed pads and mats.

James Steele, who previously headed up two of the market leaders in the wider sector joined the business as Chair when the investment completed in July 2024. James brings a wealth of experience in both adult incontinence and supply into the NHS and further afield.

## Fabacus Holdings Limited

| | |
|---|---|
| **Initial investment date:** | February 2019 |
| **Cost:** | £500k |
| **Valuation:** | £702k |
| **Equity type:** | Unquoted |
| **Last statutory accounts:** | 31 August 2023 |
| **Turnover:** | Not Disclosed |
| **Profit/loss before tax:** | Not Disclosed |
| **Net assets:** | £15.9 million |
| **Valuation method:** | Price of last fundraise (reviewed for any fair value adjustment) |

Fabacus Holdings Limited ("Fabacus") is an independent software company that has developed a complete product lifecycle solution, Xelacore, aimed at bringing transparency to supply chain networks, with an initial focus on resolving the interaction and information flow between global licensors and their licensees.

Xelacore is a modular, Software as a Service solution with an intuitive interface and proprietary data aggregation and management engine that allows all stakeholders to operate on a single unified and collaborative platform. It bridges the gaps in an inefficient process within the current retail ecosystem by creating authenticated, enriched universal records that unlock opportunities, reduce risk and drive performance for both licensors and licensees.

**Progress made by the company in 2024 includes:**

Securing a further £3 million of investment to support the continued growth in the business as interest and traction grows among the licensee networks globally.

The launch of the Digital Product Passport solution for brands to comply with EU regulations around transparency for product supply chains.

Partnerships with additional global brands for the Xelacore and digital passport products.

Fabacus

## Alderley Lighthouse Labs Limited

| | |
|---|---|
| **Round 1 investment date:** | October 2022 |
| **Round 2 investment date:** | July 2023 |
| **Cost:** | £585k |
| **Valuation:** | £605k |
| **Equity type:** | Unquoted |
| **Last statutory accounts:** | 31 May 2024 |
| **Turnover:** | N/A |
| **Profit/loss before tax:** | N/A |
| **Net assets:** | £1.25 million |
| **Valuation method:** | Price of last fundraise (reviewed for any fair value adjustment) |

Alderley Lighthouse Labs Limited ("Alderley Lighthouse Labs") is a next generation UK diagnostic laboratory, operating from a dedicated facility in Cheadle in the Northwest of England.

The business incorporates a broad testing repertoire across blood and molecular testing. It is led by two founding directors Mark Wigglesworth and Simon Chapman, with extensive and expert knowledge of the UK's diagnostic market, having played a pivotal role in the rapid deployment of COVID-19 diagnostic testing in the North of England throughout the global pandemic.

Disruption in the UK diagnostics market caused by Covid and the growing economic pressures facing the NHS is accelerating further change in the sector and growth in commercial opportunities for private diagnostics.

**Progress made by the company in 2024 includes:**

Moving from the company's original premises to a custom designed and build lab in Cheadle, Cheshire. The move was carried out with no disruption to operations and prepares the business well for expected growth.

Winning Most Impactful Regional Investment at the 2024 Growth Investor Awards.

Surpassing the £1 million revenue mark for the year.

Becoming the first laboratory to hold UKAS accreditation for tampon testing.

Becoming one of only two UK laboratories to offer validated at-home sampling for male fertility testing.

Being awarded four grants to enable new genomic testing capability.

## Poolbeg Pharma plc

| | |
|---|---|
| **Initial investment date:** | July 2021 |
| **Cost:** | £755k |
| **Valuation:** | £529k |
| **Equity type:** | Quoted |
| **Last statutory accounts:** | 31 December 2023 |
| **Turnover:** | £nil |
| **Loss before tax:** | £4.5 million |
| **Net assets:** | £15.4 million |
| **Valuation method:** | Bid price of 7p per share |

Poolbeg Pharma plc ("Poolbeg") is a clinical-stage pharmaceutical company focused on the development and commercialisation of therapies to treat and prevent infectious diseases. Headquartered in London, the business is a spin out from Open Orphan plc and the management team has proven capabilities in identifying, acquiring and accelerating assets through development to commercialisation.

It has adopted a capital-light model which enables it to develop multiple products faster and more cost effectively than the traditional biotech model, and the company aspires to become a "one-stop shop" for big pharma to find Phase II ready products for development and commercialisation. The company's lead asset is POLB 001, a drug with the potential to treat serious unmet needs in patients suffering from severe influenza.

**Progress made by the company in 2024 includes:**

Following on from positive initial data analysis in the POLB 001 challenge trial, Poolbeg have firmed up a robust data package for POLB 001 – efficacy has been demonstrated in reducing cancer immunotherapy-induced CRS in an in vivo animal model, strengthening and facilitating the expansion of patent applications.

Across the wider asset base, Poolbeg also signed an exclusive option agreement for tPTX, an orphan drug candidate with FDA Fast Track designation, targeting Behçet's disease and continues to progress its oral GLP-1 receptor agonist programme as it prepares to enter the clinic.

Secured key patent grant in the US, covering Poolbeg's Immunomodulator technology and further strengthening Poolbeg's robust Intellectual Property (IP) portfolio. The company now has patents in place covering p38 MAP kinase inhibitors for the treatment of severe influenza; and covering POLB 001 for the treatment of hypercytokinemia.

## Velocity Composites plc

| | |
|---|---|
| **Initial investment date:** | October 2023 |
| **Cost:** | £696k |
| **Valuation:** | £452k |
| **Equity type:** | Quoted |
| **Last statutory accounts:** | 31 October 2024 |
| **Turnover:** | £23.0 million |
| **Loss before tax:** | £1.3 million |
| **Net assets:** | £5.9 million |
| **Valuation method:** | Bid price of 26p per share |

Velocity Composites plc ("Velocity") is the leading supplier of composite material kits to aerospace and other high-performance manufacturers, that reduce costs and improve sustainability. Customers include Airbus, Boeing, and GKN.

By using Velocity's proprietary technology, manufacturers can also free up internal resources to focus on their core business. Velocity has significant potential for expansion, both in the UK and abroad, including into new market areas, such as wind energy, urban air mobility and electric vehicles, where the demand for composites is expected to grow.

In late 2022, the company signed a work package agreement worth $100 million over 5-years with US Tier 1 manufacturer GKN Aerospace to be fulfilled from Velocity's new manufacturing plant in Alabama, highlighting the growing demand for Velocity's bespoke material solutions, with the company now supplying composite materials to key U.S. production facilities.

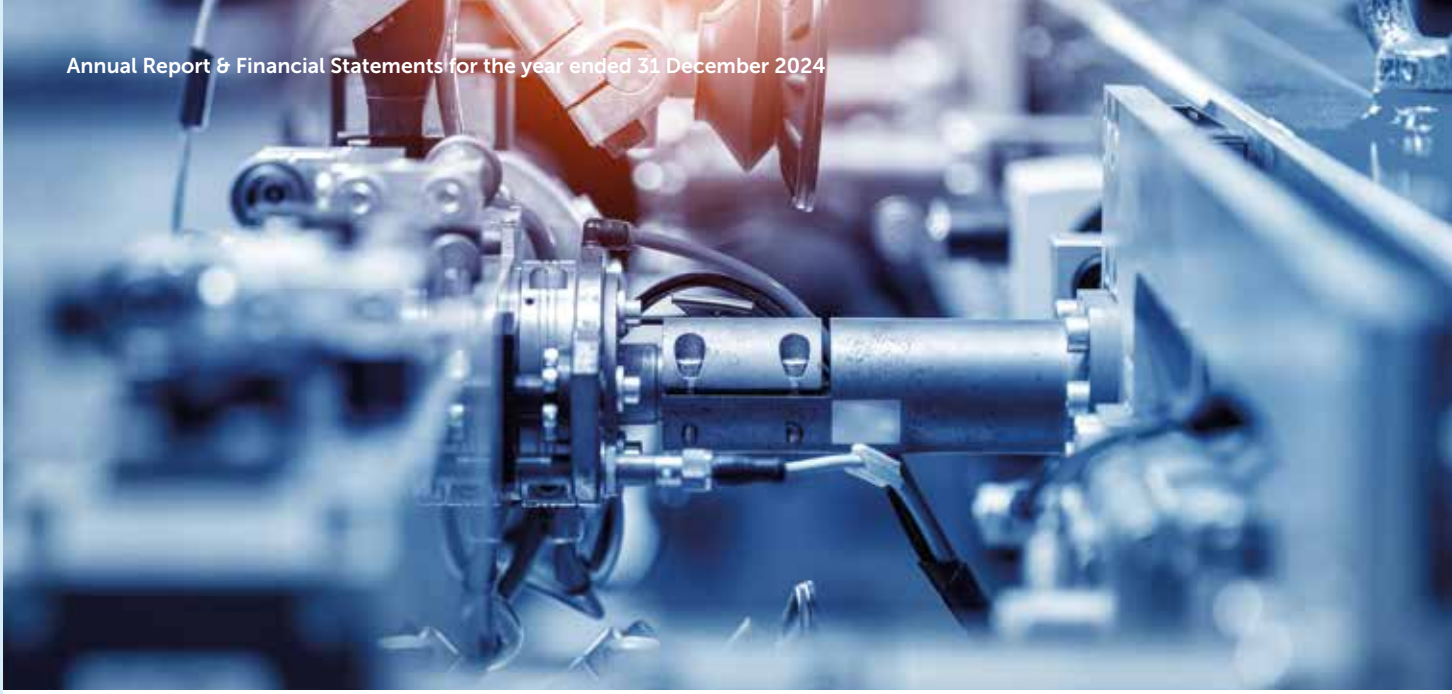
**Progress made by the company in 2024 includes:**

Velocity grew revenues by 40% in the period to October 2024, reaching £23 million for the year. Gross margin also increased substantially from 18.8% in the prior year to 25.9% in the year to October 2024, reflecting stronger sales mix, increased volumes and the ramp up of key contracts.

The business made significant progress with its US expansion, quadrupling revenue to just shy of £8 million, compared to just £2 million in the previous year. This is particularly encouraging given the importance of the US expansion to future periods.

Velocity's Burnley site has undergone an operational efficiency review, which has resulted in reduced lead times and improved production capacity. These enhancements not only allow for increased order fulfilment but also demonstrate Velocity's commitment to continuous improvement and in turn strengthened its ability to meet growing global demand.

The above progress means that the business has moved into profit, posting a positive EBITDA of £0.4 million for the period. Management note that the outlook for future years is strong, with key customer programmes and demand expected to grow further as supply backlogs unwind.





## Geomiq Limited

| | |
|---|---|
| **Round 1 investment date:** | December 2022 |
| **Cost:** | £334k |
| **Valuation:** | £334k |
| **Equity type:** | Unquoted |
| **Last statutory accounts:** | 31 August 2023 |
| **Turnover:** | Not Disclosed |
| **Profit/loss before tax:** | Not Disclosed |
| **Net liabilities:** | £4.3 million |
| **Valuation method:** | Price of last fundraise (reviewed for any fair value adjustment) |

Geomiq Limited ("Geomiq") is the UK's leading digital manufacturing platform with >260 manufacturing partners globally. The company's mission is to digitise manufacturing and provide industry-leading service to engineers and procurement teams, enabling them to get their products to market faster. They leverage innovative technology and a machine-learning-powered matching system that connects buyers and sellers of custom manufactured parts with unprecedented efficiencies. Think Amazon for custom manufactured parts.

They leverage innovative technology and a machine-learning-powered matching system that connects buyers and sellers of custom manufactured parts with unprecedented efficiencies. Think Amazon for custom manufactured parts.

**Progress made by the company in 2024 includes:**

Continued improvement in the platform technology including progression with automated quoting levels and ordering systems.

Steady growth in gross revenue flowing through the platform coupled with consistent net revenue margins.

The opening of the quality control and logistics hub in China.

## SkinBioTherapeutics Plc

| | |
|---|---|
| **Initial investment date:** | February 2019 |
| **Cost (of the portion of the original investment still held as at 31 December 2024):** | £297k |
| **Valuation:** | £334k |
| **Last statutory accounts:** | 30 June 2024 |
| **Turnover:** | £1.2m |
| **Loss before tax:** | £2.9m |
| **Net assets:** | £3.0m |
| **Valuation method:** | Bid price of 18p per share |

SkinBioTherapeutics, based in Newcastle, is a life science company focused on skin health. The company's proprietary platform technology, SkinBiotixTM, is based upon discoveries made by Dr. Cath O'Neill and Professor Andrew McBain, and targets various skin healthcare areas, including cosmetics, personal care, and food supplements that modulate the gut-skin axis to treat conditions such as psoriasis.

SkinBioTherapeutics' platform applies research discoveries made on the activities of lysates derived from probiotic bacteria when applied to the skin. The company has shown that the SkinBiotixTM platform can improve the barrier effect of skin models, protect skin models from infection and repair skin models. The aim of the company is to develop its SkinBiotixTM technology into commercially successful products supported by a strong scientific evidence base. SkinBioTherapeutics' commercial strategy is to engage health and wellbeing and/or pharmaceutical companies in early dialogue to build up relationships and maintain communication on technical progress until commercial deals can be secured.

To date, the business is working with Croda International to apply its technology to their cosmetics products, and has also launched its AxisBiotix psoriasis product direct to consumers.

**Progress made by the company in 2024 includes:**

The business made two transformational acquisitions in 2024, acquiring Bio-Tech Solutions (BTS), which provides regulatory-approved manufacturing capabilities and access to a broader customer base in healthcare, building on the acquisition of Dermatonics, an established topical dermatological player in the skincare / wound care space which was acquired earlier in 2024.

The agreement with Croda International was extended for a further 12 months and commercial agreement was finalised. Studies were completed in 2024 with commercial launch planned to Croda's top tier clients in April 2025.

Business heads into 2025 with an extremely solid financial platform, noting that the group is now forecasting a projected annualised turnover for the period to June 2025 of £6.3 million (before cash generated from new revenue streams), and cash runway to be cash positive from FY25, with no further need to fundraise for working capital.

**Richard Manley**
Seneca Partners Limited
23 April 2025

# The Ordinary Share Pool

Shareholders will recall that responsibility for the management of the Ordinary share pool investments continues to rest with the CAC, whose sole member is John Hustler. The CAC was established by the Board of Directors who were serving prior to Seneca's appointment as Investment Manager on 23 August 2018.

John Hustler agreed to continue as the sole member of the CAC following his retirement from the Board for the foreseeable future in order to manage the phased transfer of responsibilities for the Ordinary share pool to the remaining members of the Board.

## Performance

**AIM Quoted Investments**

The Ordinary share pool's largest investment is AIM quoted Scancell, which represented 75% of the Ordinary share pool's NAV with a valuation of £1 million as at 31 December 2024. Whilst Scancell's closing bid price as at the financial year end was the same as its opening bid price for the period of 10.5p per share, there was a 30% increase in Q3, allowing the Company to realise 350,000 shares at an average price of 19.40p per share, generating £47k in profit at a 3.2x return.

The Ordinary share pool's investment in Arecor represented 12% of the Ordinary share pool's NAV as at 31 December 2024 and Arecor's share price fell from 180p to 72p, a 60% decrease, leading to a £242k reduction in the Ordinary share pool NAV.

With the Scancell share price closing the year in line with its opening share price, the decline in the Arecor share price was the main contributor to the 1.8p decrease in Ordinary share NAV to 16.7p per Ordinary share at 31 December 2024.

Scancell completed a £11.3 million raise in December 2024 through an oversubscribed capital raise with significant participation from both existing and new healthcare specialist investors. The company also successfully extended the convertible loan note facility by a further two years to H2 2027. We are hopeful that the business will continue to be able to meet commercial milestones with the funds raised in 2024 in order to continue the development of their lead cancer vaccine, SCIB1, and its next-generation counterpart, iSCIB1+.

Arecor completed a successful capital raise of £6.26 million in July 2024, enabling continued R&D activities and sales growth. Arecor is generating growing royalties under a worldwide licensing agreement for AT220 and the growing partnerships portfolio offers significant future upside potential from licensing. As such, we remain optimistic about the future of these businesses and will continue to monitor their progress.

**Unquoted Investments**

There were no changes to the Ordinary share unquoted portfolio during the year and the total portfolio value was £nil as at 31 December 2024.

## Dividends and Outlook

The Total Return in relation to the Ordinary shares is now 90.0p comprising cumulative distributions of 73.3p per Ordinary share and a residual NAV per Ordinary share of 16.7p as at 31 December 2024.

As noted in the Chair's Statement, the Company is focused on realising assets in the Ordinary share pool at the appropriate time with the proceeds then being distributed to Ordinary shareholders as dividends – it is therefore noteworthy that realisations in the last five years have enabled the payment of a total of 49p per Ordinary share in dividends to Ordinary shareholders, representing 76.8% of the NAV per Ordinary share just prior to the appointment of Seneca as Investment Manager, as at 31 December 2017. Notwithstanding this success, we remain confident that, overall, there remains the opportunity to realise further value for Ordinary shareholders from the Ordinary share pool AIM holdings when appropriate, with the ultimate objective of merging the two share classes in due course.

# Investment Portfolio – Ordinary Shares

## Unquoted Investments

| | Equity held % | Investment at cost £'000 | Unrealised profit/(loss) £'000 | Carrying value at 31 December 2024 £'000 | Movement in the year to 31 December 2024 £'000 |
|---|---|---|---|---|---|
| Fuel 3D Technologies Limited | <1.0 | 299 | (299) | - | - |
| OR Productivity Limited | 3.7 | 765 | (765) | - | - |
| ImmunoBiology Limited | 1.2 | 868 | (868) | - | - |
| **Total unquoted investments** | | **1,932** | **(1,932)** | **-** | **-** |

## Quoted Investments

| | Shares held | Investment at cost £'000 | Unrealised profit/(loss) £'000 | Carrying value at 31 December 2024 £'000 | Movement in the year to 31 December 2024 £'000 |
|---|---|---|---|---|---|
| Scancell Holdings plc | 9,650,000 | 584 | 429 | 1,013 | - |
| Arecor Therapeutics plc | 223,977 | 227 | (66) | 161 | (242) |
| **Total quoted investments** | | **811** | **363** | **1.174** | **(242)** |
| **Total investments** | | **2,743** | **(1,569)** | **1,174** | **(242)** |

## Exits for the Year

| | Initial Investment Date | No. of Shares sold | Investment at cost £'000 | Sale Proceeds £'000 | Realised profit/(loss) £'000 | Exit Multiple |
|---|---|---|---|---|---|---|
| Scancell Holdings plc * | December 2003 | 350,000 | 21 | 68 | 47 | 3.2 |
| **Total** | | **350,000** | **21** | **68** | **47** | **3.2** |

**Partial exit*

# Ordinary Share Pool – Quoted Investment Portfolio

## Listed below are details of the Company's quoted Ordinary share pool investments as at 31 December 2024.

### Scancell Holdings plc

| | |
|---|---|
| **Initial investment date:** | December 2003 |
| **Cost (the portion of the original investment still held as at 31 December 2024):** | £584k |
| **Valuation:** | £1,013k |
| **Equity type:** | Quoted |
| **Last statutory accounts:** | 30 April 2024 |
| **Turnover:** | £nil |
| **Loss before tax:** | £9.1m |
| **Net liabilities:** | £3.5m |
| **Valuation method:** | Bid price of 10.5p per share |

Scancell is an AIM quoted biotechnology company that is developing a pipeline of therapeutic vaccines to target various types of cancer. The company is building a pipeline of innovative products by utilising its four technology platforms: Moditope® and ImmunoBody® for vaccines and GlyMab® and AvidiMab® for antibodies.

The ImmunoBody® platform technology educates the immune system on how to respond – this means that the technology can also be licensed to pharmaceutical companies to assist the development of their own therapeutic vaccines, which continues to be an area of emerging importance, for which a number of big pharmaceutical businesses do not have in-house technology.

A second platform technology, Moditope®, was announced in 2012 and is based on exploiting the normal immune response to stressed cells and is complementary to the ImmunoBody® platform. The AvidMab® platform was established in 2018 which allows direct tumour killing, and the company also continues to develop its fourth platform, GlyMab®, which targets glycans or sugars that are added onto proteins and/or lipids.

**Progress made by the company in 2024 includes:**

Continued progress on its SCIB1 Oncology vaccine Phase 2 SCOPE trial for advanced melanoma, with compelling data reported in the interim update. In combination with checkpoint inhibitors, SCIB1 showed 80% Progression Free Survival in 25 patients and 20% achieving a complete response. The trial also achieved a disease control rate of 84% (stable disease or tumour regression, DCR) and objective response rate (ORR) of 72%.

Scancell also saw positive progress across both Modi-1 and antibodies, with the former continuing with the expansion of cohorts in the ModiFY study which showed objective response rate of 43% in 7 patients at week 25 of the trial. In antibodies, Genmab exercised an option over a second anti-glycan antibody, SC2811, from Scancell's proprietary Glymab® platform. An upfront payment of $6 million has been received.

In December 2024, the company raised gross proceeds of £11.3 million through an oversubscribed capital raise with significant participation from both existing and new healthcare specialist investors. The company also successfully extended the convertible loan note facility by a further two years to H2 2027.

Dr Phil L'Huillier joined as Chief Executive Officer in mid-November 2024, bringing a wealth of leadership experience in the biotechnology and pharmaceutical sectors, with a proven track record in business development, financing, and driving innovation.

## Arecor Therapeutics plc

| | |
|---|---|
| **Initial investment date:** | January 2008 |
| **Cost:** | £227k |
| **Valuation:** | £161k |
| **Equity type:** | Quoted |
| **Last statutory accounts:** | 31 December 2023 |
| **Turnover:** | £4.6 million |
| **Loss before tax:** | £8.9 million |
| **Net assets:** | £9.5 million |
| **Valuation method:** | Bid price of 72p per share |

Arecor Therapeutics plc is a globally focused biopharmaceutical company transforming patient care by bringing innovative medicines to market through the enhancement of existing therapeutic products. By applying the innovative proprietary technology platform, Arestat™, the company is developing an internal portfolio of proprietary products in diabetes and other indications, as well as working with leading pharmaceutical and biotechnology companies to deliver therapeutic products. The Arestat™ platform is supported by an extensive patent portfolio.

Arecor was admitted to the AIM market on 3 June 2021 and raised £20 million at that point. Arecor was an existing investee company of the Ordinary share portfolio and the B share pool invested £425k in the IPO. The Ordinary share pool also supported the IPO with a further investment of £85k.

**Progress made by the company in 2024 includes:**

A successful capital raise of £6.26 million in July 2024.

The signing of an exclusive licensing agreement for ready-to-dilute formulation of speciality hospital product AT351.

The expansion of diabetes and obesity pipeline, with oral GLP-1 receptor agonist development initiated and partnership inked with Medtronic on implantable insulin pumps.

AT220 generating growing royalties under a worldwide licensing agreement.

Growing technology partnerships portfolio offering significant future upside potential from licensing.

**Richard Manley**
Seneca Partners Limited
23 April 2025

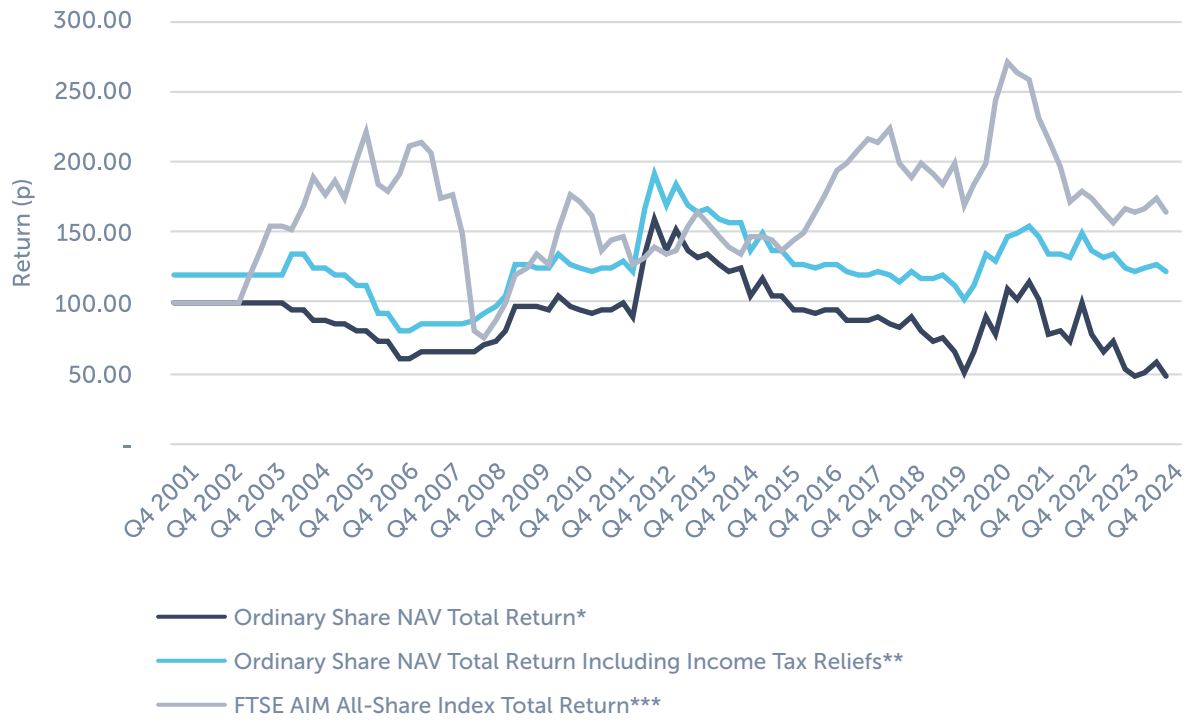
# Business Review

## Company Performance

The Board is responsible for the Company's investment strategy and performance.

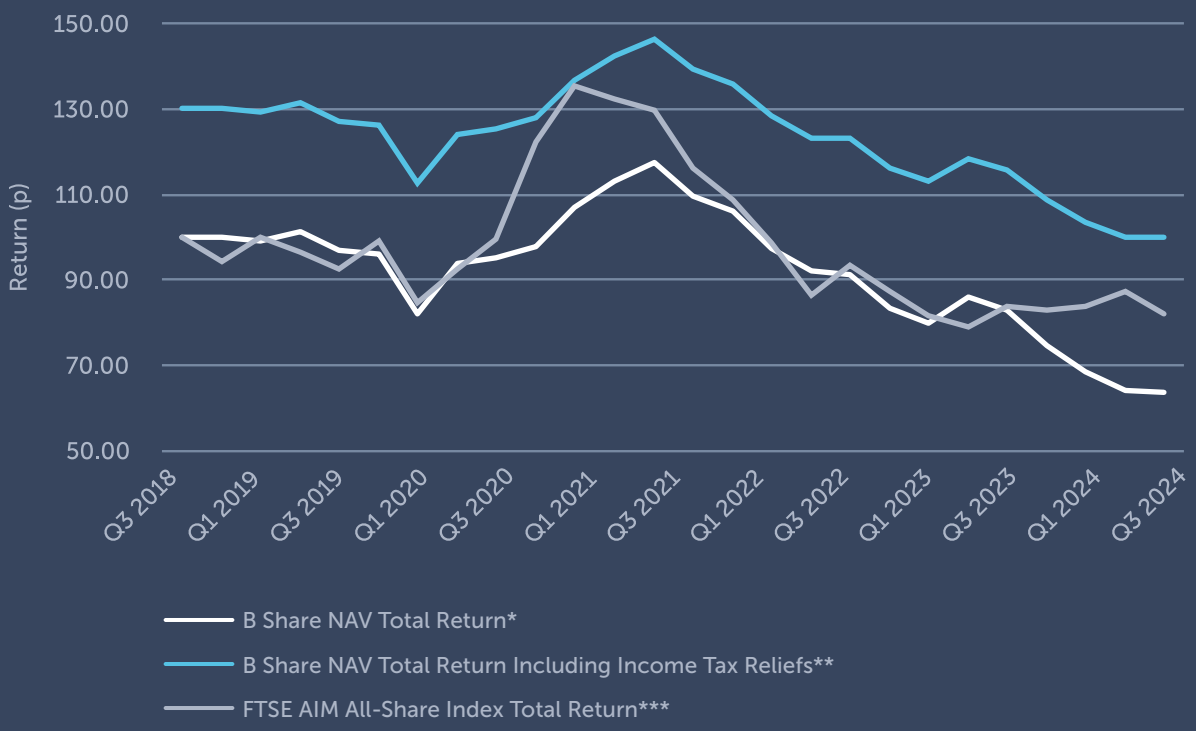
The graphs below compare the NAV return (rebased to 100) of the Company's Ordinary shares over the period from launch in October 2001 to December 2024 and the B shares from launch in August 2018 to December 2024, with the total return from a notional investment (rebased to 100) in the FTSE AIM All-Share Index over the same period. This index is considered to be the most appropriate equity market against which investors can measure the relative performance of the Company due to average market cap per listing, risk profile and its investor base being more directly comparable to the Company's. However, the Directors wish to point out that VCTs have very restrictive investment criteria in their observance of the VCT rules.

## Ordinary Share Performance




* Ordinary Share Historic NAV total return rebased to 100p at launch
** Ordinary Share Historic NAV total return plus 30% upfront income tax relief rebased to 100p at launch
*** FTSE AIM All Share total return basis, rebased to 100

## B Share Performance




* B Share Historic NAV total return rebased to 100p at launch
** B Share Historic NAV total return plus 30% upfront income tax relief rebased to 100p at launch
*** FTSE AIM All Share total return basis, rebased to 100

The NAV Total Return to the investor, is calculated in accordance with AIC Methodology, which includes the NAV plus dividends paid (rebased to 100p) from launch.

## Results - Return on Ordinary Activities as per Income Statement

| | **Year ended 31 December 2024 £'000** | Year ended 31 December 2023 £'000 |
|---|---|---|
| Net return attributable to Ordinary shareholders | **(142)** | (1,347) |
| Net return attributable to B shareholders | **(3,600)** | (1,324) |
| **Total** | **(3,742)** | (2,671) |

## Key Performance Indicators (KPIs)

The Board uses a number of measures to assess the Company's success in meeting its strategic objectives. The KPIs it monitors include:

| **KPI** | **Objective** |
|---|---|
| Total Return (Net Asset Value plus cumulative dividends paid) per share for both share classes | It has been our ambition to increase our current 3p per B share per annum dividend (subject to B share pool investment performance and an intention to also maintain a relatively stable NAV per B share). Currently, 3p per annum represents 5.8% of the B share NAV as at 31 December 2024. Increasing dividends beyond 3p per annum was not considered appropriate during 2024 in view of the continued impact of the decrease in the value of the B share pool's AIM quoted investment portfolio as a result of the economic headwinds impacting the AIM. Our ambition remains and will be reviewed subject to investment performance and in particular the performance of the B share pool's AIM quoted investments.<br><br>It also remains our ambition to seek to return to Ordinary shareholders over time the proceeds from any realisations in the form of dividends, or by means of a return of capital and to ultimately merge the two share classes. |
| The total expenses of the Company as a proportion of shareholders' funds | To maintain efficient operation of the VCT whilst minimising running costs (noting that Seneca has agreed to cap running costs at 3% of both the Ordinary and B share NAVs). |

The Total Return for the Ordinary shares and B shares is included in the Financial Summary on page 3 and the change in the Total Return is explained in the Chair's Statement on pages 9 to 12. The Total Return for the B share class decreased during the year by 18.6% to 69.8p and the Ordinary share Total Return decreased by 1.9% to 90.0p.

The decrease in the B share Total Return in 2024 amounted to 15.9p which was principally due to the decrease in the share prices of the B share pool's AIM quoted investee companies combined with the impact of unquoted B share pool portfolio company Old Street Labs Limited being written down to £nil as a result of entering into administration, as well as the B share pool's share of the Company's running costs. The decline in the B share pool NAV was offset by the uplift in value of two of the B share pool's unquoted investments and the profits generated from the partial realisation of AIM quoted investment OptiBiotix Health Plc during the year.

The Company has also invested £2 million into three new investee companies and four follow-on investments during the year from the B share pool and has also made one partial realisation of a B share pool AIM quoted company as detailed in the Chair's Statement on pages 9 to 12. Disposals are also indicative of the potential for harvesting profits from AIM quoted investments to which the B share pool has a material exposure.

The decrease in the Ordinary share Total Return amounted to 1.8p and is principally as a result of the decrease in the share price of the Ordinary share pool's AIM quoted investment in Arecor and the impact of the allocation of running costs to the Ordinary share pool, as detailed in the Investment Manager's report on page 32.

Dividends have been paid in the year from the B share pool as follow:

1. An interim dividend of 1.5 pence per B share for the year to 31 December 2024 was paid on 17 May 2024.
2. A second interim dividend of 1.5 pence per B share for the year to 31 December 2024 was paid on 20 December 2024.

The Company was again able to maintain efficient operation of the VCT whilst minimising running costs as a proportion of shareholder's funds. For a three-year period with effect from 1 July 2018, expenses of the Company were capped at 3% of the weighted average net asset value of the B shares, including the management fee (but excluding any performance fee). Since July 2021, expenses remain capped at 3% but are now allocated across both the B share pool and the Ordinary share pool pro rata to their respective weighted average net asset values. Seneca reduced its management fee by £67k in the year to 31 December 2024 (2023: reduced by £70k) to keep expenses in line with this cap.

## Viability Statement

In accordance with provision 30 and 31 of The UK Corporate Governance Code 2018, the Directors have assessed the prospects of the Company over the 12-month period required by the "Going Concern" provision. The Board regularly considers the Company's strategy, including investor demand for the Company's shares, and a one-year period is considered to be a reasonable time horizon for this.

The Board has carried out a robust assessment of the principal risks facing the Company and its current position, including those which may adversely impact its business model, future performance, solvency or liquidity. 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 Company's cash flow projections and found these to be realistic and reasonable. The assets of the Company consist mainly of securities, nineteen of which are AIM quoted, relatively liquid and readily accessible, as well as £1.5 million of cash at bank and £2.7 million in money market funds as at 31 December 2024 (30% of net assets).

Based on the above assessment the Board confirms 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 twelve-month period to 17 April 2026.

## Principal Risks, Risk Management and Regulatory Environment

The Board carries out a regular review of the risk environment in which the Company operates, including principal and emerging risks. The main areas of risk identified by the Board are as follows:

**VCT qualifying status risk:** the Company is required at all times to observe the conditions laid down in Chapter 3 of Part 6 Income Tax Act 2007 for the maintenance of approved VCT status. These rules have subsequently been updated on several occasions. The loss of such approval could lead to the Company losing its exemption from corporation tax on capital gains, to investors being liable to pay income tax on dividends received from the Company and, in certain circumstances, to investors being required to repay the initial income tax relief on their investment.

The Board keeps the Company's VCT qualifying status under regular review. The Board has also engaged Shoosmiths LLP as VCT status advisor.

Funds raised by VCTs are first included in the investment tests from the start of the accounting period containing the third anniversary of the date on which the funds were raised. The value used in the qualifying tests is not necessarily the original investment cost due to the complex rules required by HMRC, therefore the allocation of Qualifying Investments as defined by the legislation can be different to the portfolio weighting as measured by market value relative to the net assets of the VCT.

The main specific regulations that must have been met, and which the Directors are confident have been complied with, are:

- The Company's income in the period has been derived wholly or mainly (70% plus) from shares or securities. As at 31 December 2024, 86.75% of the Company's income was derived from shares in money market funds.
- The Company has not retained more than 15% of its income from shares and securities.
- At least 80% by value of the Company's investments has been represented throughout the period by shares or securities in qualifying holdings of the investee company. New funds raised are included in this requirement from the beginning of the accounting period in which the third anniversary of the share issue date falls. By virtue of a disregard of the impact of disposals which have been held for more than 12 months (£265k of proceeds have been realised from such disposals in the year), as at 31 December 2024 the percentage of shares or securities comprised in qualifying holdings is 98.05% in respect of the 80% Qualifying Holdings test. Note, even without the disregarding of the impact of disposals which have been held

for more than 12 months as noted above the Company was still well above the 80% qualifying requirement. At least 70% by value of the Company's qualifying holdings has been represented throughout the period by holdings of eligible shares (investments made before 6 April 2018 from funds raised before 6 April 2011 are excluded).

- At least 30% of funds raised after 31 December 2018 must be invested in qualifying investments by the first anniversary of the end of the accounting period in which those funds were raised. As at 31 December 2023, 33.33% of funds raised in the year to 31 December 2023 and 30.30% of the funds raised in the year to 31 December 2024 had already been invested in qualifying investments.
- No holding in any company has at any time in the period represented more than 15% by value of the Company's investments at the time of investment or when the holding is added to.
- The Company's share capital has throughout the period been listed on a regulated European market.
- No investment made by the VCT has caused the investee company to receive more than £5 million (or £10 million for knowledge intensive companies) of State Aid investment in the year ended on the date of the VCT's investment, nor more than the lifetime limit of £12 million (or £20 million for knowledge intensive companies). Furthermore, the use of funds has not been contrary to the EU State Aid guidelines.

**Investment risk:** the majority of the Company's investments are in smaller quoted and unquoted companies which are VCT qualifying holdings, which by their nature entail a higher level of risk and lower liquidity than investments in large quoted companies. The Directors and the Investment Manager aim to limit the risk attached to the portfolio as a whole by careful selection and timely realisation of investments, by carrying out due diligence procedures and by maintaining a spread of holdings in terms of financing stage. The Board reviews the investment portfolio on a regular basis.

**Financial risk:** by its nature, as a VCT, the Company is exposed to market price risk, credit risk, liquidity risk, fair value and cash flow risks. All of the Company's income and expenditure is denominated in sterling and hence the Company has no direct foreign currency risk. The indirect risk results from investees doing business overseas. The Company is financed through equity. The Company does not use derivative financial instruments.

**Cash flow risk:** the risk that the Company's available cash will not be sufficient to meet its financial obligations is managed by frequent budgeting and close monitoring of available cash resources.

**Liquidity risk:** the Company's investments may be difficult to realise. The spread between the buying and selling price of shares may be wide and thus the price used for the valuation may not be achievable.

**Regulatory risk:** the Company is required to comply with the Companies Act, the rules of the UK Listing Authority and United Kingdom Accounting Standards. Breach of any of these might lead to suspension of the Company's Stock Exchange listing, financial penalties or a qualified audit report.

**Reputational risk:** inadequate or failed controls might result in breaches of regulation or loss of shareholder trust.

**Economic risk:** events such as an economic recession and movement in interest rates could adversely affect some smaller companies' valuations, as they may be more vulnerable to changes in trading conditions or the sectors in which they operate. This could result in a reduction in the value of the Company's assets. The Company seeks to mitigate wider macro-economic risks by investing in a diverse portfolio of companies, across a range of sectors, which helps to mitigate against the impact on any one sector. Seneca also maintains adequate liquidity to make sure it can continue to provide follow-on investment to those portfolio companies which require it and which is supported by the individual investment case.

**Internal control risk:** the Board reviews annually the system of internal controls, financial and non-financial, operated by the Company. These include controls designed to ensure that the Company's assets are safeguarded and that proper accounting records are maintained.

The Board seeks to mitigate the internal risks by setting policies, regular review of performance, enforcement of contractual obligations and monitoring progress and compliance. In the mitigation and management of these risks, the Board applies rigorously the principles detailed in the Financial Reporting Council's Guidance on Risk Management, Internal Controls and Related Financial and Business Reporting. Details of the Company's internal controls are contained in the Corporate Governance section starting on page 50.

Further details of the Company's financial risk management policies are provided in Note 16 to the Financial Statements.

# Independence, Gender and Diversity

# Independence, Gender and Diversity

The Board consists of four Directors comprising three Independent Directors, one of whom was appointed in 2019 and a further two appointed in 2023. The fourth Director is the CEO of Seneca, Richard Manley, who was appointed in 2018.

Until the AGM in May 2024 the Board consisted of four male directors and one female director, at which point John Hustler retired from the Board, and then there were three male directors and one female director. The Board has assessed the independence of each Director and with the exception of Richard Manley who is CEO of the Investment Manager, has concluded that the remaining Directors are Independent.

The Board is required to disclose its compliance in relation to the targets on board diversity set out under paragraph 9.8.6R (9) of the Listing Rules which are as follows:

1. at least 40% of the individuals on the Board of Directors are women;
2. at least one of the senior positions on the Board of Directors is held by a woman; and
3. at least one individual on the Board of Directors is from a minority ethnic background.

The table below sets out the composition of the Board at the year-end based on the prescribed criteria.

| Gender Identity | Number of Board Members | Percentage of the Board | Senior positions on the Board |
|---|---|---|---|
| Men | 3 | 75% | 2 |
| Women | 1 | 25% | 1 |
| **Ethnic Background** | | | |
| White British or other White (including minority-white groups) | 3 | 75% | 2 |
| Mixed/Multiple Ethnic groups | - | - | - |
| Asian/Asian British | 1 | 25% | 1 |
| Black/African | - | - | - |
| Other ethnic group including Arab | - | - | - |

At the year end the Company did not meet the targets for splits on diversity, although one senior position was held by a woman and the Company did meet its target on ethnicity as Mary Anne Cordeiro identifies as British Asian.

Although the Company does not meet the requirements for 40% female members of the Board, any future recruitment will be mindful of this, providing a suitable candidate possesses the key skills and experience required for the position. The Board maintains a policy of considering diversity when reviewing Board composition and has made a commitment to consider diversity when making future appointments. The Board will always appoint the best person for the job. It will not discriminate on the grounds of gender, race, ethnicity, religion, sexual orientation, age or physical ability.

More details on the Directors can be found on page 44.

# Governance

# Details of Directors

## Ian Dighé **(Independent Non-Executive Chair)**

Ian has significant listed company experience, particularly in the investment banking, corporate broking, asset management and closed-end funds sectors. He was a co-founder of Bridgewell Group plc and was Chairman of Miton Group plc from February 2011, overseeing the successful refinancing and subsequent growth of the group. He retired from the Miton board in December 2017. He is Chairman of The Investment Company plc, an independent director of Edelweiss Holdings plc, Pennant International Group plc and a director of a number of private companies and charities. Ian brings senior Board level experience to the VCT, particularly as Chairman of an AIF, and extensive investment knowledge; both of which are key to the ongoing success of the Company.

## Alex Clarkson **(Independent Non-Executive Director, Chair of the Audit Committee)**

Alex is Managing Director of Bamburgh Capital. He qualified as a chartered accountant with PricewaterhouseCoopers in 1998, joined Brewin Dolphin Securities in 2000 before becoming co-founder of Zeus Capital in 2003. Alex then went on to co-found Bamburgh Capital in 2011, executing over 20 transactions acting on both the "buy" and "sell" side and raising funding. During this time, Alex was co-founder of Compass BioScience Group Limited and Collbio, two highly acquisitive companies, and became interim CFO of Collbio which undertook an IPO on the London Stock Exchange within an 18-month period, changing its name to Collagen Solutions. Given Alex's experience of public markets and growth capital investing, his expertise and knowledge are highly relevant to the ongoing success of the Company.

Alex has a beneficial interest in Alderley Lighthouse Labs.



## Mary Anne Cordeiro **(Senior Independent Non-Executive Director)**

Mary Anne is the Founder and Managing Director of Science to Business Limited which specialises in advising medical technology businesses on fundraising and commercialisation strategy. Mary Anne joined the Board of the Company in May 2023 and brings to the Board extensive knowledge of both the VCT and growth capital investment sectors, having been an advisor to or executive of innovative companies in the healthcare and technology sectors for over twenty years. Mary Anne served as a non-executive Director of Albion Technology & General VCT Plc ("AATG") from 2013 until 2023, following its merger with Albion Income & Growth VCT Plc where she had served as a non-executive Director from 2004. Prior to this Mary Anne had a fifteen-year career in international corporate finance as a M&A Investment Banker at Goldman Sachs International Limited, Vice President at Bankers Trust Company and Managing Director of Paribas' Financial Institutions Group. Mary Anne holds a MA (Hons) in Chemistry from the University of Oxford and is a member of the University of Oxford's Department of Chemistry Development Board.

## Richard Manley **(Non-Executive Director)**

Richard is CEO of and significant shareholder in Seneca. He qualified as a chartered accountant with KPMG in 2004, joined NM Rothschild's leveraged finance team in Manchester in 2007 before joining Cenkos Fund Managers in 2008. Richard joined Seneca on launch in 2010. Richard has been involved in the development of all areas of Seneca's business and played a key role in its journey from start up to managing more than £130 million. He has been a continuous member of Seneca's investment and credit committees and has been involved in all of Seneca's EIS growth capital investments to date leading 30 of these. Richard became Managing Partner in 2016 and CEO in 2017. He joined the Board of the Company in August 2018. As CEO of the Investment Manager, Richard is well placed to provide the Company with timely and accurate updates in relation to the development of the B share portfolio, ongoing fundraise progress, upcoming investments and the continuing administration of the Company.

# Directors' Report

The Directors present their Report and the audited Financial Statements for the year ended 31 December 2024.

The Directors consider that the Annual Report and Financial Statements, taken as a whole are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

## Review of Business Activities

The Directors are required by section 417 of the Companies Act 2006 to include a Business Review to shareholders. This is set out on page 36 and forms part of the Strategic Report. The purpose of the Business Review is to inform members of the Company and help them assess how the Directors have performed their duty under section 172 of the Companies Act 2006 (duty to promote the success of the Company). The Company's Section 172(1) Statement on page 8, the Chair's Statement on page 9 to 12, and the Investment Manager's Report on pages 14 to 35 also form part of the Strategic Report.

The purpose of this review is to provide shareholders with a snapshot summary setting out the business objectives of the Company, the Board's strategy to achieve those objectives, the risks faced, the regulatory environment and the key performance indicators used to measure performance.

## Directors' Shareholdings – Ordinary Shares

The Directors' interests in the Ordinary shares of the Company (in respect of which transactions are notifiable under Disclosure and Transparency Rule 3.1.2R) are shown in the table below:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| | Number of Shares | Number of Shares |
| Ian Dighé | - | - |
| Alex Clarkson | - | - |
| Mary Anne Cordeiro | - | - |
| Richard Manley | - | - |

There have been no changes in the Directors' Ordinary share interests between 31 December 2024 and the date of this report.

## Directors' Shareholdings – B Shares

The Directors' interests in the B shares of the Company (in respect of which transactions are notifiable under Disclosure and Transparency Rule 3.1.2R) are shown in the table below:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| | Number of Shares | Number of Shares |
| Ian Dighé | - | - |
| Alex Clarkson | 10,060 | 10,060 |
| Mary Anne Cordeiro | - | - |
| Richard Manley | 148,672 | 129,661 |

All of the Directors' B shares were held beneficially. There have been no changes in the Directors' B share interests between 31 December 2024 and the date of this report.

## Directors' and Officers' Liability Insurance

The Company has, as permitted by legislation and the Company's Articles of Association, maintained directors' and officers' liability insurance cover on behalf of the Directors, Company Secretary and Investment Manager.

## Whistleblowing

The Board has approved a Whistleblowing Policy for the Company, its Directors and any employees, consultants and contractors, to allow them to raise concerns, in confidence, in relation to possible improprieties in matters of financial reporting and other matters.

## Bribery Act

The Board has a zero tolerance policy in relation to bribery and corruption. The Board has approved an Anti-Bribery Policy to ensure full compliance with the Bribery Act 2010 and to ensure that the highest standards of professional and ethical conduct are maintained. Through internal controls reporting it has sought to ensure adequate safeguards are in place at its main third party suppliers.

## Management

Seneca as the Company's Investment Manager is responsible for the management of the Company's B share pool investments. Responsibility for the management of the Ordinary share pool investments continues to rest with the CAC, whose sole member is John Hustler. The CAC was established by the Board of Directors who were serving prior to Seneca's appointment as Investment Manager on 23 August 2018. John Hustler agreed to continue as the sole member of the CAC following his retirement from the Board for the foreseeable future in order to manage the phased transfer of responsibilities for the Ordinary share pool to the remaining members of the Board.

The strategies and policies which govern the Investment Manager have been set by the Board in accordance with section 172 of the Companies Act 2006.

## Corporate Governance Statement

The Board has considered the principles and recommendations of the 2019 AIC Code. The Company's Corporate Governance policy is set out on pages 50 to 54.

The 2019 AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the 2019 AIC Code adapts the Principles and Provisions set out in the UK Corporate Governance Code (the "UK Code") to make them relevant for investment companies.

The Company has complied with the recommendations of the 2019 AIC Code and the relevant provisions of the UK Code, except as set out below:

- The Company does not have a Chief Executive Officer. The Board does not consider a Chief Executive Offer necessary as it does not have any executive directors. Mary Anne Cordeiro was appointed the Company's Senior Independent Director on 15 May 2024.
- New Directors do not receive a formal induction pack on joining the Board, though they do receive a tailored induction process on an individual basis.
- The Company conducts a formal review as to whether there is a need for an internal audit function. The Investment Manager appointed a depositary as part of it becoming a full-scope AIFM on 16 June 2022, which is responsible for monitoring the cash flows of the Company, overseeing the holding of financial assets in custody on behalf of the Company, verifying ownership interests, oversight and supervision of the Investment Manager and the Company and maintaining accurate records in relation to the above as required under the Alternative Investment Fund Managers Directive (Directive 2011/61/EU), transposed into UK law under the European Union (Withdrawal) Act 2018 and as set out in Fund 3.11 of the FCA Handbook of rules and guidance. As a result, the Directors do not consider that a formal internal audit function would be required as an additional internal control for the VCT at this time.
- The Company does not have a Remuneration Committee as it does not have any executive directors.
- The Company does not have a Nomination Committee as these matters are dealt with by the Board.

For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers the above provisions are not relevant to the position of the Company, being an investment company run by the Board and managed by the Investment Manager. In particular, all of the Company's day-to-day administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations.

## Directors

Biographical details of the Directors are shown on page 44.

In accordance with the Articles of Association and good governance in line with practices recommended in the 2019 AIC Code, all four Directors as at 31 December 2024 will offer themselves for re-election at the forthcoming AGM. John Hustler, longstanding Chair, retired from the Board on 15 May 2024.

The Board is satisfied that, following individual performance appraisals, the Directors who are retiring and offer themselves for re-election continue to be effective and demonstrate commitment to their roles and have the full support of the Board. Further details regarding the Company's succession planning are set out in the Corporate Governance policy on pages 50 to 54.

The Board did not identify any conflicts of interest between the Chair's interest and those of the shareholders, especially with regard to the relationship between the Chair and the Investment Manager.

No concerns about the operation of the Board or the Company were raised by any Director during the year and had any been raised they would be mentioned in the minutes or in writing to the Chair to be circulated to the Board in accordance with Provision 5.2 of the 2019 AIC Code.

The Board is cognisant of shareholders' preference for Directors not to sit on the boards of too many listed companies ("over-boarding"). The Board is satisfied that all Directors have the time to focus on the requirements of the Company.

## International Financial Reporting Standards

As the Company is not part of a group it is not mandatory for it to comply with International Financial Reporting Standards ("IFRS"). The Company does not anticipate that it will voluntarily adopt IFRS. The Company has adopted Financial Reporting Standard 102 – The Financial Reporting Standard Applicable in the United Kingdom and the Republic of Ireland.

## Environmental, Social and Governance ("ESG") Practices

The Board recognises the requirement under section 414c of the Companies Act 2006 to detail information about environmental matters (including the impact of the Company's business on the environment), employee and human rights, social and community issues, including information about any policies it has in relation to these matters and effectiveness of these policies.

Given the size and nature of the Company's activities and the fact that it has no employees, the Board considers there is limited scope to develop and implement environmental, social and community policies, but recognises the importance of including consideration for such matters in investment decisions. The Board has taken into account the requirement of section 172(1) of the Companies Act 2006 and the importance of ESG matters when making decisions which could impact shareholders, stakeholders and the wider community. The Company's Section 172(1) statement has been provided in the Strategic Report on page 8, where the Directors consider the information to be of strategic importance to the Company.

The Company seeks to ensure that its business is conducted in a responsible manner with regard to the environment. The management and administration of the Company is undertaken by the Investment Manager who recognises the importance of its environmental responsibilities, monitors its impact on the environment and implements policies to reduce any negative environmental impact and which promote environmental sustainability.

As an FCA full-scope UK Alternative Investment Fund Manager ("AIFM") (as defined in regulation 2 of the AIF Regulations), the Investment Manager is subject to increased requirements under the AIFM Regulations 2013 (SI 2013/1773), and therefore recognises that managing investments on behalf of clients involves taking into account a wide set of responsibilities, in addition to seeking to maximise financial returns for investors. Industry practice in this area has been evolving rapidly and the Company seeks to be an active participant by working to define and strengthen its principles accordingly. This involves both integrating ESG considerations into the Investment Manager's investment decision-making process as a matter of course, and also considering guidance issued by external bodies who are leading influencers in the formation of industry best practice. The following is an outline of the kinds of ESG considerations that the Investment Manager is taking into account as part of its investment process.

### Environmental

Seneca, as part of its commercial due diligence practices and ongoing monitoring, examines potential issues which could arise from supply chains, climate change and environmental policy compliance. The Investment Manager looks for management teams who are aware of the issues and are proactive in responding to them.

The Company utilises video conferencing facilities for the majority of Board meetings to avoid unnecessary travel where possible to reduce our carbon imprint. The Board met virtually for all but two Board meetings during the year. The Company also encourages shareholders to receive communications from the Company electronically to reduce the impact of production and delivery of additional paper products.

### Social

Seneca seeks to avoid unequivocal social negatives, such as profiting from forced labour within its investment portfolio and to support positive impacts which will more likely find support from customers and see rising demand. Seneca does not tolerate modern slavery or human trafficking within its business operations and takes a risk-based approach in respect of our portfolio companies. Seneca actively engages with portfolio companies and their boards to discuss material risks, ranging from business and operational risks to environmental and social risks.

Seneca is also a proud signatory to the Investing in Women Code and commits to adopting internal practices to improve female entrepreneurs' access to finance, tools and resources needed to grow their businesses. Partners include the UK Business Angels Association, the British Private Equity and Venture Capital Association, UK Finance, and the British Business Bank.

### Governance

Seneca examines and, where appropriate, engages with companies on board membership, remuneration, conflicts of interest such as related party transactions, and business leadership and culture. In addition, the Company, as a matter of course, exercises its voting rights when possible.

## Greenhouse Gas ("GHG") Emissions and Streamlined Energy & Carbon Reporting ("SECR")

Under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 ('the 2013 Regulations') and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations"), quoted companies of any size are required under Part 15 of the Companies Act 2006 to disclose information relating to their energy use and GHG emissions.

All of the Company's activities are outsourced to third parties. The Company therefore has no greenhouse gas emissions to report from its operations, nor does it have direct responsibility for any other emissions producing sources under the 2013 Regulations and the 2018 Regulations. For the same reasons as set out above, the Company considers itself to be a low energy user under the SECR regulations and therefore is not required to disclose energy and carbon information. A low energy user is defined as an organisation that uses 40 MWh or less during the reporting period.

## Going Concern

The Company's business activities and the factors likely to affect its future performance and financial position are set out in the Chair's Statement and Investment Manager's Report on pages 9 to 12 and pages 14 to 35 of the Company's 2024 Annual Report and Financial Statements. Further details on the management of the principal risks are set out on pages 39 to 40 and financial risks may be found in Note 16 to the Financial Statements.

The Board receives regular reports from Seneca which acts as both the Investment Manager and the Administration Manager, and the Directors believe that, as no material uncertainties leading to significant doubt about going concern have been identified, it is appropriate to continue to adopt the going concern basis in preparing the Financial Statements.

As at 31 December 2024, the assets of the Company consist mainly of securities, nineteen of which are AIM quoted, relatively liquid and readily accessible, as well as £1.5 million of cash at bank as at 31 December 2024 and £2.7 million invested in three money-market funds to manage liquidity (a combined 30% of net assets). After reviewing the Company's forecasts and expectations, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of the signing of these Financial Statements, The Company therefore continues to adopt the going concern basis in preparing its Financial Statements.

The Company notes the continuing material market volatility as a result of macroeconomic pressures, including risk of increased trade tariffs, increased costs from inflationary pressures as a result of the military invasion of Ukraine by Russian forces and the current situation in the Middle East. The Company's Board and Investment Manager are focused on ensuring that investee companies are taking the required actions to minimise the potential impact that these conditions could have on them. The Board and Seneca will continue to review these potential risks and keep those risks under regular review but do not consider the current conditions to have a material impact on the Company's own ability to continue as a going concern.

## Share Capital

The Company's issued Ordinary share capital as at 31 December 2024 was 8,115,376 Ordinary shares of 1p each (31 December 2023: 8,115,376 Ordinary shares of 1p each) and 24,268,425 B shares of 1p each (31 December 2023: 21,780,329 B shares of 1p each). No shares were held in Treasury.

The total number of shares in issue for both the Ordinary shares and B shares of 1p each as at 31 December 2024 was 32,383,801 (31 December 2023: 29,895,705) with each share having one vote.

As disclosed on page 92 the Board has authority to make market purchases of the Company's own B shares. During the year, the Company purchased 300,303 B shares, with a nominal value of £3,003.03, for cancellation at a weighted average price of 54.8p per share at a total consideration of £164,448, which represents 1.38% of the shares in issue at the prior year end (2023: 108,291 B shares for cancellation at 70.3p per share). Of the authority granted at last year's AGM to buyback shares after the above purchases there remained unused authority to purchase 3,230,776 shares, this authority will expire at the next AGM.

At the last AGM held on 15 May 2024, the Board received authority to allot up to 35,000,000 B shares in connection with any offer(s) for subscription (and any subsequent top up offer of B shares) and up to 405,800 Ordinary shares (for any miscellaneous offers of such shares), which represented approximately 161% of the Company's issued B share capital and approximately 5% of its issued Ordinary share capital as at 20 March 2024.

During the year, the Company did not issue any Ordinary shares (2023: nil). During the year, the Company issued 2,788,399 B shares raising £1.7 million before expenses (2023: 3,139,061 shares and £2.3 million).

In accordance with Schedule 7 of the Large and Medium Size Companies and Groups (Accounts and Reports) Regulations 2008, as amended, the Directors disclose the following information:

- The Company's capital structure and voting rights are summarised above, and there are no restrictions on voting rights nor any agreement between holders of securities that result in restrictions on the transfer of securities or on voting rights;
- There exist no securities carrying special rights with regard to the control of the Company;
- The rules concerning the appointment and replacement of directors, amendment of the Articles of Association and powers to issue or buy back of the Company's shares are contained in the Articles of Association of the Company and the Companies Act 2006;
- The Company does not have an employee share scheme;
- There are no agreements to which the Company is party that may affect its control following a takeover bid; and
- There are no agreements between the Company and its Directors providing for compensation for loss of office that may occur following a takeover bid or for any other reason, apart from their normal notice period and any fees potentially due under the performance fee arrangements set out on page 60 and Note 5.

## Substantial Shareholdings

At 31 December 2024 and at the date of this report, there was one holding of 3% and over of the Company's ordinary share capital of which we had been notified. This holding related to Mr and Mrs Ian William Currie and at the date of this report amounted to 3.1% (1,010,460 B shares) of the total issued share capital of 32,383,801. Ian William Currie is a Director of Seneca, the Investment Manager. There has been no change in this between the year-end and the date of this Report.

## Annual General Meeting

The Notice convening the 2025 AGM of the Company is set out at the end of this document (and a form of proxy in relation to the meeting is enclosed separately). Part of the business of the AGM will be to consider resolutions in relation to the following matters:

**Resolution 1** will seek the approval of the Company's Annual Report and Financial Statements and the auditors' report thereon for the year ended 31 December 2024. The Directors are obliged to lay the Company's Annual Report and Financial Statements and the auditors' report thereon for the year ended 31 December 2024 before shareholders at a general meeting.

**Resolution 2** seeks shareholder approval of the Directors' Remuneration Report 2024 which gives details of the Directors' remuneration for the financial year ended 31 December 2024 and which is set out on pages 58 to 61 of the Company's Annual Report and Financial Statements for financial year ended 31 December 2024. In line with legislation, this vote will be advisory and the Directors' entitlement to remuneration is not conditional on the resolution being passed.

**Resolution 3** seeks shareholder approval of the Directors' Remuneration Policy which is set out in full on pages 60 to 61 of the Directors' Remuneration Report contained within the Directors' Annual Report and Financial Statements for financial year ended 31 December 2024. Once the policy is approved the Company will not be able to make a remuneration payment to a current or prospective director or a payment for loss of office to a current or past director, unless the payment is consistent with the policy or has been approved by a resolution of the shareholders of the Company.

**Resolutions 4 to 7** will seek the re-election of the existing four members of the Board as non-executive Directors of the Company.

**Resolution 8** will seek the re-appointment of Royce Peeling Green Limited as Independent Auditor to the Company and authorisation to determine the auditor's remuneration.

**Resolution 9** will authorise the Directors to allot further B shares and Ordinary shares. This will enable the Directors until the next AGM to allot up to 35,000,000 B shares in connection with any offer(s) for subscription (and any subsequent top up offer of B shares) and up to 405,800 Ordinary shares (for any miscellaneous offers of such shares), representing approximately 161% of the Company's issued B share capital and approximately 5% of its issued Ordinary share capital as at 17 April 2025.

**Resolution 10** will authorise the Board, pursuant to the Act, to make one or more market purchases of up to 14.99% of the issued B share capital of the Company from time to time. The price paid must not be less than 1p per B share, nor more than 5% above the average middle market price of a B share for the preceding five business days. Any B shares bought back under this authority may be cancelled by the Board.

**Resolution 11** will, under sections 570 of the Act, disapply pre-emption rights in respect of any allotment of the B shares and/or Ordinary shares authorised under Resolution 9.

The Directors intend to use the authorities in Resolutions 9 and 11 for the purposes of the current Offer and a further offer for subscription of B shares. The Directors have no current intention to utilise the authority in relation to the Ordinary shares.

Copies of the Articles of Association of the Company will be available for inspection at the registered office of the Company during usual business hours on any weekday (Public Holidays excluded) from the date of this notice, until the end of the AGM and at the place of the AGM for at least 15 minutes prior to and during the meeting. The Articles of Association will also be available on the Company's website at www.senecavct.co.uk/reports-documents/.

## Recommendation

The Board believes that the passing of the resolutions above are in the best interests of the Company and its shareholders as a whole and unanimously recommends that you vote in favour of these resolutions as the Directors intend to do in respect of their beneficial shareholdings.

**By Order of the Board**
ISCA Administration Services Limited
Company Secretary
23 April 2025

# Corporate Governance

The Board has considered the principles and recommendations of the 2019 AIC Code.

The 2019 AIC Code addresses the Principles and Provisions set out in the UK Code, as well as setting out additional Provisions on issues that are of specific relevance to the Company.

The Board considers that reporting against the Principles and Provisions of the 2019 AIC Code, which has been endorsed by the Financial Reporting Council (and associated disclosure requirements under paragraph 9.8.6 of the Listing Rules) provides more relevant information to shareholders.

The AIC has introduced the 2024 AIC Corporate Governance Code, which applies to accounting periods beginning on or after January 1, 2025. The Company will work to incorporate any of those changes

The Company is committed to maintaining high standards in corporate governance and has complied with the Principles and Provisions of the 2019 AIC Code, except as set out below. The Company strongly believes that achieving its corporate governance objectives contributes to the long-term sustainable success of the Company.

The 2019 AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the 2019 AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies. On 22 January 2024, the UK Corporate Governance Code was updated, and the 2024 AIC Corporate Governance Code applies to the annual reports of VCTs for accounting periods that begin on or after January 1, 2025. Therefore, the 2019 AIC Code remains in place until that time.



## Board of Directors

The Company has a Board of four non-executive Directors, following the retirement of John Hustler on 15 May 2024. Details of each current Director can be found on page 44. They meet on a regular basis to review the investment performance and monitor compliance with the investment policy laid down by the Board as set out in the Strategic Report on page 7.

The Board has a formal schedule of matters specifically reserved for its decision which include:

1. the consideration and approval of future developments or changes to the investment policy, including risk and asset allocation;
2. the consideration and review of the Company's compliance with HMRC conditions for maintenance of approved VCT status as advised by Shoosmiths LLP;
3. consideration of corporate strategy;
4. approval of the appropriate dividend to be paid to shareholders;
5. the appointment, evaluation, removal and remuneration of the Investment Manager, which also acts as the Administration Manager;
6. the performance of the Company, including monitoring the discount of the share price to net asset value; and
7. monitoring shareholder profiles and considering shareholder communications.

The Chair leads the Board in the determination of its strategy and in the achievement of its objectives. The Chair is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda. He facilitates the effective contribution of the Directors and ensures that they receive accurate, timely and clear information and that the Company communicates effectively with shareholders in accordance with the Board's duty to promote the success of the Company.

The Company Secretary is responsible for advising the Board through the Chair on all governance matters. All of the Directors have access to the advice and services of the Company Secretary, who has administrative responsibility for the meetings of the Board and its Committees. Directors may also take independent professional advice at the Company's expense where necessary in the performance of their duties.

The Company's Articles of Association and the schedule of matters reserved to the Board for decision provide that the appointment and removal of the Company Secretary is a matter for the full Board.

Attendance at Board and Audit Committee meetings during the year were as follows:

| | Board Meetings | | Audit Committee Meetings | |
|---|---|---|---|---|
| | Entitled to attend | Attended | Entitled to attend | Attended |
| Ian Dighé | 5 | 5 | 2 | 2 |
| Alex Clarkson | 5 | 5 | 2 | 2 |
| Mary Anne Cordeiro | 4 | 5 | 2 | 2 |
| Richard Manley | 5 | 5 | n/a | n/a |
| John Hustler* | 1 | 1 | 1 | 1 |

**retired 15 May 2024*

In addition to formal Board meetings, the Board communicates on a regular basis in carrying out its responsibilities in managing the Company.

**Diversity**

The Directors are aware of the need to have a Board which, as a whole, comprises an appropriate balance of skills, experience and diversity. New regulations require the Company to report on a comply or explain basis against three key indicators: 40% of the Board should be comprised of women; one senior board position is held by a woman; and one Director should be from an ethnic minority background. Whilst the Company did have one female Board member at the year-end, representing 25% of the Board, who is also the Company's Senior Independent Director, the Company did not meet the targets of 40% for splits on diversity. The VCT Board does meet its target on ethnic diversity as Mary Anne Cordeiro identifies as British Asian.

Although the Company will not meet the requirements for 40% female members of the Board, any future recruitment will be mindful of this, providing a suitable candidate possesses the key skills and experience required for the position. The Board maintains a policy of considering diversity when reviewing Board composition and has made a commitment to consider diversity when making future appointments. The Board will always appoint the best person for the job. It will not discriminate on the grounds of gender, race, ethnicity, religion, sexual orientation, age or physical ability.

**Consumer Duty**

Whilst many requirements do not directly impact the VCT, Seneca provides the Company with regular updates as to the processes and procedures being implemented by the Investment Manager to comply with Consumer Duty requirements as they relate to investors, investor relations and the Offer for new shares.

## Independence of Directors

The Board regularly reviews the independence of its members and is satisfied that the Company's Directors are independent in character and judgment and that there are no relationships or circumstances which could affect their objectivity (with the exception of Richard Manley who is the CEO of the Investment Manager).

The 2019 AIC Code recommends that where a Director has served for more than nine years, the Board should state its reasons for believing that the individual remains independent. The Board is of the view that a term of service in excess of nine years is not in itself prejudicial to a Director's ability to carry out his or her duties effectively and from an independent perspective; the nature of the Company's business is such that individual Directors' experience and continuity of Board membership can significantly enhance the effectiveness of the Board as a whole. However, the Board has applied the provision that all Directors are to seek annual re-election and has determined a policy of tenure for the Chair and believes that both are essential in balancing the business of the Company whilst providing opportunity for regular refreshment and increasing the diversity of the Board.

Directors are appointed with the expectation that they will serve for a period of at least three years and all Directors will retire at the first general meeting after election and will be subject to annual re-election thereafter in line with practices recommended in the 2019 AIC Code. It is the Company's policy of tenure to review individual appointments every year, with increased scrutiny after nine years of service to consider whether the Director is still independent and still fulfils the role.

However, in accordance with the principles of the 2019 AIC Code, we do not consider it necessary to mandatorily replace a Director, including the Chair, after a predetermined period of tenure. A more flexible approach to Chair tenure will help the Company manage succession planning in the context of the business needs of the Company, whilst at the same time still addressing the need for regular refreshment and diversity. The Company's report on Independence, Gender and Diversity is on page 42.

Remuneration in addition to the Directors' fees in the form of a performance incentive fee is potentially payable to those Directors serving prior to 23 August 2018 subject to certain conditions as set out in the Directors' Remuneration Report and Policy on pages 58 to 61. Having regard for the historic nature and circumstances under which the performance incentive fees were agreed, the Board does not believe that the performance incentive fees in any way impact or hinder the Directors' independence or present a conflict of interest which could compromise or override independent judgment of the Directors.

## Performance Evaluation

In accordance with the 2019 AIC Code, each year a formal performance evaluation is undertaken of the Board as a whole, its Committees and the Directors in the form of one-to-one meetings or telephone calls between the Chair and each Director. The Directors were made aware of the annual performance evaluation on their appointment. The Board considers the size of the Company, the number of independent non-executive Directors on the Board and the robustness of the reviews to be such that an external Board evaluation is unnecessary. Annual evaluations of the Board consider its composition, diversity, succession planning and how effectively members work together to achieve objectives as well as individual contributions. The Chair provides a summary of the findings to the Board, which are discussed at the next meeting and an action plan agreed. The performance of the Chair is evaluated by the Senior Independent Director, Mary Anne Cordeiro.

The Board sets out the assessment of its members and explains why its members are and continue to be of importance to the long-term sustainable success of the business on page 46.

The Board reviews the performance of the Investment Manager on an ongoing basis, both formally and outside of Board meetings with regard to its appointment, evaluation, removal and remuneration, in both contexts of its role as Investment Manager and Administration Manager. The Board considers the Company's size to be such that it would be unnecessarily burdensome to establish a separate management engagement committee to perform this role.

## Board Committees

The Board does not have a separate remuneration committee, as the Company has no employees or executive directors. Detailed information relating to the remuneration of Directors is given in the Directors' Remuneration Report and Policy on pages 58 to 61.

The Board as a whole considers the selection and appointment of Directors and reviews Directors' remuneration on an annual basis. The Board considers the Company's size to be such that it is unnecessary to form a separate committee for the purposes of nomination. When making an appointment, the Board draws on its members' extensive business experience and range of contacts in addition to the use of external recruitment consultants. The Board continues to speak regularly about Board composition and succession planning in order to identify and address any issues that may arise.

The Board has appointed an Audit Committee to make recommendations to the Board in line with its terms of reference. The committee is chaired by Alex Clarkson and consists of all Independent non-executive Directors, which does not include Richard Manley due to his affiliation with the Investment Manager as CEO. The Audit Committee believes Alex Clarkson possesses appropriate and relevant financial experience as per the requirements of the 2019 AIC Code. The Board considers that the members of the Committee have collectively the skills and experience required to discharge their duties effectively.

The Audit Committee's terms of reference, and how it discharges its duties are listed on pages 56 to 57.

## Internal Control

The Directors have overall responsibility for keeping under review the effectiveness of the Company's systems of internal controls. The purpose of these controls is to ensure that proper accounting records are maintained, the Company's assets are safeguarded and the financial information used within the business and for publication is accurate and reliable; such a system can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal controls is designed to manage rather than eliminate the risk of failure to achieve the business objectives. The Board continually reviews financial results and investment performance. The Board also monitors and evaluates external service providers and maintains regular discussions with the Investment Manager about the services provided. The Investment Manager reviews the service contracts on an annual basis and discusses any recommendations with the Board as relevant.

Neville Registrars is the custodian of the documents of title relating to the Company's unquoted investments.

Seneca is also the Administration Manager in addition to its role as the Investment Manager.

The Directors confirm that they have established a continuing process throughout the year and up to the date of this report for identifying, evaluating and managing the significant potential risks faced by the Company and have reviewed the effectiveness of the internal control systems. As part of this process an annual review of the internal control systems is carried out in accordance with the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

The risk management and internal control systems include the review of monthly bank statements and the production and review of quarterly management accounts. All outflows made from the Company's cash accounts require the authority of signatories from the Board. The Company is subject to a full annual audit. Further to this, the Senior Statutory Auditor has open access to the Directors of the Company.

Additionally, the Investment Manager is required to have a depositary as part of its full-scope AIFM status. Seneca appointed Thompson Taraz Depositary Limited which is responsible for monitoring the cash flows of the Company, overseeing the holding of financial assets in custody on behalf of the Company, verifying ownership interests, oversight and supervision of the Investment Manager and the Company and maintaining accurate records in relation to the above as required under the Alternative Investment Fund Managers Directive (Directive 2011/61/EU), transposed into UK law under the European Union (Withdrawal) Act 2018 and as set out in Fund 3.11 of the FCA Handbook of rules and guidance.

## Financial Risk Management Objectives and Policies

The Company is exposed to the risks arising from its operational and investment activities. Further details can be found in Note 16 to the Financial Statements.

## Relations with Shareholders

Shareholders have the opportunity to meet the Board at the AGM. In addition, shareholders have the opportunity to engage directly with the Board as part of the regular shareholder update presentations as detailed in the Strategic Report starting on page 5 and the Board is available to answer any questions a shareholder may have and is happy to respond to written queries made by shareholders during the course of the year. The Board can be contacted at the Company's registered office: 9 The Parks, Haydock, WA12 0JQ or via email at enquiries@senecavct.co.uk.

## Compliance Statement

As previously indicated, the Board considers that reporting against the principles and recommendations of the 2019 AIC Code will provide better information to shareholders.

The Company has complied with the recommendations of the 2019 AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below:

- The Company does not have a Chief Executive Officer as the Board does not consider it necessary as it does not have any executive directors.
- New Directors do not receive a formal induction on joining the Board, though they do receive one tailored to them on an individual basis.
- The Company conducts a formal review as to whether there is a need for an internal audit function. The Investment Manager was required to appoint a depositary as part of its full-scope AIFM status which is responsible for monitoring the cash flows of the Company, overseeing the holding of financial assets in custody on behalf of the Company, verifying ownership interests, oversight and supervision of the Investment Manager and the Company and maintaining accurate records in relation to the above as required under the Alternative Investment Fund Managers Directive (Directive 2011/61/EU), transposed into UK law under the European Union (Withdrawal) Act 2018 and as set out in Fund 3.11 of the FCA Handbook of rules and guidance. As a result, the Directors do not consider that a formal internal audit function would be a required additional internal control for this VCT at this time.
- The Company does not have a Remuneration Committee as it does not have any executive directors.
- The Company does not have a Nomination Committee as these matters are dealt with by the Board.

For the reasons set out in the 2019 AIC Code, and as explained in the UK Corporate Governance Code, the Board considers the above provisions are not relevant to the position of the Company, being an investment company run by the Board and managed by the Investment Manager. In particular, all of the Company's day-to-day administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations.

**By Order of the Board**
ISCA Administration Services Limited
Company Secretary
23 April 2025

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# Statutory Reports

# Audit Committee Report

This report is submitted in accordance with the 2019 AIC Code in respect of the year ended 31 December 2024 and describes the work of the Audit Committee in discharging its responsibilities.

The Committee's key objective is the provision of effective governance and oversight of the appropriateness of the Company's financial reporting, the performance of the auditor and the management of the internal control and business risks systems. The Directors forming the Audit Committee can be found on page 51.

The Audit Committee's terms of reference include the following responsibilities:

- reviewing and making recommendations to the Board in relation to the Company's published Annual Report and Financial Statements and other formal announcements relating to the Company's financial performance;
- advising the Board on whether the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable;
- advising the Board on whether the Annual Report and Financial Statements provides necessary information for shareholders to assess performance, business model and strategy;
- reviewing and making recommendations to the Board in relation to the Company's internal control (including internal financial control) and risk management systems;
- periodically considering the need for an internal audit function;
- making recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional regulatory requirements; and
- monitoring the extent to which the external auditor is engaged to supply non-audit services.

As part of the process of working with the Board to maximise effectiveness, meetings of the Committee usually take place immediately prior to a Board meeting when appropriate and a report is provided on relevant matters to enable the Board to carry out its duties.

The Committee reviews its terms of reference and its effectiveness periodically and recommends to the Board any changes required as a result of the review. The full terms of reference are available on request from the Company Secretary. The Committee meets at least twice each year and on an ad hoc basis as necessary. It has direct access to the Company's external auditor. The Committee is happy to recommend RPG for reappointment at the AGM in relation to the audit for the year ending 31 December 2025. RPG do not provide any non-audit services and as such, the Committee does not believe there is any risk that any non-audit services can influence their independence or objectivity due to any associated fee. When considering whether to recommend the reappointment of the external auditor the Committee takes into account the quality of service, tenure of the current auditor in addition to comparing the fees charged by similar sized audit firms. Once the Committee has made a recommendation to the Board in relation to the appointment of the external auditor, this is then ratified at the AGM through an Ordinary Resolution. A resolution to approve the reappointment of RPG will be proposed at the AGM on 22 May 2025 which has been included in the Notice of AGM on pages 100 to 103.

The effectiveness of the external audit is assessed as part of the Board evaluation conducted annually and by the quality and content of the Audit Plan and Report provided to the Committee by the Auditor and the resulting discussions on topics raised. The Committee also challenges the Auditor when present at a Committee meeting if appropriate.

The Company does not have an internal audit function as it is not deemed appropriate given the size of the Company and the nature of the Company's business. However, the Committee considers annually whether there is a need for such a function and if so would recommend this to the Board. The Investment Manager was required to appoint a depositary as part of its full-scope AIFM status which is responsible for monitoring the cash flows of the Company, overseeing the holding of financial assets in custody on behalf of the Company, verifying ownership interests, oversight and supervision of the Investment Manager and the Company and maintaining accurate records in relation to the above as required under the Alternative Investment Fund Managers Directive (Directive 2011/61/EU), transposed into UK law under the European Union (Withdrawal) Act 2018 and as set out in Fund 3.11 of the FCA Handbook of rules and guidance. As a result, the Directors do not consider that a formal internal audit function would be a required additional internal control for this VCT at this time.

The Committee will monitor the significant risks at each meeting and the Administration Manager will work closely with the Auditors to mitigate the risks and the resulting impact.

During the year ended 31 December 2024, the Audit Committee discharged its responsibilities by:

- reviewing and approving the external auditor's terms of engagement and remuneration;
- reviewing the external auditor's plan for the audit of the Company's Annual Report and Financial Statements, including identification of key risks and confirmation of auditor independence;
- reviewing Seneca's statement of internal controls in relation to the Company's business and assessing the effectiveness of those controls in minimising the impact of key risks;
- reviewing the appropriateness of the Company's accounting policies;
- reviewing the Company's draft Annual Report and Financial Statements and Interim results statements prior to Board approval;
- reviewing the Company's going concern status as referred to on pages 48 and 82; and
- reviewing the external auditor's Report to the Audit Committee on the annual Financial Statements.

The Committee has considered the Annual Report and Financial Statements for the year ended 31 December 2024 and has reported to the Board that it considers them to be fair, balanced and understandable and providing the information necessary for shareholders to assess the Company's performance, business model and strategy.

## Significant Risks

The Audit Committee is responsible for considering and reporting on any significant risks that arise in relation to the audit of the Annual Report and Financial Statements.

The key areas of risk that have been identified and considered by the Audit Committee in relation to the business activities and financial statements of the Company are as follows:

- Valuation and ownership of investment portfolio: The impact of this risk could be a large movement in the Company's net asset value. Guidelines, discussions, reviewing and challenging the basis and reasonableness of assumptions made in conjunction with available supporting information goes into the valuation process. The valuations are supported by investee company Financial Statements and/or third-party evidence where possible. Otherwise, valuations are supported by the share price of the most recent fundraising and/or management information. These give comfort to the Audit Committee.
- Compliance with HMRC conditions for maintenance of approved VCT status: Shoosmiths LLP provide the Company with advice on the on-going compliance with the HMRC rules and regulations concerning VCTs and the Investment Manager and the Board review the advice.
- Recognition of revenue from investments: Money market fund investment income represented 77% of the Company's income in 2024, with 13% represented by bank interest and the remaining 10% represented by B share pool investment loan note interest as at 31 December 2024. Revenue is recognised when the VCT's right to the return is established in accordance with the Statement of Recommended Practice. Seneca confirms to the Audit Committee that the revenues are recognised appropriately.

These issues were discussed with Seneca, the Board of Seneca Growth Capital and the Auditors at the pre-year end audit planning meeting and at the conclusion of the audit of the Annual Report and Financial Statements.

The Audit Committee is also responsible for considering and reporting on any significant issues that arise in relation to the audit of the Financial Statements. The Audit Committee can confirm that there were no significant issues to report to the shareholders in respect of the audit of the Financial Statements for the year ended 31 December 2024.

**Alex Clarkson**
Audit Committee Chair
23 April 2025

# Directors' Remuneration Report and Policy

## Annual Remuneration Report

This report is submitted in accordance with the requirements of s420-422 of the Companies Act 2006, in respect of the year ended 31 December 2024. Resolutions to approve the Directors' Remuneration Policy and the Directors' Remuneration Report will be proposed at the Annual General Meeting on 22 May 2025. The Directors' Remuneration Policy must be proposed for shareholder approval at least every three years, or earlier if there is a proposed change to the Remuneration Policy. The Remuneration Policy was last approved by shareholders at the Annual General Meeting on 27 April 2022 and will therefore be proposed for shareholder approval at the Annual General Meeting on 22 May 2025.

The Company's independent auditor, RPG, is required to give its opinion on certain information included in this report as indicated below. Their report on these and other matters is set out on pages 64 to 68.

## Statement from the Chair of the Board In Relation to Directors' Remuneration Matters

The Board is mindful of its obligation to set remuneration at levels which will attract and maintain an appropriate calibre of individuals whilst simultaneously protecting the interests of shareholders.

During the year to 31 December 2024, the Board reviewed its existing remuneration levels, having considered the remuneration payable to non-executive directors of comparable VCTs, the demand for non-executive directors within the financial sector and the increasing regulatory requirements with which the sector is required to comply. The Board agreed to increase Directors' fees partway through the year from £17,500 to £20,000 effective 1 June 2024 in line with VCT sector remuneration. As with any Board comprising solely of non-executive directors it is unlikely that a Director can fully abstain from any discussion or decision concerning their own fees. Directors' remuneration consists of a base fee for all Directors and each Director participated in the process of setting the level of this fee. The Board considers that this process is consistent with the spirit of the AIC Code on the setting of Directors' fees.

The Company's Articles of Association limit the aggregate amount that can be paid to the Directors in fees to £150,000 per annum.

At the AGM held on 15 May 2024, the following votes were cast in the Poll voting on the Remuneration Report:

| | Number of votes | % of votes cast |
|---|---|---|
| For | 2,493,848 | 95.20 |
| Against | 125,765 | 4.80 |
| **Total votes cast** | **2,619,613** | **100.00** |
| Number of votes withheld | 46,651 | |

The Remuneration Policy was also last approved by the shareholders at the AGM held on 27 April 2022.

| | Number of votes | % of votes cast |
|---|---|---|
| For | 2,265,415 | 99.52 |
| Against | 4,979 | 0.22 |
| At Chair's discretion | 6,000 | 0.26 |
| **Total votes cast** | **2,276,394** | **100.00** |
| Number of votes withheld | 59,418 | |

### Directors' interests

The Directors' interests, including those of connected persons in the issued share capital of the Company are outlined below. There is no minimum holding requirement that the Directors need to adhere to.

**Ordinary Shares**

| | 31 December 2024 | | 31 December 2023 | |
|---|---|---|---|---|
| | Shares | % of share capital | Shares | % of share capital |
| Ian Dighé (Chair) | - | - | - | - |
| Alex Clarkson (Chair of the Audit Committee) | - | - | - | - |
| Mary Anne Cordeiro (Senior Independent Non-Executive Director) | - | - | - | - |
| Richard Manley | - | - | - | - |
| John Hustler* | 190,000 | 2.34 | 190,000 | 2.34 |

**retired 15 May 2024*

**B Shares**

| | 31 December 2024 | | 31 December 2023 | |
|---|---|---|---|---|
| | Shares | % of share capital | Shares | % of share capital |
| Ian Dighé (Chair) | - | - | - | - |
| Alex Clarkson (Chair of the Audit Committee) | 10,060 | 0.04 | 10,060 | 0.05 |
| Mary Anne Cordeiro (Senior Independent Non-Executive Director) | - | - | - | - |
| Richard Manley | 148,672 | 0.61 | 129,661 | 0.60 |
| John Hustler* | 31,841 | 0.13 | 31,841 | 0.15 |

**retired 15 May 2024*

There have been no changes in the Directors' interests since 31 December 2024. No options over the share capital of the Company have been granted to the Directors.

Details of the Directors' remuneration are disclosed below and in Note 4 on page 86.

**Pensions (Information Subject to Audit)**

None of the Directors receives, or is entitled to receive, pension benefits from the Company.

**Share options and long-term incentive schemes (Information Subject to Audit)**

The Company does not grant any options over the share capital of the Company nor operate long-term incentive schemes.

**Relative spend on pay**

The table below sets out:

a) the remuneration paid to the Directors; and
b) the distributions made to shareholders by way of dividends paid in the financial year ended 31 December 2024 and the preceding financial year.

No shares are held in Treasury.

| | Year ended 31 December 2024 | Year ended 31 December 2023 | Change % |
|---|---|---|---|
| Total remuneration | 82,553 | 74,824 | 10.3 |
| Dividends paid (Note 14) | 717,367 | 791,730 | (9.4) |

**Directors' Emoluments (Information Subject to Audit)**

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

**Directors' Fees**

| | Year ended 31 December 2024 | Year ended 31 December 2023 |
|---|---|---|
| | £ | £ |
| Ian Dighé (Chair) | 19,083 | 3,814 |
| Alex Clarkson (Chair of the Audit Committee) | 18,958 | 16,558 |
| Mary Anne Cordeiro (Senior Independent Non-Executive Director) | 18,958 | 10,839 |
| Richard Manley | 18,958 | 16,490 |
| John Hustler* | 6,596 | 16,558 |
| Richard Roth | - | 10,565 |
| **Total** | **82,553** | **74,824** |

**retired 15 May 2024*

The Directors did not receive any other form of emoluments in addition to the Directors' fees during the year. John Hustler as the sole member of the CAC, may be entitled to performance fees in the future as referred to below. Directors may be entitled to fees from investee companies when acting on the Company's behalf as Director, Observer or Consultant to those investees; however, no Directors currently perform such a role in relation to the Ordinary share pool and any fee that could be payable in relation to the B share pool would be payable to Seneca and would be disclosed in Note 19. The Board will ensure that any such fee would not present a conflict of interest which could impact its independent judgment.

**Total Shareholder Return Performance Graph**

The graphs on pages 36 to 37 compare the NAV return (rebased to 100) of the Company's Ordinary shares over the period from October 2001 to December 2024 and the B shares from August 2018 to December 2024, with the total return from a notional investment (rebased to 100) in the FTSE AIM All-Share Index over the same period. This index is considered to be the most appropriate equity market against which investors can measure the relative performance of the Company due to average market cap per listing, risk profile and its investor base being more directly comparable to the Company's.

**Statement of the Company's policy on Directors' Remuneration**

The Board manages the Company and consists of four non-executive Directors as at 31 December 2024, who meet formally as a Board at least four times a year and on other occasions as necessary, to deal with the important aspects of the Company's affairs. Seneca is the Company's Investment Manager and is responsible for the management of the investments made from the B share pool, although management of the investments in the Company's Ordinary share pool has been delegated to the remaining members of the Board of the Company serving immediately prior to the appointment of Seneca (the CAC), which now consists solely of John Hustler.

The performance incentive fees relevant to those Directors serving up to 7 October 2015 were revised under an agreement dated 7 October 2015 (the "Accrued Performance Incentive Fee"). The new arrangements froze the sum due to those Directors serving up to 7 October 2015 at £702,000 (the accrued liability as disclosed in the 2014 audited Financial Statements) which will only start to become payable once a further 6.70p of dividends have been paid in respect of each Ordinary share (such that original subscribing shareholders will have received 80p per share in dividends). As no liability is payable to any relevant Director more than five years after his resignation from the CAC, James Otter and Charles Breese are no longer entitled to any such fee: as explained in Note 5, so their potential share of any liability has been extinguished and the remaining total potential liability under the Accrued Performance Incentive Fee has been reduced to £234,000. This liability will then be paid at the rate of 8.3% of subsequent dividends until a liability of £234,000 has been discharged; this is in keeping with the original approved arrangement. Following the payment of this liability, any further performance fee in the future will be payable at the reduced rate of 10% of total distributions above the audited total return at 31 December 2014, with the outstanding balance subject to a hurdle rate of 6% per annum, and will be allocated to John Hustler as the sole remaining eligible member of the CAC based on a formula driven by relative length of service starting from 7 October 2015 ("Further Performance Incentive Fee"). Further details of the revised arrangements are set out in Note 5 to the Financial Statements.

The Board as a whole considers Directors' remuneration and has not appointed a separate committee in this respect.

The Board increased Directors' fees in the year from £17,500 per annum to £20,000 per annum with effect from 1 June 2024 plus travel expenses.

**Company Strategy**

To provide shareholders with an attractive income and capital return by investing its funds in a portfolio of both unquoted and AIM/AQSE quoted UK companies which meet the relevant criteria under the VCT rules.

**Terms of Appointment**

Directors are appointed with the expectation that they will serve for a period of at least three years. All Directors retire at the first general meeting after election and thereafter will be subject to re-election on an annual basis in line with practices recommended in the 2019 AIC Code. Re-election will be recommended by the Board but is dependent upon a shareholder vote.

Each Director has received a letter of appointment. A Director may resign by notice in writing to the Board at any time. Current and former members of the CAC are entitled to a pro rata proportion of any performance fees payable to the CAC, accruing at the date of resignation up to five years from the date of resignation.

**By order of the Board**
ISCA Administration Services Limited
Company Secretary
23 April 2025

# Directors' Responsibilities Statement

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

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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:**

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

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

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

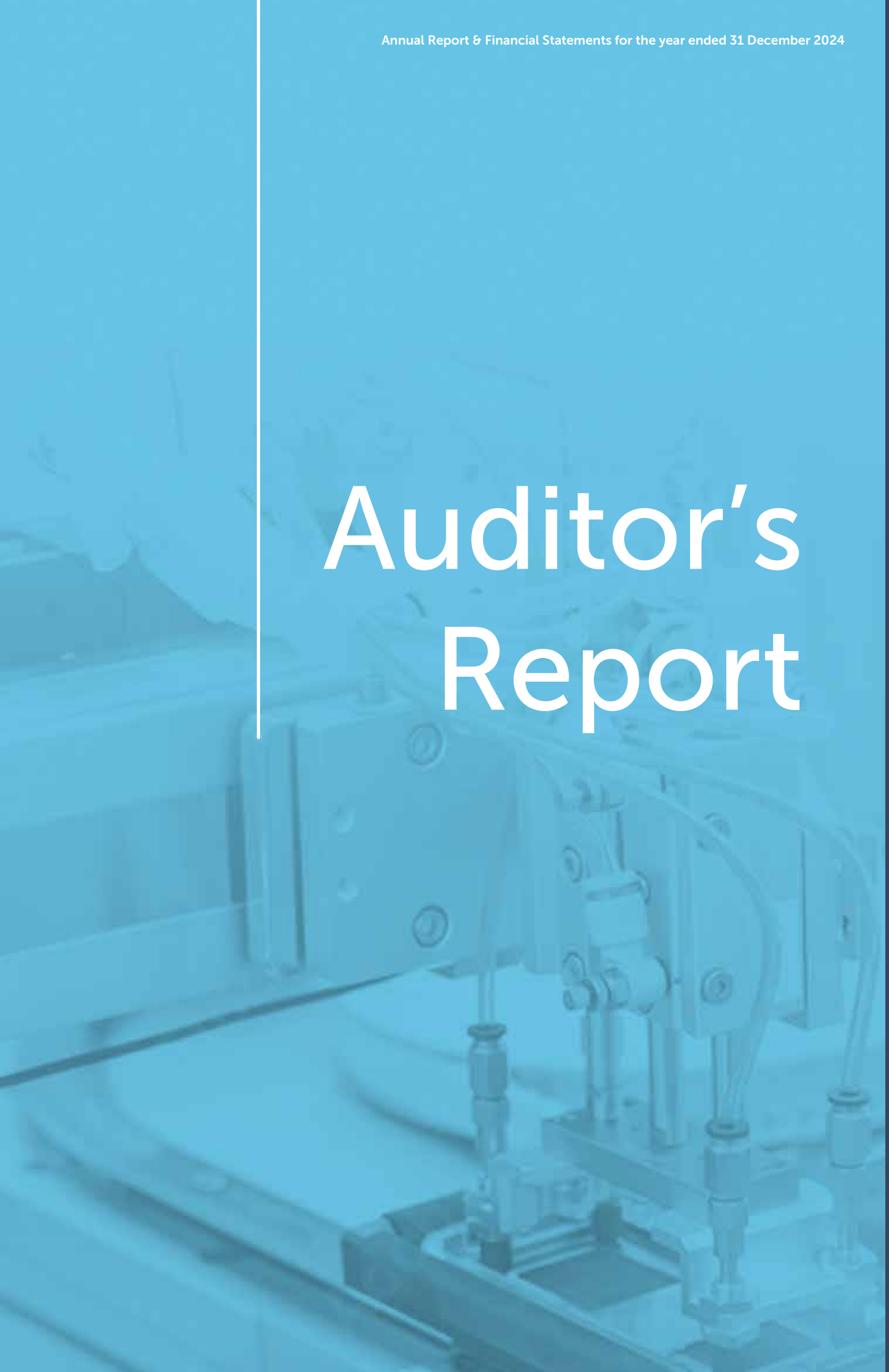
**Each of the Directors confirms that, to the best of their knowledge:**

- there is no relevant audit information of which the Company's auditor is unaware;
- 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 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 Investment Manager's Report, Business Review and Directors' Report include 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

**Ian Dighé**
Chair
23 April 2025

# Auditor's Report



# Independent Auditor's Report to the Members of Seneca Growth Capital VCT Plc

## Opinion

We have audited the financial statements of Seneca Growth Capital VCT Plc (the 'Company') for the year ended 31 December 2024 which comprise the Income Statements, Balance Sheets, Statements of Changes in Equity, Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic or Ireland (United Kingdom Generally Accepted Accounting Practice).

**In our opinion:**

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We were appointed by the Board on 29 November 2023 to audit the financial statements for the year ended 31 December 2023 and subsequent financial periods. Our total uninterrupted period of engagement is two years. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standards as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company.

Our audit opinion is consistent with the additional report to the Audit Committee.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the VCT compliance reports prepared by management's expert during the year and as at the year end, and reviewing the calculations therein to check that the Company was meeting the requirements to retain VCT status;
- Discussing future plans with management, including the expectation of future compliance with VCT legislation, reviewing forecasts including expected cash flows and considering the appropriateness and sensitivity of assumptions used in the preparation of those forecasts; and
- Reviewing the results of subsequent events and assessing the impact on the financial statements and considering whether management have used all relevant information in their assessment and enquiring whether any known events or conditions beyond the period of assessment may affect going concern.

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

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

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

## Our approach to the audit

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

## Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements. For the purposes of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

We determined the materiality for the financial statements as a whole to be £287,000 (2023: £172,000) based on 2% of gross assets (2023: 1% of gross assets). The percentage applied in 2023 had been reduced to reflect a first year audit engagement. As a consequence of the results of that audit we have set materiality this year at a higher level which is consistent with other VCT audits in the market.

Performance materiality was set at £215,000 (2023: £129,000), being 75% of financial statement materiality having considered a number of factors including the level of transactions in the year and the expected total value of known and likely misstatements.

For income statement and balance sheet items not related to investment balances and movements, we determined that misstatements of lesser amounts than materiality for the financial statements as a whole would make it probable that the judgment of users, relying on the information would have been changed or influenced by the misstatement or omission. Accordingly, we set a specific materiality figure of £14,000 (2023: £134,000) for these other balances. Performance materiality was set at £11,000 (2023: £100,000). The specific materiality was based on 10% of loss before tax (excluding investment gains & losses) (2023: 5% of loss before tax) which we consider to be a more appropriate measure than previously applied.

We agreed with the board that we shall report to them misstatements in excess of £10,000 (£1,000 in respect of matters audited with specific materiality) that we identify through the course of the audit, together with any qualitative matters that warrant reporting.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As set out below we have determined management override of controls and valuation of unquoted investments to be the key audit matters to be communicated in our report.

| **Key audit matter : Management override of controls** |
|---|
| Under ISA (UK) 240 The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements, there is a presumed significant risk of management override of the system of internal controls.<br><br>The primary responsibility for the prevention and detection of fraud rests with management. Their role in the detection of fraud is an extension of their role in preventing fraudulent activity.<br><br>Management are responsible for establishing a sound system of internal control designed to support the achievement of policies, aims and objectives and to manage risks facing an entity; this includes the risk of fraud.<br><br>Management are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.<br><br>For these reasons we consider management override of controls to be a key audit matter. |

**How our scope addressed this matter**

Our work in this area included:

- Review of journals processed during the period and in the preparation of the financial statements to determine whether these were appropriate.
- Review of bank transactions throughout the period and since the year end for material, round sum or unusual amounts and evidenced these back to appropriate documentation.
- Review of key estimates, judgments and assumptions within the financial statements for evidence of management bias and agreement of any such to appropriate supporting documentation.
- Assessment of whether the financial results and accounting records included any significant or unusual transactions where the economic substance was not clear.

**Our conclusion**

Based on the procedures performed, we are satisfied that the accounting records and financial statements are free from material misstatement in this respect.

**Key audit matter: Valuation of unquoted investments**

Due to the material value of unquoted investments which involves a significant amount of judgment and estimation, the valuation of such financial instruments is considered to be a significant risk.

**How our scope addressed this matter**

For unquoted investments we have:

- Obtained an understanding of how the valuations were performed, considered whether the method chosen was in accordance with IPEV guidance and FRS 102, and challenged the assumptions applied to the valuation inputs.
- Considered alternative valuation methods and discussed these with the Directors and the investment manager to gain comfort as to why alternative methods were not used and considered the rationale for changes in basis from one year to the next, if any.
- Performed sensitivity analysis on any relevant inputs to determine whether the valuation calculations are reasonable and free of bias.
- Considered any changes in the markets and environment in which the investee companies operate and reviewed latest available information available to management.
- Utilised an expert outside of the audit team to assist in evaluating the valuations undertaken by the investment manager for a sample of investments held at the financial year end.

**Our conclusion**

Based on the procedures performed, we consider the unquoted investment valuations to be appropriate given the level of estimation uncertainty.

## Other information

The other information comprises the information included in the Annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual report. Our opinion on the Company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Corporate Governance Statement

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

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

| Going concern and longer term viability |
|---|
| • The Directors' statement on page 48 with regards to the appropriateness of adopting the going concern basis of accounting in preparing the financial statements and any material uncertainties identified; and<br>• The Directors' explanation on page 48 as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate. |
| **Other code provisions** |
| • The Directors' statement on page 56 is fair, balanced and understandable;<br>• The Board's confirmation on page 39 that is has carried out a robust assessment of emerging and principal risks;<br>• The section of the Annual Report on pages 40 that describes the review of effectiveness of the Company's risk management and internal control systems; and<br>• The section of the Annual Report on pages 56 to 57 that describes the work of the Audit Committee, including the significant issues that the Audit Committee considered relating to the financial statements. |

## Opinions on other matters prescribed by Companies Act 2006

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

| Strategic Report and Directors' Report |
|---|
| In our opinion, based on the work undertaken in the course of the audit:<br><br>• the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and<br>• the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.<br><br>In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report. |
| **Directors' remuneration** |
| In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006. |
| **Matters on which we are required to report by exception** |
| We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:<br><br>• adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or<br>• the Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or<br>• certain disclosures of Directors' remuneration specified by law are not made; or<br>• we have not received all the information and explanations we require for our audit. |

## Responsibilities of Directors

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

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

## Auditor's responsibilities for the audit of the financial statements

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

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

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

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit work included but was not limited to the following procedures.

We obtained an understanding of the legal and regulatory frameworks that apply to the Company and identified the key laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, including the Companies Act 2006, the FCA Listing and DTR Rules, the UK Corporate Governance Code and UK tax legislation.

**Our procedures in respect of the above included:**

- Considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud;
- Making enquiries of Directors and management regarding their policies and procedures for compliance with laws and regulations;
- Making enquiries of Directors and management and reviewing Board and Committee minutes regarding known or suspected non compliance with laws and regulations; and
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit.

**Our audit procedures in relation to fraud included but were not limited to:**

- Making enquiries of Directors and management and reviewing Board and Committee minutes regarding known or suspected instances of fraud;
- Gaining an understanding of the policies and procedures relating to the detection of fraud and internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud;
- Evaluating performance incentives and opportunities for fraudulent manipulation of the financial statements; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

Based on our risk assessment we identified management override of controls and valuation of unquoted investments to be the areas most susceptible to fraud. Our audit procedures in respect of the above include matters covered in Key audit matters above.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

## Use of our report

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

**Martin Chatten**
**(Senior Statutory Auditor)**
**For and on behalf of Royce Peeling Green Limited**
**Chartered Accountants**
**Statutory Auditor**

The Copper Room
Deva City Office Park
Trinity Way
Manchester M3 7BG

23 April 2025

# Financial Statements

# Combined Income Statement

| | Note | Combined Year to 31 December 2024 Revenue £'000 | Capital £'000 | Total £'000 | Combined Year to 31 December 2023 Revenue £'000 | Capital £'000 | Total £'000 |
|---|---|---|---|---|---|---|---|
| Gain on disposal of fixed asset investments | | **-** | **100** | **100** | - | 942 | 942 |
| (Loss) on valuation of fixed asset investments | | **-** | **(3,709)** | **(3,709)** | - | (3,343) | (3,343) |
| Income | 11 | **224** | **-** | **224** | 3 | - | 3 |
| Decrease in Performance fee | 5 | **-** | **88** | **88** | - | 207 | 207 |
| Investment management fee net of cost cap | 2 | **(54)** | **(161)** | **(215)** | (57) | (171) | (228) |
| Other expenses | 3 | **(230)** | **-** | **(230)** | (252) | - | (252) |
| **Return on ordinary activities before tax** | | **(60)** | **(3,682)** | **(3,742)** | (306) | (2,365) | (2,671) |
| Tax on return on ordinary activities | 6 | **-** | **-** | **-** | - | - | - |
| **Return on ordinary activities after tax** | | **(60)** | **(3,682)** | **(3,742)** | (306) | (2,365) | (2,671) |
| *Return on ordinary activities after tax attributable to:* Owners of the fund | | **(60)** | **(3,682)** | **(3,742)** | (306) | (2,365) | (2,671) |

There was no other Comprehensive Income recognised during the year.

1. The 'Total' column of the income statement and statement of comprehensive income is the profit and loss account of the Company; the supplementary revenue return and capital return columns have been prepared under guidance published by the Association of Investment Companies.
2. All revenue and capital items in the above statement derive from continuing operations.
3. The Company has only one class of business and derives its income from investments made in shares and securities and from bank and money market funds.
4. The Company has two share classes, the Ordinary share and B share class.

The Company has no recognised gains or losses other than the results for the year as set out above.

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

# Ordinary Share Income Statement (Non-statutory Analysis)

| | | **Ordinary shares Year to 31 December 2024** | | | Ordinary shares Year to 31 December 2023 | | |
|---|---|---|---|---|---|---|---|
| | Note | **Revenue £'000** | **Capital £'000** | **Total £'000** | Revenue £'000 | Capital £'000 | Total £'000 |
| Gain on disposal of fixed asset investments | | **-** | **31** | **31** | - | - | - |
| (Loss) on valuation of fixed asset investments | 9 | **-** | **(242)** | **(242)** | - | (1,521) | (1,521) |
| Income | 11 | **3** | **-** | **3** | - | - | - |
| Decrease in Performance fee | 5 | **-** | **88** | **88** | - | 207 | 207 |
| Other expenses | 2 | **(22)** | **-** | **(22)** | (33) | - | (33) |
| **Return on ordinary activities before tax** | | **(19)** | **(123)** | **(142)** | (33) | (1,314) | (1,347) |
| Tax on return on ordinary activities | 6 | **-** | **-** | **-** | - | - | - |
| **Return on ordinary activities after tax** | | **(19)** | **(123)** | **(142)** | (33) | (1,314) | (1,347) |
| *Return on ordinary activities after tax attributable to:* Ordinary shareholders | | **(19)** | **(123)** | **(142)** | (33) | (1,314) | (1,347) |
| **Earnings per share – basic and diluted** | 7 | **(0.2)p** | **(1.5)p** | **(1.7)p** | (0.4)p | (16.2)p | (16.6)p |

# B Share Income Statement (Non-statutory Analysis)

| | Note | **B shares Year to 31 December 2024** | | | B shares Year to 31 December 2023 | | |
|---|---|---|---|---|---|---|---|
| | | **Revenue £'000** | **Capital £'000** | **Total £'000** | Revenue £'000 | Capital £'000 | Total £'000 |
| Gain on disposal of fixed asset investments | | **-** | **69** | **69** | - | 942 | 942 |
| (Loss) on valuation of fixed asset investments | 9 | **-** | **(3,467)** | **(3,467)** | - | (1,822) | (1,822) |
| Income | 11 | **221** | **-** | **221** | 3 | - | 3 |
| Investment management fee net of cost cap | 2 | **(54)** | **(161)** | **(215)** | (57) | (171) | (228) |
| Other expenses | 2 | **(208)** | **-** | **(208)** | (219) | - | (219) |
| **Return on ordinary activities before tax** | | **(41)** | **(3,559)** | **(3,600)** | (273) | (1,051) | (1,324) |
| Tax on return on ordinary activities | 6 | **-** | **-** | **-** | - | - | - |
| **Return on ordinary activities after tax** | | **(41)** | **(3,559)** | **(3,600)** | (273) | (1,051) | (1,324) |
| *Return on ordinary activities after tax attributable to:* B shareholders | | **(41)** | **(3,559)** | **(3,600)** | (273) | (1,051) | (1,324) |
| **Earnings per share – basic and diluted** | 7 | **(0.2)p** | **(15.4)p** | **(15.6)p** | (1.4)p | (5.2)p | (6.6)p |

# Combined Balance Sheet

| | | Combined as at 31 December 2024 | | Combined as at 31 December 2023 | |
|---|---|---|---|---|---|
| | Note | £'000 | £'000 | £'000 | £'000 |
| Fixed asset investments* | 9 | | **9,954** | | 11,863 |
| *Current assets:* | | | | | |
| Debtors | 10 | **21** | | 13 | |
| Cash at bank | | **1,537** | | 1,455 | |
| Money market funds | 16 | **2,645** | | 3,896 | |
| Creditors: amounts falling due within one year | 12 | **(161)** | | (189) | |
| **Net current assets** | | | **4,042** | | 5,175 |
| Creditors: amounts falling due after more than one year | 12 | | **(58)** | | (146) |
| **Net assets** | | | **13,938** | | 16,892 |
| Called up equity share capital | 13 | | **324** | | 299 |
| Share premium | 14 | | **2,718** | | 1,077 |
| Capital redemption reserve | 14 | | **4** | | 1 |
| Special distributable reserve | 14 | | **19,623** | | 20,504 |
| Capital reserve – realised gains and losses | 14 | | **1,653** | | 1,610 |
| Capital reserve – holding gains and losses | 14 | | **(7,269)** | | (3,544) |
| Revenue reserve | 14 | | **(3,115)** | | (3,055) |
| **Total equity shareholders' funds** | | | **13,938** | | 16,892 |

**At fair value through profit and loss*

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

The statements were approved by the Directors and authorised for issue on 23 April 2025 and are signed on their behalf by:

**Ian Dighé**
Chair
Company No: 04221489

# Ordinary Share Balance Sheet (Non-statutory Analysis)

| | | **Ordinary shares as at 31 December 2024** | | Ordinary shares as at 31 December 2023 | |
|---|---|---|---|---|---|
| | Note | **£'000** | **£'000** | £'000 | £'000 |
| Fixed asset investments* | 9 | | **1,174** | | 1,453 |
| *Current assets:* | | | | | |
| Cash at bank | | **263** | | 214 | |
| Creditors: amounts falling due within one year | 12 | **(22)** | | (22) | |
| **Net current assets** | | | **241** | | 192 |
| Creditors: amounts falling due after more than one year | 12 | | **(58)** | | (146) |
| **Net assets** | | | **1,357** | | 1,499 |
| Called up equity share capital | 13 | | **81** | | 81 |
| Special distributable reserve | | | **3,436** | | 3,436 |
| Capital reserve – realised gains and losses | | | **387** | | 252 |
| Capital reserve – holding gains and losses | | | **(506)** | | (248) |
| Revenue reserve | | | **(2,041)** | | (2,022) |
| **Total equity shareholders' funds** | | | **1,357** | | 1,499 |
| **Net asset value per share** | 8 | | **16.7p** | | 18.5p |

**At fair value through profit and loss*

# B Share Balance Sheet (Non-statutory Analysis)

| | | B shares as at 31 December 2024 | | B shares as at 31 December 2023 | |
|---|---|---|---|---|---|
| | Note | £'000 | £'000 | £'000 | £'000 |
| Fixed asset investments* | 9 | | **8,780** | | 10,410 |
| *Current assets:* | | | | | |
| Debtors | 10 | **21** | | 13 | |
| Cash at bank | | **1,274** | | 1,241 | |
| Money market funds | 16 | **2,645** | | 3,896 | |
| Creditors: amounts falling due within one year | 12 | **(139)** | | (167) | |
| **Net current assets** | | | **3,801** | | 4,983 |
| **Net assets** | | | **12,581** | | 15,393 |
| Called up equity share capital | 13 | | **243** | | 218 |
| Share premium | | | **2,718** | | 1,077 |
| Capital redemption reserve | | | **4** | | 1 |
| Special distributable reserve | | | **16,187** | | 17,068 |
| Capital reserve – realised gains and losses | | | **1,266** | | 1,358 |
| Capital reserve – holding gains and losses | | | **(6,763)** | | (3,296) |
| Revenue reserve | | | **(1,074)** | | (1,033) |
| **Total equity shareholders' funds** | | | **12,581** | | 15,393 |
| **Net asset value per share** | 8 | | **51.8p** | | 70.7p |

**At fair value through profit and loss*

# Combined Statement of Changes in Equity

| | Share capital | Share premium | Capital Redemption Reserve | Special distributable reserve | Capital reserve realised gains/ (losses) | Capital reserve holding gains/ (losses) | Revenue reserve | Total |
|---|---|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Balance as at 1 January 2023** | **269** | **14,537** | **-** | **5,642** | **2,113** | **(1,682)** | **(2,749)** | **18,130** |
| B share issue | 31 | 2,269 | - | - | - | - | - | 2,300 |
| Own shares purchased for cancellation | (1) | | 1 | (76) | | | | (76) |
| Capital reduction | - | (15,729) | - | 15,729 | | | | - |
| Revenue return on ordinary activities after tax | - | - | - | - | - | - | (306) | (306) |
| Expenses charged to capital | - | - | - | - | (171) | - | - | (171) |
| Performance fee allocated as capital expenditure | - | - | - | - | 207 | - | - | 207 |
| Dividends paid | - | - | - | (791) | - | - | - | (791) |
| Current period gains on disposal | - | - | - | - | 942 | - | - | 942 |
| Current period losses on fair value of investments | - | - | - | - | - | (3,343) | - | (3,343) |
| Prior years' unrealised losses now realised | - | - | - | - | (1,481) | 1,481 | - | - |
| **Balance as at 31 December 2023** | **299** | **1,077** | **1** | **20,504** | **1,610** | **(3,544)** | **(3,055)** | **16,892** |
| B share issue | 28 | 1,641 | - | - | - | - | - | 1,669 |
| Own shares purchased for cancellation | (3) | - | 3 | (164) | - | - | - | (164) |
| Revenue return on ordinary activities after tax | - | - | - | - | - | - | (60) | (60) |
| Expenses charged to capital | - | - | - | - | (161) | - | - | (161) |
| Performance fee allocated as capital expenditure | - | - | - | - | 88 | - | - | 88 |
| Dividends paid | - | - | - | (717) | - | - | - | (717) |
| Current period gains on disposal | - | - | - | - | 100 | - | - | 100 |
| Current period losses on fair value of investments | - | - | - | - | - | (3,709) | - | (3,709) |
| Prior years' unrealised losses now realised | - | - | - | - | 16 | (16) | - | - |
| **Balance as at 31 December 2024** | **324** | **2,718** | **4** | **19,623** | **1,653** | **(7,269)** | **(3,115)** | **13,938** |

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

# Ordinary Shares Statement of Changes in Equity (Non-statutory Analysis)

| | Share capital | Share premium | Capital Redemption Reserve | Special distributable reserve | Capital reserve realised gains/ (losses) | Capital reserve holding gains/ (losses) | Revenue reserve | Total |
|---|---|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Balance as at 1 January 2023** | **81** | **-** | **-** | **3,598** | **985** | **333** | **(1,989)** | **3,008** |
| Revenue return on ordinary activities after tax | - | - | - | - | - | - | (33) | (33) |
| Performance fee allocated as capital expenditure | - | - | - | - | 207 | - | - | 207 |
| Dividends paid | - | - | - | (162) | - | - | - | (162) |
| Current period gains on disposal | - | - | - | - | - | - | - | - |
| Current period losses on fair value of investments | - | - | - | - | - | (1,521) | - | (1,521) |
| Prior years' unrealised losses now realised | - | - | - | - | (940) | 940 | - | - |
| **Balance as at 31 December 2023** | **81** | **-** | **-** | **3,436** | **252** | **(248)** | **(2,022)** | **1,499** |
| Revenue return on ordinary activities after tax | - | - | - | - | - | - | (19) | (19) |
| Performance fee allocated as capital expenditure | - | - | - | - | 88 | - | - | 88 |
| Dividends paid | - | - | - | - | - | - | - | - |
| Current period gains on disposal | - | - | - | - | 31 | - | - | 31 |
| Current period losses on fair value of investments | - | - | - | - | - | (242) | - | (242) |
| Prior years' unrealised losses now realised | - | - | - | - | 16 | (16) | - | - |
| **Balance as at 31 December 2024** | **81** | **-** | **-** | **3,436** | **387** | **(506)** | **(2,041)** | **1,357** |

# B Shares Statement of Changes in Equity (Non-statutory Analysis)

| | Share capital | Share premium | Capital Redemption Reserve | Special distributable reserve | Capital reserve realised gains/ (losses) | Capital reserve holding gains/ (losses) | Revenue reserve | Total |
|---|---|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Balance as at 1 January 2023** | **188** | **14,537** | **-** | **2,044** | **1,128** | **(2,015)** | **(760)** | **15,122** |
| B share issue | 31 | 2,269 | - | - | - | - | - | 2,300 |
| Own shares purchased for cancellation | (1) | - | 1 | (76) | - | - | - | (76) |
| Capital reduction | - | (15,729) | - | 15,729 | - | - | - | - |
| Revenue return on ordinary activities after tax | - | - | - | - | - | - | (273) | (273) |
| Expenses charged to capital | - | - | - | - | (171) | - | - | (171) |
| Dividends paid | - | - | - | (629) | - | - | - | (629) |
| Current period gains on disposal | - | - | - | - | 942 | - | - | 942 |
| Current period losses on fair value of investments | - | - | - | - | - | (1,822) | - | (1,822) |
| Prior years' unrealised profits now realised | - | - | - | - | (541) | 541 | - | - |
| **Balance as at 31 December 2023** | **218** | **1,077** | **1** | **17,068** | **1,358** | **(3,296)** | **(1,033)** | **15,393** |
| B share issue | 28 | 1,641 | - | - | - | - | - | 1,669 |
| Own shares purchased for cancellation | (3) | - | 3 | (164) | - | - | - | (164) |
| Revenue return on ordinary activities after tax | - | - | - | - | - | - | (41) | (41) |
| Expenses charged to capital | - | - | - | - | (161) | - | - | (161) |
| Dividends paid | - | - | - | (717) | - | - | - | (717) |
| Current period gains on disposal | - | - | - | - | 69 | - | - | 69 |
| Current period losses on fair value of investments | - | - | - | - | - | (3,467) | - | (3,467) |
| Prior years' unrealised losses now realised | - | - | - | - | - | - | - | - |
| **Balance as at 31 December 2024** | **243** | **2,718** | **4** | **16,187** | **1,266** | **(6,763)** | **(1,074)** | **12,581** |

# Combined Statement of Cash Flows

| | Note | **Combined Year to 31 December 2024** | Combined Year to 31 December 2023 |
|---|---|---|---|
| | | **£'000** | £'000 |
| *Cash flows from operating activities* | | | |
| Return on ordinary activities before tax | | **(3,742)** | (2,671) |
| *Adjustments for:* | | | |
| Increase in debtors | 10 | **(8)** | (3) |
| Decrease in creditors | 12 | **(116)** | (186) |
| Gain on disposal of fixed asset investments | | **(100)** | (942) |
| Loss on valuation of fixed asset investments | | **3,709** | 3,343 |
| **Cash from operations** | | **(257)** | (459) |
| Income taxes paid | 6 | **-** | - |
| **Net cash used in operating activities** | | **(257)** | (459) |
| *Cash flows from investing activities* | | | |
| Purchase of fixed asset investments | 9 | **(1,966)** | (2,437) |
| Sale of fixed asset investments | 9 | **266** | 1,749 |
| **Total cash outflow from investing activities** | | **(1,700)** | (688) |
| *Cash flows from financing activities* | | | |
| Dividend paid | 14 | **(717)** | (791) |
| Own shares purchased for cancellation | 14 | **(164)** | (76) |
| Issue of B shares | 13 | **1,669** | 2,300 |
| **Total cash inflow from financing activities** | | **788** | 1,433 |
| **(Decrease) / increase in cash and cash equivalents** | | **(1,169)** | 286 |
| Opening cash and cash equivalents | | **5,351** | 5,065 |
| **Closing cash and cash equivalents** | | **4,182** | 5,351 |
| *Cash and cash equivalents comprise* | | | |
| Cash at bank | | **1,537** | 1,455 |
| Money market funds | 16 | **2,645** | 3,896 |
| **Closing cash and cash equivalents** | | **4,182** | 5,351 |

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

# Ordinary Shares Statement of Cash Flows (Non-statutory Analysis)

| | Note | **Ordinary shares Year to 31 December 2024** | Ordinary shares Year to 31 December 2023 |
|---|---|---|---|
| | | **£'000** | £'000 |
| *Cash flows from operating activities*<br>Return on ordinary activities before tax | | **(142)** | (1,347) |
| *Adjustments for:*<br>Decrease in creditors | | **(88)** | (207) |
| Gain on disposal of fixed asset investments | | **(31)** | - |
| Loss on valuation of fixed asset investments | 9 | **242** | 1,521 |
| **Cash from operations** | | **(19)** | (33) |
| Income taxes paid | 6 | **-** | - |
| **Net cash used in operating activities** | | **(19)** | (33) |
| *Cash flows from investing activities*<br>Sale of fixed asset investments | 9 | **68** | - |
| **Total cash inflow / (outflow) from investing activities** | | **68** | (33) |
| *Cash flows from financing activities*<br>Dividend paid | | **-** | (162) |
| **Total cash outflow from financing activities** | | **-** | (162) |
| **Increase / (decrease) in cash and cash equivalents** | | **49** | (195) |
| Opening cash and cash equivalents | | **214** | 409 |
| **Closing cash and cash equivalents** | | **263** | 214 |
| *Cash and cash equivalents comprise*<br>Cash at bank | | **263** | 214 |
| **Closing cash and cash equivalents** | | **263** | 214 |

# B Shares Statement of Cash Flows (Non-statutory Analysis)

| | Note | **B shares Year to 31 December 2024** | B shares Year to 31 December 2023 |
|---|---|---|---|
| | | **£'000** | £'000 |
| *Cash flows from operating activities*<br>Return on ordinary activities before tax | | **(3,600)** | (1,324) |
| *Adjustments for:*<br>Increase in debtors | | **(8)** | (3) |
| (Decrease) / increase in creditors | | **(28)** | 21 |
| Gain on disposal of fixed asset investments | | **(69)** | (942) |
| Loss on valuation of fixed asset investments | 9 | **3,467** | 1,822 |
| **Cash from operations** | | **(238)** | (426) |
| Income taxes paid | 6 | **-** | - |
| **Net cash used in operating activities** | | **(238)** | (426) |
| *Cash flows from investing activities*<br>Purchase of fixed asset investments | 9 | **(1,966)** | (2,437) |
| Sale of fixed asset investments | 9 | **198** | 1,749 |
| **Total cash outflow from investing activities** | | **(1,768)** | (688) |
| *Cash flows from financing activities*<br>Dividend paid | | **(717)** | (629) |
| Own shares purchased for cancellation | | **(164)** | (76) |
| Issue of B shares | 13 | **1,669** | 2,300 |
| **Total cash inflow from financing activities** | | **788** | 1,595 |
| **(Increase) / decrease in cash and cash equivalents** | | **(1,218)** | 481 |
| Opening cash and cash equivalents | | **5,137** | 4,656 |
| **Closing cash and cash equivalents** | | **3,919** | 5,137 |
| *Cash and cash equivalents comprise*<br>Cash at bank | | **1,274** | 1,241 |
| Money market funds | 16 | **2,645** | 3,896 |
| **Closing cash and cash equivalents** | | **3,919** | 5,137 |

# Notes to the Financial Statements

## The Company is a public company and is limited by shares.

## 1. Accounting Policies

**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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (January 2022)" and with the Companies Act 2006 and the Statement of Recommended Practice (SORP) 'Financial Statements of Investment Trust Companies and Venture Capital Trusts (revised 2021)'.

The principal accounting policies have remained materially unchanged from those set out in the Company's 2023 Annual Report and Financial Statements. A summary of the principal accounting policies is set out below.

The Financial Statements are presented in Sterling (£). The functional currency is also Sterling (£).

The Company held all fixed asset investments at fair value through profit or loss. Accordingly, all interest income, fee income, expenses and gains and losses on investments are attributable to assets held at fair value through profit or loss.

The most important policies affecting the Company's financial position are those related to investment valuation and require the application of subjective and complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain and may change in subsequent periods. These are discussed in more detail below..

**Going Concern**

As at 31 December 2024, the assets of the Company consist mainly of securities, nineteen of which are AIM quoted, relatively liquid and readily accessible, as well as £1.5 million of cash at bank as at 31 December 2024 and £2.7 million invested in three money-market funds to manage liquidity. As at 31 December 2024, 30% of net assets was cash and cash equivalents (2023: 32%). After reviewing the Company's forecasts and expectations, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of the signing of these Financial Statements, The Company therefore continues to adopt the going concern basis in preparing its Financial Statements.

The Company notes the continuing material market volatility as a result of macroeconomic pressures, including increased costs from inflationary pressures as a result of the military invasion of Ukraine by Russian forces, the current situation in the Middle East and increasing global trade tariffs. The Company's Board and Investment Manager are focused on ensuring that investee companies are taking the required actions to minimise the potential impact that these conditions could have on them. The Board and Seneca will continue to review these potential risks and keep those risks under regular review but do not consider the current conditions to have a material impact on the Company's own ability to continue as a going concern.

**Key judgments and estimates**

The preparation of the Financial Statements requires the Board to make judgments and estimates regarding the application of policies affecting the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions mainly relate to the fair valuation of the fixed asset investments particularly unquoted investments. Estimates are based on historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions are under continuous review with particular attention paid to the carrying value of the investments.

Investments are regularly reviewed to ensure that the fair values are appropriately stated. Unquoted investments are valued in accordance with current International Private Equity and Venture Capital Valuation (IPEV) guidelines, which can be found at www.privateequityvaluation.com, although this does rely on subjective estimates such as appropriate sector earnings or revenue multiples, forecast results of investee companies,

asset values of investee companies and liquidity or marketability of the investments held. The material factors affecting the returns and net assets attributable to shareholders of the different share classes are the valuations of the Ordinary and B share pools and ongoing general expenses.

Although the Directors believe that the assumptions concerning the business environment and estimate of future cash flows are appropriate, changes in estimates and assumptions could result in changes in the stated values. This could lead to additional changes in fair value in the future.

**Cash and cash equivalents**

Cash, for the purposes of the cash flow statement, comprises cash at bank and money market funds. Cash equivalents are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. This comprises investments in money market funds.

**Fixed asset investments**

The Company's principal financial assets are its investments and the policies in relation to those assets are set out below.

Purchases and sales of investments are recognised in the Financial Statements at the date of the transaction (trade date).

These investments will be managed and their performance evaluated on a fair value basis and information about them is provided internally on that basis to the Board. Accordingly, as permitted by FRS 102, the investments are measured as being fair value through profit or loss on the basis that they qualify as a group of assets managed, and whose performance is evaluated, on a fair value basis in accordance with a documented investment strategy. The Company's investments are measured at subsequent reporting dates at fair value.

In the case of investments quoted on a recognised stock exchange, fair value is established by reference to the closing bid price on the relevant reporting date or the last traded price, depending upon convention of the exchange on which the investment is quoted. In the case of AIM quoted investments this is the closing bid price. In the case of unquoted investments, fair value is established by using measures of value such as the price of recent transactions, earnings or revenue multiples, discounted cash flows and net assets. These are consistent with the IPEV guidelines.

Gains and losses arising from changes in fair value of investments are recognised as part of the capital return within the Income Statement and allocated to the capital reserve - holding gains/(losses) on the Balance Sheet and within the Statement of Changes in Equity.

In the preparation of the valuations of assets the Directors are required to make judgments and estimates that are reasonable and incorporate their knowledge of the performance of the investee companies.

**Fair value hierarchy**

Paragraph 34.22 of FRS 102 regarding financial instruments that are measured in the balance sheet at fair value requires disclosure of fair value measurements dependent on whether the stock is quoted and the level of the accuracy in the ability to determine its fair value. The fair value measurement hierarchy is as follows:

For quoted investments:

*Level 1:* quoted prices in active markets for an identical asset. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held is the bid price at the Balance Sheet date.

*Level 2:* where quoted prices are not available (or where a stock is normally quoted on a recognised stock exchange that no quoted price is available), the price of a recent transaction for an identical asset, providing there has been no significant change in economic circumstances or a significant lapse in time since the transaction took place. The Company held no such investments in the current or prior year.

For investments not quoted in an active market:

*Level 3:* the fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable data (e.g.: the price of recent

transactions, earnings/revenue multiple, discounted cash flows and/or net assets) where it is available and rely as little as possible on entity specific estimates.

**Current asset investments**

No current asset investments were held at 31 December 2024 or 31 December 2023. Should current assets be held, gains and losses arising from changes in fair value of investments are recognised as part of the capital return within the Income Statement and allocated to the capital reserve - gains/(losses) on disposal.

**Income**

Investment income includes interest earned on bank balances, money market funds, from unquoted loan note securities and dividends. Fixed returns on debt are recognised on a time apportionment basis so as to reflect the effective yield, provided it is probable that payment will be received in due course.

**Expenses**

All expenses are accounted for on an accruals basis. Expenses are charged wholly to revenue with the exception of the performance and management fee. The performance fee is charged 100% to the capital reserve and the investment management fee charged to the B shares has been split 25% revenue and 75% capital, in line with industry practice and to reflect the Board's estimated split of investment returns which will be achieved by the Company's B shares over the long term. Expenses and liabilities not specific to a share class were chargeable to the B share pool for a period of three years from 1 July 2018 (subject to the cost cap discussed in Note 2). Since 1 July 2021, expenses are allocated pro-rata between the B shares and Ordinary shares based on their respective net asset values. These costs, including the annual management fee in the case of the B share pool, are capped at 3% of the net asset value of each share class.

**Revenue and capital**

The revenue column of the Income Statement includes all income and revenue expenses of the Company. The capital column includes gains and losses on disposal and holding gains and losses on investments, as well as those expenses that have been charged as capital costs. Gains and losses arising from changes in fair value of investments are recognised as part of the capital return within the Income Statement and allocated to the appropriate capital reserve on the basis of whether they are realised or unrealised at the Balance Sheet date.



**Taxation**

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the applicable tax rate. The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue return on the "marginal" 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.

**Financial instruments**

The Company's principal financial assets are its investments and its cash and the policies in relation to those assets are set out above. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its financial liabilities. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument.

Capital management is monitored and controlled using the internal control procedures set out on pages 52 to 53 of this report. The capital being managed includes equity and fixed-interest investments, cash balances and liquid resources including debtors and creditors.

The Company does not have any externally imposed capital requirements.

**Reserves**

*Called up equity share capital* – represents the nominal value of shares that have been issued.

*Share premium account* – includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

*Capital redemption reserve* – represents the nominal value of shares bought back from shareholders and cancelled.

*Special distributable reserve* – includes cancelled share premium and capital redemption reserves available for distribution, share buy backs and may be used to cover dividend payments.

*Capital reserve* – holding gains and losses created when the Company revalues the investments still held during the year with any gains or losses arising being credited/ charged to the Capital reserve.

*Capital reserve* – gains and losses on disposal created when an investment is sold. Any balance held in the Capital reserve – holding gains and losses is transferred to the Capital reserve – realised gains and losses on disposal and recognised as a movement in reserves.

*Revenue reserve* – represents the aggregate value of accumulated realised profits (excluding capital profits), less losses and dividends.

**Dividends payable**

Dividends payable are recognised as distributions in the Financial Statements when the Company's liability to make payment has been established. This liability is established for interim dividends when they are declared by the Board, and for final dividends when they are approved by shareholders.

## 2. Investment Management Fees for B Shares

| | **Year to 31 December 2024 £'000** | Year to 31 December 2023 £'000 |
|---|---|---|
| Gross investment management fee | **281** | 298 |
| Cost cap refund from Seneca | **(66)** | (70) |
| Investment management fee net of cost cap | **215** | 228 |

Seneca is entitled to an annual management fee of 2% of the weighted net asset value of the B share pool (2023: 2%) and, with effect from 1 August 2019, is also entitled to an annual fee of £9,000 (plus VAT, if applicable) in relation to management accounting services. These fees are payable quarterly in arrears. Seneca will also be entitled to certain monitoring fees from investee companies and the Board reviews the amounts (please see Note 19).

Seneca is also entitled to receive a performance related incentive fee (the "Performance Incentive Fee") in relation to the B share pool of an amount equal to 20% of the shareholder proceeds arising, provided that the payment of such a fee shall also be conditional upon (i) a return being generated on the B share pool for B shareholders in respect of that performance period of more than 5% per annum (pro-rated if that period is less than a year) and (ii) that such a return calculated for the period from 23 August 2018 to the end of the relevant performance period exceeds 5% per annum.

Shareholder proceeds are all amounts paid by way of dividend or other distributions, share buy backs, proceeds on a sale or liquidation of the Company in relation to the B shares and calculated on a per share basis, and any other proceeds or value received or deemed to be received by the holders of the relevant shares (excluding any income tax relief on subscription).

For the avoidance of doubt, no Performance Incentive Fee will be payable to the extent that the shareholder proceeds paid by the Company to the holders of the B shares have been justified by reference to distributable reserves otherwise attributable to the Ordinary share pool (as permitted in accordance with the Articles). For a three-year period with effect from 1 July 2018, expenses of the Company were capped at 3% of the weighted average net asset value of the B shares, including the management fee (but excluding any performance fee). Since 1 July 2021, expenses have been capped at 3% across both the Ordinary share pool and the B share pool pro-rata to their respective net asset values. In the current year, the Ordinary share pool's proportion of the running costs was £22k and the B share pool's proportion of the running costs was £208k.

The Investment Manager will indemnify the Company for any excess over the cost cap, with an amount equal to such excess either being paid by Seneca to the Company or refunded by way of a reduction to its fees. Accordingly, Seneca reduced its management fee by £66k in the year to 31 December 2024 (2023: reduced by £70k).

Expenses are charged wholly to revenue with the exception of the (net) investment management fee which has been charged 75% to the capital reserve in line with industry practice and the performance fee.

## 3. Other Expenses

| | **Year to 31 December 2024 £'000** | Year to 31 December 2023 £'000 |
|---|---|---|
| Directors' remuneration and social security costs | **89** | 79 |
| Fees payable to the Company's auditor for the audit of the Financial Statements | **38** | 36 |
| Legal and professional expenses | **61** | 90 |
| Accounting and administration services | **20** | 21 |
| Other expenses (revenue) | **22** | 26 |
| Other expenses (capital) | **-** | - |
| | **230** | 252 |

Expenses are capped at 3% across both the Ordinary share pool and the B share pool pro-rata to their respective net asset values. Any expenditure related specifically to assets in one pool is chargeable to that pool.

## 4. Directors' Remuneration

| | **Year to 31 December 2024 £** | Year to 31 December 2023 £ |
|---|---|---|
| Directors' emoluments: | | |
| Ian Dighé (Chair) | **19,083** | 3,814 |
| Alex Clarkson | **18,958** | 16,558 |
| Mary Anne Cordeiro | **18,958** | 10,839 |
| Richard Manley | **18,958** | 16,490 |
| John Hustler | **6,596** | 16,558 |
| Richard Roth | **-** | 10,565 |
| | **82,553** | 74,824 |

Apart from the Directors' fees detailed above, none of the Directors received any other remuneration from the Company during the year.

Directors' emoluments are exclusive of employers' National Insurance contributions, which totalled £6,377 (2023: £4,443). Together, the Directors' remuneration and social security costs totalled £88,930 (2023: £79,267).

Certain Directors may become entitled to receive a share of the Performance Incentive Fee related to the Ordinary share pool as detailed in the Directors' Remuneration Report on page 60 and in Note 5.

The Company has no employees other than non-executive Directors. The average number of non-executive Directors in the year was four (2023: four).

## 5. Performance Fees for Ordinary Shares

The performance incentive fees are calculated separately on the Ordinary shares and the B shares. Performance incentive fees in relation to the Ordinary shares are potentially payable to past and current members of the CAC. The current member of the CAC is John Hustler.

The CAC entered into an agreement to take over management of the Company's investments on 30 July 2007 (the "2007 Agreement") and at that time a revised performance incentive scheme was implemented, such that its members would be entitled to 20% of all cash returns above the initial net cost to subscribing shareholders of 80p (the "Accrued Performance Incentive Fee").

On 7 October 2015, the performance incentive fee structure was further amended as follows. In respect of the period to 31 December 2014, the Accrued Performance Incentive Fee on the Ordinary share class of up to £702,000 shall be payable to James Otter (a former director of the Company who was also a member of the CAC), Charles Breese (a former director of the Company who was also a member of the CAC) and John Hustler, in equal proportions (with the liability to pay a director his share of such fee being extinguished if the fee is due for payment five years after his ceasing to be a member of the CAC. Such extinguished fees are credited back to the Company).

The liability to pay James Otter his share of any potential Accrued Performance Incentive Fee was extinguished on 7 October 2020 - the fifth anniversary of his ceasing to be a member of the CAC and the liability to pay Charles Breese his share of any potential Accrued Performance Incentive Fee was extinguished on 10 June 2024 – the fifth anniversary of his ceasing to be a member of the CAC. No payment has, or will be paid, to James Otter or Charles Breese under these schemes as the required shareholder distributions had not been made in time and therefore the maximum total sum payable under the Accrued Performance Incentive Fee is now reduced from £702,000 to £234,000.

As a result of the reduction in the Accrued Performance Incentive Fee by two thirds, the amount of the Accrued Performance Incentive Fee shall be 8.3% of any dividends and capital distributions returned to shareholders, which in total exceed the sum of 80p per Ordinary share (the "Hurdle"). This includes dividends paid to date on the Ordinary shares, being 73.3p per share. As a result of this, for every £1 potentially distributable in excess of the Hurdle, 80p shall be distributed to shareholders and 6.67p shall be paid as the Accrued Performance Incentive Fee, with 13.33p (being two thirds of the original 20p) retainable by the Company up until an amount of 114.65p per Ordinary share has been distributed to Ordinary shareholders, after which no further payment is payable in respect of the Accrued Performance Incentive Fee or otherwise under the terms of the 2007 Agreement (as amended). The Accrued Performance Incentive Fee shall be paid at the same time as payments are made to the Ordinary shareholders. All distributions by way of dividends and capital distributions in relation to the Ordinary share class shall count towards the Accrued Performance Incentive Fee and where non-cash dividends are declared the Company's auditors shall assess their value by reference to a distribution per share. Following payment in full of the Accrued Performance Incentive Fee, a further performance incentive fee may become payable to the CAC in relation to the period after 7 October 2015 (the, "Further Performance Incentive Fee").

Following the amendment on 7 October 2015, any returns above the 31 December 2014 levels are subject to a further hurdle (the "Further Hurdle"), and the Further Performance Incentive Fee reduces the share to the CAC to 10% of sums returned to Ordinary shareholders by way of dividends and capital distributions of whatever nature, which in total exceed the Further Hurdle (excluding any initial tax relief on the subscription for the Ordinary shares). The "Base Figure" for the Further Hurdle shall be 90.4p per Ordinary share and shall be increased by a sum equal to notional interest thereon, at the rate of 1.467% per quarter from 1 January 2015, compounded with quarterly rests. For the purposes of determining the increase in the Base Figure, the amount on which notional interest is to accrue in each quarter shall be reduced by the amount of all sums returned to Ordinary shareholders by way of dividends and capital distributions in the previous quarter. Shareholders will need to have received distributions of 114.65p per Ordinary share, together with the amount to take account of notional interest as calculated above, before any Further Performance Incentive Fee is payable.

As at 31 December 2024, the Total Gross Return in respect of the Ordinary shares is 90.68p. 0.71p per Ordinary share totals £58k, which has been accrued as part of this performance fee liability (31 December 2023: 93.51p, 1.80p and £146k respectively). The reduction of £88k in the Accrued Performance Incentive Fee has been recognised as capital income in the Ordinary share income statement (2023: capital income of £207k).

Assuming no dividends are paid on the Ordinary shares in 2025, the Total Gross Return would need to exceed 184.9p at 31 December 2025 before any Further Performance Incentive Fee could be due, and at that time it would be 10% of any dividends or capital distributions made above this threshold. If the Further Performance Incentive Fee is not triggered (as it has not been in this financial year) the Further Hurdle, net of dividends paid, increments by a compound annual growth rate of 6%, applied quarterly as described above.

If John Hustler, as the sole remaining member of the CAC, considers it necessary to engage external advisors in support of managing the Ordinary share portfolio, the costs of this will be borne by the Ordinary share pool. The Further Performance Incentive Fee is now only payable to John Hustler as the last remaining member of the CAC who has been a member of that committee since 7 October 2015, on a pro rata basis, linked to the relative amount of time since the date of the 7 October 2015 agreement and his tenure as a member of the CAC. An individual will not be entitled to payment of any of Further Performance Incentive Fee if he ceased to be a member of the CAC in certain conditions, or ceased to be a member of the CAC more than five years before the payment of any amount of Further Performance Incentive Fee becomes due and any such fees will be credited back to the Company. For the purposes of the Further Performance Incentive Fee, the method of determining distributions will follow that used in calculating the Accrued Performance Incentive Fee.

## 6. Tax on Ordinary Activities

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

The tax charge is calculated on return on ordinary activities before taxation at the applicable rate of 25% (2023: 23.52%).

**Current Tax Reconciliation:**

| | **Year to 31 December 2024 £'000** | Year to 31 December 2023 £'000 |
|---|---|---|
| Return on Ordinary activities before tax | **(3,742)** | (2,671) |
| Current tax at 25% (2023: 23.52%) | **(936)** | (628) |
| Gains/losses not subject to tax | **902** | 565 |
| Income not subject to tax | **(56)** | - |
| Performance fee accrual not tax deductible | (22) | (49) |
| Excess management expenses carried forward | **112** | 112 |
| Total current tax charge and tax on results of ordinary activities | **-** | **-** |

The Company has excess management expenses of £4,440,000 (2023: £4,210,000) to carry forward to offset against future taxable profits.

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

## 7. Earnings per Share

The earnings per Ordinary share is based on 8,115,376 (31 December 2023: 8,115,376) shares, being the weighted average number of Ordinary shares in issue during the year, and a return for the year totalling negative £142,000 (31 December 2023: negative £1,347,000).

The earnings per B share is based on 23,114,750 (31 December 2023: 20,116,139) shares, being the weighted average number of B shares in issue during the year, and a return for the year totalling negative £3,600,000 (31 December 2023: negative £1,324,000).

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

## 8. Net Asset Value per Share

The calculation of NAV per Ordinary share as at 31 December 2024 is based on 8,115,376 Ordinary shares in issue at that date (31 December 2023: 8,115,376).

The calculation of NAV per B share as at 31 December 2024 is based on 24,268,425 B shares in issue at that date (31 December 2023: 21,780,329).

## 9. Fixed Asset Investments

**Ordinary Shares**

| | Level 1: AIM-quoted investments £'000 | Level 3: Unquoted investments £'000 | Total investments £'000 |
|---|---|---|---|
| Valuation and net book amount: | | | |
| Book cost at 1 January 2024 | 832 | 2,573 | 3,405 |
| Cumulative revaluation | 621 | (2,573) | (1,952) |
| **Valuation at 1 January 2024** | **1,453** | **-** | **1,453** |
| Movement in the year: | | | |
| Disposals – cost | (21) | - | (21) |
| Disposals – revaluation | (16) | - | (16) |
| Revaluation in year | (242) | - | (242) |
| **Valuation at 31 December 2024** | **1,174** | **-** | **1,174** |
| Book cost at 31 December 2024 | 811 | 2,573 | 3,384 |
| Revaluation to 31 December 2024 | 363 | (2,573) | (2,210) |
| **Valuation at 31 December 2024** | **1,174** | **-** | **1,174** |

**B Shares**

| | Level 1: AIM-quoted investments £'000 | Level 3: Unquoted investments £'000 | Total investments £'000 |
|---|---|---|---|
| Valuation and net book amount: | | | |
| Book cost as at 1 January 2024 | 8,726 | 5,379 | 14,105 |
| Cumulative revaluation | (3,966) | 271 | (3,695) |
| **Valuation at 1 January 2024** | **4,760** | **5,650** | **10,410** |
| *Movement in the year:* | | | |
| Purchases at cost | 954 | 1,012 | 1,966 |
| Disposals – cost | (129) | - | (129) |
| Disposals – revaluation | - | - | - |
| Revaluation in year | (2,888) | (579) | (3,467) |
| **Valuation at 31 December 2024** | **2,697** | **6,083** | **8,780** |
| Book cost at 31 December 2024 | 9,551 | 6,392 | 15,943 |
| Revaluation to 31 December 2024 | (6,854) | (309) | (7,163) |
| **Valuation at 31 December 2024** | **2,697** | **6,083** | **8,780** |

Further details of the fixed asset investments held by the Company are shown within the Investment Manager's Report on pages 14 to 35.

Full details of the valuation methods used by the Company are set out in Note 1 of these financial statements. Where investments are held in quoted stocks, fair value is set at the market bid price.

All investments are initially measured at their transaction price. Subsequently, at each reporting date, the investments are valued at fair value through profit or loss, and all capital gains or losses on investments are so measured. Unquoted fixed asset investments are valued at fair value in accordance with the IPEV guidelines.

The changes in fair value of such investments recognised in these Financial Statements are treated as unrealised holding gains or losses.

Level 3 valuations include assumptions based on non-observable market data, such as discounts applied either to reflect changes in fair value of financial assets held at the price of recent fundraise, or to adjust revenue or earnings multiples. Of the Company's Level 3 investments, 38% are valued based on a revenue multiple approach and 62% are valued based on price of recent fundraise, with significant independent third-party investment underpinning the price, reviewed and adjusted for fair value and factors relevant to the background of the specific investment, such as preference rights, waterfall structure and/or material trading considerations (2023: 100% were valued based on a price of recent fundraise ). Therefore, each valuation has a degree of significant judgment applied to the valuation inputs. Throughout this exercise, and where the value of the Company's equity investments have been benchmarked using trading multiples to support adjustments to fair value, multiples used are reviewed and compared to industry peers, based on size, stage of development, revenue generation and growth rate, as well as their wider strategy and market position. These multiples are calculated in the traditional manner, by dividing the enterprise value of the comparable group by its revenue, EBITDA or earnings depending on what is the norm in a particular sector driven by how acquisitions in that sector are typically valued. The trading multiple is then adjusted for considerations such as illiquidity, marketability and other differences, advantages and disadvantages between the portfolio company and the comparable public companies based on company specific facts and circumstances. As at the balance sheet date, the Company held £573k in loan notes in two level 3 investments: a £50k VCT qualifying convertible loan note in Solascure and a £523k VCT qualifying loan note in Forma-Care.



When considering the valuations and valuation methodologies, we determined that the fair value for the B share pool's investments in Silkred, Bright Network and HubBox were most appropriately valued on a revenue multiple basis and Fabacus, Alderley Lighthouse Labs, Geomiq, Forma-Care and Solascure were most appropriately valued based on the price of a recent investment, with Fabacus, Alderley Lighthouse Labs and Geomiq benchmarked by a revenue multiple based approach with adjustments made to fair value where appropriate. Due to the proximity of the recent investment into Forma-Care and Solascure, those unquoted holdings were valued as at the price of a recent fundraise and fair value reviewed for factors specific to each investment which required a greater degree of judgment. An earnings multiple based approach was not considered appropriate for any B share pool investments at this point given their stage of development.

The valuations for the remaining B share pool unquoted investments are also based on the price of funds last raised and are reviewed for change in fair value.

Similar valuation methodologies as highlighted above are also considered in assessing the fair value of the Ordinary share pool's unquoted investments.

A detailed assessment of the respective value of each portfolio company is performed in each instance in order to gain the necessary comfort as to whether a fair value reduction or uplift is required. This process involves a review of the progress made by each investee company, recent developments in the M&A market and comparisons to listed competitors across all relevant key performance indicators.

FRS 102 requires the Directors to consider the impact of changing one or more of the assumptions used as part of the valuation process to reasonable possible alternative assumptions. Each of the relevant unquoted portfolio companies has been reviewed in order to identify the sensitivity of the valuation methodology to using alternative assumptions. Where discounts have been applied (for example to revenue levels) alternatives have been considered which still fall within the IPEV Guidelines.

## 10. Debtors

| | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|
| Prepayments | **10** | 10 |
| Accrued Income | **11** | 3 |
| **Total** | **21** | 13 |

## 11. Income

| | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|
| Deposit interest | **30** | - |
| Loan note interest | **23** | - |
| Money market funds interest | **171** | 3 |
| **Total Income** | **224** | 3 |

## 12. Creditors

| | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|
| Amounts falling due within one year | | |
| Trade creditors | **-** | 12 |
| PAYE/NIC | **6** | 8 |
| Other creditors | **23** | 23 |
| Accruals | **132** | 146 |
| **Total amounts falling due within one year** | **161** | 189 |
| Amounts falling due after one year | | |
| Accruals | **58** | 146 |
| **Total amounts falling due after one year** | **58** | 146 |

The amount falling due after more than one year relates to the potential liability for a performance fee on the Ordinary share portfolio. More details are in Note 5.

## 13. Share Capital

| | **31 December 2024 £'000** | 31 December 2023 £'000 |
|---|---|---|
| Allotted and fully paid up: | | |
| 8,115,376 Ordinary shares of 1p (2023: 8,115,376 shares of 1p) | **81** | 81 |
| 24,268,425 B shares of 1p (2023: 21,780,329 shares of 1p) | **243** | 218 |
| | **324** | 299 |

The capital of the Company is managed in accordance with its investment policy with a view to the achievement of its investment objective as set out on page 7.

During the year, the Company did not issue or buy back any Ordinary shares.

The Company issued a total of 2,788,399 B shares at prices between 53.3p and 67.8p per B share during the year. These were issued pursuant to the offer for subscription for B shares launched on 24 August 2023 and a further offer for subscription for B shares launched on 12 September 2024 to raise, in aggregate, up to £5 million with an over-allotment facility of up to a further £5 million (before issue costs). The Company also bought back 300,303 B shares (equal to 1.38% of the opening number of B shares in issue) at an average price of 54.8p per share.

The total net proceeds received for the shares issued in the year was £1.7 million for the B share pool.

**Share Rights**

As regards Income: shareholders shall be entitled to receive such dividends as the Directors resolve to pay out in accordance with the Articles. Under the Articles of the Company, all the assets of the Company and all the liabilities of the Company will be allocated either to the Ordinary share pool or the B share pool. The Ordinary shares will be entitled to the economic benefit of the assets allocated to the Ordinary share pool and the B shares will be entitled to the economic benefit of assets allocated to the B share pool. Therefore, although the rules in the Companies Act 2006 and elsewhere in relation to the payment of distributions will be applicable to the Company on a company-wide basis, the income arising on the portfolios will belong to one or the other of the share classes depending on which portfolio generated the income.

As regards Capital: similarly, the capital assets of the Company will be allocated to either the Ordinary share pool or the B share pool. On a return of capital on a winding-up or on a return of capital (other than on a purchase by the Company of its shares) the surplus capital shall be divided amongst the holders of the relevant share class pro rata according to the number of shares of the relevant class held and the aggregate entitlements of that share class. The Ordinary shares will not be entitled to any capital assets held in the B share pool and the B shares will not be entitled to any capital assets held in the Ordinary share pool. In relation to the purchase by the Company of its shares, the purchase of Ordinary shares may only be financed by assets in the Ordinary share pool and the purchase of the B shares may only be financed by assets in the B share pool.

As regards voting and general meetings: subject to disenfranchisement in the event of noncompliance with a statutory notice requiring disclosure as to beneficial ownership, each shareholder present in person or by proxy shall on a poll have one vote for each share of which he/she is the holder. The Ordinary shareholders may not be entitled to vote on certain matters which concern the B share class only and vice versa.

As regards Redemption: none of the Ordinary shares or B shares are redeemable. The Articles provide that reserves (whether created upon the cancellation of the share premium account arising from the issue of Ordinary shares or B shares or otherwise) may also be used for the benefit of the other share class. While this will not transfer any net asset value between the different share classes, it will permit those reserves to be treated as distributable profits on a Company-wide basis such that on an accounting basis dividends and share buybacks in respect of both share classes may be facilitated by the availability of those reserves.

## 14. Movement in Shareholders' Funds

| | **Year to 31 December 2024 £'000** | Year to 31 December 2023 £'000 |
|---|---|---|
| Shareholders' funds at start of year | **16,892** | 18,130 |
| Return on ordinary activities after tax | **(3,742)** | (2,671) |
| Increase due to issue of B shares | **1,669** | 2,300 |
| Own shares purchased for cancellation | **(164)** | (76) |
| Dividend paid | **(717)** | (791) |
| **Shareholders' funds at end of year** | **13,938** | 16,892 |

The analysis of changes in equity by the various reserves, including special distributable reserves, is shown in the Statement of Changes in Equity on page 76.

The purpose of the special distributable reserve was to create a reserve which will be capable of being used by the Company to pay dividends and for the purpose of making repurchases of its own shares in the market with a view to narrowing the discount at which the Company's shares trade to net asset value, providing shareholder authority has been granted.

Although the special distributable reserves total £19.6 million as at 31 December 2024 as shown in the Statement of Changes in Equity on page 76, the distributable reserves are calculated by factoring in the capital reserve realised gains and losses, the capital reserve holding gains and losses and the revenue reserve, which results in a net amount of £10.9 million. However, only £0.3 million is able to be distributed as the reserves contain £10.6 million from the cancellation of the share premium account on issued B shares which cannot be distributed until after the three-year anniversary of the end of the accounting period in which funds were raised (2023: £2.6 million).

When the Company revalues its investments during the year, any gains or losses arising are credited/charged to the Income Statement. Changes in fair value of investments held are then transferred to the capital reserve - holding gains/(losses). When an investment is sold any balance held on the capital reserve - holding gains/(losses) reserve is transferred to the capital reserve – gains/(losses) on disposal as a movement in reserves.

An interim dividend of 1.5 pence per B share for the year to 31 December 2024 was paid on 17 May 2024. A second interim dividend of 1.5 pence per B share for the year to 31 December 2024 was paid on 20 December 2024.

## 15. Financial Instruments

The Company's financial instruments comprise equity investments, cash and cash equivalent balances. The Company holds financial assets in accordance with its investment policy of investing mainly in a portfolio of VCT qualifying unquoted and quoted securities whilst holding a proportion of its assets in cash or near-cash investments in order to provide a reserve of liquidity.

**Classification of financial instruments**

The Company held the following categories of financial instruments, all of which are included in the balance sheet at fair value, at 31 December 2024 and 31 December 2023:

| | **31 December 2024 £'000** | 31 December 2023 £'000 |
|---|---|---|
| Financial assets at fair value through profit or loss | | |
| Fixed asset investments | **9,954** | 11,863 |
| Money market funds | **2,645** | 3,896 |
| **Total** | **12,599** | 15,759 |
| Financial assets measured at amortised cost | | |
| Debtors | **11** | 3 |
| Cash at bank | **1,537** | 1,455 |
| **Total** | **1,548** | 1,458 |
| Financial liabilities measured at amortised cost | | |
| Creditors | **29** | 43 |
| Accruals | **132** | 146 |
| Performance fee | **58** | 146 |
| **Total** | **219** | 335 |

Fixed asset investments (see Note 9) are valued at fair value. Unquoted investments are carried at fair value as determined by the Directors in accordance with the IPEV guidelines. The fair value of all other financial assets and liabilities is represented by their carrying value in the balance sheet. The Directors believe that the fair value of the assets held at the year-end is equal to their book value.

The Company's creditors are initially recognised at fair value, which is usually the transaction price, and then thereafter at amortised cost.

The Company's Ordinary share pool provided an indemnity to the Royal Bank of Scotland ("RBS") in 2013 of £250,000 in relation to the registration of its shareholding in Omega Diagnostics Group Plc ("Omega"). The investment in Omega was made in 2007 and was fully exited in September 2020. The Board has not recognised any liability in relation to this historic indemnity as at 31 December 2024 and is liaising with RBS regarding the formal release of the indemnity.

## 16. Financial Risk Management

In carrying on its investment activities, the Company is exposed to various types of risk associated with the financial instruments and markets in which it invests. The most significant types of financial risk facing the Company are market risk, interest rate risk, credit risk and liquidity risk. The Company's approach to managing these risks is set out below together with a description of the nature and amount of the financial instruments held at the balance sheet date.

**Market risk**

The Company's strategy for managing investment risk is determined with regard to the Company's investment objective, as outlined on page 7. The management of market risk is part of the investment management process. The Company's portfolio is managed with regard to the possible effects of adverse price movements and with the objective of maximising overall returns to shareholders in the medium term. Investments in unquoted companies, by their nature, usually involve a higher degree of risk than investments in companies quoted on a recognised stock exchange, though the risk can be mitigated to a certain extent by diversifying the portfolio across business sectors and asset classes. The overall disposition of the Company's assets is regularly monitored by the Board.

Details of the Company's investment portfolio at the balance sheet date are set out on pages 14 to 35.

43.6% (2023: 33.4%) by value of the Company's net assets comprise investments in unquoted companies held at fair value. The valuation methods used by the Company include the application of a price/earnings ratio derived from listed companies with similar characteristics, and consequently the value of the unquoted element of the portfolio can be indirectly affected by price movements on the London Stock Exchange. A 10% overall increase in the valuation of the unquoted investments at 31 December 2024 would have increased net assets and the total return for the year by £608,000 (2023: £565,000) disregarding the impact of the performance fee; an equivalent change in the opposite direction would have reduced net assets and the total return for the year by the same amount.

27.8% (2023: 36.8%) by value of the Company's net assets comprises equity securities quoted on AIM/AQSE. A 10% increase in the bid price of these securities as at 31 December 2024 would have increased net assets and the total return for the year by £387,000 (2023: £621,000) disregarding the impact of the performance fee; a corresponding fall would have reduced net assets and the total return for the year by the same amount.

**Interest rate risk**

Some of the Company's financial assets are interest-bearing, of which some are at fixed rates and some variable. As a result, the Company is exposed to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates.

**Floating rate risk**

The Company's floating rate investments comprise interest-bearing money market funds as at 31 December 2024. The benchmark rate which determines the rate of interest receivable on the Company's money market investment is the Bank of England base rate, which was 4.75% at 31 December 2024. The amounts held in floating rate investments at the balance sheet date were as follows:

| | **31 December 2024 £'000** | 31 December 2023 £'000 |
|---|---|---|
| Money market funds | **2,645** | 3,896 |
| **Total** | **2,645** | 3,896 |

A 1% increase or decrease in the base rate would have impacted income receivable from these investments and the net assets for the year by £32,000 (2023: £nil).

**Credit risk**

There were no significant concentrations of credit risk to counterparties at 31 December 2024 or 31 December 2023.

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Board carries out a regular review of counterparty risk. The carrying values of financial assets represent the maximum credit risk exposure at the balance sheet date.

**Liquidity risk**

The Company's financial assets include investments in unquoted equity securities which are not traded on a recognised stock exchange and which generally are illiquid. They also include investments in AIM-quoted companies, which, by their nature, involve a higher degree of risk than investments on the main market. As a result, the Company may not be able to realise some of its investments in these instruments quickly at an amount close to their fair value in order to meet its liquidity requirements, or to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

The Company maintains sufficient investments in cash and readily realisable securities to pay accounts payable and accrued expenses. The Company's listed money market funds are considered to be readily realisable as they are of high credit quality.

The Company's liquidity risk is managed and monitored on a continuing basis by the Board in accordance with policies and procedures laid down by the Board.

## 17. Events After the Balance Sheet Date

The Company declared an interim B share dividend of 1.5p per B share on 19 March 2025 to be paid on 23 May 2025 to shareholders on the share register on 9 May 2025, with an ex-dividend date of 8 May 2025.

The Company sold 436,343 additional shares in OptiBiotix following the year end, reducing the remaining holding to 600,000 shares, realising £80k at a small loss of £7k, resulting in a blended overall average weighted return of 1.3x on original investment cost for this round of investment.

The Company sold 505,000 shares in SkinBioTherapeutics following the year end, reducing the remaining holding to 1,352,107 shares, realising £123k at a small profit of £42k, resulting in an average weighted return of 1.5x on original investment cost.

The Company also sold 300,000 shares in Scancell following the year end, reducing the remaining holding to 9,350,000 shares, realising £32k at a small profit of £14k, resulting in an average weighted return of 1.8x on original investment cost.

Celadon issued a number of announcements throughout the year relating to its cash runway and requirement for further funding. The company secured funding in the form of two debt facilities but unfortunately the ability to draw down funds when required wasn't as readily available as the company had previously been led to believe. As such, Celadon continues to seek alternative funding arrangements to sufficiently cover its cash requirements. As a result, on 24 March 2025 Celadon announced its intention to propose resolutions to remove four non-executive directors of the company as directors and delist the company from AIM in order to help the business significantly reduce its operation costs and enable the business to more easily access capital, and on more attractive terms, as a private company. Celadon's share price decreased since the financial year end from 14p as at 31 December 2024 to 3p as at 31 March 2025. Due to the uncertainty around the funding landscape and the lack of visibility around a post-delisting strategy, Seneca made the decision to sell the Company's shares in order to recover some cash whilst the company was still quoted on AIM, providing certainty of outcome amid the uncertainty of the de-listing process and future as a privately owned company. On 31 March 2025, Seneca sold its 320,956 share holding in Celadon, realising £10k, having initially invested £530k in March 2022.

On 3 April 2024, the Company announced a new NAV per B share of 49.8p as at 31 March 2025. This decrease in NAV per B share was predominantly as a result of a reduction in the share prices of the B share pool's AIM quoted investments.

As at 31 March 2025, the closing bid price for Scancell was 7.8p per share (31 December 2024: 10.5p) and the closing bid price for Arecor was 42.0p per share (31 December 2024: 72.0p). As a result, on 3 April 2025 the Company announced an updated unaudited NAV per Ordinary share of 12.9p as at 31 March 2025.

On 4 April 2025, the Company issued 854,020 B shares, bringing the total issued share capital of the Company to 33,237,821 shares.

The Directors are not aware of any other post balance sheet events which need to be brought to the attention of shareholders.



## 18. Contingencies, Guarantees and Financial Commitments

There were no contingencies, guarantees or financial commitments as at 31 December 2024 (2023: £nil).

## 19. Related Party Transactions

As set out in Note 5, former Director John Hustler is entitled to participate in a performance bonus in respect of the Ordinary share pool. As at 31 December 2024, performance fees of £58,000 have been accrued as part of this performance fee liability (31 December 2023: £146,000). A performance fee becomes payable once dividends and capital distributions to Ordinary shareholders exceed the sum of 80p per Ordinary share for those members of the CAC who were members of that committee prior to 7 October 2015 and a Further Performance Incentive Fee is payable once Ordinary shareholders have received distributions of 114.65p per Ordinary share for those members of the CAC who were or have been members of that committee since 7 October 2015. Directors are entitled to this performance bonus whilst a member of the committee and up to a period of five years following their resignation.

As set out in Note 2, Seneca has earnt £281,000 in management fees (2% of the weighted average net assets of the B share portfolio) (2023: £298,000). However, only £215,000 (2023: £228,000) is recoverable by Seneca as a result of the cost cap, as detailed in Note 2 of which £46,000 remained unpaid as at 31 December 2024 and has therefore been included in accruals (2023: £71,000).

Seneca as Investment Manager accrued £97,000 (2023: £66,000) transaction fees and directors' fees from investee companies in relation to the arrangement and monitoring of the Company's investments. As a related party, we believe that this transaction is disclosable, and the Board ensures it is managed from a conflicts of interest point of view. Seneca may also become entitled to a performance fee. See Note 2 to the financial statements for more information on these fees.

As detailed in the offer for subscription document dated 12 September 2024, Seneca (as promoters of the Offer) is entitled to charge the Company up to 5.5% of investors' subscriptions. A total of £34,104 has been paid to Seneca for the year ended 31 December 2024 (2023: £38,171). Richard Manley's Director's fee of £18,958 was taken for the 2024 financial year as payment to the Investment Manager as detailed in the Directors' Remuneration Report and Policy on pages 58 to 61 (2023: £16,490). Directors' fees were increased partway through the year to £20,000 per annum effective from 1 June 2024.

# Shareholder Information and Contact Details

## Dividends

Dividends will be paid by the Registrar on behalf of the Company. Shareholders who wish to have dividends paid directly into their bank account rather than by cheque to their registered address should contact the Company's Registrar, Neville, whose details can be found on page 99. Other queries relating to dividends and shareholdings should also be directed to Neville.

## Share Price

The share price of both the Company's Ordinary shares and B shares are published daily on the London Stock Exchange's website (www.londonstockexchange.com), and other financial websites, and can also be accessed through the Company's website (www.senecavct.co.uk). The Ordinary share price may be found using the TIDM/EPIC code HYG, and the B share price may be found using the TIDM/EPIC code SVCT.

| | Ordinary shares | B shares |
|---|---|---|
| Latest mid-market share price (17 April 2025) | 10.00p per share | 47.40p per share |

## Buying and Selling Shares

The Company's Ordinary and B shares, which are listed on the London Stock Exchange, can be bought and sold in the same way as any other company quoted on a recognised stock exchange via a stockbroker. There may be tax implications in respect of all or part of your holdings, so shareholders should contact their independent financial adviser if they have any queries.

The Company does not currently operate a share buyback policy for its Ordinary shares, but is authorised to buy back its B shares (within approved limits). If you are considering selling your shares or trading in the secondary market, please contact the Company's Corporate Broker, Panmure Gordon (UK) Limited as follows:

| | | |
|---|---|---|
| Chris Lloyd | 020 7886 2716 | chris.lloyd@panmure.com |
| Paul Nolan | 020 7886 2717 | paul.nolan@panmure.com |

## Risk Warning - Financial Scams

Please be aware of fraudulent financial scams. Please be wary of unsolicited phone calls from persons claiming to work for a corporate finance firm, offering to buy your VCT shares at an inflated price in connection with a possible take-over of the VCT and/or asking shareholders to sign a non-disclosure agreement.

The claims made are false and are invariably an attempt to obtain confidential personal information from shareholders with a view to fraudulently extract money from them.
Shareholders are warned to be very suspicious if they receive any similar type of communication and we would recommend that you do not respond with any personal information.

If you are in any doubt, we recommend that you seek professional financial advice before taking any action. You can also call Seneca Partners Limited on 01942 295 981 if you wish to check that any correspondence or communication you receive from the Company is genuine.

## Notification of Change of Address

Communications with shareholders are mailed to the registered address held on the share register unless shareholders have agreed to be contacted via e-mail. In the event of a change of address or other amendment this should be notified to Neville Registrars, under the signature of the registered holder.

## Other Information for Shareholders

Previously published Annual Reports and Half-Yearly Reports are available for viewing on the Company's website at www.senecavct.co.uk, and in line with current trends all future communications will also be made available there. The Company has introduced e-communication for its shareholders and in line with these objectives, the Company will not be printing the Half-Yearly Reports in the future but will instead provide an electronic version made available on the Company's website www.senecavct.co.uk. We continue to encourage all of our investors to switch to receiving updates from the Company via e-mail and documents in soft copy. This enables you to receive documents more quickly and has the added benefits of being more environmentally friendly and reducing printing and postage costs.

Should you wish to switch to e-mail communication and documents in the future by e-mail, please contact our registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD, e-mail info@nevilleregistrars.co.uk, or phone 0121 585 1131. Please also contact them for any other queries related to your shareholding in the Company.

# Directors and Advisers

| | |
|---|---|
| **Board of Directors** | Ian Dighé (Chair)<br>Alex Clarkson<br>Mary Anne Cordeiro<br>Richard Manley |
| **Company Number** | Registered in England & Wales No 04221489 |
| **Company Secretary** | ISCA Administration Services Limited<br>The Office Suite<br>Den House<br>Den Promenade<br>Teignmouth TQ14 8SY |
| **Registered Office** | 9 The Parks<br>Haydock WA12 0JQ |
| **Investment Manager and Administration Manager** | Seneca Partners Limited<br>9 The Parks<br>Haydock WA12 0JQ<br>Tel: 01942 271746 |
| **Corporate Broker** | Panmure Gordon (UK) Limited<br>One New Change<br>London EC4M 9AF<br>Tel: 020 7886 2500 |
| **Sponsor** | SPARK Advisory Partners Limited<br>5 St. John's Lane<br>London EC1M 4BH |
| **Solicitors** | Hill Dickinson LLP<br>50 Fountain Street<br>Manchester M2 2AS |
| **Independent Auditor** | Royce Peeling Green Limited<br>The Copper Room<br>Deva City Office Park<br>Trinity Way<br>Manchester M3 7BG |
| **VCT Tax Adviser** | Shoosmiths LLP<br>No. 1 Bow Churchyard<br>London EC4M 9DQA |
| **Bankers** | The Royal Bank of Scotland plc<br>62/63 Threadneedle Street<br>London EC2R 8LA |
| **Registrars** | Neville Registrars Limited<br>Neville House<br>Steelpark Road<br>Halesowen B62 8HD<br>Tel: 0121 585 1131<br>www.nevilleregistrars.co.uk |
| **AIFM Depositary** | Thompson Taraz Depositary Limited<br>47 Park Lane<br>London W1K 1PR |

# Notice of Annual General Meeting

The Company's Annual General Meeting ("AGM") will be held at 11:00 a.m. on Thursday, 22 May 2025 at the Company's registered address 9 The Parks, Haydock, WA12 0JQ.

For any shareholders wishing to attend the AGM this year in person, we request that you please inform us in advance by e-mailing enquiries@senecavct.co.uk so that we may register your attendance with the facilities manager in order to issue you with the appropriate attendance pass. For those unable to attend, we will be hosting our bi-annual shareholder update presentation with a question and answer (Q&A) session included, starting at 11:00 a.m. on 14 May 2025. Shareholders should note that only the formal business set out in the notice of AGM will be considered at the AGM and we encourage shareholders to attend the presentation and ask questions prior to the AGM. Further details about the shareholder update presentation can be found on the Company's website at www.senecavct.co.uk/shareholder-update/april-2025/.

We strongly encourage shareholders to vote on the matters of business through the completion of a proxy form, which can be submitted to the Company's Registrar. Proxy forms should be completed and returned in accordance with the instructions thereon and the latest time for the receipt of proxy forms is 11:00 a.m. on 20 May 2025. Proxy votes can also be submitted by CREST where shares are so held.

Resolutions 1 to 9 (inclusive) will be proposed as Ordinary Resolutions and resolutions 10 and 11 (inclusive) will be proposed as Special Resolutions.

## Ordinary Business

To consider and if thought fit, pass the following as Ordinary Resolutions:

1. THAT the Company's Annual Report and Financial Statements and the auditors' report thereon for the year ended 31 December 2024 be received.
2. THAT the Directors' Remuneration Report in respect of the year ended 31 December 2024 (as set out in the Annual Report and Financial Statements for the same) be approved.
3. THAT the Directors' Remuneration Policy, as set out on pages 60 to 61 of the Directors' Remuneration Report be approved, which shall take effect immediately after the end of the annual general meeting.
4. THAT Alex Clarkson be re-elected as a Director of the Company.
5. THAT Mary Anne Cordeiro be re-elected as a Director of the Company.
6. THAT Ian Dighé be re-elected as a Director of the Company.
7. THAT Richard Manley be re-elected as a Director of the Company.

Biographical details for each Director and their individual contributions to the Company towards its long-term sustainable success can be found on page 44 of the Annual Report.

8. THAT Royce Peeling Green Limited be re-appointed as auditor of the Company until the conclusion of the next Annual General Meeting of the Company at which accounts are laid before the shareholders and THAT the Directors be authorised to determine their remuneration.

## Special Business

To consider and if thought fit, pass the following as an Ordinary Resolution:

9. AUTHORITY TO ALLOT RELEVANT SECURITIES

   THAT, in addition to existing authorities, the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot:

   1. B ordinary shares of 1p each in the capital of Company ("B shares") up to an aggregate nominal amount of £350,000 in connection with offer(s) for subscription;
   2. B shares for cash and otherwise than pursuant to sub-paragraph 1. above, up to an aggregate nominal amount of £100,000; and
   3. ordinary shares of 1p each in the capital of Company ("Ordinary Shares") for cash, up to an aggregate nominal amount of £4,058

provided that this authority shall expire at the later of the conclusion of the Company's next Annual General Meeting following the passing of this resolution and the expiry of 15 months from the passing of this resolution (unless previously revoked, varied or extended by the Company in a general meeting) but so that such authority shall allow the Company to make offers or agreements before the expiry thereof which would or might require relevant securities to be allotted after the expiry of such authority and the Directors shall be entitled to allot shares pursuant to any such offers or agreements as if the authority conferred by this resolution had not expired.

To consider and if thought fit, pass the following as a Special Resolution:

10. AUTHORITY TO PURCHASE RELEVANT SECURITIES

THAT the Company be and is hereby generally and unconditionally authorised within the meaning of section 701 of the Act to make one or more market purchases (within the meaning of section 693(4) of the Act) of B shares provided that:

1. the maximum number of B shares hereby authorised to be purchased is an amount equal to 14.99% of the issued B share capital of the Company from time to time;
2. the minimum price which may be paid for a B share is 1 pence per share, the nominal amount thereof;
3. the maximum price which may be paid for a B share is an amount equal to the higher of:
    1. 105% of the average of the middle market prices shown in the quotations for a B share in The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that share is purchased; and
    2. the amount stipulated by Article 5(6) of Market Abuse Regulation (596/2014/EU) (as such Regulation forms part of UK law as amended);
4. the authority hereby conferred shall (unless previously renewed or revoked) expire on the earlier of the conclusion of the Company's next Annual General Meeting following the passing of this resolution and the date which is 15 months after the date on which this resolution is passed; and
5. the Company may make a contract or contracts to purchase its own B shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of its own B shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

To consider and, if thought fit, pass the following as a Special Resolution:

11. EMPOWERMENT TO MAKE ALLOTMENTS OF EQUITY SECURITIES

THAT, in addition to existing authorities, the Directors pursuant to section 570(1) of the Act be and are hereby empowered to allot or make offers or agreements to allot equity securities (as defined in section 560(1) of the Act) for cash pursuant to the authority referred to in Resolution 9 as if section 561(1) of the Act did not apply to any such allotments and so that:

1. reference to allotment in this resolution shall be construed in accordance with section 560(2) of the Act; and
2. the power conferred by this resolution shall enable the Company to make any offer or agreement before the expiry of the said power which would or might require equity securities to be allotted after the expiry of the said power and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding the expiry of such power,

and this power, unless previously varied, revoked or renewed, shall come to an end at the conclusion of the Annual General Meeting of the Company next following the passing of this resolution or, if earlier, on the expiry of 15 months from the passing of this resolution.

**By order of the Board**
ISCA Administration Services Limited
Company Secretary
23 April 2025

Registered Office:
9 The Parks
Haydock
WA12 0JQ

## Notes

i. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting (and the number of votes that may be cast thereat), will be determined by reference to the Register of Members of the Company at the close of business on the day which is two days before the day of the meeting or of the adjourned meeting. Changes to the Register of Members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

ii. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent the appointer. Details of how to appoint the chair of the meeting or another person as a proxy using the Form of Proxy are set out in the notes on the Form of Proxy. If the member wishes his or her proxy to speak on their behalf at the meeting then the member will need to appoint their own choice of proxy (not the chair) and give their instructions directly to the proxy.

iii. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, a member may copy the proxy form, clearly stating on each copy the shares to which the proxy relates, or alternatively contact the Company's registrars, Neville Registrars Limited, on 0121 585 1131 to request additional copies of the proxy form. For legal reasons Neville Registrars Limited will be unable to give advice on the merits of the proposals or provide financial, legal, tax or investment advice. The member will need to indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as proxy, and will also need to indicate on the form (by ticking the box provided) if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned together in the same envelope.

iv. Any person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

v. The statement of the rights of members in relation to the appointment of proxies in paragraphs (ii) to (iii) above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.

vi. If the recipient of this document has been nominated to receive general shareholder communications directly from the Company, it is important to remember that the member's main contact in terms of their investment remains as it was (being the registered shareholder, or perhaps custodian or broker, who administers the investment on their behalf). Therefore, any changes or queries relating to a member's personal details and holding (including any administration thereof) must continue to be directed to that member's existing contact at their investment manager or custodian. The Company cannot guarantee that it will deal with any matters that are directed to it in error. The only exception to this is where the Company, in exercising one of its powers under the Act, writes to a member directly for a response.

vii. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) of it by using the procedures described in the CREST Manual (available from www.euroclear.com/site/public/EUI). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & International Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (CREST ID 7RA11) by 11:00 a.m. on 20 May 2025. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

viii. A reply-paid Form of Proxy or a reply-paid envelope is enclosed with this document if received by post. To be valid, the enclosed Form of Proxy for the meeting, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy thereof, must be deposited at the offices of the Company's registrar, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD to be received not later than 11:00 a.m. on 20 May 2025 or 48 hours before the time appointed for any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll.

ix. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should he or she subsequently decide to do so. A member can only appoint a proxy using the procedure set out in these notes and the notes to the Form of Proxy.

x. As at 17 April 2025 (being the last business day prior to the publication of this notice), the Company's issued share capital comprised 8,115,376 Ordinary shares and 25,122,445 B shares, all of which carry one vote each. Therefore, the total voting rights in the Company as at 17 April 2025 was 33,237,821.

xi. Copies of the Directors' letters of appointment, the Register of Directors' Interests in shares of the Company and copies of the Articles of Association of the Company will be available for inspection at the registered office of the Company during usual business hours on any weekday (Public Holidays excluded) from the date of this notice, until the end of the AGM and at the place of the AGM for at least 15 minutes prior to and during the meeting.

xii. If a corporate shareholder has appointed a corporate representative, the corporate representative will have the same powers as the corporation could exercise if it were an individual member of the Company. If more than one corporate representative has been appointed, on a vote on a show of hands on a resolution, each representative will have the same voting rights as the corporation would be entitled to. If more than one authorised person seeks to exercise a power in respect of the same shares, if they purport to exercise the power in the same way, the power is treated as exercised; if they do not purport to exercise the power in the same way, the power is treated as not exercised.

xiii. At the meeting, shareholders have the right to ask questions relating to the business of the meeting and the Company is obliged under section 319A of the Act to answer such questions, unless: to do so would interfere unduly with the preparation of the meeting or would involve the disclosure of confidential information; if the information has been given on the Company's website: www.senecavct.co.uk in the form of an answer to a question; or if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

xiv. Further information, including the information required by section 311A of the Act, regarding the meeting is available on the Company's website, www.senecavct.co.uk.

SENECA
GROWTH CAPITAL VCT PLC

Seneca Growth Capital VCT Plc
9 The Parks, Haydock, WA12 0JQ

**www.senecavct.co.uk**

Company No: 04221489