Pembroke VCT plc

Annual report

for the year ended 31 March 2024

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Pembroke VCT

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Financial Highlights

for the year ended 31 March 2024

Net asset value per share

104.6p

(2023: 115.1p)

Net asset value total return per share

139.6p

(2023: 145.1p)

See KPI section on page 13

Dividend paid per share

5.0p

(2023: 5.0p)

The Company paid two (2023: one) dividend(s) in the year, a total of £9.6m (2023: £8.3m)

Increase of portfolio value over cost

62%

(2023: 64%)

See Investments section on page 17

Total value of investments

£182.5m

(2023: £177.0m)

Cash invested in one new investment

£3.0m

(2023: £11.3m invested in six new investments)

Cash invested in seven follow-on investments

£9.1m

(2023: £11.4m invested in 12 follow-on investments)

Total cash invested during the year

£12.1m

(2023: £22.7m)

Investment Objective

Pembroke VCT plc (the "Company") is a generalist Venture Capital Trust ("VCT") focused on early-stage investments in founder-led businesses.

The Company invests in a diversified portfolio of small, principally unquoted companies, and selects those which Pembroke Investment Managers LLP (the "Investment Manager") believes to provide the opportunity for value appreciation.

The Investment Manager supports the success of the Company through fundraising, fund management, marketing and investment management including investment sourcing and pipeline management, portfolio management and liaising with professional advisors.

The Board of Directors of the Company (the "Board") believes that the Company can benefit from leveraging the previous sector experience of the Investment Manager whilst also facilitating synergistic advantages from grouping similar businesses.

Investment Strategy

The Company and the Investment Manager's investment strategy is focused on delivering long-term stable capital growth, accompanied by annual dividends and special dividends upon achieving profitable exits. Its approach centres on investing in a diversified portfolio of carefully researched unquoted companies, operating within three key sectors known for their attractive fundamental characteristics: Business Services, Consumer and Technology.

To achieve its investment objective, the Company and the Investment Manager seek out companies with the following key attributes:

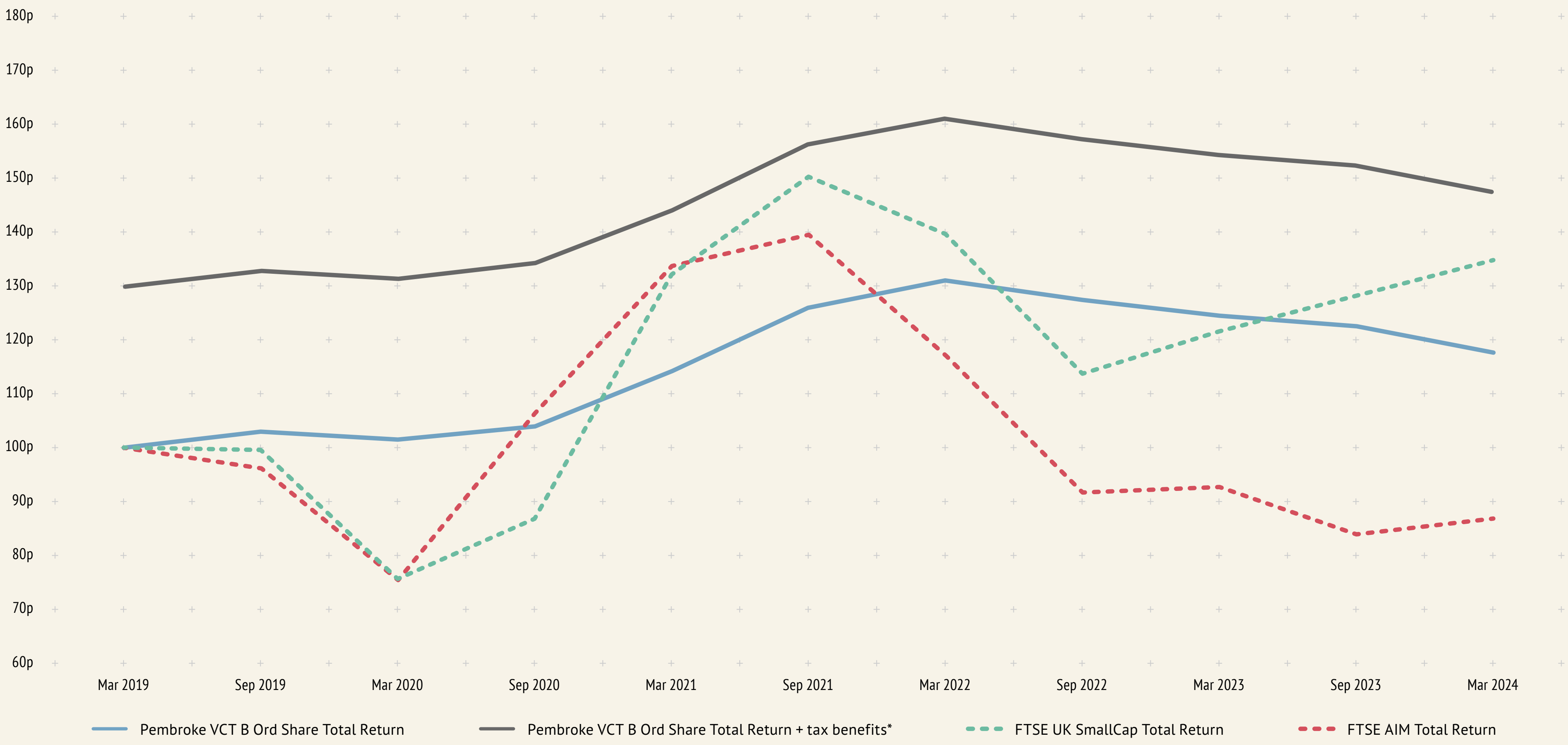
- **Exceptional leadership**: The Company and the Investment Manager prioritise companies led by exceptional founders and management teams, possessing a unique insight or proven track record in their respective fields.
- **Strong business models**: The Company and the Investment Manager's focus is on companies with attractive business models and solid company fundamentals.
- **Market disruptors**: The Company and the Investment Manager seek companies that have the potential to disrupt large markets with a unique and defensible product or service.
- **Compelling valuations**: The Company and the Investment Manager carefully evaluate investment opportunities to ensure a compelling entry valuation for both Pembroke and the target company.
- **Value growth potential**: Companies in the portfolio demonstrate a credible and well-defined path to achieving significant value growth, leading to an exit event within a four-to-seven-year time horizon.

By adhering to these principles, the Company aims to deliver exceptional returns for its investors while maintaining a disciplined and responsible approach to investment management.

In the coming year, the Company and the Investment Manager will increase its focus on businesses within the three key sectors, utilising deal origination to access higher quality new investment opportunities. Together, the Company and the Investment Manager will emphasise a higher level of investment activity in the UK's regional economic hubs and promote geographical diversity of the Company.

Performance

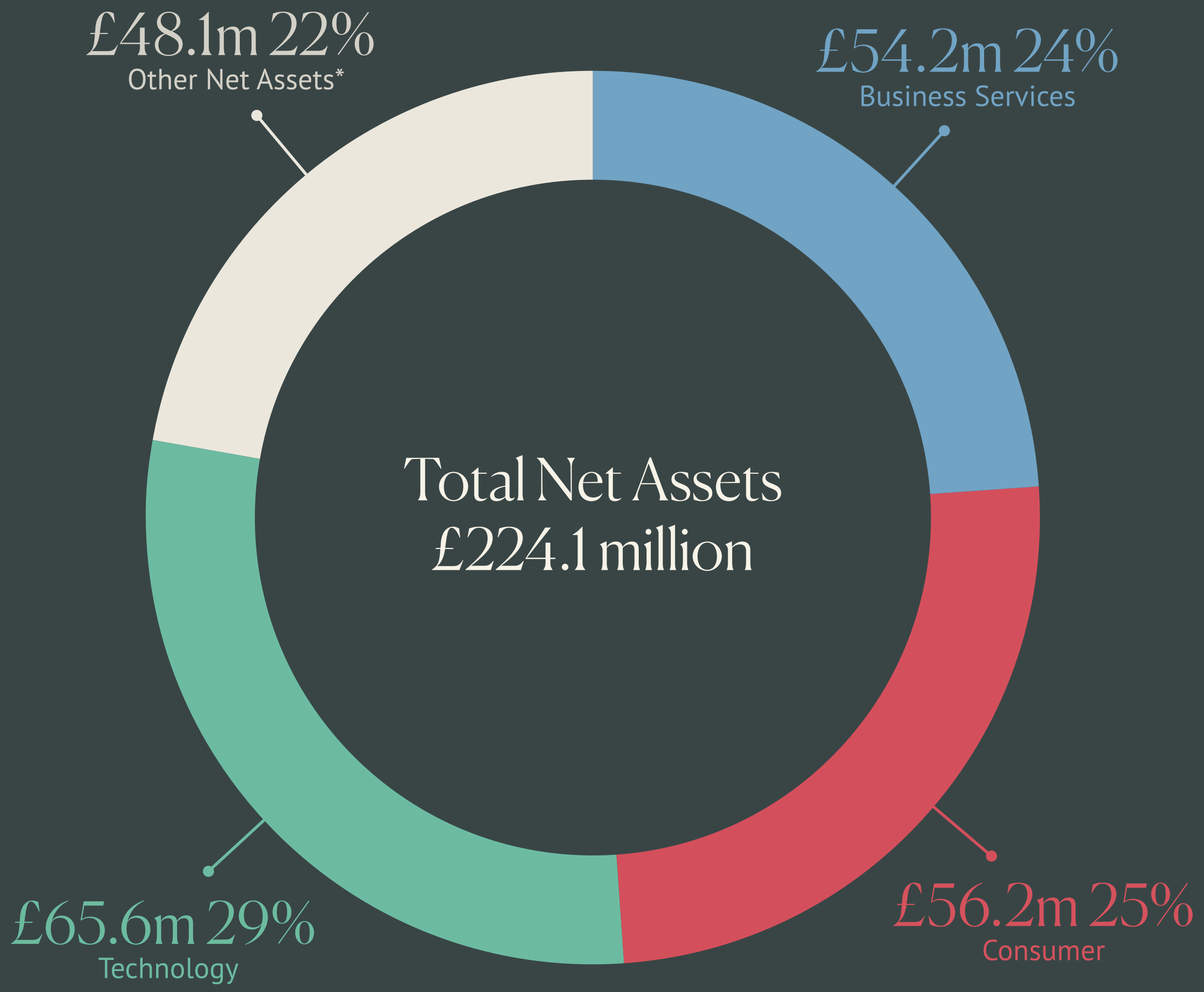
The graph compares the total returns on an investment of 100p in the B Ordinary Shares of the Company for five years (being the minimum holding period under VCT rules), assuming all dividends are reinvested, with the total shareholder return on a notional investment of 100p in two FTSE indices. The FTSE UK Small Cap Total Return index was chosen for comparison purposes as it is the most relevant to the Company's investment portfolio. FTSE AIM Total Return Index was presented as an additional benchmark illustration.



*Tax benefits include a 30% initial tax credit on invested cost and exclude tax benefits on dividends and capital gains tax on VCT shares.

Segment Analysis

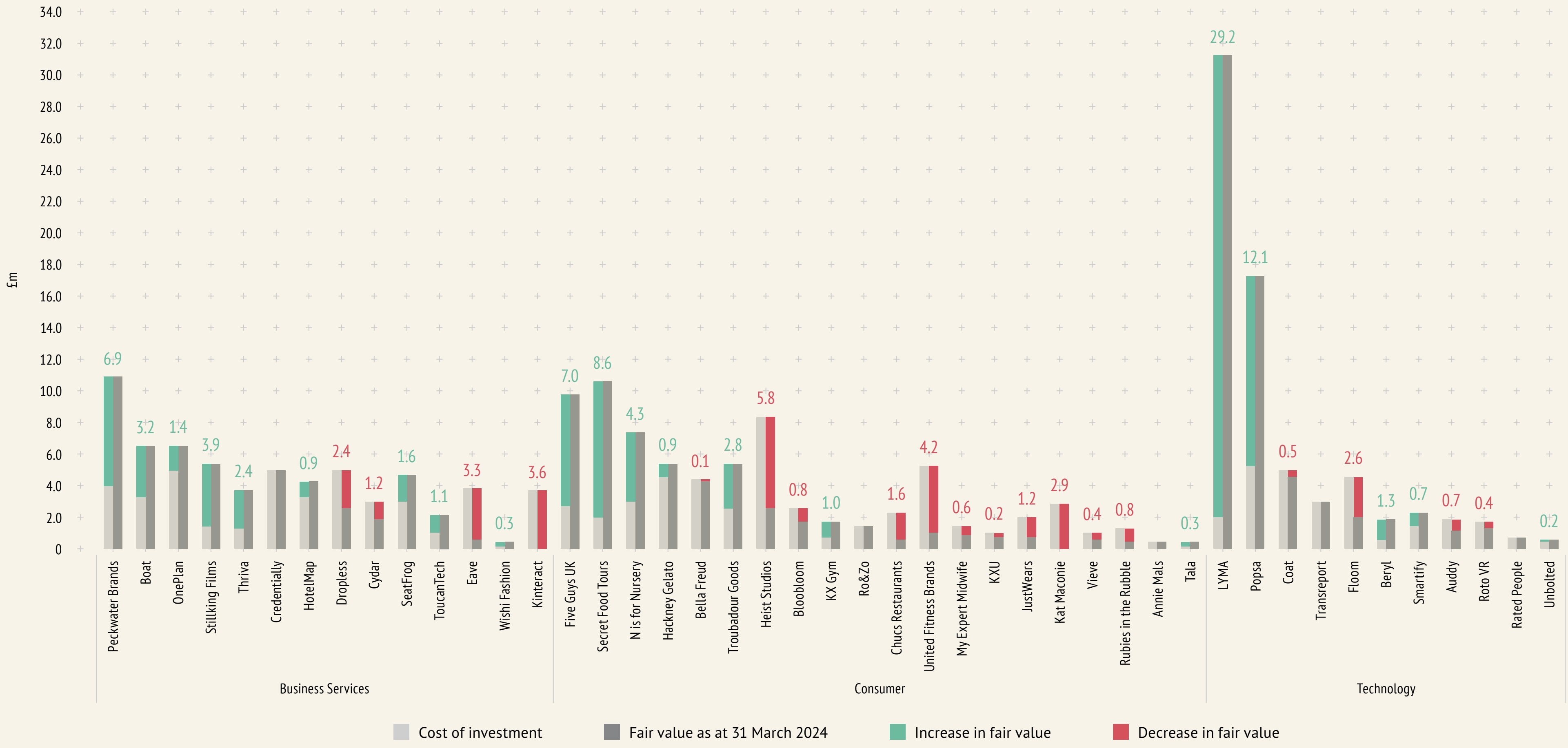
Segmental breakdown of the investment portfolio based on net assets at 31 March 2024.



*Includes interest rolled up in fixed income investments

Portfolio Performance

Portfolio performance vs cost



Chair's Statement

I am pleased to present the annual results for Pembroke VCT plc for the year ended 31 March 2024.

Overview

The Company recently closed a successful £37.3 million fundraise, an increase from £32.8 million last year despite the overall VCT market fundraise decrease of 20%. We thank existing shareholders for their continued support and we also welcome our new shareholders.

During the period, the Total Return (NAV plus cumulative dividends paid) per share decreased 5.5 pence, or 3.8%, from 145.1 pence per share to 139.6 pence per share. This is mainly as a result of the Company's £10.5 million loss in the year to March 2024 (2023: £9.4 million) arising from annual running costs and valuation changes on the investment portfolio caused by the challenging market conditions impacting the portfolio companies' ability to raise funds, including Kat Maconie and Kinteract being placed into administration during the year.

The Company's net asset value ("NAV") at 31 March 2024 is £224.1 million (2023: £216.1 million) and continues an upward trend reflecting the underlying fundraising. The increase in the year is after returning £17.3 million to shareholders through dividends and share buybacks. Since the year end the Company has returned a further £7.5 million to shareholders through a £3.3 million share buyback and a further £4.2 million dividend, both in April 2024.

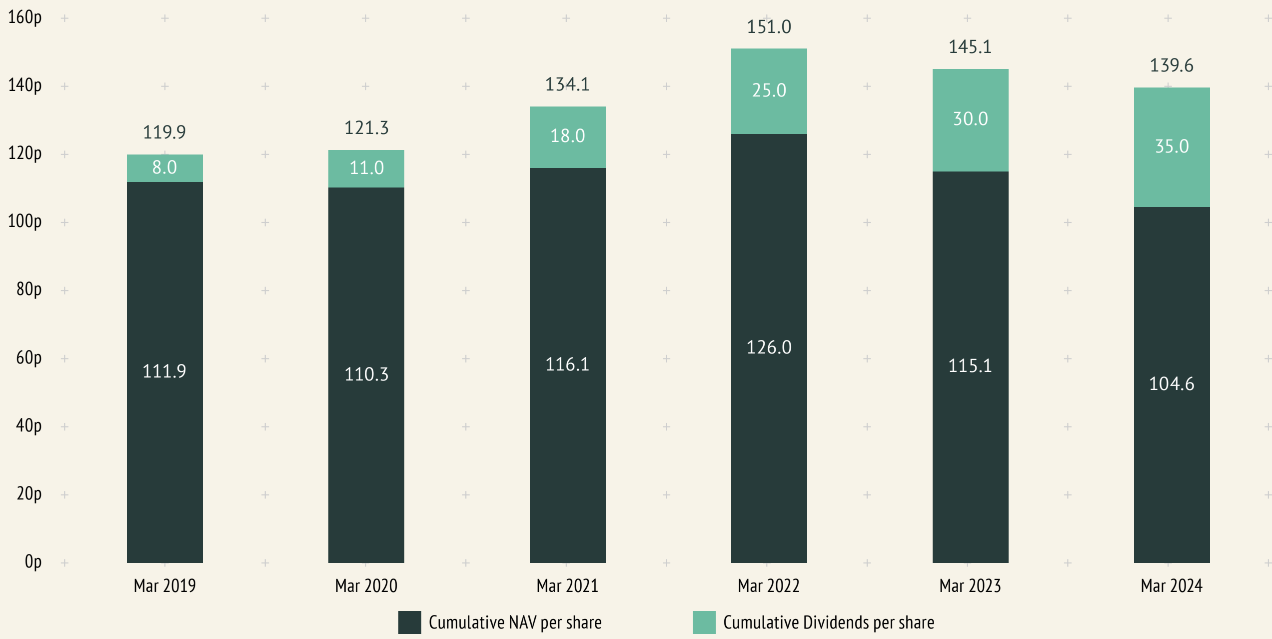
Appointment of a new Director

We are delighted to welcome Chris Allner to the Company's Board, as a new Non-Executive Director, from 1 June 2024. Chris brings a wealth of VCT experience to the Board of Pembroke VCT and we encourage you to read more about his skills and experience on pages 11 and 12. This appointment is part of the Board's objectives to improve its own performance and succession plans in order to maintain an appropriate level of independence, experience and skills.

Investment Portfolio Overview

We are pleased with the strong performers in the portfolio, notably Lyma, Peckwater Brands, Secret Food Tours,

NAV total return performance



Five Guys, Seatfrog and Troubadour, all with positive growth stories which you can read more about on page 23 of the Investment Manager's Review. The valuation of these six investments has increased by £14.3 million during FY24.

We currently hold nine portfolio companies with individual company valuations exceeding £50 million, compared to just two companies in 2019. These companies collectively represent over half of our portfolio's total value, highlighting its continued growth and potential.

During the year the Company invested £3.0 million in one new company, Transreport. The Company also made follow on investments totalling £9.1 million into seven portfolio companies to continue our support of their growth. We have adopted a critical new deal evaluation process this year, as well as a focus on the companies already in our portfolio. We are optimistic of our investment pipeline for the coming year as we look to make new investments.

For further details, see the Investment Manager's Review and Investment Portfolio on pages 18 and 27.

Results

The Company made a loss of £10.5 million in the year to 31 March 2024. The net investment revaluations amounted to a £6.7 million loss which has been offset by investment income of £1.5 million. Company expenses were £0.9 million and Investment Manager fees were £4.4 million. The Net Asset Value at 31 March 2024 is £224.1 million, equivalent to 104.6 pence per share.

Environmental, Social & Governance ("ESG")

We are proud that the Pembroke portfolio now includes eight registered B Corp companies; LYMA, N Family Club, Troubadour, COAT Paints, Rubies in the Rubble, Beryl, Dropless and JustWears. The main purpose of a B Corp is to meet standards of social and environmental performance, transparency and accountability through positive business practices.

In 2022 the Investment Manager became a member of ESG_VC and has shared the ESG_VC framework with the management teams at our portfolio companies in order to collect company level ESG data. ESG_VC is a voluntary organisation and provides its members with regular updates, invitations to workshops, training and industry events. The members may also be asked to submit data from across their own portfolio companies using the ESG_VC Measurement Framework.

The Investment Manager has recently also become a signatory of the Investing in Women Code. The code is a commitment to support the advancement of female entrepreneurship in the UK by improving female entrepreneurs' access to tools, resources and finance from the financial services sector. Pembroke has been a supporter to female founders since inception, with 37% of our portfolio companies having at least one female founder.

The Board of Pembroke VCT plc is aware of ESG reporting requirements within the venture capital sector and will continue to develop its strategy and seek to embed ESG at Pembroke VCT plc.

Dividends & Share Buybacks

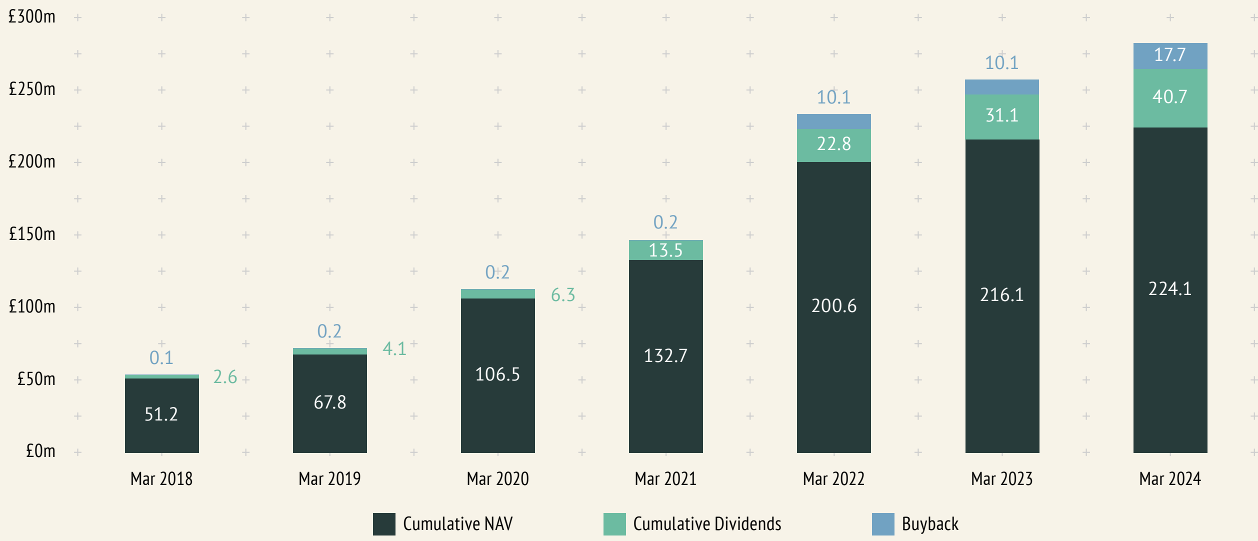
In the year to March 2024 the Company paid a total of £9.6 million in dividends. A 2.5 pence per share dividend was paid in both May 2023 and November 2023, meeting the Company's annual dividend target of 5.0 pence per share for the year to March 2024.

Since the year end, a 2.0 pence per share dividend totalling £4.2 million was paid in April 2024 which is a strong start to meeting the Company's dividend target for the year to March 2025. The Company continues with its policy to pay special dividends when investment exits are achieved.

We have continued to uphold our policy of half yearly buybacks at a 5% discount to NAV. In April 2023 the Company bought back 5,234,964 shares at 112.9 pence per share and 1,638,410 shares at 107.1 pence per share in October 2023 for an aggregate consideration of £7.7 million. Additionally, after the March 2024 year end, the Company bought back 3,355,560 shares at 98.0 pence per share and for an aggregate consideration of £3.3 million.

As interests in portfolio companies are sold, the Company intends to continue paying special dividends and conducting share buybacks, but always subject to the requirements and best interests of the Company, the rules and regulations to which it is subject and the Company having sufficient cash resources.

NAV, dividends and buybacks



VCT Qualifying Status

Philip Hare & Associates LLP provides both the Board and the Investment Manager with advice concerning ongoing compliance with HMRC rules and regulations concerning VCTs. The Board has been advised that Pembroke VCT plc continues to comply with the HMRC conditions for maintaining its approval as a venture capital trust.

Outlook

The Board is encouraged by the potential of companies in the portfolio. One in four of our companies are valued at £50 million or more and this, coupled with some renewed optimism in the wider venture capital space, provides an encouraging start to the new financial year though we expect market conditions to remain challenging. Whilst continuing to return funds to shareholders through dividends and buybacks our successful fundraise has increased the Company's cash to £46 million. The Investment Manager continues to seek out new investment opportunities and continues to support our existing portfolio.

The Board and the Investment Manager remain conscious of the macro-economic environment of the UK, however the Board is confident that the founders of our portfolio companies will continue to adapt and seek growth opportunities.

Annual General Meeting

The Annual General Meeting ("AGM") will be held at the Company's offices at 3 Cadogan Gate, London SW1X 0AS on 12 September 2024 at 10 a.m.

Jonathan Djanogly
Chair
19 June 2024


Jonathan Djanogly


Laurence Blackall


Mark Stokes


Louise Wolfson


Chris Allner


David Till

The Board

Jonathan Djanogly

Independent non-executive Chair

Jonathan is a non-practising solicitor and was, for over ten years, a corporate partner at City law firm SJ Berwin LLP. He specialised in mergers and acquisitions, private equity and joint ventures as well as fund raising on public markets. Jonathan was a Member of Parliament between 2001 and 2024, where he served as a Member of the Trade and Industry Select Committee and latterly as a member of the Public Accounts Committee. He also served on the Opposition front bench as Shadow Solicitor General, as a Shadow Minister for Trade and Industry with responsibility for employment law and corporate governance and as a Justice Minister for over two years.

Laurence Blackall

Independent non-executive Director

Laurence has had a 30-year career in the information, media and communication industries. After an early career at Virgin and the SEMA Group he was a director of Frost & Sullivan before moving to McGraw Hill where he was a vice-president in its computer and communications group. He then went on to found AIM listed Internet Technology Group plc in 1995 and successfully negotiated its sale in 2000 for a consideration of almost £150 million. Laurence was also instrumental in the creation of Pipex Communications plc. He has interests in a range of leisure and TMT businesses and currently holds a number of directorships in public and private UK companies.

Mark Stokes

Independent non-executive Director

Mark Stokes has over 30 years experience in financial services, and 20 years at Executive Committee level. He is currently Chief Commercial Officer at United Trust Bank, and previously held Managing Director positions at Lloyds Corporate and Commercial Banking, Williams & Glyn, and Metro Bank. He has a deep understanding of business strategy, execution, performance management, risk management, and governance. Mark has a broad business experience from a career lending into commercial and SME markets, and consumer and asset finance markets, that includes M&A execution and capital markets fund raising. He has also previously served as a Non-Executive Director Alternate with Motobility Operations Group plc. Mark is a member of the Chartered Institute of Bankers and has completed their Green and Sustainable Finance certification.

Louise Wolfson

Independent non-executive Director

Louise Wolfson is a senior corporate lawyer who was previously a partner at Allen & Overy LLP and Pinsent Masons LLP. She has a particular focus on corporate finance transactions, and has wider experience including mergers and acquisitions, joint ventures, strategic investments, capital raisings and listings. Louise currently works as a freelance corporate lawyer and sits as a tribunal judge hearing social security and immigration appeals.

Chris Allner

Independent non-executive Director

Chris Allner joined the Board of Pembroke VCT plc in June 2024.

He brings deep industry experience from a 40-year career in venture capital and private equity, including senior roles at fund, investment manager and portfolio company level.

He has been a partner at Downing LLP since 2012 and continues to chair their investment committee as well as being a member of Nesta's Impact investment committee. He also remains on the board of Thames Ventures VCT 1 plc, Thames Ventures VCT 2 plc, and was formerly a Non-Executive Director on the Boards of Firefly Education Ltd, FundingXchange Ltd, Curo Compensation Limited and Xupes Handbags & Jewellery Ltd.

Previously, he held senior investment roles at Octopus Capital, Beringea and Bridgepoint.

David Till

Non-independent non-executive Director

David Till co-founded the Oakley Capital Group in 2002. David plays a key role within the group and has overall responsibility for operations, finance, due diligence, compliance and fund formation. The Oakley Capital private equity funds invest in, and support, the continued growth and development of some of Europe's leading companies and seeks to build long-term relationships with talented entrepreneurial founders and managers. Over the past 20 years, Oakley has built expertise in three core sectors: TMT, Digital Consumer and Education, and has strong credentials and networks in these areas. Oakley Capital comprises four mid-market private equity funds. The Funds generate strong returns for their Limited Partners as well as Oakley Capital Investments Limited, a listed investment trust that invests in Oakley Private Equity Funds.

He started his career in the British Army, then later qualified as a chartered accountant with Coopers & Lybrand and worked in industry as a finance director before returning to the profession holding senior M&A roles.

Board Summary

Independent NEDs	Appointed	Age	Experience	Qualifications
Jonathan Djanogly	Nov-12	59	L CF LC SE G	BA, Qualified Solicitor, ICAEW Corporate Finance Qualification
Laurence Blackall	Nov-12	73	CF E LC SE G	MA
Louise Wolfson	Jan-21	52	L CF LC SE G	MA, Qualified Solicitor
Mark Stokes	Jan-21	62	B CF LC SE G	Chartered Banker, CBI Green & Sustainable Finance Certificate, IoD Diploma in Company Direction
Chris Allner	June-24	65	IM CF LC SE G	MA, C.Dip Fin Acc.

Non-Independent				
David Till	Aug-18	60	CF E LC SE AA IM G	BA, Chartered Accountant, FCA

L Legal
B Banking
CF Corporate Finance
E Entrepreneur
LC Listed Corporate
SE Senior Executive
AA Accounting & Audit
IM Investment Management
G Governance

Key Performance Indicators (KPIs)

As a VCT, the Company's objective is to provide shareholders with an attractive income and capital return by investing its funds in unquoted companies which meet the relevant criteria for VCTs.

The Board has agreed upon the following five key performance measures to assess the Company's success in meeting these objectives. Some of these are classified as alternative performance measures ("APMs") in line with Financial Reporting Council ("FRC") guidance.

1. NAV per share;
2. NAV Total return per share;
3. Dividends per share paid in the year;
4. Annual Recurring Costs; and
5. Qualifying percentages under VCT rules.

1. NAV per share

The NAV per share of the Company is the sum of the underlying assets less the liabilities of the Company divided by the total number of shares in issue. The Company's target is for the NAV per share to remain level or increase after adjusting for dividends paid.

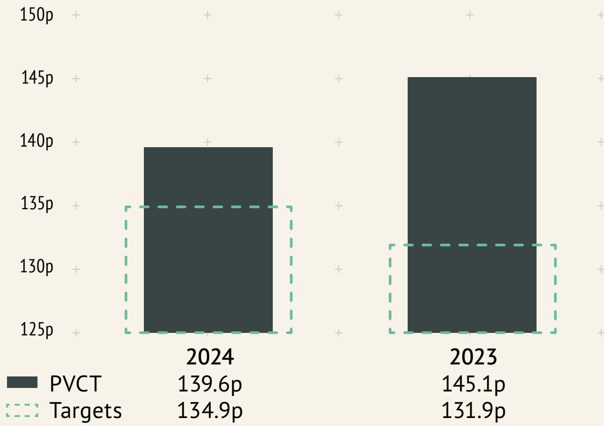
2024	2023*	Reason for movement
104.6p	110.1p	NAV per share decreased 5.5 pence, or 5.0%, from 110.1 pence per share to 104.6 pence per share. This is mainly as a result of the Company's £10.5 million loss in the year to March 2024 (2023: £9.3 million loss) as a result of unrealised valuation changes in the investment portfolio.

**Adjusted for dividends paid in the year of 5p.*

2. NAV total return per share

This is the most widely used measure of performance in the VCT sector. Total return per share is an APM that is calculated as the NAV per share plus cumulative dividends paid per share. Total return per share enables shareholders to evaluate more clearly the performance of the Company, as it reflects the overall return and value of shareholders' interest. The Company's target is for the Total return per share to increase by 3 pence per year from August 2020 (124.1p) which represents one of the hurdles for the Investment Manager to be paid a Performance Incentive Fee ("PIF") when a profitable exit is achieved.

Target vs actual total return per share



Total return pence per share:	2024	2023
Cumulative dividends paid at the beginning of the period	30.0	25.0
Dividends paid during the year	5.0	5.0
Total dividends paid since launch	35.0	30.0
Closing NAV per share	104.6	115.1
Total return per share	139.6	145.1

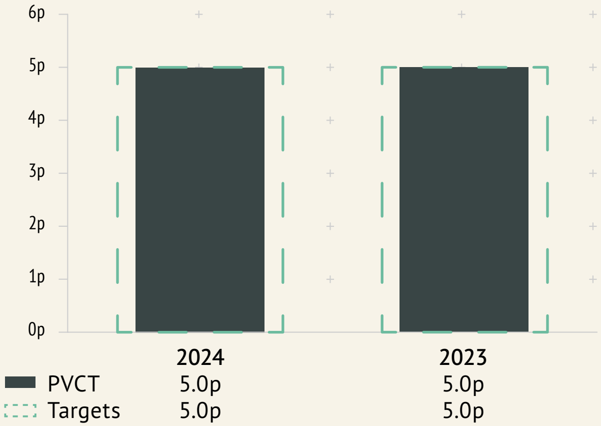
Key Performance Indicators (KPIs)

3. Dividends per share paid in the year

The Company (PVCT) has a target of paying an annual dividend of 5 pence per share.

The Company paid 5.0 pence per share (2023: 5.0 pence per share) of dividends in the current period which is consistent with the Board's target of 5.0 pence per share (2023: 5.0 pence per share) annual dividend.

Target vs Actual Dividend Paid



4. Annual Running Costs

The Company is indemnified by the Investment Manager by such amount equal to the excess by which the Annual Running Costs of the Company exceed 0.5% of the Company's NAV, calculated on an annual basis. The Board monitors its costs carefully (as an APM) and seeks to maintain the Annual Running Costs below 0.5% of NAV.

The Board monitors the Annual Running Costs as follows:

	2024	2023
Annual Running Costs (£'000)	876	735
Net Asset Value (£'000)	224,075	216,080
Annual Running Costs as a percentage of NAV	0.39%	0.34%

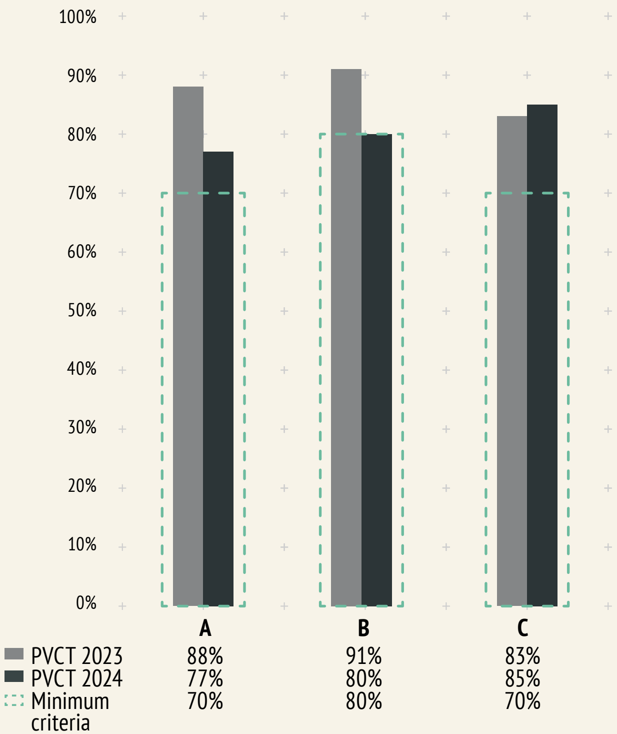
See Notes 5 and 8.

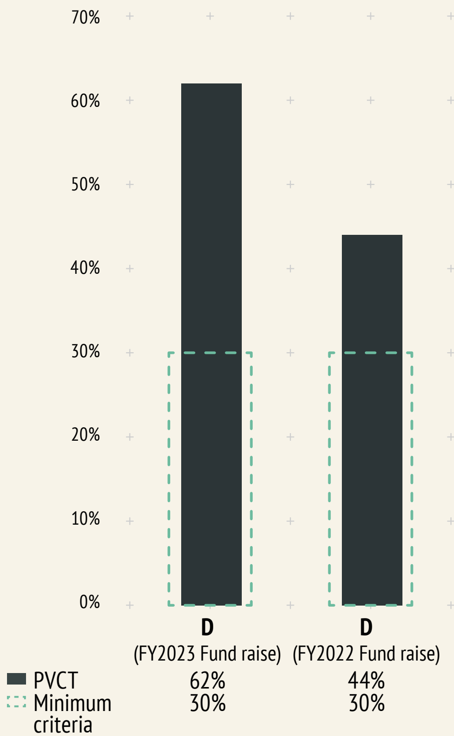
This is within the Company's annual limit of 0.5% of NAV.

Key Performance Indicators (KPIs)

5. Qualifying percentages under VCT rules*

The Company (PVCT) complies with the VCT rules which require it to maintain the following criteria.





*The values on these APMs are computed based on specific HMRC rules and are not in line with any GAAP.

E	2024	2023
Maximum	15%	15%
PVCT	0%	0%

Legend	
A	The Company's income in the period has been derived wholly or mainly (70% plus) from shares or securities.
B	At least 80% of the value of the Company's investments has been represented throughout the period by shares or securities comprised of qualifying holdings of the company.
C	For funds raised after 5 April 2011, at least 70% by value of the company's qualifying holdings has been represented throughout the period by holdings of eligible shares.
D (FY 2022 Fund Raise)	At least 30% of the funds raised in FY 2021/2022 are invested in qualifying holdings by 31 March 2023.
D (FY 2023 Fund Raise)	At least 30% of the funds raised in FY 2022/2023 are invested in qualifying holdings by 31 March 2024.
E	The Company has not retained more than 15% of its income from shares and securities.

The Company continues to meet the requirements of the VCT rules and is confident there continues to be sufficient investment opportunities to maintain this.

Investments

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Investment Portfolio

	As at 31 March 2024			As at 31 March 2023		
	Cost £'000	Fair value £'000	% of NAV	Cost £'000	Fair value £'000	% of NAV
Business Services						
PeckWater Brands	4,000	10,888	4.9	4,000	7,486	3.5
Boat International Media	3,250	6,480	2.9	3,250	6,950	3.2
OnePlan	5,000	6,448	2.9	3,750	7,734	3.6
Stillking Films	1,452	5,315	2.4	1,452	6,075	2.8
Credentially	5,000	5,000	2.2	3,000	2,625	1.2
SeatFrog	3,000	4,632	2.1	3,000	3,000	1.4
HotelMap	3,300	4,200	1.9	1,500	2,400	1.1
Thriva	1,330	3,752	1.5	1,330	6,543	3.0
Dropless	5,000	2,609	1.2	4,375	4,098	1.9
Toucantech	1,000	2,081	0.9	1,000	1,754	0.8
Cydar	3,000	1,793	0.8	3,000	3,000	1.4
Eave	3,900	568	0.3	3,900	1,684	0.8
Wishi Fashion	153	457	0.2	153	1,143	0.5
Kinteract	–	–	–	3,635	2,064	1.0
	39,385	54,223	24.2	37,345	56,556	26.2
Consumer						
Secret Food Tours	2,000	10,622	4.7	2,000	5,125	2.4
Five Guys UK	2,726	9,772	4.4	3,311	9,498	4.4
N is for Nursery	3,000	7,297	3.3	3,000	7,297	3.4
Troubadour Goods	2,540	5,380	2.4	2,540	3,926	1.8
Hackney Gelato	4,500	5,378	2.4	3,200	3,968	1.8
Bella Freud	4,329	4,191	1.9	4,329	7,094	3.3
Heist Studios	8,349	2,508	1.1	8,349	3,429	1.6
Bloobloom	2,500	1,672	0.7	2,500	2,500	1.2
KX Gym	700	1,654	0.7	700	1,654	0.8
Ro&Zo	1,500	1,500	0.7	1,500	1,500	0.7
United Fitness Brands	5,276	1,028	0.5	5,276	318	0.1
My Expert Midwife	1,500	903	0.4	1,500	1,500	0.7
KX Urban	1,034	790	0.4	1,034	790	0.4
JustWears	2,000	760	0.3	2,000	2,000	0.9
Chucs Restaurants	2,220	638	0.3	2,220	2,051	0.9
Vieve	1,000	590	0.3	1,000	1,000	0.5
TALA	200	510	0.2	200	200	0.1
Rubies in the Rubble	1,328	510	0.2	1,227	920	0.4
Annie Mals	500	500	0.2	500	500	0.2
Kat Maconie	–	–	–	2,850	3,769	1.7
	47,202	56,203	25.1	49,236	59,039	27.3

	As at 31 March 2024			As at 31 March 2023		
	Cost £'000	Fair value £'000	% of NAV	Cost £'000	Fair value £'000	% of NAV
Technology						
LYMA Life	2,000	31,169	13.9	2,000	29,684	13.7
Popsa	5,200	17,253	7.7	5,200	14,525	6.7
Coat	5,000	4,496	2.0	3,000	3,562	1.6
Transreport	3,000	3,000	1.3	–	–	–
Smartify	1,500	2,245	1.0	1,500	1,500	0.7
Floom	4,560	1,955	0.9	4,560	624	0.3
Beryl	553	1,889	0.8	553	1,889	0.9
Roto VR	1,750	1,323	0.6	1,750	883	0.4
Auddy	1,800	1,108	0.5	1,800	1,800	0.8
Rated People	641	621	0.3	641	621	0.3
Unbolted	400	553	0.2	400	553	0.3
	26,404	65,612	29.2	21,404	55,641	25.7
Total Portfolio before interest	112,991	176,038	78.5	107,985	171,236	79.2
Interest rolled up in fixed income investments	–	6,451	2.9	–	5,793	2.7
Total Portfolio including interest	112,991	182,489	81.4	107,985	177,029	81.9
Other Net Assets	41,586	41,586	18.6	39,051	39,051	18.1
Net assets	154,577	224,075	100.0	147,036	216,080	100.0

Note: As at 31 March 2024, the Company holds investments, valued at £nil, in Alexa Chung, Chilango, Kat Maconie, Kinteract, Stitch&Story and Sourced Market.

Investment Manager's Review

The Investment Manager (PIM)

The Investment Manager, Pembroke Investment Managers LLP, has an experienced leadership group and has grown to a team of 18 (from 11 in 2021). We continue to have specialist staff support from the Oakley Capital group (Oakley). The combined experience of these individuals aligns with the Company's investment objective and strategy. The Investment Manager has significant experience in venture capital, finance, fund management and valuations.

PIM supports the success of the Company through fundraising, fund management, marketing and investment management including investment pipeline, portfolio management and liaising with professional advisors. PIM aligns itself with the Company's objective to maximise shareholder returns through:

- Progressive approach on fees:
  - After ten years of not charging monitoring fees, from April 2023, the Investment Manager has introduced a three-year portfolio support fee of £30,000 per year to help its ability to support the close monitoring of the portfolio, which is still one of the lowest in the market. This fee is only applicable where the cost of investment is greater than £1.0 million.
  - To align closely with its shareholders, Pembroke VCT plc has a unique Performance Incentive Fee ("PIF") structure with the Investment Manager. PIF is only payable to the Investment Manager if Pembroke VCT's cumulative realised investment gains are greater than its cumulative realised investment losses. This performance fee structure aligns the shareholders and the Investment Manager as the PIF is not paid until the Company has made positive cash returns and only after compensating for past losses. The Investment Manager cannot pay a PIF on any unrealised NAV gains.
- Actively managed and diversified portfolio of resilient companies that continue to grow in a challenging market environment.
- Wide range of deal flow channels including corporate finance firms, founders within Pembroke's portfolio, service providers, other funds, direct emails, website, LinkedIn, and outbound efforts.
- High-quality support from Oakley.

The Investment Manager is part of Oakley, a leading European mid-market Private Equity investor with over €10 billion of assets under management. Pembroke can therefore draw on the same resources that power Oakley. Oakley has a combined team of over 150 professionals and business support staff who provide the Investment Manager with resources across compliance, governance, HR, legal and IT. Leveraging the high-quality resources of Oakley enables the Investment Manager to operate as a lean and independently-managed investment team, focusing its time on unearthing investment opportunities and working with portfolio founders. Additionally, the Investment Manager gains exposure across multiple asset classes, leveraging insights and contacts to enhance portfolio company performance.

Who we are

The Leadership Team

Our leadership team – comprising Andrew Wolfson, Jamie Kennell and Chris Lewis – offers almost 100 years of combined entrepreneurial and professional experience.

Andrew Wolfson
Chief Executive Officer

Andrew is responsible for executing Pembroke's strategy, overseeing the investment team, leading deal origination and is directly involved with supporting portfolio companies. He sits on the board of a number of Pembroke's current investments, helping the founders and management teams develop their strategies and supporting them in delivering their goals. Prior to becoming CEO of the Investment Manager, Andrew worked with some of Oakley's earlier stage portfolio companies including KX and James Perse. Before joining Oakley, he headed a number of businesses working across a breadth of sectors from hospitality to manufacturing and telecoms. He is also Chair of Benesco Charity Limited, The Charles Wolfson Charitable Trust and Music in Secondary Schools Trust (MiSST).

Jamie Kennell
Chief Investment Officer

Jamie joined Pembroke in 2022. He is responsible for leading the firm's investment and portfolio strategy. He sits on the board of a number of Pembroke's current investments, helping the founders and management teams develop their strategies and supporting them in delivering their goals. He has operated in the UK investment market for over 30 years, having worked during that time at KPMG, NatWest Markets, 3i and Beringea. Jamie has also held numerous non-executive directorships during that time.

Chris Lewis
Chief Financial and Operating Officer

Chris joined Pembroke in 2019. Prior to joining Pembroke, he was CFO at Downing LLP. During his ten years at Downing, the business expanded considerably and diversified from managing VCTs into EIS, inheritance tax planning, lending and other investment products. He became a Partner and CFO in 2014. He graduated from University College London and spent nine years with KPMG where he qualified as a chartered accountant. He has also worked at EY and has been CFO of a London family office.

Chris is currently the Chair of the Venture Capital Trust Association, the industry body representing VCT managers in the UK and over 90% of the industry's £6.5 billion of funds under management.

Investment Manager's Review

The Investment Team

Our investment team comprises professionals from diverse and dynamic backgrounds, enabling a thorough analysis and recommendation of investment opportunities. By understanding the risks, rewards and commercial viability of each transaction, they provide comprehensive insights. Additionally, team members serve as directors on the boards of portfolio companies, assisting founders and management teams in developing strategies and achieving their goals.

The Reporting and Valuations Team

Our reporting and valuations team consists of finance and accounting experts with experience from leading accounting firms. Their commercial acumen and professional skepticism ensure balanced and well-reasoned valuations of our portfolio of businesses. With their skills and knowledge, they analyse performance of the underlying portfolio company businesses thereby allowing the Investment Manager to make informed investment, strategic and operational decisions.

The Operations and Support Team

The operations and support team brings together professionals with expertise in finance, marketing, administration and law, ensuring that operational processes support to the Company and its objectives.

- Marketing: Supports the Company in fundraising and stakeholder communications and assists portfolio companies with public relations and marketing initiatives.
- Finance and Operations: Ensures the Company's finance, operations and corporate governance framework are robust and comply with standards, laws and regulations.
- Legal: Our legal director, with professional experience in corporate finance, mergers and acquisitions and deal execution, ensures that contractual agreements and safeguards align with commercial agreements.

How Do We Manage The Company's investments?

Team-Based Approach: We actively manage our investment fund with a team of dedicated professionals who regularly assist founders and management teams with performance, cash runway and strategy. Our investment team collaborates closely with our valuations and reporting team, ensuring mutual support for the founders and management. Additionally, our investment team works hand in hand with our experienced valuations and legal professionals to incorporate input, reviews, and opinions in all deal transactions.

Founder-Friendly Philosophy: We are deeply committed to supporting our founders. We believe in their vision and stand by them during challenging times. The success of our founders and their businesses directly translates to growth and returns for the Company and, ultimately, the Investment Manager. Therefore, we focus on understanding and assisting our founders and portfolio management teams in achieving their aspirations, driving growth and ensuring success.

Transparent Fee Structure: The Investment Manager does not charge any exit fees from the Company or its portfolio companies. After a decade of not imposing monitoring fees, we have introduced a portfolio support fee of £30,000 per year for three years, applicable to portfolio companies where new funds invested exceeds £1.0 million, starting from April 2023.

Extensive Deal Flow Networks: Our extensive personal and professional network, built through years of operational business experience in the venture space, especially in the consumer, business services and technology sectors is a key source of deal flow. Our opportunities arise from:

- Introductions from current or former founders we've worked with
- Direct approaches to the Investment Manager
- Outbound origination by the Investment Manager
- Network of corporate finance advisers
- The Manager's network of professionals and organisations, including Oakley
- Our investor base, who often bring opportunities to our attention.

Collaboration with Experts: We leverage a diverse range of experts to maximise opportunities for our portfolio companies, including corporate finance advisors, accounting, legal, talent management, and other fund managers. We connect our founders and local management teams with these experts to support their success.

How Do We Value Our Businesses?

Data-Driven Valuation: While we actively support our portfolio companies and collaborate closely with founders and management teams to foster growth, we maintain constant communication and information exchange. This allows us to gather valuable insights about our portfolio enabling us to make informed valuations. We consider a mix of quantitative, qualitative, historical, and forward-looking information to reasonably determine the value of our investments.

Market Knowledge Integration: Our in-depth understanding of our businesses and the market informs our valuation process. We regularly analyse the performance and growth trajectory of our investments, integrating this data into our strategies and processes.

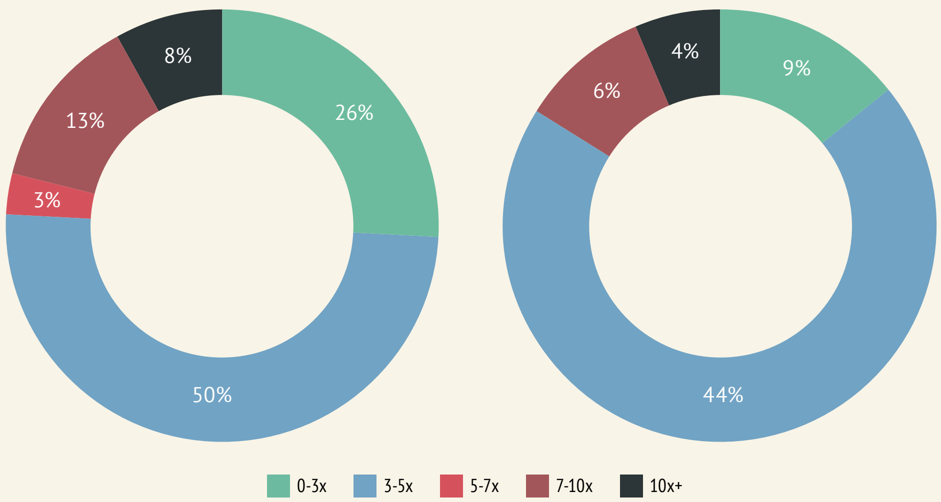
Investment Manager's Review

The following illustrates the representative valuation (Enterprise Value) over revenue trading multiples* of our businesses, including a summary of the valuation multiples* of our top ten holdings, which comprise 63% of the total portfolio value.

Valuation Representative Revenue Trading Multiples

All Companies as a percentage of Total Portfolio Valuation

Top Ten Companies as a percentage of Total Portfolio Valuation



*Based on actual last 12 months revenue to December 2023, adjusted for net debt and share options.

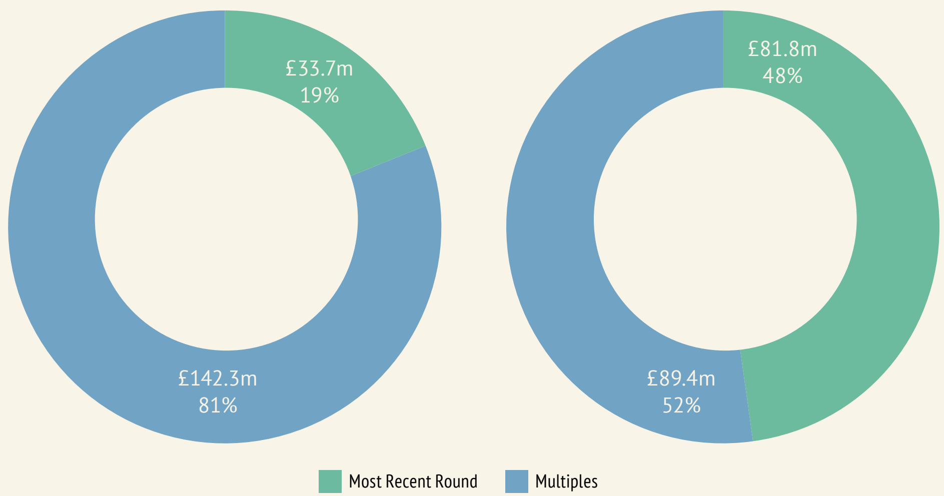
4% of companies by value have more than 10x valuation representative revenue trading multiples as they are hyper-growth businesses and have valuations based on near term revenue targets.

Market Benchmarking: We utilise market benchmarking to ensure our valuations are accurate and reflective of current market conditions. By comparing our valuations with market information and recent transactions, we gain a comprehensive understanding of market sentiment and conditions, allowing us to assess how these factors impact our businesses.

Our valuations are directly influenced by market conditions and the trading performance of our portfolio companies. The valuations for March 2024 predominantly use trading multiples, which reflect the recent decrease in market activity and our focus on strategic growth throughout the year. Additionally, our valuation methods incorporate both historical and current data, often based on the most recent funding rounds, supported by either current or expected trading operations. The following charts summarise the methodologies we use to value our businesses, providing a clear overview of our comprehensive valuation process.

2024 Valuation By Method

2023 Valuation By Method



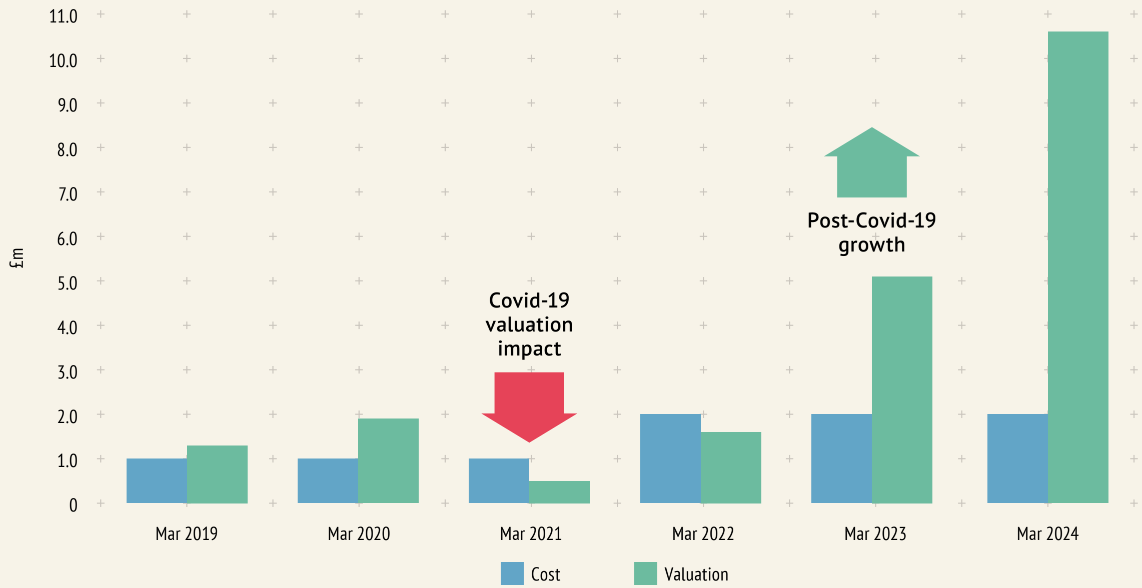
Investment Manager's Review

Illustration on how we value our businesses

Secret Food Tours

The following summarises the cost and valuation of our investment in Secret Food Tours and the timeline for how we value the business.

Amounts in £m	Cost	Valuation	Method
31 March 2019	1.0	1.3	Multiples
31 March 2020	1.0	1.9	Multiples
31 March 2021	1.0	0.5	Market Value
31 March 2022	2.0	1.6	Most Recent Round
31 March 2023	2.0	5.1	Multiples
31 March 2024	2.0	10.6	Multiples



Timeline of Investment and Valuation:

March 2019

We made our initial investment in August 2018. The business quickly gained market traction and achieved significant growth. By March 2019, the valuation reflected this success.

March 2020

The business continued its growth trajectory, resulting in a valuation approximately twice the original investment cost.

March 2021

The Covid-19 pandemic severely impacted the business, forcing it to halt operations to preserve cash. Consequently, we reduced the valuation to half of our initial investment cost, reflecting the uncertainty during this period.

March 2022

As the global situation improved, the business had the chance to resume its growth journey. In November 2021, we demonstrated our confidence in the founders and their vision by injecting an additional £1 million. This support facilitated a swift recovery, and the business began delivering on its potential once more.

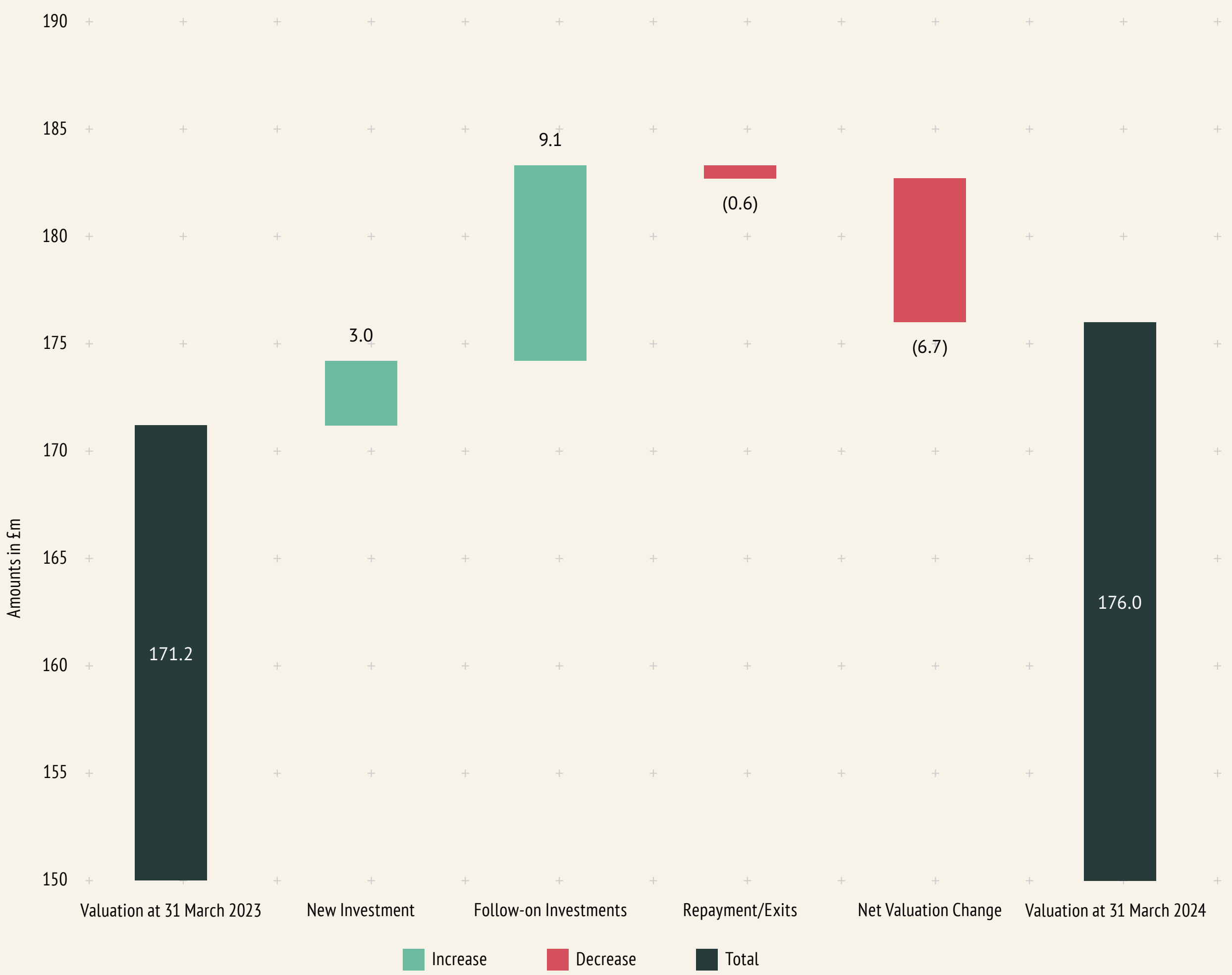
March 2023–March 2024

Secret Foods Tours, along with the broader travel industry, not only recovered from the pandemic but also thrived. This period saw continued growth and success in their operations. The valuation of our investment reflects this ongoing positive performance.

Investment Manager's Review

Portfolio summary and performance

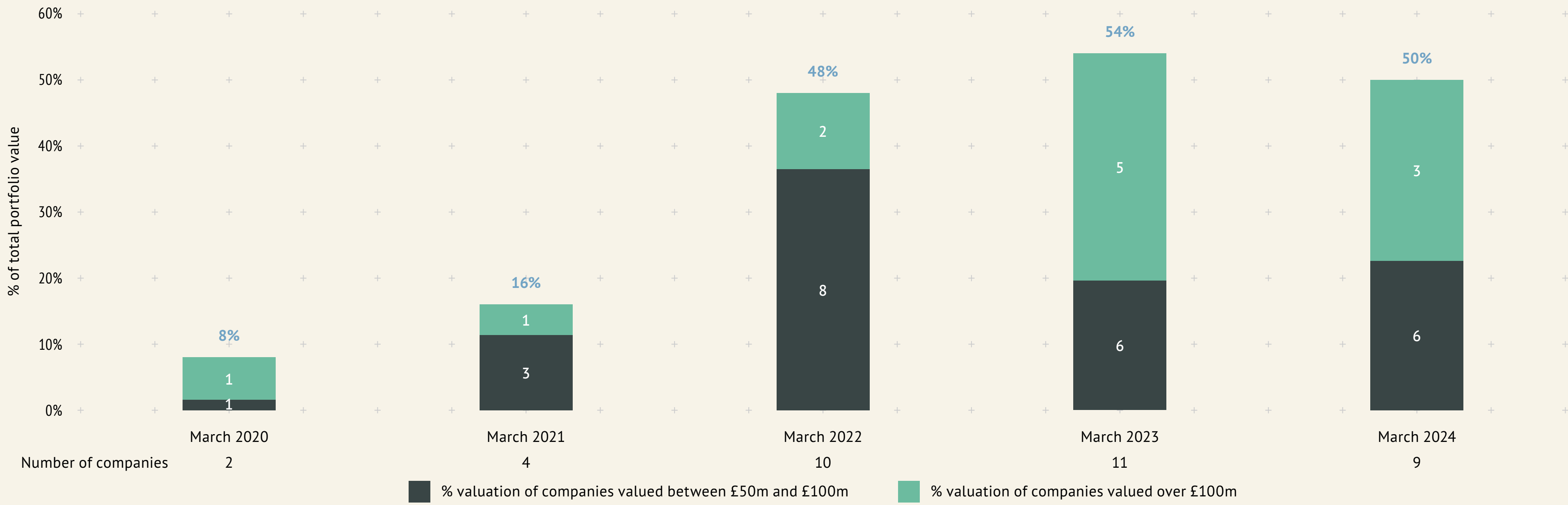
The movement in the value of the Company's investment portfolio is illustrated below:



Over the past year, we have remained steadfast in facilitating growth within our portfolio companies. By providing strategic support, we have helped them navigate operational changes, manage cost pressures, and overcome challenging market conditions. Additionally, the Investment Manager has played a pivotal role in making key hires and pursuing growth and exit opportunities across the portfolio.

As we look ahead to the coming years, we recognise the presence of uncertainties. Our portfolio companies have consistently adapted their strategies to overcome challenges and seize new opportunities. Currently, we proudly count nine portfolio companies with individual valuations exceeding £50 million, compared to just two companies in 2019. These companies collectively represent over half of our portfolio's total value, highlighting their potential and the portfolio's continued stability. Many of these companies have successfully acquired direct customers, forged strategic collaborations, and secured business-to-business (B2B) deals, all contributing to their growth prospects.

Investment Manager's Review



Valuation of companies with >£50m EV compared to the total

Our founders and management teams are dedicated to exploring innovative ways to acquire consumers, from forming partnerships with other brands and influencers to implementing effective B2B strategies. Several portfolio businesses are engaging in mutually beneficial collaborations to create new and scalable revenue streams with minimal additional costs.

It is important to highlight that many of our portfolio companies continue to experience growth and achieve positive developments. Notable examples include Lyma, Peckwater Brands, Secret Food Tours, Five Guys, SeatFrog, and Troubadour, all of which are on impressive growth trajectories.

Strong performers in our portfolio

LYMA's successful expansion into the US has significantly contributed to the business's growth. The company has introduced two new product ranges: the LYMA Laser Pro and the LYMA Skincare.

Peckwater Brands more than doubled its annual sales to £37 million in 2023. Operating in the UK and six other countries, the business has achieved over one million food orders.

Secret Food Tours was shortlisted for the Sunday Times Top 100 fastest growing companies. The business now operates in more than 60 cities worldwide and continues to scale, launching more tours in both new and existing cities.

Seatfrog has recently partnered with Greater Anglia and Great Western, gaining access to a wider range of passenger networks.

Troubadour has grown revenue by more than 100% over the past two years. The Orbis Circular Collection—the world's first fully circular bags—won the Marie Claire UK Sustainability Awards 2023 Fashion Category for Progress Towards Circularity.

Challenges Faced by Some Portfolio Companies

It is essential to acknowledge that some of our portfolio companies are facing challenges in the current economic climate. Dropless, Eave, Bella Freud, Heist, Chucs Restaurants, JustWears, Thriva, and Rubies in the Rubble have encountered obstacles hindering their growth strategies, resulting in a decline in their valuations. Although these companies have had their challenges the Pembroke team has worked closely with them on strategies that make them financially more resilient. Additionally, we are disappointed to report that both Kat Maconie and Kinteract went into administration during the year despite the efforts of both the companies and the Investment Manager to raise funds to continue its growth strategy.

Dropless made a pivot from sustainable car washing to accident repair and mobile mechanic services. This pivot was necessary to ensure higher gross margins. With a new management team in place, the company is winning contracts and has a near-term path to profitability.

Investment Manager's Review

Eave has augmented its sales strategy with a new focus on distribution partners. Recently signing two significant agreements within the construction industry.

Bella Freud has made significant improvements to the management team including the hire of a wholesale advisor and head of operations resulting in significant gross profit margin improvement. They have also secured a licence agreement with a major UK retailer.

Heist has recruited a new CEO and an entire management team focussed on establishing Heist as a premier tights and shapewear brand. This team is driving growth through direct-to-consumer sales, partnerships with wholesale partners and international distributors. For the first time in the brand's history, Heist has a packaged product ready for retail (as opposed to e-commerce), and they recently launched in Nordstrom.

Chucs Restaurants has closed non-performing locations in order to focus on delivering overall corporate profitability with the remaining mostly profitable sites.

Justwears has gone through a period of change with their management team and now has a strategy in place for new product launches and retail distribution. The team has also launched into the lucrative female market.

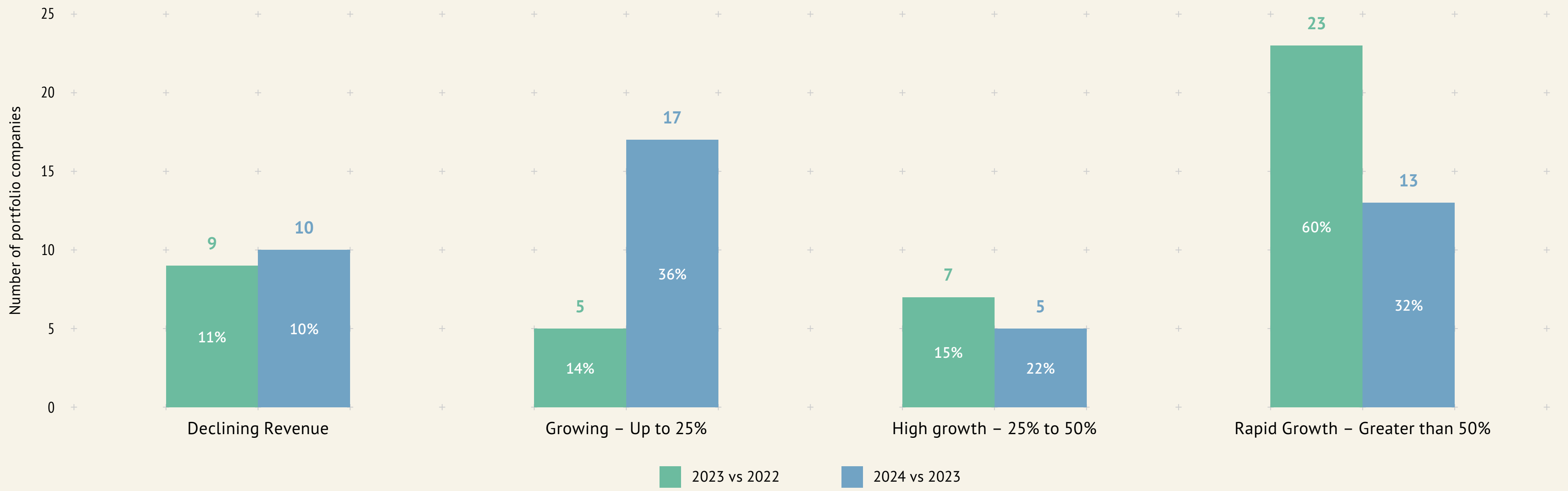
Thriva has restructured the team after a period of enormous growth due to winning a Government Covid-19 testing contract. The management team is now focused on delivering an omni-channel strategy across, direct-to-consumer, wholesale partners and clinical trial blood testing.

Rubies in the Rubble negotiations continue with strategic investors to help with the margin improvement in the business. This will provide international distribution and new product development.

Overall Portfolio Performance

Most of the businesses in our portfolio have demonstrated resilience and continue to grow. While some companies have seen a decline in year-on-year revenue, this is often due to strategic efforts to achieve sustainable revenue levels with better margins. The following graph illustrates the achieved revenue growth of our portfolio companies.

Year on Year Revenue Growth



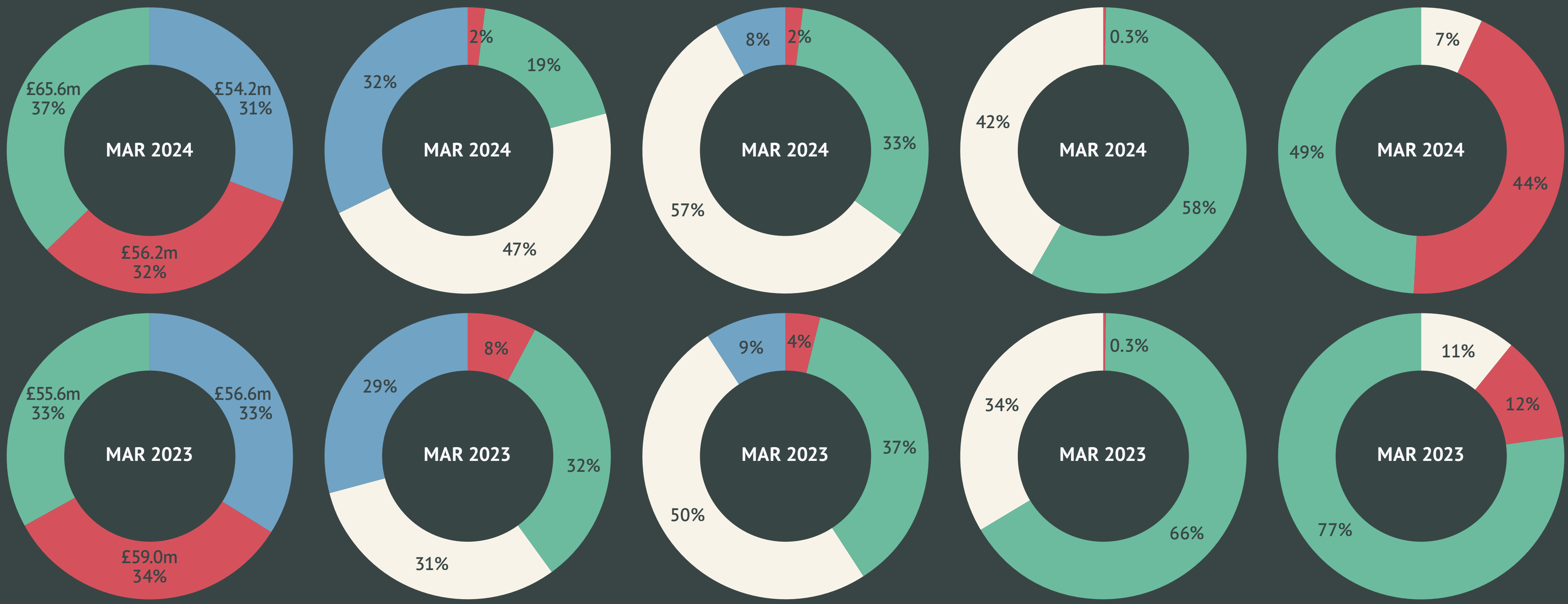
The percentage figures within the columns indicate the ratio of the company's valuation to the overall portfolio.

Investment Manager's Review

Current portfolio analysis

The pie charts below illustrate the portfolio valuation as of 31 March 2023 and 31 March 2024, categorised by sector (excluding cash and net assets), company age, investment stage, and value compared to cost. This analysis provides a comprehensive view of the Company's diversification across sectors, the maturity of portfolio companies as measured by revenues, and the resulting valuation relative to cost.

Portfolio Valuation by Sector | **Portfolio Valuation by Age of the Companies** | **Portfolio Valuation by Stage of the Business: by Revenue / by Profitability** | **Portfolio Valuation Compared to Cost**



Business Services
Consumer
Technology

1 to 3 years
4 to 6 years
7 to 9 years
10+ years

Early stage
Revenue less than £1m
Growth
Revenue between £1m and £5m
Scale up
Revenue between £5m and £50m
Mature
Revenue over £50m

Pre-Revenue
Revenue Generating + Pre-Profit (EBITDA)
Revenue Generating + Profitable (EBITDA)

Below cost
Above cost
At cost

Investment Manager's Review

Investment activity

New investment activity was negatively impacted by the macro-economic climate. Valuations across most sectors had taken a downward trend so many companies that would have come to market to fundraise focussed on lengthening their cash runways. We are pleased to say that 2024 has a very different outlook. As such the Company invested £3.0 million (2023: £11.3 million) in one (2023: six) new company during the year and has invested a further £9.1 million (2023: £11.4 million) across seven (2022: 12) existing portfolio companies.

The new portfolio company is Transreport, which is unquoted, with investment made in the form of new equity shares with full voting rights. The new investment capitalises on our insights into the sectors in which we invest.

Transreport

Jay Shen founded Transreport whilst completing his PhD in Engineering at the University of Warwick. Jay's primary responsibilities at Transreport include strategic business development, fundraising and international expansion. Jay has been recognised as a Top Five Asian Tech Star in 2022.

Transreport provides two products:

- Passenger Assistance is Transreport's pioneering back-end booking platform and mobile application, used by the end consumer to pre-book accessibility requirements prior to travelling.
- Railsafe is a system that provides comprehensive support for rail operators to manage and document quality and cleaning processes, fulfilling both internal and external audit requirements.

Repayment

During the year, the Company received £0.5 million from Five Guys as partial repayment of its debt investment.

Investment Manager's Review

Certified B Corporation

ESG

The Company, together with the Investment Manager, supports the transparent reporting of the portfolio companies to promote positive and social impact.

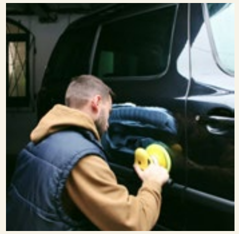
The following companies in our portfolio are registered B Corp organisations.

RUBIES IN THE RUBBLE | beryl | family club | Just Wears | TROUBADOUR | LYMA | COAT | dropless







Diversity and inclusion

The Company with the Investment Manager continue to monitor the diversity and inclusion of its portfolio.

Further details can be found in the Strategic Report on pages 52 to 53.

Valuation

Investments held by the Company have been valued in accordance with the International Private Equity and Venture Capital (IPEV) valuation guidelines December 2022 developed by the British Venture Capital Association and other organisations. Through these guidelines, investments are valued as defined at 'fair value'.

In determining fair value, the Investment Adviser uses various valuation approaches, including a combination of the price of recent investment and a market-based approach. The market approach ascribes a value to a business interest or shareholding by comparing it to similar businesses, using the principle of substitution: that is, that a prudent purchaser would pay no more for an asset than it would cost to acquire a substitute asset with the same utility and income earning potential. Price of recent value will only be used as fair value after careful consideration of all the facts and circumstances concerning the underlying investment.

The portfolio valuations are prepared by the Investment Manager, before being reviewed and approved by the Board each quarter and subject to audit annually.

Further details may be found in the Investment Portfolio and Investment Review on pages 17 to 44.

Investment Review

Business Services

31%
of net assets

peckwater BRANDS

Peckwater Brands develops virtual food brands for delivery-only restaurant franchises which are operated by existing restaurant owners allowing them to increase their revenue from their existing kitchens. Since its commercial launch in 2020, Peckwater has developed multiple brands, ranging from Korean fried chicken and wings to a plant-based hot dog brand in partnership with Unilever.

Cost	£4.0m
Valuation	£10.9m
Basis of valuation	Multiples
Equity holding	11.6%

BOAT

Boat International Media provides information and data services across traditional print, digital media, and high-quality events. Boat's superyacht database leverages its large collection of information on superyachts and the industry.

Cost	£3.3m
Valuation	£6.5m
Interest rolled up in fixed income investment	£1.1m
Basis of valuation	Multiples
Equity holding	17.3%

OnePlan

OnePlan has built a collaborative, easy-to-use, real-time platform for event and venue planning. OnePlan combines the world's best selection of 2D, 3D, satellite, and aerial maps into its platform to provide planners with fully customisable solutions to suit their event planning needs. The user-friendly design allows employees of all skill levels to use the platform without specialist training. The company has recently been awarded a contract for planning the 2024 Olympic and Paralympic Games in Paris.

Cost	£5.0m
Valuation	£6.4m
Basis of valuation	Multiples
Equity holding	17.3%
Investment in the year at cost	£1.3m

STILLKING

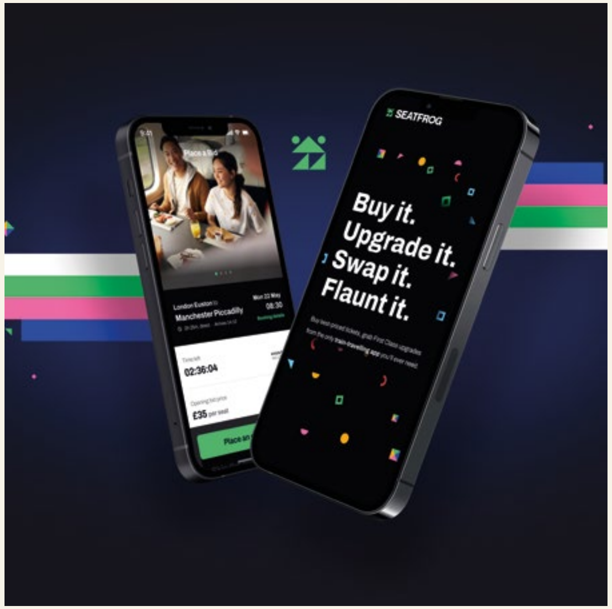
Stillking Films is a prolific producer of commercials, TV series, feature films and music videos. The company has created commercials for almost all Dow Jones and FTSE advertisers. They have co-produced a number of successful feature films, including Spider-Man: Far from Home, The Falcon and the Winter Soldier, Casino Royale and created music videos for artists including Beyoncé, Kanye West, Blur, Madonna, and One Direction.

Cost	£1.5m
Valuation	£5.3m
Basis of valuation	Multiples
Equity holding	4.9%

credentially

Credentially is aiming to ease the administrative burden placed on both medical and clerical staff when applying for and filling job vacancies in Health and Social Care. This application process is resource intensive and can take up to six months. To reduce this burden, Credentially has developed software that automates the sign-up, verification, and ongoing compliance of employees in Health and Social Care. With the success in the UK market, they are currently expanding in the US.

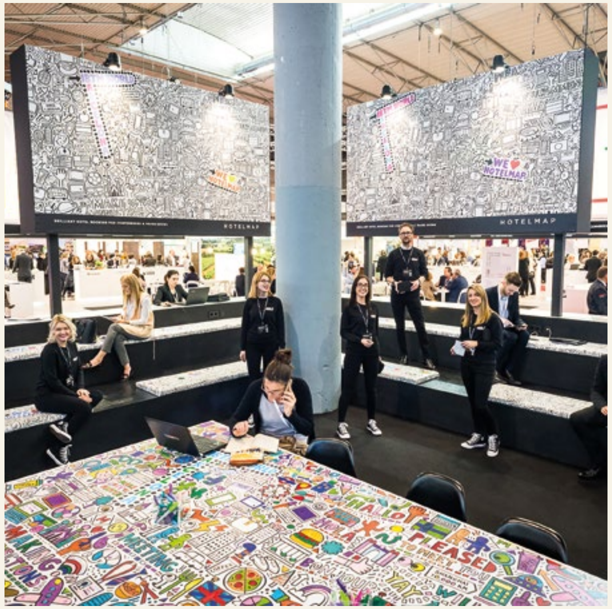
Cost	£5.0m
Valuation	£5.0m
Interest rolled up in fixed income investment	£0.2m
Basis of valuation	Multiples
Equity holding	21.3%
Investment in the year at cost	£2.0m



SEATFROG

Seatfrog is a two-sided technology business with a mission to build a better future for rail operators and their passengers with its consumer-facing application. Seatfrog provides enterprise software to train operating companies that increases revenue, creates new incremental revenue sources and improves customer satisfaction scores. Together, Seatfrog's consumer app aims to provide rail passengers with a superior customer experience as the only app that allows one to buy a ticket, upgrade to first-class and switch to any train.

Cost	£3.0m
Valuation	£4.6m
Basis of valuation	Most recent round
Equity holding	11.5%



HOTELMAP

HotelMap is a worldwide platform for managing hotel bookings exclusively for business events such as conferences, professional congresses, conventions, and trade shows. The company seeks to exploit the advantages associated with hotel booking for business events by creating a completely autonomous on-demand platform. HotelMap aims to become the dominant global brand in the sector, enabling the platform to aggregate buying power with hotel suppliers because of its ability to manoeuvre the world's largest audience of business event delegates to HotelMap's official hotels.

Cost	£3.3m
Valuation	£4.2m
Basis of valuation	Most recent round
Equity holding	8.1%
Investment in the year at cost	£1.8m

thriva

Thriva is a proactive healthcare service, which offers at-home blood tests for a range of health markers such as Vitamin B12, Vitamin D, liver function, omega, and iron. Consumers receive the testing kit in the post with NHS-grade results. Post-blood test, Thriva offers a range of supplements they can recommend and offer to consumers based on test results. The company is also working with several government agencies to support their health programs.

Cost	£1.3m
Valuation	£3.8m
Basis of valuation	Multiples
Equity holding	5.2%

dropless

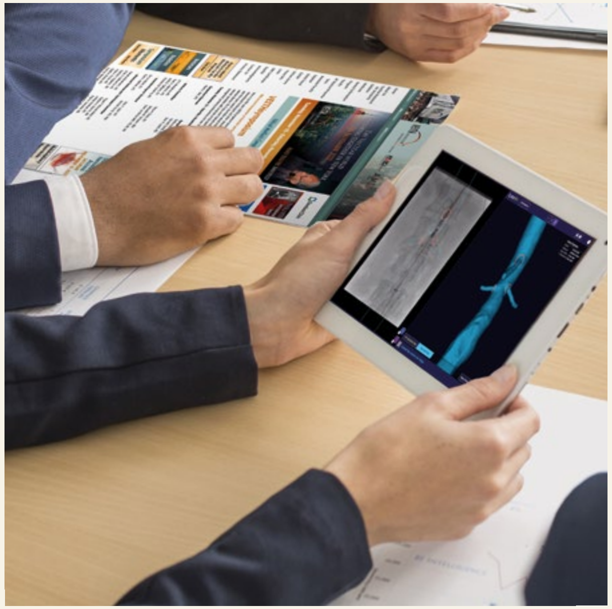
Dropless has developed an eco-friendly, non-hazardous nano car cleaning solution which has helped save over 200 litres of water every wash. The company launched a scratch and dent repair service in 2020 and the Dropless Hydroloop, the world's first closed-loop HGV and LCV wash system. They have grown rapidly, expanding beyond London to Bristol and Manchester through its regional B2B customers.

Cost	£5.0m
Valuation	£2.6m
Interest rolled up in fixed income investment	£0.4m
Basis of valuation	Most recent round
Equity holding	27.8%
Investment in the year at cost	£0.6m

toucantech

ToucanTech is a software-as-a-service (SaaS) CRM and website-builder used by schools, charities and companies to run their communities. It allows organisations to manage marketing, fundraising, alumni communications and events in one easy-to-use, vertically integrated platform. ToucanTech has created a user-friendly, cost-effective community management software platform that encompasses a wide range of features.

Cost	£1.0m
Valuation	£2.1m
Basis of valuation	Multiples
Equity holding	12.2%



CYDAR MEDICAL

Cydar is a medical software company that improves patient outcomes by providing a 'sat nav for surgeons' which uses Artificial Intelligence (AI) to enhance image-guided surgery. The first application of the software is in the field of endovascular surgery. Cydar feeds the data received from these surgeries into the Cydar Surgical Intelligence system which develops a deeper understanding of the variables that affect patient outcomes and aims to improve outcomes going forward.

Cost	£3.0m
Valuation	£1.8m
Basis of valuation	Most recent round
Equity holding	6.0%

EAVE

Eave aims to help prevent avoidable deafness through the monitoring of, and protection against, damaging noise levels at work. Its first product is a pair of smart ear defenders designed for the construction industry. Unlike traditional passive hearing protection, these work as part of a complete solution to protect workers from hearing damage, as well as to detect and report noise levels. This hardware and software combination is enabling Eave to pivot to data-driven monitoring.

Cost	£3.9m
Valuation	£0.6m
Interest rolled up in fixed income investment	£35.0k
Basis of valuation	Multiples
Equity holding	34.4%

WISHI

Wishi is an innovative fashion technology business that brings together personal styling and online wardrobe management functionality to help fully exploit an individual's current wardrobe and provide new clothing suggestions personalised to their look. The business has recently launched its first white-label partnership with a major international online fashion retailer.

Cost	£0.2m
Valuation	£0.5m
Basis of valuation	Most recent round
Equity holding	1.2%

Consumer

32%
of net assets

Secret Food Tours

Secret Food Tours is a rapidly growing food and beverage tour company that has developed a scalable and profitable approach to global expansion. Its flagship events centre on high-end food tours, culinary events, and nightlife tours. The company operates tours across five continents.

Cost	£2.0m
Valuation	£10.6m
Basis of valuation	Multiples
Equity holding	20.5%

FIVE GUYS® UK

Five Guys was founded in the US. The company serves a range of hand-made burgers made with fresh locally sourced beef and cooked on a grill, along with fresh-cut fries, served with unlimited toppings. It now has over 150 outlets in the UK and is expanding in Europe.

Cost	£2.7m
Valuation	£9.8m
Interest rolled up in fixed income investment	£3.9m
Basis of valuation	Multiples
Equity holding	1.0%

n. family club

N Nursery & Family Club is a 7-day-a-week neighbourhood club, which offers a nursery (N Nursery) during the week and a family club space (N Family Club) at weekends. N Nursery & Family Club is open 51 weeks per year, closing only between Christmas and New Year and, to provide parents with a flexible offering, the nursery is open from 7am to 7pm. The business has more than 30 live sites including its latest additions.

Cost	£3.0m
Valuation	£7.3m
Basis of valuation	Most recent round
Equity holding	6.8%

TROUBADOUR

Troubadour Goods is a sustainable London based luxury men's and women's accessories brand specialising in designing and creating superior handcrafted leather and textile goods, including an affordable range of products. Troubadour has recently opened its first London store in Beak Street, with the entire collection on display.

Cost	£2.5m
Valuation	£5.4m
Interest balance	£0.2m
Basis of valuation	Multiples
Equity holding	30.8%

PROPER ICE CREAM
HACKNEY GELATO

Hackney Gelato produces artisanal gelato that specialises in creating unique and delicious flavours using high-quality, locally sourced ingredients. It was established in 2015 by two chefs, Sam and Enrico, who learnt the craft from the master Gualtieri of Sicily. The brand has quickly become one of the leading suppliers to high-end London restaurants, as well as retail customers through multiple channels including Ocado, Waitrose, Tesco, Whole Foods, Gorillas and independent retail outlets. Hackney Gelato has won 40 Great Taste awards in five years.

Cost	£4.5m
Valuation	£5.4m
Interest rolled up in fixed income investment	£17.0k
Basis of valuation	Multiples
Equity holding	35.9%
Investment in the year at cost	£1.3m

BELLA FREUD

Bella Freud is a fashion designer label producing a range of high-end men's and women's clothing and homeware. The collections are available at the flagship store on Chiltern Street in London, online and through a range of luxury retail boutiques and department stores in the UK, and around the world. Bella Freud's mission is to create clothing and accessories that are both stylish and comfortable, and that reflect the brand's unique, irreverent spirit.

Cost	£4.3m
Valuation	£4.2m
Interest rolled up in fixed income investment	£0.2m
Basis of valuation	Multiples
Equity holding	46.4%

Heist

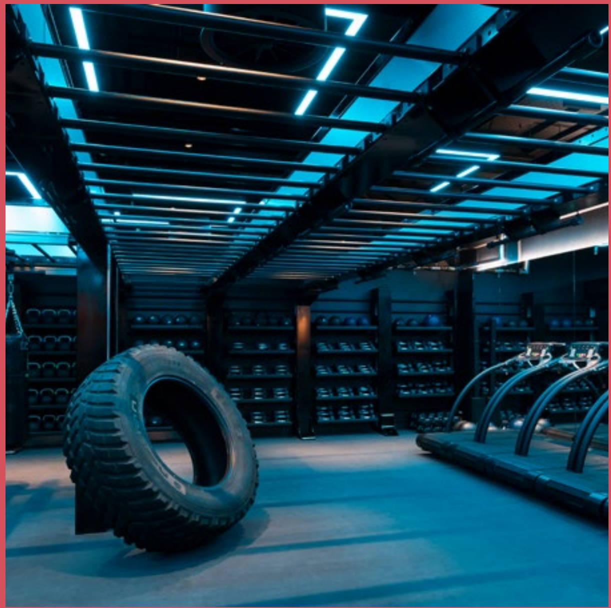
Heist is a UK-based fashion brand that specialises in creating high-quality, comfortable, and stylish hosiery for women. The company was founded with the goal of rethinking the traditional hosiery industry. Heist uses innovative materials and design techniques to create hosiery that is both comfortable and stylish, with features like a waistband that does not roll down, a seamless design that eliminates bulges, and a range of skin-tone shades that are inclusive. The company also places a strong emphasis on sustainability, using recycled materials and reducing waste in their production process.

Cost	£8.3m
Valuation	£2.5m
Interest rolled up in fixed income investment	£0.3m
Basis of valuation	Multiples
Equity holding	40.2%

bloobloom

Bloobloom sells premium glasses and sunglasses at a fair price, via a seamless buying experience. Bloobloom sells direct to consumer both online and offline through a growing store network and offers a free Home Try On service for online customers who select five styles to be sent to their home. The business is rolling out stores over London as it continues to grow.

Cost	£2.5m
Valuation	£1.7m
Basis of valuation	Multiples
Equity holding	13.2%



KX

KX Gym, founded in 2002, is a private members' gym and spa, which includes a restaurant and clubroom, located in Chelsea, London. KX offers members an exclusive holistic approach to wellbeing, incorporating fitness, diet, and relaxation.

Cost	£0.7m
Valuation	£1.7m
Basis of valuation	Multiples
Equity holding	11.8%

Ro&Zo

Ro&Zo is a womenswear brand selling accessible, trend-led pieces that flatter women of all ages and sizes. Ro&Zo's key product categories include dresses and occasion wear, alongside a range of tops, trousers, and loungewear, all of which are designed to be versatile, comfortable, and fashionable.

Cost	£1.5m
Valuation	£1.5m
Basis of valuation	Multiples
Equity holding	21.4%

UNITED • FITNESS • BRANDS

United Fitness Brands (UFB) is the UK's first fitness supergroup – offering its portfolio of premium studios accelerated growth, scale and commercial prowess within the industry and beyond. UFB brings together the Boom Cycle, Kobox, Barrecore, and Triyoga fitness brands.

Cost	£5.3m
Valuation	£1.0m
Interest rolled up in fixed income investment	£0.1m
Basis of valuation	Most recent round
Equity holding	5.3%

my expert midwife.

My Expert Midwife (MEM) is a pregnancy, post-birth and baby brand offering award-winning products and midwife-led educational services. My Expert Midwife's products are developed in collaboration with experienced midwives and are designed to be safe and effective for both mother and baby.

Cost	£1.5m
Valuation	£0.9m
Basis of valuation	Multiples
Equity holding	13.4%

KXU

KX Urban (KXU) is a pay-as-you-go development of the established KX luxury gym brand. It offers a range of gym classes including Hiit & Run, Body Barre, yoga, boxing and spinning within a high-quality gym environment with a healthy food and beverage offering.

Cost	£1.0m
Valuation	£0.8m
Basis of valuation	Multiples
Equity holding	10.3%

Just Wears™

JustWears is a men's basics brand looking to disrupt a £31 billion category that is dominated by stagnant legacy brands and unsustainable products. JustWears is currently selling its maiden product, men's underwear. The brand prides itself on the use of innovative materials, with a focus on ergonomic designs and comfort, made using sustainable, biodegradable, high-performance fabrics.

Cost	£2.0m
Valuation	£0.8m
Basis of valuation	Multiples
Equity holding	15.3%

CHUCS

Chucs Restaurants was founded with the goal of creating a unique dining experience that combines Italian-inspired cuisine with a modern, luxurious atmosphere. Locations are open across West London, serving brunch, lunch and dinner. The restaurant's concept reflects the style and branding of the Italian Riviera.

Cost	£2.2m
Valuation	£0.6m
Basis of valuation	Multiples
Equity holding	19.8%

VIEVE

VIEVE is an online first, female cosmetics brand founded by Jamie Genevieve, a professional makeup artist and beauty influencer. Jamie has a cult following of over three million social media followers, was voted beauty influencer of the year in 2021 by VOGUE and is a member of the British Beauty Council's advisory board.

Cost	£1.0m
Valuation	£0.6m
Basis of valuation	Multiples
Equity holding	3.8%

TALA

We Are Tala (TALA) is a sustainable activewear brand focused on 'Gen Z' (the generation that was born between 1997- 2012) females. TALA was founded by fitness influencer Grace Beverley, who has amassed on social media a loyal following of over a million followers on her personal Instagram account.

Cost	£0.2m
Valuation	£0.5m
Basis of valuation	Multiples
Equity holding	1.2%

RUBIES IN THE RUBBLE

Rubies in the Rubble produces sustainable condiments. Every Rubies product makes use of otherwise discarded ingredients: aesthetically rejected fruit and vegetables, or under-utilised by-products of food production. The business has focussed on the OOH (out of home) market, whilst also being stocked in leading supermarkets. Its range includes mayo, relishes and ketchup that contains 3x more fruit and 50% less sugar than competitors.

Cost	£1.3m
Valuation	£0.5m
Basis of valuation	Most recent round
Equity holding	15.7%
Investment in the year at cost	£0.1m

ANNIE MALS

Annie Mals was incorporated in 2021 by Emily Samuels, an award-winning charity fundraiser and Oxbridge classics graduate. Emily has drafted a series of 15-20 illustrated children's books for 4–6-year-olds. The first book has been published with the rest to follow. Emily plans to then license the characters for television animation and short-form YouTube content with toys, clothing, and accessories also in the proposed pipeline.

Cost	£0.5m
Valuation	£0.5m
Basis of valuation	Most recent round
Equity holding	20.0%

Technology

37%
of net assets

LYMA

LYMA is a luxury wellness brand. The company works closely with the world's leading nutritional scientists, combining intensive R&D with the latest technological advances to produce a unique and high-quality, evidence-based nutritional supplement. It also launched a world-first medical-grade laser that can be used safely at home in conjunction with a newly formulated serum and mist. LYMA has gained a reputation for excellence in the wellness industry and has been recognised with numerous awards and accolades.

Cost	£2.0m
Valuation	£31.2m
Basis of valuation	Multiples
Equity holding	19.7%

Popsa

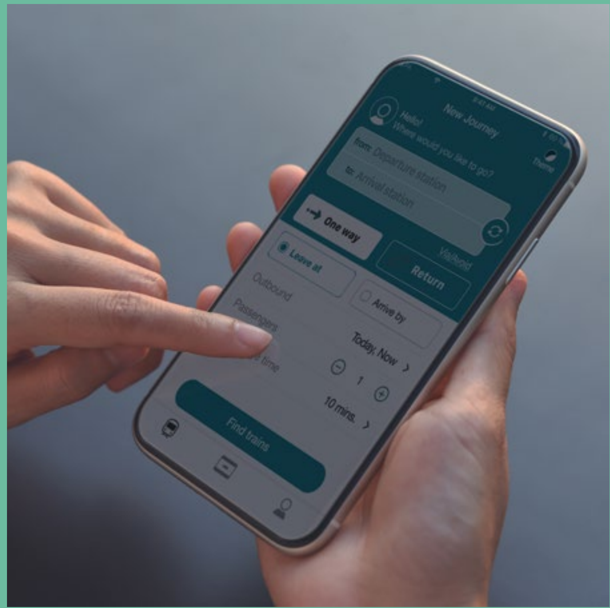
Popsa is a photobook app that, using proprietary machine learning algorithms, has reduced the time it takes for customers to produce photobooks from 2 hours to an average of just 5 minutes. Popsa operates in a billion-dollar global industry that has been built on a clunky and frustrating process. By automating the selection of a customer's most relevant photos, Popsa's disruptive software removes this frustration.

Cost	£5.2m
Valuation	£17.3m
Basis of valuation	Multiples
Equity holding	17.7%

COAT

COAT Paints is a paint brand disrupting a market dominated by ageing incumbents. COAT provides premium, environmentally friendly paint at a cost approximately 20% lower than its direct competitors. COAT's entire range is water-based and solvent-free, low VOC (volatile organic compounds), 100% vegan and 100% animal cruelty-free.

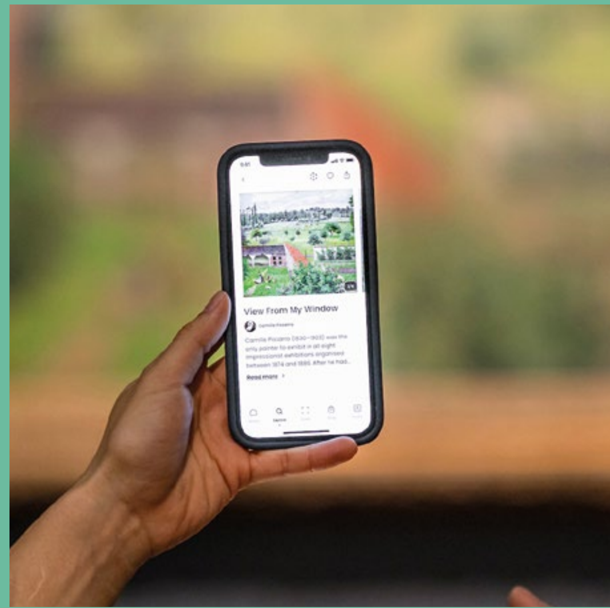
Cost	£5.0m
Valuation	£4.5m
Interest rolled up in fixed income investment	£6.0k
Basis of valuation	Most recent round
Equity holding	39.1%
Investment in the year at cost	£2.0m



Transreport

Transreport is an enterprise SaaS platform and a consumer application that allows the rail industry to facilitate the booking of assisted travel, primarily for elderly and disabled passengers and supports rail operators in complying with the Department for Transport's Service Quality Regime (SQR).

Cost	£3.0m
Valuation	£3.0m
Basis of valuation	Most recent round
Equity holding	7.4%
Investment in the year at cost	£3.0m



SMARTIFY

Smartify is an award-winning digital platform used by some of the world's most popular art and cultural institutions to bring their content to life. Smartify gives its users access to audio tours, a 'Shazam for art' feature covering over two million artworks, and a suite of distance learning tools which have been produced in association with the world's leading cultural institutions. Smartify was launched in 2017 by Tate trustee Anna Lowe and digital entrepreneur Thanos Kokkiniotis. The company's app is the #1 UK museum app.

Cost	£1.5m
Valuation	£2.2m
Interest rolled up in fixed income investment	£0.1m
Basis of valuation	Multiples
Equity holding	20.0%

FLOOM

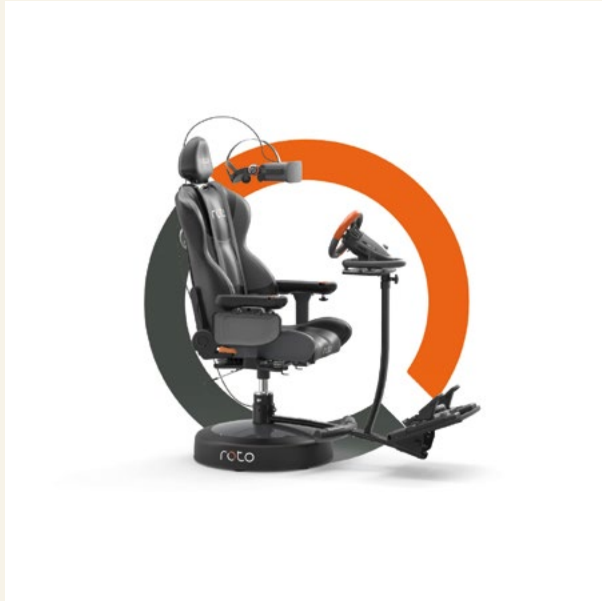
Floom is a curated global marketplace platform for independent florists; its mission is to become the primary destination for customers looking to send flowers worldwide. It also encompasses FloomX which provides a complete back-office function for independent florists to make their work more streamlined, efficient, and enjoyable. Floom is expanding its US operations by collaborating with small independent florists and working to secure increased subscriptions.

Cost	£4.6m
Valuation	£2.0m
Interest rolled up in fixed income investment	£22.0k
Basis of valuation	Multiples
Equity holding	21.7%

beryl

Beryl is focused on changing the way cities move. Beryl's focus is on bike-sharing and e-scooter systems in urban environments. It partners with local authorities such as TFL, Transport for Greater Manchester, Transport for West Midlands, Hackney Council and many more.

Cost	£0.6m
Valuation	£1.9m
Basis of valuation	Most recent round
Equity holding	3.3%



roto®

Roto VR's flagship product is an interactive virtual reality (VR) chair. The chair synchs what users feel with what they see, by auto-rotating wherever the user looks. This phenomenon, known as gravitational presence, is achieved by incorporating accelerometers, gyroscopes and magnetometers inside the Roto Head tracker, a small device that clips onto the user's own VR headset. The Company has developed a VR immersion chair which boasts a smaller form factor, allowing consumers to enter the VR world with the same benefits as the VR chair.

Cost	£1.8m
Valuation	£1.3m
Basis of valuation	Most recent round
Equity holding	19.1%

AUDDY

Auddy was launched in 2021 to help companies and podcasts build and distribute audio content and place carefully targeted advertisements. Auddy delivers end-to-end premium audio podcast publishing solutions for both creators and organisations. The business is focused on targeted audiences, highly responsive advertising solutions and deep analytics.

Cost	£1.8m
Valuation	£1.1m
Basis of valuation	Multiples
Equity holding	9.4%

rated people

Rated People, founded in 2005, is one of the UK's leading online marketplaces for homeowners to find tradesmen for home improvement jobs. Trustpilot reviews Rated People as "Excellent" with a rating of 4.4 out of 5.

Cost	£0.6m
Valuation	£0.6m
Basis of valuation	Multiples
Equity holding	1.1%

Unbolted

Unbolted provides a platform for peer-to-peer secured lending, offering short-term liquidity to individuals seeking bridging facilities, or advance sale loans for personal or small business use. In late 2019 the company launched its first mortgage product to complement the asset-back lending product.

Cost	£0.4m
Valuation	£0.6m
Basis of valuation	Multiples
Equity holding	5.9%

Statutory Reports

Strategic Report

This report has been prepared by the Directors in accordance with the requirements of s414 of the Companies Act 2006 and incorporates the Financial Highlights, Chair's Statement and Investment Portfolio section.

The aim of the Strategic Report is to provide shareholders with the ability to assess how the Directors have performed their duty to promote the success of the Company for shareholders' collective benefit.

Investment overview

The Investment objective of the Company is to generate tax-free capital gains and income on investors' funds through investment, primarily in companies that are founder led, whilst mitigating risk appropriately within the framework of the structural requirements imposed on all VCTs.

Investment policy

Investment objectives

The Company will seek to invest in a diversified portfolio of smaller companies, principally unquoted companies but possibly also including stocks quoted on AIM or Aquis Stock Exchange, selecting companies which the Investment Manager believes provide the opportunity for value appreciation. Pending investment in suitable Qualifying Investments, the Investment Manager will invest in companies intended to generate a positive return, which may include certain money market securities, gilts, listed securities and cash deposits. The Company will continue to hold up to 20% of its net assets in such products after it is fully invested under the VCT rules.

Investment strategy

For its "qualifying investments" (being investments which comprise Qualifying Investments for a venture capital trust as defined in Chapter 4 Part 6 of the Income Tax Act 2007) ("Qualifying Investments"), the Company is expected to invest primarily in unquoted companies, although it may also invest in companies whose shares are traded on AIM or Aquis Stock Exchange. The Company will invest in a diverse range of businesses, predominantly those which the Investment Manager considers are capable of organic growth and, in the long term, sustainable cash flow generation. It is likely that investment will be founder led with an established brand or where brand development opportunities exist. The Company will invest in a small portfolio of carefully selected Qualifying Investments where the Investment Manager should be able to exert influence over key elements of each investee company's strategy and operations. The companies may be at any stage in their development from start-up to established businesses.

It is anticipated that, at any time, up to 20% of investments will be held in non-VCT qualifying investments, recognising that no single investment will represent more than 15% of net assets (at the time of investment). Until suitable Qualifying Investments are identified, up to 20% of the net proceeds of any offer will be invested in other funds, with the balance being invested in other investments which may include certain money market securities, and cash deposits.

Asset allocation

Qualifying Investment portfolio

Under current VCT legislation, the Company must at all times hold at least 80% of its funds in Qualifying Investments. Funds raised in a period of up to three years are excluded from this requirement, but at least 30% of funds raised in any accounting period must be invested in Qualifying Investments by the anniversary of the end of the accounting period in which those funds were raised.

For its Qualifying Investments, the Company will invest primarily in companies whose shares are not traded on any exchange, although it may also invest in companies whose shares are traded on AIM or Aquis Stock Exchange, and will invest up to a maximum of 15% (at the time of investment) in any single Qualifying Investment. The Investment Manager will seek to construct a portfolio comprising a diverse range of businesses. It is expected that a substantial proportion of the Qualifying Investments will be in the form of ordinary shares, and in some cases preference shares or loans.

Non-Qualifying Investment portfolio

Under current VCT legislation, the Company must have invested at least 80% of funds raised in Qualifying Investments within three years of the funds being raised (70% until 31 March 2020). However, this programme of investment in Qualifying Investments will take time to complete; thus in the first three years following a fund raise, a considerable proportion of those funds will need to be invested elsewhere, in Non-Qualifying Investments such as certain money market securities, listed securities and cash deposits. At any time after the end of the three years of initial investment in Qualifying Investments, the Company will hold no more than 20% of its funds in Non-Qualifying Investments.

The portfolio of Non-Qualifying Investments will be managed with the intention of generating a positive return. Until suitable Qualifying Investments are identified, up to 20% of the net proceeds of any offer will be invested in other funds, with the balance being invested in other investments which may include money market securities and cash deposits.

Risk diversification

The Directors will control the overall risk of the portfolio by ensuring that the Company has exposure to a diversified range of unquoted companies, in particular, through targeting a variety of sectors. The Company may invest in a diverse range of securities: unquoted Qualifying Investments will typically be structured as a combination of ordinary shares, preference shares, convertible shares and loans. In order to limit concentration risk in the portfolio, at the time of investment no more than 15% by value of the relevant share pool of the Company will be invested in any single portfolio company. Further, at the time the investment is made, no more than 10% in aggregate of the NAV of the Company may be invested in other listed closed-ended investment funds.

Borrowing

In common with many other VCTs, although currently the Board does not intend that the Company will borrow funds, the Company has the ability to borrow funds provided that the aggregate principal amount outstanding at any time does not exceed 25% of the value of the adjusted capital and

Strategic Report

reserves of the Company at the time the borrowings are incurred. In summary, this is when the aggregate of (a) the issued share capital, plus (b) any amount standing to the credit of the Company's reserves less (c) any distributions declared and intangible assets and adjusting for any variation to the above since the date of the relevant balance sheet.

Business review

A detailed review of the Company's development and performance during the year and consideration of its future prospects may be obtained by reference to this Report, the Chair's Statement (pages 9 and 10) and the Investment Manager's Review (pages 18 to 27). Details of the investments made by the Company are given in the Investment Portfolio section (pages 28 to 44). A summary of the Company's key financial measures is given on pages 4 and 13 to 15.

The Directors consider the following Key Performance Indicators (KPIs) to assess whether the Company is achieving its strategic objectives:

- NAV per share (page 13)
- Total return per share (page 13)
- Dividends per share paid during the year (page 14)
- Annual Running Costs (page 14)
- Qualifying percentages under VCT rules (page 15)

The Directors believe these measures help shareholders assess how effectively the Company is applying its investment policy and are satisfied the results give a good indication of whether the Company is achieving its investment objectives and policy. The KPIs are established industry measures and have been discussed in detail in the Chair's Statement and Investment Manager's Review on pages 9 and 10, and 18 to 27.

Management agreement

Pembroke Investment Managers LLP (the "Investment Manager"), which is authorised and regulated by the Financial Conduct Authority to conduct investment business, is the Investment Manager of the Company under the terms of an investment management agreement entered into on 15 February 2013, novated to the Investment Manager on 1 July 2014 and varied on 1 March 2013, 3 October 2014, 1 December 2017, 16 July 2020 and 1 April 2021 (the "IMA"). Pursuant to the IMA, the Investment Manager provides discretionary and advisory investment management services to the Company in respect of its portfolio of investments. The Investment Manager acts as the Alternative Investment Fund Manager to the Company.

The Investment Manager provides services in accordance with the IMA for which it receives a management fee of 2% of the Company's NAV. The effect of the cost cap is to restrict the management fee to 2% of NAV less the extent to which the Company's ordinary course annual costs and expenses exceed 0.5% of NAV. The cost cap does not apply to costs and expenses which are not in the ordinary course of the Company's business (for example, costs related to a share offer, any performance incentive fee and costs) and expenses outside an agreed list of standard ordinary course costs.

Contrary to many other Investment Managers, the Investment Manager does not take any exit fees from any of the portfolio companies or the Company itself. In April 2023 the Investment Manager introduced a Portfolio Support Fee for the first three years of any new or follow-on investment.

As is customary in the venture capital industry, the Investment Manager will be incentivised with a performance fee to align the interests of the Investment Manager and shareholders.

The key features of the performance incentive fee are:

- performance incentive fees are only payable to the Manager if the Company's cumulative realised investment gains are greater than its cumulative realised investment losses. This high watermark net realised investment gain approach requires all realised investment losses to be recovered before any performance incentive fees are paid;
- a Total Return hurdle of 3 pence per year from 14 August 2020 must be achieved before a performance incentive fee is paid to the Manager;
- the relevant performance incentive fees remain unchanged at 20%, of the amount by which cumulative realised investment gains exceed cumulative realised investment losses, less previous performance incentive fees paid to the Manager;
- the relevant performance incentive fees will be calculated at each financial year end and half year balance sheet dates using information disclosed in the relevant year end or half year financial statements;
- unless all the above conditions are met, no performance incentive fee will be payable to the Manager.

The adopted Deed of Amendment & Restatement also revised the duration of the Investment Manager's appointment under the IMA. Under the pre-14 August 2020 IMA, there was another three years to run on the initial fixed ten-year term (after which the IMA would be terminated on one-year's notice by either the Company or the Manager). It was resolved to revise these arrangements so that although the Company's current assets and funds would continue to be subject to a one year rolling notice period, in future the Manager would have the benefit of a five-year term in relation to any new funds ("New Funds") raised by the Company (and any investments acquired from New Funds). This would revert to a rolling term with termination on one year's notice by either the Company or the Manager after the expiry of the relevant five-year period, although notice to terminate in respect of New Funds given by the Manager would not take effect until such time as the Manager ceases to manage any New Funds.

The Directors are of the opinion that the Investment Manager continues to raise, invest and manage funds for the Company successfully and that the continuing appointment of the Investment Manager on the terms agreed is in the interests of all shareholders.

Venture Capital Trust status

The Company was granted approval as a Venture Capital Trust by HM Revenue & Customs under s274 of the Income Tax Act 2007. The Directors have managed the affairs of the Company in compliance with this section throughout the year under review and intend to continue to do so.

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Risk management

The Board has carried out a robust assessment of the principal and emerging risks facing the Company through a risk management programme whereby it continually identifies the principal risks and uncertainties faced by the Company, including those that would threaten its business model, future performance, solvency or liquidity and reviews both the nature and effectiveness of the internal controls adopted to protect the Company from such risks as far as is possible. The principal risks facing the Company are Venture Capital Trust status risk, investment valuation and liquidity risk.

The Investment Manager is also a member of the Venture Capital Trust Association whose aim is to promote and preserve the contributions of the VCT sector to the UK investment community and UK economy.

The tax rules, or their interpretation, in relation to an investment in the Company and/or the rates of tax may change during the life of the Company and may apply retrospectively, which may adversely affect an investment in the Company. In 2015 a sunset clause for VCT income tax relief was introduced. This provides that income tax relief will no longer be given to subscriptions made on or after 6 April 2025, unless the legislation is renewed by an HM Treasury order. The Finance Act 2024 includes legislation to extend the "sunset clause" to 5 April 2035. This is subject to a Treasury Order being laid following European Union ("EU") approval being obtained for the continuation of the VCT Rules. It is not known whether the EU will require any other changes to the VCT legislation. If EU approval is not obtained by the 5 April 2035, new Investors will not be able to claim income tax relief for investments into new shares issued by the Company after 5 April 2025, making it more difficult for the Company to attract new capital whilst continuing to operate as a VCT. The Company is monitoring this risk and the potential impact on the Company.

Principal Risks	Description and Potential Negative Impact	Controls & Mitigation
Venture Capital Trust status risk	The risk of breaching VCT rules poses significant consequences, including the potential loss of our VCT status and exemption on capital gains. Such a breach could require the Company to provide compensation to affected funds, leading to financial liabilities and straining our resources. Moreover, the loss of capital gains exemption could have further detrimental effects on our financial position and investor confidence. A change in the tax legislation affecting the VCT industry could negatively impact the fundraising efforts of the VCT. This change introduces liquidity risks and may increase the cost of capital by altering the risk adjusted returns in the VCT industry.	To mitigate the risk of breaching VCT rules, we have implemented the following measures: Collaborative Monitoring: Our Investment Manager liaises with Philip Hare & Associates to assess the VCT status of potential investee companies before making any investments. Quarterly VCT Status Reports: Philip Hare & Associates provides comprehensive reports on our VCT status to the Board every quarter. Rigorous Review: We carefully review estimated income and proposed dividends to ensure compliance with VCT regulations. The team actively engages with third-party tax advisors to stay updated on the latest developments and changes in tax legislation.

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Principal Risks	Description and Potential Negative Impact	Controls & Mitigation
Investment valuation and liquidity risk	The Company faces the risk of errors, process failures, or incorrect assumptions in valuing its portfolio holdings, particularly since the majority of its assets are invested in unquoted companies. Valuing such companies can be inherently challenging under the IPEV guidelines. Having to liquidate these holdings in a non-optimal moment may produce lower than expected returns given their lack of liquidity. Loss of Value for Investors: Inaccurate valuations can result in decreased investment value, potentially impacting investor returns and satisfaction. Poor Market Track Record and Fundraising Challenges: Valuation issues can contribute to a poor track record, making it more challenging for the Company to attract new investments and secure fundraising opportunities. Reduced Distributable Reserves due to Loss-Making Exits: Valuation errors leading to loss-making exits can diminish the Company's distributable reserves, affecting the availability of funds for shareholder distributions. Damage to Reputation and Fundraising Ability: Valuation inaccuracies can harm the Company's reputation, making it harder to attract new investors and establish valuable partnerships for future fundraising. Litigation Risks from Investors: Inaccurate valuations may expose the Company to the risk of litigation from investors who suffer losses or perceive wrongdoing, potentially resulting in financial and reputational consequences.	Valuations prepared by the Investment Manager, following IPEV guidelines, reviewed quarterly by the Company's Board, with annual audit. Investment Manager's performance formally reviewed annually and informally at each board meeting, incentivised through exit-based performance incentive scheme (not valuations). Investment Manager maintains hands-on portfolio management, monitoring businesses monthly as a minimum. These measures ensure accurate valuations, oversight, aligned incentives for successful exits, and proactive portfolio management.

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Principal Risks	Description and Potential Negative Impact	Controls & Mitigation
Economic risk	The Company faces various market and economic risks that can impact its valuation and investment performance: Economic conditions and interest rate movements can impact smaller companies' valuations, potentially reducing the Company's asset value. Inflation, geopolitical uncertainty, and real interest rate changes can increase NAV volatility. There is a heightened emphasis on assessing the medium-term impact of inflation on asset valuations, particularly considering the short-term drivers such as higher energy prices and increasing costs. The portfolio has proven resilient to events like the war in Ukraine and Middle East given its concentration in the UK. However, Brexit, global economic recessions, supply shortages, UK tax matters or currency and interest rate movements may affect trading conditions for smaller companies and the value of the Company's investments. Movements in UK stock market indices can affect the Company's investment valuations, as well as the Company's own share price and discount to net asset value.	To mitigate the market and economic risks, the Company has implemented the following measures: Regular Reporting: The Board receives quarterly reports from the manager and deal team members, ensuring ongoing monitoring and oversight of the portfolio's performance and market conditions. Diversified Portfolio: The Company maintains a diversified portfolio within sub-sectors, aiming to minimise the impact of market cyclicality. This diversification strategy helps spread the risk and provides stability during different market conditions. Adequate Liquidity Levels: The Company ensures it maintains adequate liquidity levels to address any potential stress situations that may arise within the portfolio companies. This approach enables the Company to support its investments during challenging market scenarios. Proactive Portfolio Follow-up: The Company's portfolio companies receive regular follow-up and support from the dedicated team at the Investment Manager). This proactive approach ensures ongoing engagement and monitoring of portfolio companies' performance, reducing the likelihood of adverse impacts.
Operational risk	The Company diligently monitors various operational risks, including fraud, business continuity, external reporting, delegation, key person risk, conflicts, outsourcing, cyber threats, marketing, systems, and controls. By proactively addressing these risks, the Company aims to prevent breaches or issues that could negatively impact the accuracy of financial statements and the overall value for investors.	The Company regularly reviews the performance of the mitigation strategy to every one of the aforementioned risks. Some controls and mitigations are cited below: Segregation of duties and dual signatures and initial and ongoing due diligence monitoring of third parties to prevent fraud. Business continuity assessment conducted at a group level to test response effectiveness. Periodic review of administrator levels and compliance with the administration agreement, timely tracking reporting deadlines and segregation of tasks before submission. Conflict policy, conflict register and governance protocols to manage conflict risks. The Investment Manager monitors the key service providers with periodic compliance and performance reviews. The Board reviews the assessment. Dedicated legal employee to review contractual information before signature, compliance collaborates with the review of contractual agreements.

Strategic Report

Principal Risks	Description and Potential Negative Impact	Controls & Mitigation
Social, environmental, community and human rights issues	The Company recognises the significance of social, environmental, community, and human rights issues and conducts assessments of the environmental practices of its assets to mitigate risks related to employee welfare, community engagement, and ethical business conduct to mitigate any potential reputational risk while safeguarding the valuation of the Company's NAV. However, as an externally managed investment company without direct employees, it does not currently have specific policies dedicated to these matters, which is not considered a risk.	Gender Diversity: The Company has six Directors, including one female, demonstrating a commitment to gender diversity in its leadership. Electronic Communication and Payments: The Company promotes the wider adoption of electronic communication and electronic payments among its shareholders, aiming to reduce paper usage and environmental impact. Recycled Paper: For printed documents that are still necessary, the Company uses recycled paper, contributing to sustainable practices.
Loss of key people:	Sufficient number of Board members and employees (at all levels) with diversity of skills to allow for adequate cover or redundancy.	The Company has implemented the following measures to address key person risk: Sufficient Board Members: The Company ensures that it has an adequate number of Board members to provide cover and redundancy in case of key person departures. This helps maintain continuity and expertise within the company. Diverse Skills: The Company seeks to have a diverse range of skills among its Board members and employees at all levels. This diversity of skills ensures that there are individuals capable of stepping in and providing necessary expertise if key personnel are no longer available.

Strategic Report

Diversity & Inclusion

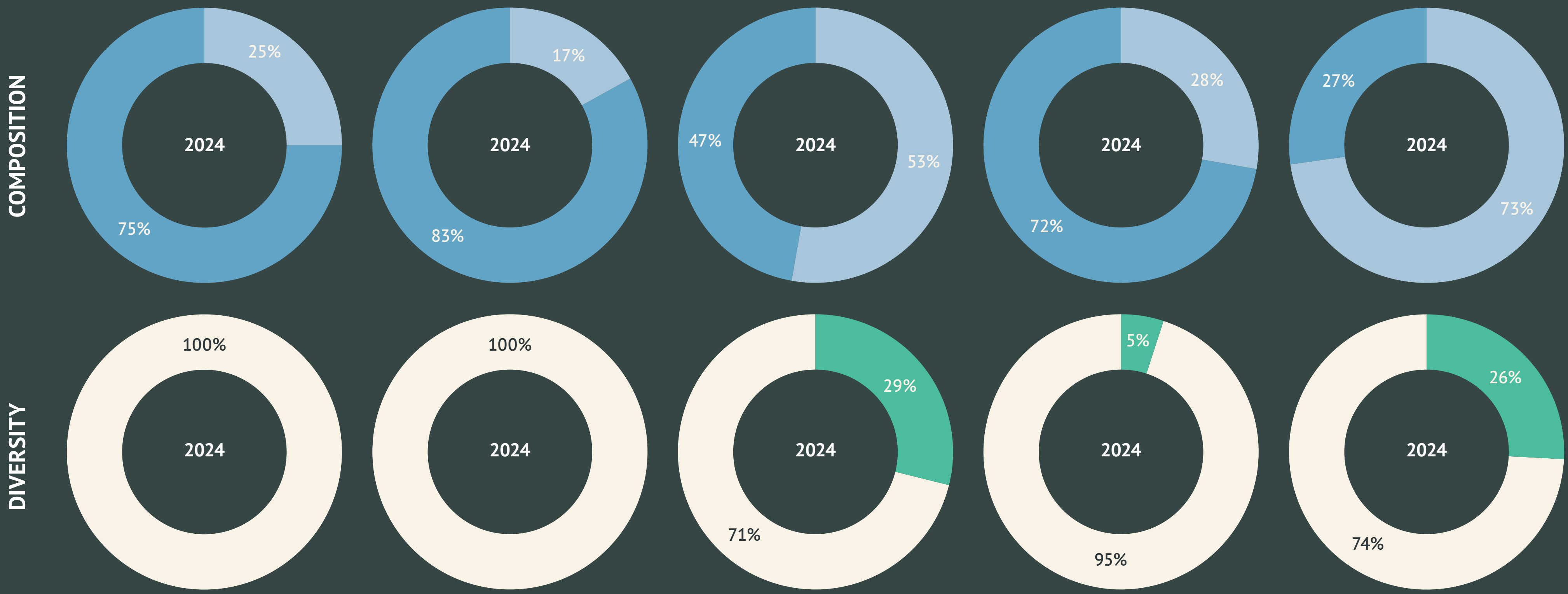
As part of the Company, the Board and with the Investment Manager's commitment to promote ESG reporting; the following pie chart analyses the Diversity & Inclusion Summary of the Company's Portfolio, the Board, and the Investment Manager.

Investment Committee — 4 persons

Pembroke VCT Board — 6 persons*

Pembroke Investment Manager — 17 persons

Portfolio Companies
(% are based on the value of investment)
Founders — C-Suite

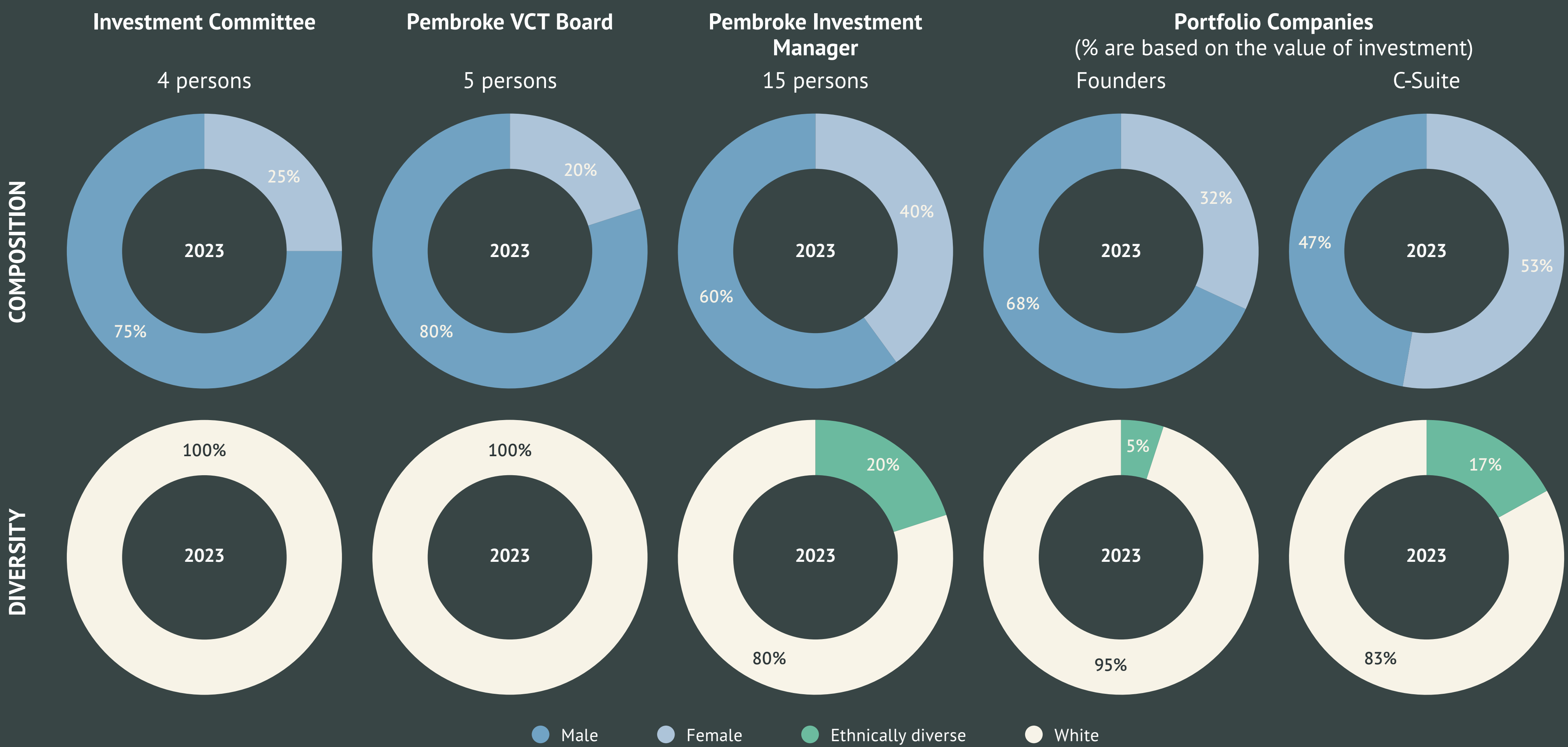


*Includes Chris Allner

Male — Female — Ethnically diverse — White

Note:
Female founder composition is based on having at least one female founder.
C-Suite composition is based on having at least one female member.
Ethnic diversity definition is based on gov.uk definition.
Founder diversity is based on having at least one ethnically diverse founder.
C-Suite diversity, including founders, is based on having at least one ethnically diverse member.

Strategic Report



Note:
Female founder composition is based on having at least one female founder.
C-Suite composition is based on having at least one female member.
Ethnic diversity definition is based on gov.uk definition.
Founder diversity is based on having at least one ethnically diverse founder.
C-Suite diversity, including founders, is based on having at least one ethnically diverse member.

Strategic Report

Statement on long-term viability

In accordance with the UK Corporate Governance Code in 2018 (the "2018 Code"), the Directors have considered their obligation to assess the viability of the Company over a period longer than the 12 months from the date of approval of the Financial Statements required by the going concern basis of accounting. The Directors have carried out a robust assessment of the prospects of the Company for the period to 31 March 2029, taking into account the Company's current position and principal risks, and are of the opinion that, at the time of approving the Financial Statements there is a reasonable expectation that the Company will be able to continue in operation and meet liabilities as they fall due.

The Board carried out robust stress testing of cash flows, which included paying out dividends, performing share buybacks, making new investments, supporting our current portfolio with funding and fundraising.

The Directors consider that for the purpose of this exercise a five-year period is an appropriate time frame, as it allows for reasonable forecasts to be made to allow the Board to provide shareholders with reasonable assurance over the viability of the Company. In making their assessment the Directors have taken into account the nature of the Company's business and investment policy, its risk management policies, the diversification of its portfolio and the Company's cash position.

The Board has additionally considered the ability of the Company to comply with the ongoing conditions to ensure it maintains its VCT qualifying status under the current investment policy.

Alternative Investment Fund Managers Directive ("AIFMD")

In July 2013 the AIFMD was implemented, a European directive affecting the regulation of VCTs. The Company has appointed its Investment Manager as its AIFM.
The Investment Manager was entered on the register of small registered UK AIFMs in February 2014. As an AIFM, the Investment Manager is required to submit an annual report to the FCA setting out various information relating mainly to the Company's investments, principal exposures and liquidity.

By Order of the Board
The City Partnership (UK) Limited
Company Secretary
19 June 2024

Directors' Report

This Directors' report incorporates the Corporate Governance Statement on pages 61 to 63 and the Statement of Directors' Responsibilities on page 64.

Principal activity and status

The Company is registered as a public limited company in England and Wales under registration number 08307631. The Directors have managed and intend to continue to manage the Company's affairs in such a manner as to comply with s274 of the Income Tax Act 2007.

Directors

The Directors of the Company during the period under review were Jonathan Djanogly, Laurence Blackall, Mark Stokes, Louise Wolfson and David Till. Brief biographical details of the Directors are given on pages 11 to 12.

Share capital

There were 214,268,418 shares in issue at the year end.

During the year 32,055,056 shares were allotted under Offers for subscription at an average price of 114.1 pence per share raising £36.6 million before deducting issue costs. 1,412,995 shares were allotted under the FlexiDRIS at an average price of 112.3 pence per share raising £1.6 million.

Since the year end, 7,264,511 shares have been issued under Offer for subscription and 588,604 shares have been allotted under the FlexiDRIS, refer to Note 25 on page 88 for further details.

The Company will consider requests to buy back shares but is mindful that investment in the Company was promoted as comparatively long term with venture capital portfolios typically taking from five to seven years to mature. The Directors review these requests around the financial year end and half year. During the year to 31 March 2024 6,873,374 shares were bought back by the Company.

The rights and obligations attaching to the Company's shares are set out in the Company's Articles of Association, copies of which can be obtained from Companies House. The holders of shares are entitled to receive dividends when declared, to receive the Company's report and accounts, to attend and speak at general meetings, to appoint proxies and to exercise voting rights. There are no restrictions on the voting rights attaching to the Company's shares or the transfer of securities in the Company.

Substantial shareholdings

With the exception of UBS Private Banking Nominees Limited which, as at 31 March 2024 held 15,686,174 B Ordinary Shares (being approximately 7.3% of the issued share capital of the Company), the Company is not aware of any holdings, at 31 March 2024 and as at the date of this report, representing (directly or indirectly) 3% or more of the voting rights attached to the issued share capital of the Company.

Independent auditor

A resolution to reappoint BDO LLP as Independent Auditor will be proposed at the forthcoming AGM.

Accountability and audit

The Directors' responsibility statement in respect of the Financial Statements is set out on page 64 of this report. The report of the Independent Auditor is set out on pages 66 to 71 of this report. The Directors who were in office on the date of approval of these Financial Statements have confirmed that, as far as they were aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors has taken all the steps they ought to have taken as Directors in order to make themselves aware of any relevant audit information that has been communicated to the auditor.

Future developments

The primary focus will continue to be on the development of an investment portfolio which will deliver attractive returns over the medium to longer term. The Company will continue to provide support for the ongoing development of investee companies and the Investment Manager will continue to work closely with all investee companies towards accelerating their growth and identifying possible exits in the short to mid-term. Further details on the Company's future prospects may be found in the Outlook paragraph in the Chair's Statement on page 10. Details of post balance sheet events may be found at Note 25 to the Financial Statements.

Going concern

In accordance with FRC Guidance for Directors on going concern and liquidity risk, the Directors have assessed the prospects of the Company and are of the opinion that, at the time of approving the Financial Statements, the Company has adequate resources to continue in business for at least 12 months from the date of approval of the Financial Statements. In reaching this conclusion the Directors took into account the nature of the Company's business and Investment Policy, its risk management policies, the diversification of its portfolio and the cash holdings. They have also reviewed the budgets and forecasts, which have been subject to liquidity stress tests performed by the Investment Manager, and consider that the Company has adequate financial resources to enable it to continue in operational existence for the foreseeable future. The Company's business activities, together with the factors likely to affect its future development, performance and position including the financial, and operational related risks to which the Company is exposed are set out in the Strategic Report on pages 46 to 54. As a consequence, the Directors have a reasonable expectation that the Company has sufficient cash to continue to operate and the Company is well placed to manage its business risks successfully and meet its liabilities as they fall due despite the current economic climate and unprecedented pace of change. Thus, the Directors believe it is appropriate to continue to apply the going concern basis in preparing the Financial Statements.

Financial instruments

Information on the principal financial instruments held by the Company, including details about risk management, may be found in the Investment Review forming part of the Strategic report and at Note 21 to the Financial Statements.

Directors' Report

Section 172 Statement: Directors' duty to promote the success of the Company

This section sets out the Company's Section 172 Statement and should be read in conjunction with the other contents of the Strategic Report. The Directors have a duty to promote the success of the Company for the benefit of its members as a whole. In fulfilling this duty, the Directors have regard to a number of matters including:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

As an externally managed investment company, the Company does not have employees. Its main stakeholders therefore comprise the shareholders, the Investment Manager, investee companies and a small number of service providers.

Shareholders

The Board places great importance on communication with its shareholders and encourages shareholders to attend the AGM and welcomes communication from shareholders as described more fully on pages 61 to 63 in the Corporate Governance Statement.

Investment Manager

The investment management services are fundamental to the long-term success of the Company through the pursuit of the investment objectives. The Board's decisions are intended to achieve the Company's objective to invest in a diversified portfolio of smaller, principally unquoted companies which the Investment Manager believes provide the opportunity for value creation. The Board regularly monitors the Company's performance in relation to its investment objectives and seeks to maintain a constructive working relationship with the Investment Manager. Representatives of the Investment Manager attend each quarterly board meeting and provide an update on the performance of companies in the portfolio.

Investee companies

The Company's performance is directly linked to the performance of its underlying investee companies and accordingly communication with those companies is regarded as very important. The Investment Manager has a director on the board of many, but not all, of the portfolio companies and communicates with all of them irrespective of this on a regular basis. Most of the investments also carry information rights so that the Company is provided with reporting updates at least quarterly.

Regulators

As a UK listed company the Board and Investment Manager comply with the Companies Act, HMRC, UK Accounting Standards and FCA regulatory requirements in addition to the Alternative Investment Fund Managers Directive, to ensure the Company can continue to trade. The Company continued to comply with these regulations throughout the year and to the date of this Report.

Key decision making

The Board has policies for dividends, share buybacks and the dividend reinvestment scheme which are discussed regularly and also discusses fundraising each year to ensure funds are available for investment where opportunities exist with new or existing investee companies. The Board also discusses the cash balances, distributable reserves and the VCT rules to ensure the Company can pay stable dividends for investors, with additional special dividends linked to investment realisations, and conduct share buybacks.

Other service providers

Certain providers such as registrar, receiving agent, tax adviser, auditor, lawyers and others contract directly with the Company and do work on its behalf. Some providers such as the distributor provide their services to the Company via a contract with the Investment Manager. The quality of the provision of these services is considered by the Directors at Board meetings. The Board's primary focus in promoting the long-term success of the Company for the benefit of the shareholders as a whole is to direct the Company with a view to achieving the investment objective in a manner consistent with its stated investment policy and strategy.

Global greenhouse gas emissions

The Company has no direct greenhouse gas emissions or energy consumption to report from its operations, being an externally managed investment company. The Company does not fall within the scope of The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 effective as of 1 April 2019 which implements the Government's policy on Streamlined Energy and Carbon Reporting, replacing the Carbon Reduction Commitment Scheme. The 2018 Regulations require companies that have consumed over 40,000 kilowatt-hours of energy to include energy and carbon information in their Directors' Report. This does not apply to the Company as it qualifies as a low energy user. Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where this information is set out. The Directors confirm that there are no disclosures required to be made in this regard.

By Order of the Board
The City Partnership (UK) Limited
Company Secretary
19 June 2024

Directors' Remuneration Report

This report has been prepared by the Directors in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) (the "Regulations"). An ordinary resolution for the approval of the Directors' Annual Report on Remuneration will be put to members at the forthcoming AGM.

The Company's auditor, BDO LLP, is required to give its opinion on certain information included in this report.

The disclosures which have been audited are indicated as such. The auditor's opinion on these and other matters is set out in their report on pages 66 to 71.

Annual statement from the Chair of the Company

Jonathan Djanogly and Laurence Blackall began their term on 27 November 2012, and David Till was appointed as a Director of the Company on 28 August 2018. Mark Stokes and Louise Wolfson were appointed as Directors on 1 January 2021. Chris Allner was appointed as a Director on 1 June 2024. The Board resolved that the Chair's annual fee would be £30,000 and the annual fee for other Directors would be £25,000. David Till has waived his annual fee from 1 April 2020.

The Company's Remuneration and Nomination Committee shall meet as required, and at least, annually. The committee will review the appointments to the Board and its committees and the levels of director remuneration.

Directors' remuneration policy

The statement of the Directors' Remuneration Policy took effect following approval by shareholders at the annual general meeting held on the 28 September 2023 when 98.5% of those who voted, voted to approve the policy. A resolution to approve the Directors' Remuneration Policy will be put to shareholders every three years. At this year's annual general meeting shareholders are being invited to approve the continuation of the policy described below.

The Board has not retained external advisors in relationship to remuneration matters but has access to information about directors' fees paid by other companies of a similar size and nature and this is used as a reference when setting the Directors' remuneration. Shareholders' views in respect of the Directors remuneration are communicated at the Company's AGM and are taken into consideration in formulating the Directors Remuneration Policy. The Board has not received any views from the Company's shareholders in respect of the levels of Directors' remuneration.

The Board considers that Directors' fees should reflect the time commitment required and the high level of responsibility borne by Directors, and should be broadly comparable to the fees paid by similar companies while ensuring that the fees payable are appropriate to retain individuals of sufficient calibre to lead the Company in achieving its short and long-term strategy. The Company's Articles of Association, further to a resolution passed at a General Meeting held on 14 August 2020, place an overall annual limit of £150,000 (£100,000 pre-14 August 2020) on Directors' remuneration. None of the Directors is eligible for pension benefits, share options, bonuses or other benefits in respect of their services as non-executive Directors of the Company.

Terms of appointment

None of the Directors has a service contract with the Company. On being appointed, all Directors received a letter from the Company setting out the terms of their appointment, details of the fees payable and their specific duties and responsibilities. A Director's appointment may be terminated by the Director or by the Company on the expiry of three months' notice in writing given by the Director or the Company as the case may be. No arrangements have been entered into between the Company and the Directors to entitle any of the Directors to compensation for loss of office. The letters of appointment are available for inspection on request from the Company Secretary. The Company's Articles of Association provide that the Directors will be subject to election at the first annual general meeting after their appointment and at least every three years thereafter. Brief biographical details of the Directors are given on pages 11 and 12.

Directors' Remuneration Report

Directors' annual report on remuneration

Directors' fees for the year (audited)

The fees payable to individual Directors in respect of the year ended 31 March 2024 are shown in the table below.

Director	Total annual fee £	Total fee paid for the year ended 31.03.24 £	Total fee paid for the year ended 31.03.23 £
Jonathan Djanogly	30,000	30,000	30,000
Laurence Blackall	25,000	25,000	25,000
Mark Stokes	25,000	25,000	25,000
Louise Wolfson	25,000	25,000	25,000
David Till*	Nil	Nil	Nil

*David Till waived his annual fee with effect from 1 April 2020.

No taxable benefits were paid to the Directors, no pension related benefits were paid to the Directors and no monies or other assets were received or receivable by the Directors for the relevant financial year. There were no fees payable to past Directors or payments made for loss of office. There is no comparative information in respect of employee remuneration as the Company has no employees.

Fees are not specifically related to the Directors' performance, either individually or collectively.

Relative importance of spend on pay

The table below shows the total remuneration paid to the Directors and shareholder distributions in the year to 31 March 2024 and the prior year. There were no outstanding balances due at the year end.

	Year ended 31.03.24 £	Year ended 31.03.23 £	Percentage change
Total Directors' fees	105,000	105,000	–
Dividend	9,606,425	8,310,106	15.6
Share Buy Back	7,662,428	0	100.0
Total Directors' fees as a percentage of dividend & buyback	0.6%	1.3%	(0.7)

Directors' shareholdings (audited)

The beneficial interests of the Directors in the shares of the Company at the year-end were as follows:

	As at 31.03.24		As at 31.03.23	
Director	shares held	% of shares in issue	shares held	% of shares in issue
Jonathan Djanogly	75,992	0.035	75,992	0.041
Laurence Blackall	307,942	0.144	307,942	0.164
Mark Stokes	37,652	0.018	17,888	0.010
Louise Wolfson	25,869	0.012	16,753	0.009
David Till	589,669	0.275	494,612	0.264

The Company confirms that it has not set out any formal requirements or guidelines for a Director to own shares in the Company.

Directors' Remuneration Report

Company performance

The Board is responsible for the Company's investment strategy and performance, although the management of the Company's investment portfolio is delegated to the Investment Manager through a management agreement. The Directors consider that a comparison of investment performance against the FTSE UK Small Cap Index is the best available metric, although readers should note that the differences between the scale, capital structure and liquidity of investments in the two differ markedly.

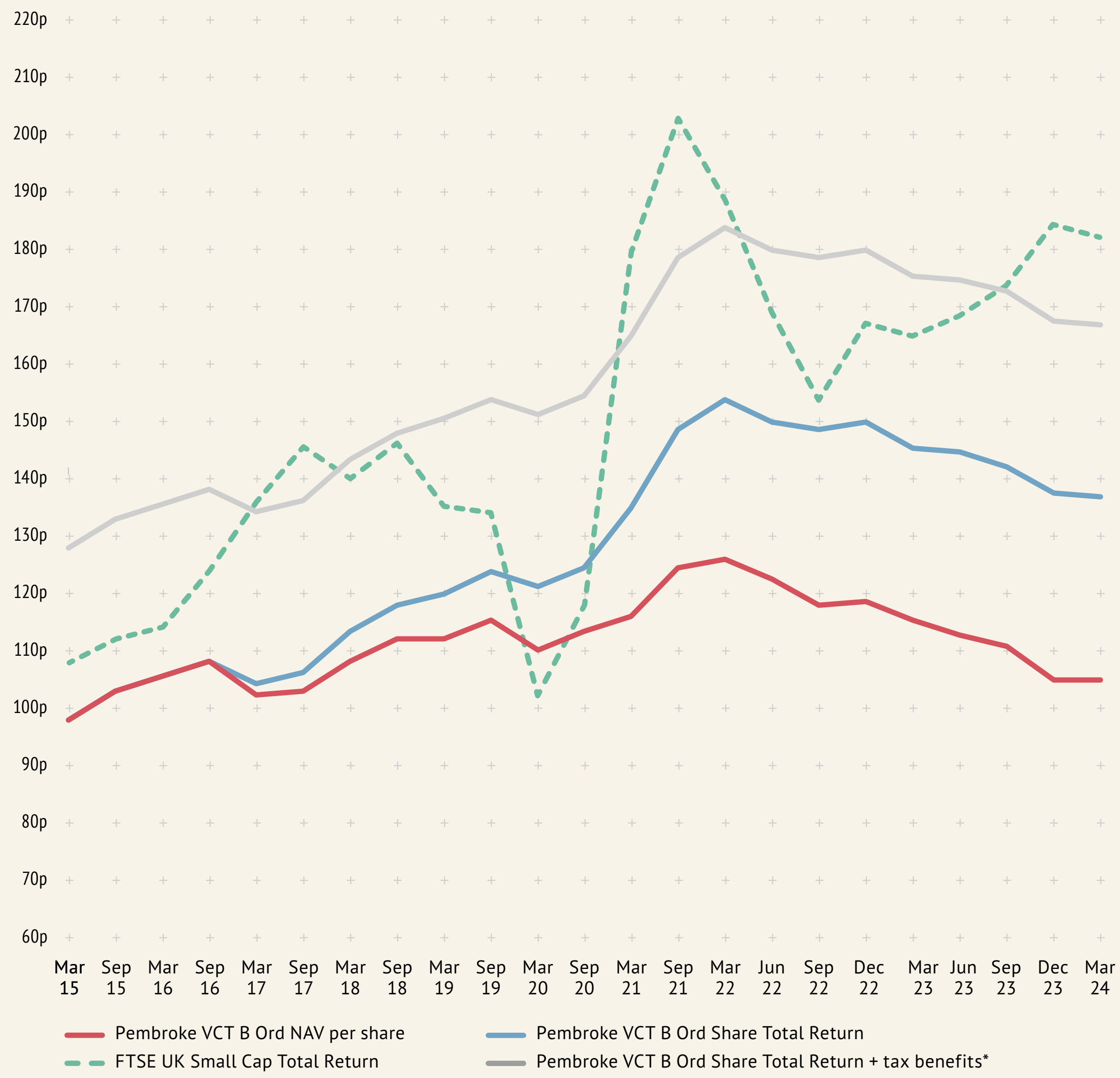
The graph opposite illustrates the Company's share price, net asset value and total return per share with the total return from a notional investment of 100p in the FTSE UK Small Cap Index over the same period (since Pembroke VCT plc B Ords inception).

At the AGM held on 28 September 2023, 98.6% of the votes cast were for, 1.4% of the votes cast were against, and 26,947 shares were withheld in respect of, the resolution approving the Directors' remuneration report.

On behalf of the Board
Jonathan Djanogly
Director
19 June 2024

*Tax benefits include a 30% initial tax rebate on invested cost and exclude tax benefits on dividends and capital gains tax on VCT shares.

Pembroke VCT plc Performance (since issue of the Pembroke VCT B Ordinary Shares)



Governance

Corporate Governance Statement

The Directors of Pembroke VCT plc confirm that the Company has taken appropriate action to enable it to comply with the Principles of the UK Corporate Governance Code (the "2018 Code") issued by the Financial Reporting Council in 2018 which is publicly available at https://www.frc.org.uk/directors/corporate-governance-and- stewardship/ukcorporate-governance-code. Apart from the matters referred to in the following paragraph, the requirements of the Code were complied with throughout the year ended 31 March 2024.

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

The Company complies with all the provisions of the 2018 Code save that:

(i) the Company does not conduct on an annual basis a formal review as to whether there is a need for an internal audit function, as the Directors do not consider that an internal audit would be an appropriate control for a venture capital trust;

(ii) as all the Directors are non-executive and in light of the responsibilities delegated to the Investment Manager, its VCT status adviser and Company Secretary, the Company has not appointed a chief executive, deputy Chair or a senior independent non-executive Director; and

(iii) in view of its non-executive nature, to ensure continuity of experience amongst members of the Board and the requirement under the Articles that all Directors are subject to election by shareholders at the first annual general meeting after their appointment and thereafter at every third annual general meeting, the Board considers that it is not appropriate for the Directors to be subject to annual re election or appointed for a fixed term.

David Till, who is not an independent Director, is subject to annual re election under the Listing Rules.

Full details of duties and obligations of the Directors are provided at the time of appointment and are supplemented by further details as necessary. There is no formal induction programme for Directors but any newly appointed Director will be given a comprehensive introduction to the Company's business, including meeting the Company's advisers.

Board of Directors

The Company has a Board of six non-executive Directors, four of whom are considered to be independent. The sixth Director, David Till, is also a member of the Investment Manager. In accordance with the Listing Rules, David Till is subject to annual re election by shareholders. The Company has no employees.

All non-executive Directors have signed letters confirming the terms of their appointment as non-executive Directors. These are dated with effect from 1 January 2021 and 1 June 2024. Directors are provided with key information on the Company's activities including regulatory and statutory requirements and internal controls by the Company's VCT status adviser, Philip Hare & Associates LLP, and by the Company Secretary, The City Partnership (UK) Limited. The Board has direct access to corporate governance advice and compliance services through the Company Secretary, which is responsible for ensuring that Board procedures are followed and compliance requirements are met.

All Directors may take independent professional advice in furtherance of their duties as necessary.

The Board is responsible to shareholders for the proper management of the Company and looks to meet on at least four occasions each year. It has formally adopted a schedule of matters which must be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues. Those matters include the appointment or removal of the Investment Manager and monitoring the performance of the Investment Manager and investee companies. The Chair and the Company Secretary establish the agenda for each Board meeting and all necessary papers are distributed in advance of the meetings.

The Board has considered the recommendations of the Code concerning diversity and welcomes initiatives aimed at increasing diversity generally. The Board believes, however, that all appointments should be made on merit rather than positive discrimination. The policy of the Board is that maintaining an appropriate balance around the Board table through a diverse mix of skills, experience, knowledge and background is of paramount importance and all forms of diversity are a significant element of this.

Board performance

The Board aims to carry out performance evaluations of the Board and its committees and, consequently, individual Directors each year. Owing to the size of the Company, the fact that all Directors are non-executive and the costs involved, external facilitators will not be used in the evaluation. An informal performance evaluation of the Board, the Audit, Risk & Valuations Committee, the Remuneration & Nomination Committee, the Management Engagement Committee and individual Directors was carried out during the board meetings. The Directors concluded that the balance of skills is appropriate and all Directors contribute fully to discussion in an open, constructive and objective way. With the new Director in June 2024 the size and composition of the Board is considered adequate for the effective governance of the Company. As all Directors have acted in the interests of the Company throughout the period of their appointment and demonstrated commitment to their roles the Board recommends those presenting themselves be re-elected at the AGM.

Corporate Governance Statement

Audit, Risk & Valuations Committee

The Audit, Risk & Valuations Committee operates within clearly defined written terms of reference which are available on request from the Company Secretary.

The Audit, Risk & Valuations Committee comprises five independent Directors. The members of the committee are Laurence Blackall (Chair), Jonathan Djanogly, Mark Stokes, Louise Wolfson and Chris Allner.

A quorum shall be three members.

During the year ended 31 March 2024 and up to the date of signing the Annual Report and Financial Statements, the Audit, Risk & Valuations Committee discharged its responsibilities by:

- Reviewing the content and monitoring the integrity of the Financial Statements of the Company, including the fair value of investments as determined by the Investment Manager, calculation of the management fee and allocation of expenses between revenue and capital, and making recommendations to the Board;
- Reviewing the Company's accounting policies;
- Reviewing internal controls and assessing the effectiveness of those controls in minimising the impact of key risks;
- Reviewing and approving the statements to be included in the Annual Report concerning the internal control and risk management;
- Reviewing the need to appoint an internal audit function;
- Reviewing and approving the Independent Auditor's terms of engagement, including remuneration;
- Reviewing and monitoring the independence and objectivity of the auditor and the effectiveness of the audit process;
- Reviewing and approving the Independent Auditor's audit plan;
- Recommending to the Board and shareholders the annual reappointment of and fee payable to BDO LLP; and
- Reviewing the arrangements for staff of the Investment Manager to raise concerns in confidence about possible improprieties in financial reporting or other matters and ensuring that those arrangements allow proportionate and independent investigation of such matters and appropriate follow-up actions.

The key areas of risk identified by the Audit, Risk & Valuations Committee in relation to the business activities and Financial Statements of the Company are:

- Compliance with HM Revenue & Customs rules – in particular s274 of the Income Tax Act 2007 – to maintain the Company's VCT status; and
- Valuation of unquoted investments.

These risks were discussed with the Investment Manager at the Audit, Risk & Valuations Committee meeting before sign-off of the Financial Statements. The Committee concluded:

Venture Capital status – the Investment Manager confirmed to the Audit, Risk & Valuations Committee that the conditions for maintaining the Company's status had been complied with throughout the year.

Valuation of unquoted investments – the Investment Manager confirmed to the Audit, Risk & Valuations Committee that the basis of valuation for unquoted companies was in accordance with published industry guidelines, taking account of the latest available information about investee companies and current market data. The valuation of unquoted investments is discussed regularly at Board meetings, Directors are also consulted about material changes to these valuations between Board meetings. The Audit, Risk & Valuations Committee examined the Investment Manager's confirmation and considered it appropriate.

The Investment Manager and auditor confirmed to the Audit, Risk & Valuations Committee that they were not aware of any material misstatements. Having reviewed the Company's Financial Statements and reports received from the Investment Manager and auditor, the Audit, Risk & Valuations Committee is satisfied that the key areas of risk and judgment have been appropriately addressed in the Financial Statements and that the significant assumptions used in determining the value of assets and liabilities have been properly appraised and are sufficiently robust.

The Audit, Risk & Valuations Committee has managed the relationship with the auditor and assessed the effectiveness of the audit process. When assessing the effectiveness of the process for the period under review the Committee considered the auditor's technical knowledge and that they have a clear understanding of the business of the Company; that the audit team is appropriately resourced; that the auditor provided a clear explanation of the scope and strategy of the audit and maintained independence and objectivity. As part of the review of auditor effectiveness and independence, BDO LLP has confirmed that it is independent of the Company and has complied with applicable auditing standards. BDO LLP does not provide any non-audit services to the Company and the Audit, Risk & Valuations Committee must approve the appointment of the external auditor for any non-audit services. BDO LLP was appointed by the Board as auditor in February 2020 following a tender process, therefore the current partner has served for five year-ends. The Board notes that statutory audit retendering is required after an auditor has been in place for ten years.

Corporate Governance Statement

Remuneration & Nomination Committee

The Remuneration & Nomination Committee operates within clearly defined written terms of reference which are available on request from the Company Secretary.

The Remuneration & Nomination Committee comprises four independent Directors. The members of the committee are Louise Wolfson (Chair), Laurence Blackall, Jonathan Djanogly and Mark Stokes.

A quorum shall be two members.

The Committee shall meet at least once a year and otherwise as required.

Management Engagement Committee

The Management Engagement Committee operates within clearly defined written terms of reference which are available on request from the Company Secretary.

The Management Engagement Committee comprises four independent Directors. The members of the committee are Laurence Blackall (Chair), Jonathan Djanogly, Mark Stokes, Louise Wolfson and Chris Allner.

A quorum shall be two members.

The Committee shall meet at least once a year and otherwise as required.

Attendance at Board and committee meetings

During the year ended 31 March 2024 there were:

- Four full Board meetings – additional Board meetings were held as required to address specific issues including an offer for subscription and quarterly net asset values
- Two Audit, Risk & Valuations Committee meetings; and
- Two Remuneration & Nomination Committee meeting; and
- Two Management Engagement Committee meetings.

The Directors' attendance at these meetings is noted below.

Director	Board	Audit, RIsk & Valuations Committee	Remuneration & Nomination Committee	Management Engagement Committee
Jonathan Djanogly	4	2	2	2
Laurence Blackall	3	2	0	2
Mark Stokes	4	2	2	2
Louise Wolfson	4	2	2	2
David Till	4	n/a	n/a	n/a

Internal control

The Board has established a process for the identification, evaluation and management of the significant risks faced by the Company. The Board acknowledges that it is responsible for the Company's internal control systems and for reviewing their effectiveness. Internal controls are designed to manage the particular needs of the Company and the risks to which it is exposed. The internal control systems aim to ensure the maintenance of proper accounting records, the reliability of the financial information on which business decisions are made and which is used for publication, and that the assets of the Company are safeguarded. They can by their nature provide only reasonable and not absolute assurance against material misstatement or loss. The financial controls operated by the Board include the authorisation of investments and regular reviews of both the financial results and investment performance.

The Board has delegated to third parties the provision of investment management services, VCT status advisory services, broking services, day-to-day accounting, company secretarial and administration services, receiving agent and share registration services. During the year, day-to-day accounting was taken in-house.

Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered. The Board receives and considers regular reports from the Investment Manager. Ad hoc reports and information are supplied to the Board as required. The Board keeps under review the terms of the agreement with the Investment Manager.

Review of internal control

The process adopted by the Board for identifying, evaluating and managing the risks faced by the Company includes an annual review of the control systems. The review covers a consideration of the significant risks in each of three areas: statutory and regulatory compliance; financial reporting; and investment strategy and performance. Each risk is considered with regard to: the likelihood of occurrence, the probable impact on the Company, and the controls exercised at source, through reporting and at Board level. The Board has identified no problems with the Company's internal controls.

Relations with shareholders

The Board welcomes the views of shareholders and puts a premium on effective communication with the Company's members. Shareholders are encouraged to attend the Company's Annual General Meeting where the Directors and representatives of the Company's advisers will be available to answer any questions members may have.

The Board also communicates with shareholders through the half-yearly and annual reports which will include a Chair's Statement and an Investment Manager's report both of which are reviewed and approved by the Board to ensure that they present a fair assessment of the Company's position and future prospects.

The Company distributes individual investor statements to shareholders annually in February. The Company also provides an Investor Hub, https://pembroke-vct.cityhub.uk.com, where shareholders and their financial intermediaries can view indicative shareholding valuations, transaction history, dividend history and deal with a range of administration matters. The Investment Manager also produces regular newsletters which are circulated to shareholders and their financial intermediaries.

On behalf of the Board
Jonathan Djanogly
Director
19 June 2024

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with UK adopted international accounting standards and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the financial statements in accordance with UK adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that period.

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the annual report and accounts, taken as a whole, are fair, balanced, and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4

The Directors confirm to the best of their knowledge:

- The financial statements have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company.
- The annual report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board
Jonathan Djanogly
Director
19 June 2024

Auditor's Report

Independent Auditor's Report

to the members of Pembroke VCT plc

Opinion on the financial statements

In our opinion the financial statements:

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

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were appointed by the Board of Directors to audit the financial statements for the year ended 31 March 2020 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is five years, covering the years ended 31 March 2020 to 31 March 2024. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions relating to going concern

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

- Obtaining the VCT compliance reports prepared by management's expert during the year and as at year end and reviewing the calculations therein to check that the Company was meeting its requirements to retain VCT status;
- Consideration of the Company's expected future compliance with VCT legislation, the absence of bank debt, contingencies and commitments and any market or reputational risks;
- Reviewing the forecasted cash flows that support the Directors' assessment of going concern, challenging assumptions and judgements made in the forecasts, and assessing them for reasonableness. In particular, we considered the available cash resources relative to the forecast expenditure which was assessed against the prior year for reasonableness; and
- Evaluating the Directors' method of assessing the going concern in light of market volatility and the present uncertainties in economic recovery.

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

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

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

Overview

		2024	2023
Key audit matters	Valuation of unquoted investments	✓	✓
Materiality	**Company financial statements as a whole** £3,640,000 (2023: £3,540,000) based on 2% (2023: 2%) of Gross investments.		

Independent Auditor's Report

An overview of the scope of our audit

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

Key audit matters

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

Key Audit Matter: Valuation of unquoted investments

(Notes 4 and 12 to the financial statements)

We consider the valuation of investments to be the most significant audit area as there is a high level of estimation uncertainty involved in determining the unquoted investment valuations; consisting of both equity and loan stock instruments.

There is also an inherent risk of management override arising from the unquoted investment valuations being prepared by the Investment Manager, who is remunerated based on the value of the net assets of the fund, as shown in note 7.

For these reasons we considered the valuation of unquoted investments to be a key audit matter.

How the scope of our audit addressed the key audit matter

Our sample for the testing of unquoted investments was stratified according to risk considering, inter alia, the value of individual investments, the nature of the investment, the extent of the fair value movement and the subjectivity of the valuation technique.

For all unquoted investments in our sample we:

- Considered whether the valuation methodology was the most appropriate in the circumstances under the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines and the applicable accounting standards. Where there has been a change in valuation methodology from prior year, we assessed whether the change was appropriate.
- Verified that the valuation was based on recent financial information and reviewed the arithmetic accuracy of the valuation.

For investments sampled that were valued using less subjective valuation techniques (price of recent investment reviewed for changes in fair value) we:

- Verified the price of recent investment to supporting documentation;
- Considered whether the investment was an arm's length transaction through reviewing the parties involved in the transaction and checking whether or not they were investors of the investee company;
- Considered whether there were any indications that the price of recent investment was no longer representative of fair value considering, inter alia, the current performance of the investee company and the milestones and assumptions set out in the investment proposal; and
- Considered whether the price of recent investment is supported by alternative valuation techniques.

For investments sampled that were valued using more subjective techniques (earnings multiples and revenue multiples) we:

- Challenged and corroborated the inputs to the valuation with reference to management information of investee companies, market data and our own understanding and assessed the impact of the estimation uncertainty concerning these assumptions and the disclosure of these uncertainties in the financial statements;
- Reviewed the historical financial statements and any recent management information available to support assumptions about maintainable revenues, earnings or cash flows used in the valuations;
- Considered the revenue or earnings multiples applied and the discounts or premiums applied by reference to observable listed company market data and transaction multiples data; and
- Challenged the consistency and appropriateness of adjustments made to such data in establishing the revenue or earnings multiple applied in arriving at the valuations adopted by considering the individual performance of investee companies against plan and relative to the peer group, the market and sector in which the investee company operates and other factors as appropriate.

For a sample of loans held at fair value included above, we:

- Checked security held to supporting documentation.
- Considered the carrying value of the loan with regard to the "unit of account" concept.
- Reviewed the treatment of accrued redemption premium/ other fixed returns in line with the Statement of Recommended Practice.

Key observations

Based on the procedures performed we noted the methodology and assumptions used to value unquoted investments to be appropriate.

Independent Auditor's Report

Our application of materiality

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

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

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

	Company Financial Statements 2024	2023
Materiality	£3,640,000	£3,540,000
Basis for determining materiality	2% of Gross investments	
Rationale for the benchmark applied	In setting materiality, we have had regard to the nature and disposition of the investment portfolio. Given that the VCT's portfolio is comprised of unquoted investments which would typically have a wider spread of reasonable alternative possible valuations, we have applied a percentage of 2% of gross investments.	
Performance materiality	£2,730,000	£2,030,000
Basis for determining performance materiality	75%	65%
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £182,000 (2023: £70,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

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

We have nothing to report in this regard.

Corporate governance statement

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

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

Independent Auditor's Report

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified; and • The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate.
Other Code provisions	• Directors' statement on fair, balanced and understandable; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems; and • The section describing the work of the audit committee

Other Companies Act 2006 reporting

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

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

Independent Auditor's Report

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Non-compliance with laws and regulations

Based on:

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

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

Our procedures in respect of the above included:

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

Fraud

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

Our risk assessment procedures included:

- Enquiry with the Manager and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to;
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

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

Our procedures in respect of the above included:

- In addressing the risk of valuation of unquoted investments, the procedures set out in the key audit matter section in our report were performed;
- In addressing the risk of management override of control, we:
  - Considered the opportunity and incentive to manipulate accounting entries and target tested relevant adjustments made in the period end financial reporting process;
  - Reviewed for significant transactions outside the normal course of business;
  - Reviewed the significant judgements made in the unlisted investment valuations and considering whether the valuation methodology is the most appropriate;
  - Considered any indicators of bias in our audit as a whole; and
  - Performed a review of unadjusted audit differences, if any, for indications of bias or deliberate misstatement.

Independent Auditor's Report

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

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

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

Use of our report

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

Vanessa-Jayne Bradley (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
London, United Kingdom
19 June 2024

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

Financial Statements

Income Statement

for the year ended 31 March 2024

For the year ended 31 March 2024 (audited)	Note	Revenue £'000	Capital £'000	Total £'000
Net realised/unrealised losses on investments	12	–	(6,689)	(6,689)
Income	6	1,524	–	1,524
Investment Manager's fees	7	(1,109)	(3,324)	(4,433)
Other expenses	8	(876)	–	(876)
Loss before tax		(461)	(10,013)	(10,474)
Tax	9	–	–	–
Loss attributable to equity shareholders		(461)	(10,013)	(10,474)
Return per share (pence)	11	(0.2)	(5.2)	(5.4)

For the year ended 31 March 2023 (audited)	Note	Revenue £'000	Capital £'000	Total £'000
Net realised/unrealised losses on investments	12	–	(5,861)	(5,861)
Income	6	1,487	–	1,487
Investment Manager's fees	7	(1,037)	(3,112)	(4,149)
Other expenses	8	(735)	–	(735)
Loss before tax		(285)	(8,973)	(9,258)
Tax	9	–	–	–
Loss attributable to equity shareholders		(285)	(8,973)	(9,258)
Return per share (pence)	11	(0.1)	(5.3)	(5.4)

The total column of this Income Statement represents the profit and loss account of the Company, prepared in accordance with Financial Reporting Standard 102 ("FRS 102"). The supplementary revenue and capital return columns are prepared in accordance with the Statement of Recommended Practice, "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP") and updated in 2022 with consequential amendments. A separate Statement of Comprehensive Income has not been prepared as all comprehensive income is included in the Income Statement.

All the items above derive from continuing operations of the Company.

The notes on pages 77 to 88 are an integral part of the Financial Statements.

Balance Sheet

as at 31 March 2024

	Note	31.03.24 £'000	31.03.23 £'000
Fixed assets			
Investments	12	182,489	177,029
Current assets			
Debtors	14	113	329
Funds held by Administrator		-	7,903
Cash at bank and in hand		46,254	32,489
		46,367	40,721
Creditors: amounts falling due within one year	15	(3,369)	(692)
Net current assets		42,998	40,029
Creditors: amounts falling due after more than one year	16	(1,412)	(978)
Net assets		224,075	216,080
Capital and reserves			
Called up share capital	17, 18	2,143	1,877
Share premium account	18	35,441	106,909
Capital redemption reserve	18	166	97
Special reserves	18	157,398	67,796
Capital reserves	18	30,248	40,261
Revenue reserves	18	(1,321)	(860)
Total shareholders' funds		224,075	216,080
Net asset value per B Ordinary share (pence)	19	104.6	115.1

The Financial Statements were approved by the Directors and authorised for issue on 19 June 2024 and signed on their behalf by:

Jonathan Djanogly
Director

Company registered number: 08307631

The notes on pages 77 to 88 are an integral part of the Financial Statements.

Statement of Changes in Equity

for the year ended 31 March 2024

	Non-distributable reserves				Distributable reserves				
					Restricted	Unrestricted			
For the year ended 31 March 2024	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserve £'000	Special reserve* £'000	Special reserve* £'000	Capital reserve £'000	Revenue reserve £'000	Total reserves £'000
Opening balance as at 1 April 2023	1,877	106,909	97	62,964	51,913	15,883	(22,703)	(860)	216,080
Investment disposal	–	–	–	6,485	–	–	(6,485)	–	–
Total comprehensive income for the period	–	–	–	(6,689)	–	–	(3,324)	(461)	(10,474)
Shares issued (Note 17)	335	37,823	–	–	–	–	–	–	38,158
Share issue expenses	–	(2,382)	–	–	–	–	–	–	(2,382)
Share bought back	(69)	–	69	–	–	(7,701)	–	–	(7,701)
Transfer of distributable reserves (Note 18)	–	–	–	–	(44,343)	44,343	–	–	–
Dividends paid	–	–	–	–	–	(9,606)	–	–	(9,606)
Share premium cancellation	–	(106,909)	–	–	106,909	–	–	–	–
Closing balance as at 31 March 2024	2,143	35,441	166	62,760	114,479	42,919	(32,512)	(1,321)	224,075

For the year ended 31 March 2023									
Opening balance as at 1 April 2022	1,592	74,131	97	63,248	64,098	12,008	(14,014)	(575)	200,585
Investment disposal	–	–	–	5,291	–	–	(5,291)	–	–
Total comprehensive income for the period	–	–	–	(5,575)	–	–	(3,398)	(285)	(9,258)
Shares issued (Note 17)	285	34,749	–	–	–	–	–	–	35,034
Share issue expenses	–	(1,971)	–	–	–	–	–	–	(1,971)
Share premium cancellation	–	–	–	–	–	–	–	–	–
Transfer of distributable reserves (Note 18)	–	–	–	–	(12,185)	12,185	–	–	–
Dividends paid	–	–	–	–	–	(8,310)	–	–	(8,310)
Closing balance as at 31 March 2023	1,877	106,909	97	62,964	51,913	15,883	(22,703)	(860)	216,080

The notes on pages 77 to 88 are an integral part of the Financial Statements.

*Special reserve is available for distribution, subject to the restrictions tabled in Note 18 of the financial statements.

Statement of Cash Flow

for the year ended 31 March 2024

	Note	Year ended 31.03.24 £'000	Year ended 31.03.23 £'000
Operating activities			
Investment income received		344	349
Deposit and similar interest received	6	522	205
Prior year disposal receipt (Me+Em)		–	1,000
Investment Manager's fees paid		(4,566)	(4,965)
Directors' fees		(114)	(144)
Other cash payments		(773)	(679)
Net cash outflow from operating activities	20	(4,587)	(4,234)
Cash flows from investing activities			
Purchase of investments	12	(8,775)	(20,573)
Disposal of investments		–	7
Long term loan made	12	(3,300)	(2,145)
Long term loans repaid	12	585	2,200
Net cash outflow from investing activities		(11,490)	(20,511)
Net cash outflow before financing		(16,077)	(24,745)
Cash flows from financing activities			
Share issue proceeds (including funds received in advance)	15, 17	46,966	25,534
Share issue expenses		(1,403)	(917)
Share buybacks paid		(7,701)	–
Equity dividend paid		(8,020)	(6,995)
Net cash inflow from financing activities		29,842	17,622
(Decrease)/increase in cash and cash equivalents		13,765	(7,123)
Cash and cash equivalents at the beginning of the period		32,489	39,612
Cash and cash equivalents at the end of the period		46,254	32,489

The notes on pages 77 to 88 are an integral part of the Financial Statements.

Notes to the Financial Statements

1. Company information

The Company is a Public Limited Company incorporated in England and Wales. The registered address is 3 Cadogan Gate, London, SW1X 0AS. The principal activity is investing in unlisted growth companies.

2. Basis of preparation

These Financial Statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and in accordance with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the Association of Investment Companies (issued in April 2021 – "SORP") to the extent that they do not conflict with International Accounting Standards in conformity with the Companies Act 2006. The Financial Statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The Financial Statements are prepared in pounds sterling, which is the functional currency of the company.

3. Going concern

In accordance with FRC Guidance for Directors on going concern and liquidity risk, the Directors have assessed the prospects of the Company and are of the opinion that, at the time of approving the Financial Statements, the Company has adequate resources to continue in business for at least 12 months from the date of approval of the Financial Statements. In reaching this conclusion the Directors took into account the nature of the Company's business and Investment Policy, its risk management policies, the diversification of its portfolio and the cash holdings. They have also reviewed the budgets and forecasts, which have been subject to liquidity stress tests performed by the Investment Manager, and consider that the Company has adequate financial resources to enable it to continue in operational existence for the foreseeable future. Therefore, the Company continues to adopt the going concern basis in preparing these Financial Statements.

4. Significant judgements and estimates

The preparation of the Financial Statements may require the Board to make judgements and estimates that affect the application of policies and reported amounts of assets.

The carrying value of the unquoted fixed asset investments requires estimates to determine fair values. Estimates are based on historical experience and other assumptions that are considered reasonable under the circumstances.

However, because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. The availability of valuation techniques and observable inputs can vary from investment to investment and are affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the transaction. All unquoted investments are valued in accordance with the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines December 2022, this relies on subjective estimates such as appropriate sector earnings multiples, forecast results of investee companies and liquidity or marketability of the investments held. Although the estimates and the assumptions applied are under continuous review to ensure that the fair values are appropriately stated there is a risk that the carrying value of an unquoted investment may require material adjustment either within the next year or in the longer term. More information related to the unquoted investment and their valuations is included in Note 12 and the Investment Manager's Review.

No judgements have been applied in selection and application of this accounting policy.

5. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

a) Investments

The Company did not hold any listed investments at any time during the reporting period. Investments in unlisted companies are held at fair value through profit or loss by the Directors. Information about the portfolio is provided internally to the Directors on that basis and the Directors consider the basis to be consistent with the Company's investment strategy.

Investments held by the Company have been valued in accordance with the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines December 2022. The portfolio valuations are prepared by the Investment Manager and subsequently reviewed and approved by the Board.

In determining fair value, the Investment Manager uses various valuation methods, including a combination of the price of recent investment and market-based approach. The market-based approach ascribes a value to a business interest or shareholding by comparing it to similar businesses, using the principle of substitution: that is, that a prudent purchaser would pay no more for an asset than it would cost to acquire a substitute asset with the same utility and income earning potential. The price of recent investment will only be used as fair value

Notes to the Financial Statements

5. Accounting policies (continued)

after careful consideration of all the facts and circumstances concerning the underlying investment.

When using the cost or price of recent investment in the valuations, the Company looks to 're-calibrate' this price at each valuation point by reviewing progress within the investment, comparing against the initial investment thesis, assessing if there are any significant events or milestones that would indicate the value of the investment has changed and considering whether a market-based methodology (i.e. using multiples from comparable public companies) or a discounted cashflow forecast would be more appropriate.

The main inputs into the calibration exercise, and for the valuation models using multiples, are revenue, EBITDA and P/E multiples (based on the most recent revenue, EBITDA or earnings achieved and equivalent corresponding revenue, EBITDA or earnings multiples of comparable companies), quality of earnings assessments and comparability difference adjustments. Revenue multiples are often used, rather than EBITDA or earnings, due to the nature of the Company's investments, being in growth and early stage companies which are not normally expected to achieve profitability or scale for a number of years. Where an investment has achieved scale and profitability, the Company would normally then expect to switch to using an EBITDA or earnings multiple methodology.

In the calibration exercise and in determining the valuation for the Company's equity instruments, comparable trading multiples are used. In accordance with the Company's policy, appropriate comparable companies based on industry, size, developmental stage, revenue generation and strategy are determined and a trading multiple for each comparable company identified is then calculated. The multiple is calculated by dividing the enterprise value of the comparable group by its revenue, EBITDA or earnings. 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.

Realised surpluses or deficits on the disposal of investments are taken to realised capital reserves, and unrealised surpluses and deficits on the revaluation of investments are taken to unrealised capital reserves.

Those venture capital investments that may be categorised as associated undertakings are carried at fair value as determined by the Directors in accordance with the Company's normal policy. Carrying investments at fair value is specifically permitted under FRS102 Section 14.4.

b) Income

Dividends receivable on unlisted equity shares are brought into account when the Company's right to receive payment is established and it is probable that payment will be received. Special dividends receivable are treated as a revenue receipt or a capital receipt depending on the facts and circumstances of each particular case. Fixed returns on non-equity shares and debt securities are recognised on an accruals basis using the effective interest method. Such amounts are recognised in the revenue column provided that it is probable that payment will be received in due course.

c) Expenses

All expenses, including "Annual Running Costs", are accounted for on an accruals basis. In respect of the analysis between revenue and capital items presented within the income statement, all expenses have been accounted for as revenue items except as follows:

Expenses are split and presented partly as capital items where a connection with the maintenance or enhancement of the value of the investments held can be demonstrated, and accordingly the investment management fee is currently allocated 25% to revenue and 75% to capital, which reflects the Directors' expected long-term view of the nature of the investment returns of the Company.

"Annual Running Costs" are the annual costs and expenses incurred by or on behalf of the Company in the ordinary course of its business, excluding the management fees payable to the Investment Manager and including, but not limited to, the following items:

(i) auditor's fees;
(ii) administration, accounting and company secretarial fees;
(iii) share registrars' fees;
(iv) London Stock Exchange fees;
(v) printing and mailing costs in respect of the year-end audited accounts, interim accounts and circulars to shareholders;
(vi) fees in respect of regulatory announcements made through a Regulatory Information Service;
(vii) insurance premiums;
(viii) remuneration of the Board (including employers' national insurance contributions);
(ix) compliance and advisory fees; and
(x) market/organisational subscriptions

together with any irrecoverable value-added tax on those annual costs and expenses.

Notes to the Financial Statements

5. Accounting policies (continued)

d) Performance fees

Performance fees predominantly relate to the capital performance of the portfolio and are therefore charged 100% to capital. Performance fees are accrued and a liability is recognised when they are likely to be payable and can be reliably measured.

e) Debtors

Short-term debtors (including short-term loans) are measured at amortised cost, less any impairment.

f) Creditors

Short and long-term creditors are measured at amortised cost.

g) 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 tax rates and laws that have been enacted or substantively enacted by the reporting date. 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.

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

Deferred tax is recognised in respect of all timing differences at the reporting 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.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

No asset or liability has been recognised for deferred tax in relation to capital gains or losses on revaluing investments as the Company is exempt from corporation tax in relation to capital gains or losses as a result of qualifying as a Venture Capital Trust.

The tax expense/(income) is presented either in the Income Statement or Statement of Changes in Equity depending on the transaction that resulted in the tax expense/(income). Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

h) Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

The Company's financial instruments comprise its investment portfolio, cash balances and most debtors and creditors. These financial assets and financial liabilities are carried either at fair value or, in the case of debtors, creditors and cash, using amortised cost.

i) Cash and cash equivalents

Cash comprises cash and demand deposits. Cash equivalents, which include bank overdrafts, are short term, highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant risks of changes in value, and are held for the purpose of meeting short term cash commitments.

6. Income

	2024 £'000	2023 £'000
Interest receivable – revenue		
– from bank deposits	522	205
– from loan stock	862	1,099
Dividends receivable	140	175
Other income	–	8
	1,524	1,487

7. Investment Manager's fees

	2024 £'000	2023 £'000
Annual management fee	4,433	4,149
Performance fee	–	–
Total	4,433	4,149

Pembroke Investment Managers LLP has been appointed as the Company's Investment Manager. This appointment shall continue until terminated by the expiry of not less than 12 months' notice in writing given by either party. The appointment may also be terminated in circumstances of material breach by either party.

Notes to the Financial Statements

The annual management fee is 2% of net assets calculated quarterly.
The performance fee is based on exit and only payable on a profitable exit and subject to further conditions.

Details of the appointment can be found in the Strategic Report on page 47.

8. Other expenses

Other expenses include:	2024 £'000	2023 £'000
Annual Running Costs		
Company secretarial fees and administration fees	174	170
Legal and professional fees	150	111
Directors' remuneration	105	105
Auditor's remuneration – audit of Statutory Financial Statements	71	68
Printing and stationery	66	62
VCT advisory and monitoring fees	43	19
Insurance	39	45
Accounting services fees payable to the Investment Manager	33	-
Registrar fees	20	18
London Stock Exchange fees	10	9
Employer's NI on Directors' remuneration	9	9
Other costs	47	37
Irrecoverable VAT	109	82
Total costs and expenses (Annual Running Costs)	876	735

The Company has no employees other than the Directors.

Information relating to Directors' remuneration can be found in the audited section of the Directors' Remuneration Report on page 58.

9. Tax

a) Analysis of tax charge	2024 £'000	2023 £'000
Current year charge:		
Revenue charge	–	–
Credited to capital return	–	–
Current tax charge (Note 9b)	–	–
Prior year charge:		
Revenue charge	–	–
Credited to capital return	–	–
Total current and prior year tax charge	–	–

b) Factors affecting tax charge for the year	2024 £'000	2023 £'000
Profit/(loss) on ordinary activities before taxation	(10,474)	(9,258)
Effect of:		
Corporation tax at 25% (2023: 19%)	(2,618)	(1,759)
Non-taxable gains/(losses) on investments	1,672	1,113
Non-taxable dividends	(35)	(33)
Current year losses carried forward	981	676
Other movements	–	3
Tax charge for year (Note 9a)	–	–

There is no potential liability to deferred tax. No deferred tax asset has been recognised on surplus expenses carried forward as it is not envisaged that any such tax will be recovered in the foreseeable future. The total losses carried forward are £17,302,000 (2023: £13,378,211) and the value of the unrecognised deferred tax in relation to these is £4,325,000 (2023: £3,344,553). This is calculated using a corporation tax rate of 25% (2023:25%) which is the rate at which it is deemed that any losses would be utilised.

Notes to the Financial Statements

10. Dividends paid

Dividends paid or payable in respect of the financial year and recognised as distributions paid to equity holders during the year:

	2024 £'000	2023 £'000
Interim dividend on B Ordinary shares for the year ended 31 March 2023 of 5.0 pence per share – payable on 29 July 2022	–	8,310
Interim dividend on B Ordinary shares for the year ended 31 March 2024 of 2.5 pence per share – payable on 30 May 2023	4,723	–
Interim dividend on B Ordinary shares for the year ended 31 March 2024 of 2.5 pence per share – payable on 28 November 2023	4,883	–
	9,606	8,310

All dividends are paid from the distributable special reserve.

11. Return per share

	2024 Revenue	2024 Capital	2024 Total	2023 Revenue	2023 Capital	2023 Total
Earnings per share (pence)	(0.2)	(5.2)	(5.4)	(0.1)	(5.3)	(5.4)

Basic revenue return per share is based on the net loss after taxation of £461,000 (2023: £285,000 loss) and on 194,636,033 (2023: 170,716,018) shares, being the weighted average number of shares in issue during the year.

Basic capital return per share is based on the net capital loss after taxation of £10,013,000 (2023: £8,973,000 loss) and on 194,636,033 (2023: 170,716,018) shares, being the weighted average number of shares in issue during for the year.

12. Investments

Movements in investments during the year are summarised as follows:

	Shares £'000	Loan stock £'000	Total £'000
Opening valuation:			
Cost at 31 March 2023 (after realised losses)	95,809	12,177	107,986
Unrealised gains at 31 March 2023	63,251	–	63,251
Unrealised losses on loan notes at 31 March 2023	–	–	–
Interest rolled up in fixed income investments	–	5,792	5,792
Valuation at 31 March 2023	159,060	17,969	177,029
Movements in the year:			
Purchases at cost	8,775	3,300	12,075
Loans repaid	–	(585)	(585)
Loans converted to equity	2,800	(2,800)	–
Unrealised losses	(204)	–	(204)
Realised losses on disposals	(5,455)	(1,030)	(6,485)
Interest rolled up in fixed income investments	–	862	862
Interest received	–	(203)	(203)
Total movements in year	5,916	(456)	5,460
Closing valuation:			
Cost at 31 March 2024 (after realised losses)	101,929	11,062	112,991
Unrealised gains at 31 March 2024	63,047	–	63,047
Unrealised losses on loan notes at 31 March 2024	–	–	–
Interest rolled up in fixed income investments	–	6,451	6,451
Valuation at 31 March 2024	164,976	17,513	182,489

Notes to the Financial Statements

12. Investments (continued)

During the year, the following changes in valuation of unquoted shares were considered material:

	Carrying value at 31.03.23 £'000	Additions in the year £'000	Increase/ (decrease) in valuation £'000	Carrying value at 31.03.24 £'000
Secret Food Tours	5,125	–	5,497	10,622
PeckWater Brands	7,486	–	3,402	10,888
Popsa	14,525	–	2,728	17,253
SeatFrog	3,000	–	1,632	4,632
Lyma	29,683	–	1,486	31,169
Troubadour	3,926	–	1,455	5,381
Floom	624	–	1,331	1,955
Bella Freud	7,094	–	(2,904)	4,190
Thriva	6,543	–	(2,792)	3,751
One Plan	7,734	1,250	(2,536)	6,448
Dropless	4,098	625	(2,114)	2,609
Chucs Restaurants	2,050	–	(1,412)	638
JustWears	2,000	–	(1,240)	760
Cydar	3,000	–	(1,207)	1,793
Eave	1,684	–	(1,116)	568
Coat Trading	3,562	2,000	(1,066)	4,496
Kat Maconie	3,769	–	(3,769)	–
Kinteract	2,064	–	(2,064)	–

The Company is required to report the category of fair value measurements used in determining the value of its investments, to be disclosed by the source of inputs, using a three-level hierarchy:

Quoted market prices in active markets – "Level 1"

Inputs to Level 1 fair values are quoted prices in active markets for identical assets. An active market is one in which quoted prices are readily and regularly available and those prices represent actual and regular occurring market transactions on an arm's length basis. The Company has no investments classified in this category.

Valued using models with significant observable market parameters – "Level 2"

Inputs to Level 2 fair values are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. The Company has no investments classified in this category.

Valued using models with significant unobservable market parameters – "Level 3"

Inputs to Level 3 fair values are unobservable inputs for the asset. Unobservable inputs may have been used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date (or market information for the inputs to any valuation models). As such, unobservable inputs reflect the assumptions the Company considers that market participants would use in pricing the asset. The Company's unquoted equities and loan stock are classified within this category. As explained in Note 5, unquoted investments are valued in accordance with the IPEV guidelines. The fair value of all investments is assessed by the Company and, where appropriate, a revaluation against cost is made. The basis of revaluation may be based on a sales or profit multiple, or on market information that supersedes that held at the time of acquiring the investment. Details of the basis of revaluation are included in the Investment Manager's Review on pages 18 to 27.

Notes to the Financial Statements

13. Significant interests

As at the balance sheet date the company held significant investments amounting to 20% or more of the equity capital of an undertaking and voting rights, in the following companies:

			Equity investment		Investment in		Financial Information**		
Company	Legal name	Holdings*	Ordinary £'000	Preference £'000	loan stock £'000	Total £'000	Year ended	Net Assets £'000	Location
Kinteract	Make It Plain Ltd	48.8%	500	3,135	-	3,635	In administration	-	Leicester, UK
Bella Freud	Bella Freud Ltd	46.4%	3,379	-	950	4,329	31 March 2023	114	London, UK
Heist	Carousel Ventures Limited	40.2%	749	6,500	1,100	8,349	31 March 2023	12,052	London, UK
Coat	Coat Trading Ltd	39.1%	-	5,000	-	5,000	31 March 2023	827	London, UK
Hackney Gelato	Hackney Gelato Limited	35.9%	3,200	-	1,300	4,500	31 August 2022	749	London, UK
Eave	Eartex Ltd	34.4%	2,650	1,250	-	3,900	31 December 2022	376	London, UK
Kat Maconie	Kat Maconie Limited	31.6%	1,820	-	1,030	2,850	In administration	-	London, UK
Troubadour	Troubadour Goods Limited	30.8%	2,540	-	-	2,540	31 December 2022	(248)	London, UK
Dropless	Dropless Ltd	27.8%	2,375	625	2,000	5,000	31 December 2022	(2,321)	London, UK
Floom	Floom Ltd	21.7%	-	4,415	145	4,560	31 December 2022	1,746	London, UK
Ro&Zo	Ro&Zo Limited	21.4%	1,500	-	-	1,500	30 November 2022	718	London, UK
Credentially	Appraise Me Limited	21.3%	-	5,000	-	5,000	30 April 2023	4,848	London, UK
Secret Food Tours	Essor Ltd	20.5%	2,000	-	-	2,000	31 January 2023	1,802	London, UK
Smartify	Smartify Holdings Ltd	20.0%	1,000	-	500	1,500	31 December 2022	1,117	London, UK
Annie Mals	Annie Mals Limited	20.0%	500	-	-	500	30 November 2022	307	Manchester, UK
Lyma	Lyma Life Limited	19.7%	2,000	-	-	2,000	31 December 2022	6,320	London, UK
Roto VR	Roto VR Ltd	19.1%	1,750	-	-	1,750	31 August 2023	791	Borehamwood, UK
Popsa	Popsa Holdings Limited	17.7%	5,200	-	-	5,200	31 December 2022	11,271	Surbiton, Surrey, UK
Boat	Boat International Business Limited	17.3%	2	1,698	1,550	3,250	31 December 2022	(5,492)	London, UK

* The percentage of equity held for these companies is the fully diluted figure.

** The financial information is derived from publicly available Report and accounts, where available. In addition to the reported net assets (above), the following information on turnover and operating profit is publicly available for Popsa and Boat.

		Financial Information (£'000)	
	Year ended	Turnover	Operating profit
Popsa	31 December 2022	26,706	(2,063)
Boat	31 December 2022	14,075	(1,065)

Details of holdings may be found in the Investment Manager's Review and Investment Portfolio on pages 18 to 44.

Notes to the Financial Statements

14. Debtors

	2024 £'000	2023 £'000
Amounts falling due within one year:		
Prepayments and accrued income	38	66
Other debtors	75	263
	113	329

15. Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Funds received in advance of share issuance	2,620	-
Trail commissions payable	284	193
Sundry creditors and accruals	465	499
	3,369	692

16. Creditors: amounts falling due after more than one year

	2024 £'000	2023 £'000
Non-current creditors (trail commission payable)	1,412	978

17. Called up share capital

	Total shares '000
Allotted, called-up and fully paid at 1 April 2023:	187,674
Issued during the year	33,468
Shares purchased for cancellation	(6,874)
At 31 March 2024	214,268

As at 31 March 2024, there were 214,268,418 (2023: 187,673,741) shares allotted, called up and fully paid. During the year, the Company issued 33,468,051 shares under an offer for subscription and the Dividend Re-Investment Scheme as detailed below:

Allotted, called up and fully paid:	No of shares '000	Nominal value £'000	Consideration received £'000
5 April 2023	4,229	42	5,199
6 April 2023	655	7	804
28 April 2023	1,600	16	1,957
30 May 2023 (DRIS)	682	7	793
29 September 2023	3,166	31	3,666
25 October 2023	4,208	42	4,893
28 November 2023 (DRIS)	731	7	793
7 December 2023	3,644	37	4,097
24 January 2024	2,862	29	3,228
21 February 2024	2,249	23	2,454
20 March 2024	7,126	71	7,789
27 March 2024	2,316	23	2,485
	33,468	335	38,158

After the year end, the Company issues a further 6,726,385 shares on 5 April 2024 with net proceeds of £6.9 million, 538,126 shares on 8 April 2024 with net proceeds of £0.6 million, 772,322 shares on 3 May 2024 with net proceeds of £0.8 million and 134,975 on 8 May 2024 with net proceeds of £0.1 million.

On 17 April 2023, the Company bought back for cancellation 5,234,964 shares at 112.86p with a total consideration of £5,908,000. A further 1,638,410 shares were bought back for cancellation on 18 October 2023 at 107.07p with a total consideration of £1,754,000.

After the year end, the Company bought back for cancellation, 3,355,560 shares, in April 2024.

18. Reserves

Called-up share capital represents the nominal value of shares that have been issued.

Share premium account includes any premiums received on the issue of share capital less any transaction costs associated with the issuing of shares and any amounts

Notes to the Financial Statements

18. Reserves (continued)

transferred to the special reserve. Included in the share issue expenses charged to the share premium account for the year is trail commissions of £651,000 (2023: £494,000).

The capital redemption reserve accounts for amounts by which the issued share capital is diminished through the repurchase and cancellation of the Company's own shares.

Capital reserves includes all current and prior period realised and unrealised movements in the fair value of investments and all costs which are considered capital in nature. As at 31 March 2024 there were realised losses of £32,513,000 (2023 Losses: £22,704,000) and £62,760,000 of unrealised, non-distributable, gains (2023: £62,964,000).

Revenue reserve includes all current and prior period retained profits and losses. The balance on the account is distributable.

Special reserve includes amounts transferred from the share premium account on 26 March 2014, 22 December 2020 and 24 October 2023. Special reserve is a distributable reserve that is subject to certain restrictions under the VCT rules.

The restricted distributable reserves will become unrestricted on the following dates:

Date	Amount £'000
1 April 2022	12,185
1 April 2023	44,343
1 April 2024	19,292
1 April 2025	62,409
1 April 2026	32,778

19. Net asset value per share

The net asset values per share at the year-end were as follows:

2024 Net asset values attributable		2023 Net asset values attributable	
Net assets (£'000)	Net assets per share (p)	Net assets (£'000)	Net assets per share (p)
224,075	104.6	216,080	115.1

Net asset value per B Ordinary share is based on net assets at the year end and on 214,268,418 (2023: 187,673,741) B Ordinary shares, being the number of B Ordinary shares in issue at the year end.

20. Reconciliation of profit before taxation to net cash outflow from operating activities

	2024 £'000	2023 £'000
Loss before taxation for the year	(10,474)	(9,258)
Net loss on investments	6,689	5,861
(Increase)/decrease in debtors (excluding share issue proceeds and short-term loans)	(17)	67
Increase in interest rolled up in fixed income investments	(658)	(933)
(Decrease)/increase in creditors and accruals (excluding share issue expenses, short-term loans, fixed asset investment balances and funds held in respect of unallotted shares)	(127)	29
Net cash outflow from operating activities	(4,587)	(4,234)

21. Financial instruments

The Company's financial instruments comprise:

(i) Equity and fixed-interest investments that are held in accordance with the Company's investment objectives as set out in the Directors' Report; and

(ii) Cash, liquid resources, short term debtors and creditors that arise directly from the Company's operations.

Investments are made in a combination of equity and loans. Surplus funds are held on bank deposit. It is not the Company's policy to trade in financial instruments or derivatives.

Fixed asset investments are valued at fair value through profit or loss. Unquoted investments are valued by the Directors using rules consistent with International Private Equity and Venture Capital Association ("IPEV") guidelines. The fair value of all other financial assets and liabilities is represented by their carrying value in the balance sheet. Further details of the bases on which financial instruments, including investments, are held may be found at Notes 5 and 12 and in the Investment Manager's Review on pages 18 and 27.

Notes to the Financial Statements

21. Financial instruments (continued)

The Company held the following categories of financial instruments at 31 March 2024:

	2024 Cost £'000	2024 Fair value £'000	2023 Cost £'000	2023 Fair value £'000
Assets at fair value through profit or loss:				
Equity investments				
Most recent round	32,861	31,734	73,921	75,325
Multiples	69,069	133,243	21,887	83,735
Loan stock (including interest)	11,061	17,512	12,177	17,969
Assets measured at amortised cost:				
Cash at bank	46,254	46,254	32,489	32,489
Funds held by Administrator*	-	-	7,903	7,903
Other debtors	113	113	329	329
Short term loans	-	-	-	-
Liabilities measured at amortised cost:				
Creditors	(4,781)	(4,781)	(1,670)	(1,670)
	154,577	224,075	147,036	216,080

* Funds held by Administrator related to the allotment on 31 March 2023. Payment was received on 11 April 2023.

Loans to investee companies are treated as fair value through profit or loss and are included in the investment portfolio.

Unquoted investments account for 100% of the investment portfolio by value. The investment portfolio has a 100% concentration of risk towards small UK based, sterling denominated companies and represents 81% (2023: 82%) of net assets at the year-end.

All financial liabilities due within one year and expected to be settled within six months of the period and in accordance with normal credit terms.

The main risks arising from the Company's financial instruments are credit risk, investment valuation risk, interest rate risk, foreign exchange risk on portfolio companies own cash flows, and liquidity risk. All assets and liabilities are denominated in sterling, hence there is no currency risk.

Credit risk

The Company has exposure to credit risk in respect of its loan stock investments. This risk is managed through the due diligence process adopted when making loan investments to unquoted companies and through regular monitoring of the investee companies by the Investment Manager. The selection of credit institution at which to hold cash balances is made by the Investment Manager and monitored by the Board. The credit risk is managed by ensuring cash is held with an institution or institutions with a Standard & Poors' long term credit rating of BBB or better. The maximum exposure to credit risk at the balance sheet date was £63,879,000 (2023: £58,690,000). The Company has banking relationships with Barclays Bank plc and Metro Bank plc.

Investment valuation risk

The Board manages the investment valuation risk inherent in the Company's portfolio by maintaining an appropriate spread of risk and by ensuring full and timely access to relevant information from the Investment Manager. The Board reviews the investment performance and financial results, as well as compliance with the Company's investment objectives. The Board seeks to ensure that an appropriate proportion of the Company's portfolio is invested in cash and readily realisable securities which are sufficient to meet any funding commitments which may arise. The Company does not use derivative instruments to hedge against market risk.

The equity and fixed interest stocks of the Company's unquoted investee companies are not traded and, as such, their prices are more uncertain than those of more frequently traded stocks. It is estimated that a 10% change in the carrying value of the Company's unquoted investments would reduce profit before tax for the year and the Company's net asset value per share by the amounts shown below.

A 10% estimate is considered to be an appropriate illustration given historical volatility and market expectations of future performance.

	2024 +10%	2024 -10%	2023 +10%	2023 -10%
Equity investments				
Most recent round	2,901	(2,627)	7,695	(7,621)
Multiples	18,512	(18,414)	9,022	(9,350)
Impact on carrying value	21,413	(21,041)	16,717	(16,971)
Impact on NAV per share	9.99	(9.82)	8.91	(9.04)

Notes to the Financial Statements

21. Financial instruments (continued)

Interest rate risk

The Company's financial assets include loan stock and bank deposits which are interest bearing, at a mix of fixed and variable rates. As a result, the Company is exposed to interest rate risk due to fluctuations in prevailing levels of market interest rates. The Board seeks to mitigate this risk through regular monitoring of the Company's interest-bearing investments. The Company does not use derivative instruments to hedge against interest rate risk.

As at 31 March 2024, the Company's financial assets by value, excluding short-term debtors and creditors which are not exposed to interest rate risk, comprised:

Financial assets	£'000	%	Interest rate	Weighted average interest rate %	Fixed term years
Venture capital investments					
Ordinary Shares	164,977	72.12	n/a	n/a	n/a
Bank deposits	35,620	18.98	Floating	1.9	n/a
Bank deposits	5,144	2.74	Floating	1.0	n/a
Bank deposits	5,490	2.93	Fixed	0.0	n/a
Loan Stock Interest	2,549	1.11	Fixed	12.0	n/a
Loan Stock Interest	1,333	0.58	Fixed	9.0	n/a
Loan Stock	1,300	0.57	Fixed	8.0	5
Loan Stock Interest	1,086	0.47	Fixed	12.0	n/a
Loan Stock	1,000	0.44	Fixed	8.0	6
Loan Stock	1,000	0.44	Fixed	8.0	5
Loan Stock	1,000	0.44	Fixed	8.0	5
Loan Stock	694	0.30	Fixed	9.0	14
Loan Stock	570	0.25	Fixed	9.0	13
Loan Stock	500	0.22	Fixed	8.0	7
Loan Stock	500	0.22	Fixed	8.0	5
Loan Stock	475	0.21	Fixed	9.0	12
Loan Stock	471	0.21	Fixed	9.0	15
Loan Stock	400	0.17	Fixed	0.1	12
Loan Stock	400	0.17	Fixed	8.0	10
Loan Stock	400	0.17	Fixed	8.0	10

Financial assets	£'000	%	Interest rate	Weighted average interest rate %	Fixed term years
Loan Stock Interest	358	0.16	Fixed	8.0	n/a
Loan Stock	350	0.15	Fixed	8.0	11
Loan Stock	347	0.15	Fixed	9.0	14
Loan Stock	300	0.13	Fixed	8.0	5
Loan Stock	290	0.13	Fixed	9.0	8
Loan Stock	250	0.11	Fixed	8.0	7
Loan Stock	250	0.11	Fixed	8.0	5
Loan Stock Interest	185	0.08	Fixed	8.0	n/a
Loan Stock Interest	152	0.07	Fixed	8.0	n/a
Loan Stock	145	0.06	Fixed	10.0	5
Loan Stock	113	0.05	Fixed	9.0	12
Loan Stock Interest	106	0.05	Fixed	10.0	n/a
Loan Stock Interest	104	0.05	Fixed	10.0	n/a
Loan Stock Interest	101	0.04	Fixed	7.0	n/a
Loan Stock	100	0.04	Fixed	8.0	7
Loan Stock	100	0.04	Fixed	8.0	5
Loan Stock Interest	92	0.04	Fixed	8.0	n/a
Loan Stock Interest	65	0.03	Fixed	9.0	n/a
Loan Stock Interest	60	0.03	Fixed	8.0	n/a
Loan Stock	55	0.02	Fixed	9.0	12
Loan Stock Interest	50	0.02	Fixed	10.0	n/a
Loan Stock Interest	48	0.02	Fixed	8.0	n/a
Loan Stock Interest	35	0.02	Fixed	8.0	n/a
Loan Stock Interest	33	0.01	Floating	11.5	n/a
Loan Stock	30	0.01	Floating	12.0	8
Loan Stock Interest	25	0.01	Fixed	8.0	n/a
Loan Stock Interest	25	0.01	Floating	11.5	n/a
Loan Stock Interest	22	0.01	Fixed	10.0	n/a
Loan Stock	20	0.01	Floating	12.0	8
Loan Stock Interest	17	0.01	Fixed	8.0	n/a
Loan Stock Interest	6	0.00	Fixed	8.0	n/a
	228,743	100.00			

Notes to the Financial Statements

21. Financial instruments (continued)

It is estimated that, if the floating interest rate fell to 0%, pre-tax profit for the year would fall by 4.9% (2023: 2.2%) on an annualised basis.

The risk from future fluctuations in interest rate movements should be mitigated by the Company's intention to complete its investment strategy and to hold a majority of its investments in instruments which are not directly exposed to market interest rate changes.

Liquidity risk

The investments in equity and fixed interest stocks of unquoted companies that the Company holds are not traded and thus are not readily realisable. At times, the Company may be unable to realise its investments at their carrying values because of an absence of willing buyers. The Company's ability to sell investments may also be constrained by the requirements set down for VCTs. To counter such liquidity risk, sufficient cash and money market funds are held to meet running costs and other commitments.

22. Management of capital

The Board of Directors considers the Company's net assets to be its capital and the Company does not have any externally imposed capital requirements.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, satisfy the relevant HMRC requirements over VCTs, and provide at least adequate returns for shareholders.

As a VCT, the Company must have, and must continue to have, within three years of raising its capital at least 80% by value of its investments in VCT qualifying holdings which are a relatively high-risk asset class of small UK companies. In satisfying this requirement, the Company's capital management scope is restricted. Subject to this restriction, the Company directs investment policy and may adjust dividends, return capital to shareholders, issue new shares or sell assets to maintain the level of liquidity to remain a going concern.

23. Geographical analysis

The operations of the Company are wholly in the United Kingdom.

24. Related parties

The Company retains Pembroke Investment Managers LLP ("PIM") as its Investment Manager.

David Till, a non-executive Director of the Company, is a member of PIM.
During the year David Till purchased 95,057 additional shares in the Company.

During the year ended 31 March 2024, £4,433,000 (2023: £4,149,000) was payable to PIM for the investment management services and £33,000 (2023: £nil) was payable to PIM for the accounting services of which £109,000 (2023: £242,000) was owed to PIM at the year-end.

The remuneration and shareholdings of the Directors, who are key management personnel of the Company, are disclosed in the Directors' Remuneration Report on page 58.

PIM may charge fees in line with industry practice to companies in which the Company invests. These costs are borne by the investee company, not the Company. During the year, PIM charged £100,000 (2023: £nil) of portfolio support fees to four (2023: none) investee companies.

As part of the offer for subscription of B Ordinary Shares of the Company launched on 8 September 2022 and 5 September 2023, during the year, PIM received £1,035,000 (2023: £910,000) in promoter's fee. In line with respective prospectuses, PIM is responsible for paying the costs of the offer out of this promoter fee, including distribution and marketing expenses. The £1,035,000 above formed part of the £2,382,000 offer issue costs referenced elsewhere in these financial statements. The remainder of this amount was paid to regulators, the London Stock Exchange, professionals and financial advisers (for trail commissions and fees, as agreed between them and their respective clients).

25. Events after the reporting period

Non-adjusting events

Since the Company's year end, the following transactions have taken place:

- The Company bought back 3,355,560 B Ordinary Shares at 98.04p and a total cost of £3.3 million.
- 6,726,385 shares were allotted under the share offer on 5 April 2024 with net proceeds of £6.9 million.
- 538,126 shares were allotted under the share offer on 8 April 2024 with net proceeds of £0.6 million.
- 772,322 shares were allotted under the share offer on 3 May 2024 with net proceeds of £0.8 million.
- 134,975 shares were allotted under the share offer on 8 May 2024 with net proceeds of £0.1 million.
- A dividend of 2.0 p per B Ordinary Share totalling £4.2 million was paid on 23 April 2024.
- 588,604 shares were allotted under the Company's Flexible Dividend Reinvestment Scheme raising £0.6 million.

Notice of Annual General Meeting

Notice is hereby given that the eleventh annual general meeting of Pembroke VCT plc will be held at 10.00 a.m. on Thursday, 12 September 2024 at 3 Cadogan Gate, London SW1X 0AS for the purpose of considering and, if thought fit, passing the following resolutions (of which, resolutions 1 to 10 will be proposed as ordinary resolutions and resolutions 11 to 13 will be proposed as special resolutions).

It is the Board's opinion that all resolutions are in the best interests of shareholders as a whole and the Board recommends that shareholders should vote in favour of all resolutions. Any shareholder who is in doubt as to what action to take should consult an appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all your shares in the Company, please forward this document to the purchaser, transferee, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

If you are unable to attend in person, please consider viewing the live stream of the AGM which the Board has arranged. To do so, please send an email to agm@pembrokevct.com stating your wish to view the live stream. You will then be sent access details. The deadline for requesting access to the stream is 5 September 2024.

The Board also encourages those who are unable to attend in person to submit questions on either the Company or the portfolio to the Board via email to agm@pembrokevct.com by 5 September 2024, being one week prior to the date of the AGM. Answers will be published on the Company's website at the time of the AGM.

Ordinary Resolutions

1. To receive the Directors' and the Independent Auditor's Reports and the Company's Financial Statements for the year ended 31 March 2024.
2. To receive and approve the Directors' Remuneration Report for the year ended 31 March 2024.
3. To re appoint BDO LLP as auditor of the Company to hold office until the conclusion of the next annual general meeting at which accounts are laid before the Company.
4. To authorise the Directors to fix the remuneration of the auditor.
5. To elect Chris Allner as a Director of the Company.
6. To re-elect Mark Stokes as a Director of the Company.
7. To re-elect Louise Wolfson as a Director of the Company.
8. To re-elect David Till as a Director of the Company.
9. That, in accordance with article 147 of the Company's articles of association (the "Articles") and in addition to existing authorities, the Directors of the Company 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 and issue the following B Ordinary shares of 1 pence each in the capital of the Company ("B Ordinary Shares") pursuant to the terms and conditions of the dividend investment scheme adopted by the Company on 3 December 2015 and in connection with any dividend declared or paid in the period commencing on the date of this resolution 9 and ending on the later of the date of the Company's next annual general meeting or the date falling 15 months after the date of the passing of this resolution:

   B Ordinary Shares up to an aggregate nominal amount representing 10% of the issued B Ordinary Share capital from time to time (approximately 21,967,327 B Ordinary Shares at the date of this notice).
10. That, in addition to any existing authorities, in accordance with section 551 of the Act, the Directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot:

    a. B Ordinary Shares up to an aggregate nominal amount of £600,000 in connection with offer(s) for subscription; and

    b. B Ordinary Shares up to an aggregate nominal amount representing 20% of the issued B Ordinary Shares from time to time; and

    that, in connection with the use of the authority, the Directors may pay commission(s) including in the form of fully or partly paid shares in accordance with article 9 of the Articles and provided that this authority shall, unless renewed, extended, varied or revoked by the Company, expire on the later of the date of the Company's next annual general meeting or the date falling 15 months after the date of the passing of this resolution save that the Company may, before such expiry, make offers or agreements which would or might require B Ordinary Shares to be allotted and the Directors may allot B Ordinary Shares in pursuance of such offers or agreements notwithstanding that the authority conferred by this resolution has expired.

Notice of Annual General Meeting

Special Resolutions

11. That, in accordance with section 570(1) of the Act, the Directors be and are hereby given power to allot or make offers or agreements to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authorities conferred by resolution 9 above as if section 561 of the Act did not apply to any such allotment, and so that:

    a. Reference to the allotment in this resolution shall be construed with section 560 of the Act; and

    b. The power conferred by this resolution shall enable the Company to make offers or agreements before the expiry of 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 of such offers or agreements notwithstanding the expiry of such power.

12. That, in accordance with section 570(1) of the Act, the Directors be and are hereby given power to allot or make offers or agreements to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authorities conferred by resolution 10 above as if section 561 of the Act did not apply to any such allotment, and so that:

    a. Reference to the allotment in this resolution shall be construed with section 560 of the Act, and

    b. The power conferred by this resolution shall enable the Company to make offers or agreements 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 offers or agreements notwithstanding the expiry of such power.

13. That the Company be and is hereby generally and unconditionally authorised within the meaning of section 701 of the Act to make market purchases of B Ordinary Shares provided that:

    (i) the maximum number of B Ordinary Shares hereby authorised to be purchased is an amount equal to 14.99% of the issued B Ordinary Share capital of the Company from time to time;

    (ii) the minimum price which may be paid for a B Ordinary Share is 1 pence per share, the nominal amount thereof;

    (iii) the maximum price which may be paid for a B Ordinary Share is an amount equal to the higher of (a) 105% of the average of the middle market quotation per B Ordinary Share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such B Ordinary Share is to be purchased and (b) the amount stipulated by Article 5(6) of the Market Abuse Regulation.

    (iv) the authority hereby conferred shall (unless previously renewed or revoked) expire on the earlier of the AGM of the Company to be held in 2025 and the date which is 15 months after the date on which this resolution is passed; and

    (v) the Company may make a contract or contracts to purchase its own B Ordinary 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 Ordinary Shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

By Order of the Board
The City Partnership (UK) Limited
Company Secretary
19 June 2024

Notice of Annual General Meeting continued

Notes

Entitlement to vote

The right to vote at the Annual General Meeting is determined by reference to the register of members 48 hours before the time of the Annual General Meeting. Accordingly, to be entitled to vote, Shareholders must be entered in the register of members by close of business on 10 September 2024.

Appointment of proxies

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Annual General Meeting. For this purpose, you may use the Form of Proxy which will have been sent to you unless you opted for electronic communications. As an alternative to completing the hard copy

   Form of Proxy, Shareholders can appoint a proxy electronically on-line, as explained below. If you opted for electronic communications, then you will have been sent an email which includes information on how to appoint a proxy electronically on-line.

   You can only appoint a proxy using the procedures set out in these notes.
2. A proxy does not need to be a member of the Company. Details of how to appoint the Chair of the meeting or another person as your proxy using the Form of Proxy are set out in these notes.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please complete a Form of Proxy for each proxy specifying which of your shares the proxy will be acting in respect of.
4. If you do not give your proxy an indication of how to vote on the resolutions, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

Appointment of proxy using hard copy Form of Proxy

5. These notes explain how to direct your proxy to vote on the resolutions or withhold their vote.

   To appoint a proxy using the Form of Proxy, the form must be:

   - completed and signed;
   - sent or delivered to The City Partnership (UK) Limited, The Mending Rooms, Park Valley House, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH; and
   - received by The City Partnership (UK) Limited no later than 10.00 a.m. on 10 September 2024 in respect of the Annual General Meeting or, if the meeting is adjourned, by no later than 48 hours prior to the adjourned Annual General Meeting.

   In the case of a member which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

   Any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.

Electronic appointment of proxies

6. As an alternative to completing the hard copy Form of Proxy, you can appoint a proxy electronically by accessing the 'Vote Here' button/link on the Company's' website: www.pembrokevct.com/investors. You will need your City Investor Number (CIN) and your Access Code which may be found either on the Form of Proxy or in the email sent to you.

   For an electronic proxy appointment to be valid, your appointment must be received by The City Partnership (UK) Limited no later than 48 hours prior to the time of the meeting, i.e. by 10.00 a.m. on 10 September 2024.

Notice of Annual General Meeting continued

Notes

Appointment of proxy by joint members

7. In the case of joint shareholders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

Changing proxy instructions

8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

   Where you have appointed a proxy using the hard copy Form of Proxy and would like to change the instructions using another hard copy Form of Proxy, please contact The City Partnership (UK) Limited, The Mending Rooms, Park Valley House, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH.

   If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

9. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:

   - By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to The City Partnership (UK) Limited, The Mending Rooms, Park Valley House, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

     Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

   - By sending an e-mail to proxies@city.uk.com with a signed revocation attached to the email such that the revocation would have been valid had it been sent by ordinary mail. This email address should not be used for any other purpose unless expressly stated.

   - By amending your proxy vote online by accessing the 'Vote Here' button/link on the Company's' website: www.pembrokevct.com/investors.

   Whichever method is used, the revocation notice must be received by the Company no later than 10.00 a.m. on 10 September 2024 in respect of the Annual General Meeting or, if the meeting is adjourned, by no later than 48 hours prior to the adjourned Annual General Meeting.

   If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Communication

10. Except as provided above, members who have general queries about the meeting should contact the Company Secretary by post at The City Partnership (UK) Limited, The Mending Rooms, Park Valley House, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH, or by email at enquiries@city.uk.com (no other methods of communication will be accepted).

    You may not use any electronic address provided either:

    - in the notice of the Annual General Meeting; or
    - any related documents (including the Form of Proxy),

    to communicate with the Company for any purposes other than those expressly stated.

Corporate Information

Directors (all non-executive)

Independent

Jonathan Simon Djanogly (Chair)

Laurence Charles Neil Blackall

Mark Stokes

Louise Wolfson

Chris Allner (Appointed 1 June 2024)

Non-independent

David John Till

All of the registered office and principal place of business

3 Cadogan Gate
London SW1X 0AS

www.pembrokevct.com

Investment Manager

Pembroke Investment Managers LLP
3 Cadogan Gate
London SW1X 0AS

Bankers

Barclays Bank plc
1 Churchill Place
London E14 5HP

Independent Auditor

BDO LLP
55 Baker Street
London W1U 7EU

Registrar

The City Partnership (UK) Limited
The Mending Rooms
Park Valley Mills
Meltham Road
Huddersfield
HD4 7BH

Lawyers

Howard Kennedy LLP
1 London Bridge
London SE1 9BG

VCT Status Adviser

Philip Hare & Associates
6 Snow Hill
London EC1A 2AY

Company Secretary

The City Partnership (UK) Limited
The Mending Rooms
Park Valley Mills
Meltham Road
Huddersfield
HD4 7BH

Reporting calendar

for the year ending 31 March 2025

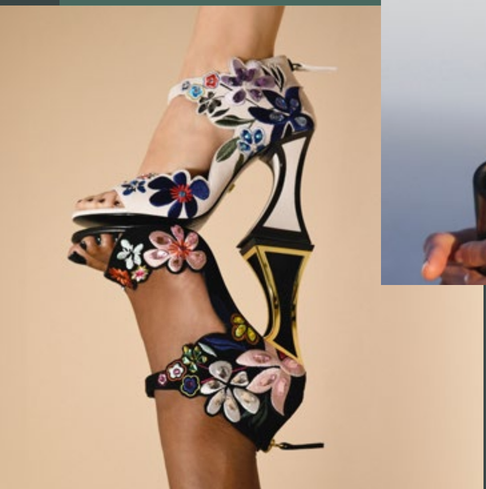
Results announced:

Interim – November 2024

Annual – June 2025


peckwater
BRANDS
Designed by &inc.







Pembroke VCT plc

3 Cadogan Gate, London SW1X 0AS

Incorporated in England and Wales
with registered number 08307631