GUINNESS VENTURES

GUINNESS VCT PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

INVESTED IN SUCCESS

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CONTENTS

Highlights 4
Chair's statement 5
The Board 6
Manager's Review 7
Investment Portfolio 8
Strategic Report 16
Directors' Report 27
Statement of Corporate Governance 30
Directors' Remuneration Report 35
Statement of Directors' Responsibilities 38
Independent Auditor's Report to the Members of Guinness VCT plc 39
Financial Statements
- Income Statement 47
- Statement of Change in Equity 48
- Balance Sheet 49
- Statement of Cash Flow 50
- Notes to the Financial Statements 51

Directors and Advisors 63
Appendix 64
Notice of Annual General Meeting 66

HIGHLIGHTS

Fundraising

Guinness VCT plc (the "Company" or "Guinness VCT") launched its second offer for subscription in September 2023 which closed on 28 June 2024 raising £3.2 million. Of this, £2.4 million was allotted during the financial year and £0.8 million after the year end.

Investments

The Company made thirteen investments into twelve companies in the year, at a cost of £4.2 million. There were no realised returns in the year, but there were unrealised gains of £0.1 million on investments, which brought the overall investment value to £4.3 million.

Total Return

The NAV per share decreased by 1.48% from 98.67 pence to 97.21 pence. No dividends have been paid or proposed this early in the life of the Company and therefore the total return was also 97.21 pence.

Value of Investments

The gain on investments held at fair value reflects performance of the underlying investee companies over the year. The net increase in the year was £0.1 million, all from unrealised gains.

Summary Data

	Year ended 31/03/2024	Period ended 31/03/2023
NAV	£6,677,480	£2,491,913
Deemed value of redeemable preference shares	-	£50,000
Ordinary shares in issue	6,868,773	2,474,850
Redeemable preference shares in issue	-	50,000
NAV per ordinary share	97.21p	98.67p

Investment Objective

The Company is a generalist VCT seeking to invest in a diversified portfolio of businesses that Guinness Asset Management Limited (the "Manager", "Guinness" or "Guinness Ventures") believes will provide the opportunity for value appreciation. The Company focuses on making investments in growth companies in a range of sectors including technology, education, healthcare, manufacturing, retailing, leisure and food and drink. These businesses will mostly be unquoted, but the Company will also consider businesses listed on Qualifying Exchanges such as the Alternative Investment Market ("AIM"). Whilst the Investment Policy of the Company states that the size of investments will range between £0.1 million and £10 million, the size of investments made in the early years are likely to be towards the bottom of this range in order to create a diversified portfolio that meets the VCT qualification criteria.

CHAIR'S STATEMENT

This is Guinness VCT Plc's first full 12-month report, and I am delighted to be writing to shareholders on the progress the Company has made. At 31 March 2024, the Company's NAV was £6.7 million which increased from £2.5 million at 31 March 2023. The Company allotted a further 4.4 million shares in the year, including 2.0 million from the Company's first offer for subscription which closed in June 2023, and 2.4 million from the Company's second offer for subscription.

During the year, the Company invested £4.2 million into qualifying companies and by the year end had £1.3 million of Net Current Assets and held £1.1 million in highly liquid money market funds.

Overall, the Company registered a loss of £0.1 million for the year and NAV per share decreased 1.48% from 98.67p to 97.21p. Whilst the VCT is in its early stages, a loss is to be expected as the running costs of the Company exceed returns from investments. The net loss for the year was softened by unrealised gains from the Company's underlying investment portfolio as well as dividends received from the Company's investments in money market funds.

Fundraising

The VCT market as a whole raised c20% less in the 2023/24 tax year than the prior year. However, the tax year represented the third highest fundraising year on record which provides the Board with optimism for investors' continuing appetite for VCT investments.

The Company launched its second offer in September 2023 and had raised £2.4 million by 31 March 2024. The offer closed post-period end, raising an additional £0.8 million. We greatly appreciate shareholders' confidence in the Company and believe that the outlook for future fundraising is positive, especially as the portfolio matures and VCT regulations enable the Company to pay dividends.

Investment Activity

The Company is delighted to have invested £4.2 million into new investee companies since 31 March 2023. This is not only reflective of the Manager's strong pipeline of opportunities but also underscores the delivery on the VCT's investment strategy. The portfolio contains twelve companies spanning ten sectors, which we believe is a good step to providing investors with a balanced and diversified portfolio. Further, the portfolio companies, as at 31 March 2024, had an average annual revenue of approximately £6.0 million which is indicative of the Company's strategy to invest in companies with a proven product or service.

Of the £4.2 million invested, £2.6 million was invested since 30 September 2023. This includes seven new investments (further detail on these can be found later in this report) and one follow-on investment, in BBC Maestro, to provide the business with further capital to reach its growth potential.

Of particular note has been the performance of Plotbox. After our initial investment in April 2023, the business has grown revenue materially and as such the holding valuation has increased by 33%. The holding values of the other investments remain at cost following calibration of the price of the Company's recent investment with comparable public market multiples.

Outlook

The economic climate has not been kind to early-stage companies since the launch of the Company in 2022, and whilst there is still geopolitical and economic uncertainty, we hope that there are signs of recovery with the easing of inflation and prospect of falling interest rates.

The Company's long-term target is to pay an annual dividend of 5% of NAV and, subject to the existence of realised profits, VCT regulation and sufficient cash reserves, we hope to pay dividends from 2026.

Annual General Meeting (AGM)

The AGM will take place on 29 August 2024 at 12.00 noon and will be held at 18 Smtih Square, London, SW1P 3HZ. Full details of the business to be conducted at the AGM are given in the Notice of the AGM on pages 66 to 69. Shareholders' views are important, and the Board encourages shareholders to vote on the resolutions within the Notice of the AGM. The Board has carefully considered the business to be approved at the AGM and recommends shareholders to vote in favour of all the resolutions being proposed, as the Board will be doing.

Finally, I would like to thank the Board, Guinness Ventures and The City Partnership for their hard work over the last twelve months. The Company is at the beginning of its journey, and we are excited by the prospects of the investments made to date which we hope will provide strong returns for shareholders.

Ewen Gilmour
Non-executive Chair
11 July 2024

THE BOARD

Ewen Gilmour (Independent non-executive Chair):

Ewen is the former chief executive of Chaucer Holdings plc, a listed Lloyd's insurer. He joined Chaucer prior to its stock market flotation in 1998; becoming managing director in 1999 until 2009. While there, he also served on the Council of Lloyd's, including being deputy chairman of Lloyd's from 2006 to 2010.

After graduating from Cambridge University, his early career was as an accountant at KPMG between 1974 and 1980, followed by 13 years as a corporate financier at Charterhouse Bank, the merchant banking subsidiary of Royal Bank of Scotland. He has served as non-executive chairman of three Lloyd's Agents: Antares Managing Agency Limited; Hampden Agencies Limited; and Starstone Underwriting Limited. Currently, he is chairman of Soteria Insurance Limited.

Joanna Santinon (Independent non-executive Director and Chair of the Audit Committee):

Joanna is a chartered accountant and chartered tax adviser. She specialised in tax, transactions and private equity, and has wider experience including mergers and acquisitions, strategic investments, capital raisings and listings from a career spanning 24 years at Ernst & Young ("EY") where she was a member of the London Markets Board and led the Private Tax team in London through a transformation and growth period. During her time with EY Joanna played key roles in transactions in the UK and Europe. Joanna also led the EY UK Entrepreneur of The Year Programme. Joanna was a founder member of the 30% Club in the UK. She is an independent non-executive director of Octopus Future Generations VCT plc and a trustee of The Centre For Entrepreneurs and an independent non-executive director of Ecofin Global Utilities and Infrastructure Trust plc.

Andrew Martin Smith (Non-independent non-executive Director):

Andrew was Chief Executive of Hambros Fund Management when it merged with Guinness Flight in 1997. In 2000 he joined Berkshire Capital Securities, a corporate adviser to the fund management industry, before joining Guinness Asset Management in 2005 as a senior adviser. He is a non-executive director of several companies including Church House Investment Management and has been a director of several public listed investment trusts including, TR European Growth, M&G High Income and Atlantis Japan. He is a director of Guinness Asset Management and is the lead manager of the Guinness AIM EIS Service.

MANAGER'S REVIEW

The Company has made good progress over the last 12 months. In June 2023, the Company closed its first offer for subscription and in September 2023 the Company launched its second offer for subscription which raised £2.4 million by 31 March 2024 and an additional £0.8 million by close of the offer in June 2024. We thank shareholders for their continuing support for the VCT in its early years.

Investments

We have been an active investor since the listing of the Company in April 2023, deploying £4.2 million of funds raised to date in exciting British scale-ups across a diverse range of sectors. The Guinness Ventures team reviewed more than 1,100 investment opportunities in the year to 31 March 2024, but only went on to agree to invest in twelve companies from the Guinness VCT. This gives an indication of how widely the net is cast to find the best opportunities.

Since the half-year report we have made eight investments, seven of these investments were made into new companies and the other was a further investment into BBC Maestro to help the business to capitalise on its growth potential. At the year end, the Company's portfolio consisted of twelve companies across ten sectors. Please find further details about these investments in the Investment Portfolio section of this report. We look forward to working with our portfolio companies to help them grow and reach their potential.

Performance

In terms of the investments made in April 2023, Plotbox has been the standout performer, although others are showing considerable promise. Plotbox has grown revenue substantially and, as a result, the valuation has increased by 33% in line with the Company's valuation policy. Dragonfly and BBC Maestro completed further funding rounds in early 2024 as both businesses look to capitalise on their growth prospects. The businesses increased last twelve months revenue by 47% and 45% respectively as at 31 March 2024, and both companies are valued at the price of the recent investment round. Baby Mori and Fable Data have had slower years as they had to negotiate tough markets and faced reduced customer budgets, as a result revenues have remained broadly flat. Of the five investments made in April 2023, Plotbox's valuation has increased, and the four other companies remain at cost. The valuation of the seven new investments made in the second half of the year remain at cost following calibration of the price of the Company's recent investment with comparable public market multiples. Notwithstanding the promise shown at this stage, these companies are at an early stage in their development and there is always execution risk in achieving ambitious business plans.

Outlook

The economic environment for scale-up businesses has been challenging over the last few years. In 2023, the UK fell into a recession and geopolitical tensions heightened following renewed conflict in the Middle East. However, decreasing inflation and the prospect of interest rate cuts provides signs of a more benign economic backdrop and we are seeing signs of a recovery in the market. Further, we remain confident in the UK's start-up ecosystem. The 2023/24 tax year was the third largest fundraising year for VCTs to date, VCTs deployed over £500 million in 2023 and the Chancellor committed to extending the VCT scheme to at least 2035, underscoring its importance in investing in the future of UK companies.

We remain confident in our pipeline and ability to source high quality deals. Guinness' investment team saw a record number of investment opportunities last year despite tough economic conditions and we have deployed two-thirds of the VCT's funds raised into exciting growth companies. We are excited to continue to grow the VCT, support the UK start-up economy and, ultimately, deliver attractive returns to shareholders.

Shane Gallwey, CFA
Head of Ventures, Guinness Asset Management Limited
11 July 2024

INVESTMENT PORTFOLIO

	As at 31 March 2024			As at 31 March 2023		
Investment	**Cost £'000**	**Valuation £'000**	**% of Total Asset Value**	**Cost £'000**	**Valuation £'000**	**% of Total Asset Value**
Aptem	400	400	6%	0	0	0%
Baby Mori	350	350	5%	0	0	0%
BBC Maestro	600	600	9%	0	0	0%
Dragonfly AI	200	200	3%	0	0	0%
Fable Data	350	350	5%	0	0	0%
Fussy	320	320	5%	0	0	0%
Holibob	320	320	5%	0	0	0%
PlotBox	350	464	7%	0	0	0%
Qureight	205	205	3%	0	0	0%
Sessions Market	400	400	6%	0	0	0%
Sportable	315	315	5%	0	0	0%
Wrisk	350	350	5%	0	0	0%
Total Fixed Asset Investments	**4,160**	**4,274**	**64%**	**0**	**0**	**0%**
Money Market Funds	**1,106**	**1,105**	**17%**	**0**	**0**	**0%**
Net Current Assets	**1,298**	**1,298**	**19%**	**2,492**	**2,492**	**100%**
Net Assets	**6,564**	**6,677**	**100%**	**2,492**	**2,492**	**100%**

Thirteen investments were made in the year ending 31 March 2024 into twelve companies. All of the investments were co-investments with, or existing investments from, the Guinness EIS Service (a discretionary managed service, managed by Guinness Asset Management Limited, for the purpose of making investments into EIS qualifying companies). Plotbox is the only investment to experience a change in value, with an unrealised gain of £0.1 million, and the remaining companies are held at cost.

Post-year end, the Company made two further investments, a £0.20 million investment into Obrizum, an education technology company, and a £0.35 million investment into Shotscope, a sports technology company.

NEW INVESTMENTS (IN THE YEAR TO 31 MARCH 2024)

Aptem:

Aptem was founded in 2009 to produce innovative technology products that support the delivery of complex, regulated skills and employability programmes.
Its flagship product, Aptem Apprentice, is an apprenticeship management system that enhances apprenticeship and vocational training. Clients include training and employability providers, universities, colleges, tutors, assessors, and employers.

Company sector	Education
Asset class	Equity
Company location	London, United Kingdom
Initial investment date	4 March 2024
Cost of Investment	£400,000
Value of Investment	£400,000
Method of Valuation	Price of Recent Investment
Revenue and Profit (30/04/23)	N/A*
Net Assets (30/04/23)	£8,712,900
Equity Held by Guinness VCT (fully diluted)	1.1%

Baby Mori:

Baby Mori is a babywear and childrenswear retailer. Mori's products are made from their signature fabric, derived from organic cotton and bamboo, which is processed without the use of harmful chemicals. These fabrics are exceptionally soft and ideal for the sensitive skin of infants and toddlers. Baby Mori sells direct to consumers via its websites in the UK, EU and USA, through third-party wholesalers such as Harrods and Next, as well as its retail stores in the UK. Mori's flagship store is located on Northcote Road in Clapham.

Company sector	Retail
Asset class	Equity
Company location	London, United Kingdom
Initial investment date	27 April 2023
Cost of Investment	£350,100
Value of Investment	£350,100
Method of Valuation	Price of Recent Investment
Revenue and Profit (31/12/22)	N/A*
Net Assets (31/12/22)	£3,669,362
Equity Held by Guinness VCT (fully diluted)	1.3%

BBC Maestro:

BBC Maestro, the trading name of Maestro Media Limited, is a celebrity-led e-learning company at the intersection of mass-market online courses and video-streamed entertainment. It offers 6-8 hour inspirational courses delivered by global celebrities, genre icons and specific subject matter experts. These include Julia Donaldson (successful children's books writer and author of The Gruffalo), Jed Mercurio (TV writer – The Bodyguard, Line of Duty), Billy Connolly (stand-up comedy) and Peter Jones (entrepreneurship).

Company sector	Education
Asset class	Equity
Company location	London, United Kingdom
Initial investment date	27 April 2023
Cost of Investment	£599,996
Value of Investment	£599,996
Method of Valuation	Price of Recent Investment
Revenue and Profit (31/12/22)	N/A*
Net Assets (31/12/22)	£6,962,302
Equity Held by Guinness VCT (fully diluted)	1.3%

Dragonfly AI:

Dragonfly AI uses cutting-edge neuroscience to accurately and instantly show what grabs the audience's attention first across all forms of content. This enables companies and marketing agencies to optimise and improve the content they produce. Dragonfly has a number of high-profile clients and has already established a presence in the US. The company spun out from Queen Mary's University which has developed technology used by brands and agencies to understand how design decisions impact consumer attention.

Company sector	Advertising & Marketing
Asset class	Equity
Company location	London, United Kingdom
Initial investment date	27 April 2023
Cost of Investment	£200,000
Value of Investment	£200,000
Method of Valuation	Price of Recent Investment
Revenue and Profit (31/12/22)	N/A*
Net Assets (31/12/22)	£1,719,119
Equity Held by Guinness VCT (fully diluted)	1.3%

Fable Data:

Fable Data is a leading data aggregator and data science company. Fable provides anonymised European consumer transaction data to investment firms and corporates, as well as on a pro-bono basis to government and educational institutions. Fable was founded on the notion that vital decisions that affect whole communities were being made with incomplete and stale data. Fable addresses this problem by placing high-quality, award-winning data into the hands of key decision-makers allowing them to make better decisions.

Company sector	Business Services
Asset class	Equity
Company location	London, United Kingdom
Initial investment date	27 April 2023
Cost of Investment	£350,000
Value of Investment	£350,000
Method of Valuation	Price of Recent Investment
Revenue and Profit (31/12/22)	N/A*
Net Assets (31/12/22)	£2,111,388
Equity Held by Guinness VCT (fully diluted)	0.3%

Fussy:

Fussy is a sustainable personal care brand that is revolutionising the deodorant industry with its all-natural, plastic-free, and compostable products. Since their launch in 2020 and public appearance on Dragons Den, Fussy has quickly become a favourite among UK consumers who are 'fussy' about the ingredients and environmental footprint of their personal care products. The brand has a diverse product range of seven unique deodorant case designs and ten scents which are sold online and in major UK retailers such as Tesco, Waitrose and Ocado.

Company sector	Consumer Products
Asset class	Equity
Company location	London, United Kingdom
Initial investment date	26 March 2024
Cost of Investment	£319,995
Value of Investment	£319,995
Method of Valuation	Price of Recent Investment
Revenue and Profit (31/03/23)	N/A*
Net Assets (31/03/23)	£634,824
Equity Held by Guinness VCT (fully diluted)	1.0%

Holibob:

Holibob is a travel technology company which enables businesses to sell travel experiences online, digitalising the experience industry with a key focus on the consumer needs of convenience and curation. Holibob's software platform integrates suppliers through online booking software and uses proprietary technology to create an optimised suite of trips for partners, enabling clients to have better travel experiences.

Company sector	Travel
Asset class	Equity
Company location	Edinburgh, United Kingdom
Initial investment date	27 March 2024
Cost of Investment	£320,001
Value of Investment	£320,001
Method of Valuation	Price of Recent Investment
Revenue and Profit (31/12/23)	N/A*
Net Assets (31/12/23)	(£2,895,470)
Equity Held by Guinness VCT (fully diluted)	0.9%

PlotBox:

PlotBox is a cloud-based deathcare management solution facilitating the workflows of cemeteries and crematoria through a suite of features. Management systems across the cemetery industry have historically been disconnected and inefficient, resulting in extra workload and required training, frequent mistakes, poor customer service, higher operational costs and an inability to scale the sales process. PlotBox's solution attempts to innovate this industry to create an all-in-one centralised system for the mapping, sales and administration of cemetery management.

Company sector	Business Services
Asset class	Equity
Company location	Ballymena, United Kingdom
Initial investment date	27 April 2023
Cost of Investment	£350,000
Value of Investment	£463,898
Method of Valuation	Revenue Multiple
Revenue and Profit	N/A*
Net Assets	N/A*
Equity Held by Guinness VCT (fully diluted)	1.5%

Qureight.

Qureight:

Qureight was founded to accelerate the development of drugs for complex lung and heart diseases. The business has developed a cloud-based platform for pharmaceutical and biotech companies which curates complex clinical data sets to improve data flow and enable analysis through Qureight's proprietary AI models. Notably, Qureight announced a multi-year strategic research agreement with AstraZeneca in July 2023.

Company sector	Healthcare
Asset class	Equity
Company location	Cambridge, United Kingdom
Initial investment date	19 March 2024
Cost of Investment	£204,983
Value of Investment	£204,983
Method of Valuation	Price of Recent Investment
Revenue and Profit (31/12/23)	N/A*
Net Assets (31/12/23)	£845,598
Equity Held by Guinness VCT (fully diluted)	0.9%

SESSIONS

Sessions Market:

Sessions has a mission to redefine the hospitality industry and provide a platform for next-generation food founders to expand across the UK market. It provides chef partners with both physical and virtual spaces to market and sell their brands and positions itself as a platform to aid the growth of Britain's independent food scene.

Company sector	Food & Drink
Asset class	Equity
Company location	London, United Kingdom
Initial investment date	28 March 2024
Cost of Investment	£399,924
Value of Investment	£399,924
Method of Valuation	Price of Recent Investment
Revenue and Profit (31/03/23)	N/A*
Net Assets (31/03/23)	N/A*
Equity Held by Guinness VCT (fully diluted)	0.9%

SPORTABLE®

Sportable:

Sportable is a sports technology company specialising in data insights. The business has developed proprietary hardware which is embedded into sports balls and player tracking devices. Sportable's technology sends on-field data to their cloud platform with near-zero latency which allows sports teams and broadcasting companies to gather and analyse data on players and the ball itself in real time. Sportable's technology was used in the 2024 Six Nations tracking metrics such as distance, direction, hang-time, speed and spin in real-time for fans and coaches.

Company sector	Sports & Entertainment
Asset class	Equity
Company location	London, United Kingdom
Initial investment date	28 March 2024
Cost of Investment	£315,000
Value of Investment	£315,000
Method of Valuation	Price of Recent Investment
Revenue and Profit (31/05/23)	N/A*
Net Assets (31/05/23)	£2,019,046
Equity Held by Guinness VCT (fully diluted)	0.9%

Wrisk

Wrisk:

Wrisk is an automative insurance platform founded with a mission to transform the way motor insurance is sold globally. Wrisk imbeds its insurance policy platform within the websites of its partners to price and issue policies on behalf of insurance underwriting partners. The platform uses data analytics and AI to assess customer risks and tailor coverage to individual preferences, allowing customers to adjust policies in real-time.

Company sector	Insurance
Asset class	Equity
Company location	London, United Kingdom
Initial investment date	15 December 2023
Cost of Investment	£350,133
Value of Investment	£350,133
Method of Valuation	Price of Recent Investment
Revenue and Profit (31/12/22)	Revenue- £544,477 Loss- (£2,703,699)
Net Assets (31/12/22)	£593,136
Equity Held by Guinness VCT (fully diluted)	0.9%

*Denotes where there is not a publicly available figure. Revenue and profit are not publicly available as the investee companies only file abbreviated accounts at Companies House. Net assets may not be publicly available on Companies House due to the corporate structure of the investee company.

COMPANY BREAKDOWN BY HOLDING VALUATION

Source: Guinness Asset Management, as at 31 March 2024

SECTOR BREAKDOWN BY HOLDING VALUATION

Source: Guinness Asset Management, as at 31 March 2024

INVESTMENT POLICY, STRATEGY AND OBJECTIVES

Investment policy

The Company is a generalist VCT seeking to invest in a diversified portfolio of businesses that the Manager believes will provide the opportunity for value appreciation. The Company will focus on investments in growth companies in a range of sectors including technology, education, healthcare, manufacturing, retailing, leisure and food and drink. These businesses will mostly be unquoted, but the Company will also consider businesses listed on Qualifying Exchanges such as AIM. The Company will typically make initial investments of £0.1 million to £10 million and may also make follow-on investments into existing portfolio companies. Concentration risk is mitigated by ensuring that at the point of investment no more than 15% of the Company by value will be in any one investment.

Investment strategy

The Company will invest in growth stage companies that require scale-up capital across a range of sectors including technology, education, healthcare, manufacturing, retailing, leisure and food and drink. Although there is inherent risk with investing in VCTs, this generalist strategy will allow the Company to mitigate risk to a degree by diversifying its target portfolio companies for investors. The Manager will build a pipeline of investment opportunities with a focus on companies that have at least £1 million of historic or run-rate revenues.

The Manager seeks to identify businesses that have demonstrated the ability to raise and appropriately employ seed stage funding and who now require further funding to accelerate growth and deliver shareholder returns.

When assessing investment opportunities, Guinness looks for:

- experienced and competent management teams with a strong understanding of their market and competitive position, and with a track record of building and selling companies;
- a realistic business plan supported by good operations and technology;
- the investee company's ability to sustain a competitive advantage;
- the company's prospects of being sold or floated in the future, at a multiple on the initial cost of investment; and
- a valuation and structure that provides alignment between all shareholders.

Guinness also has an extensive track record of investing in AIM-listed companies and will consider investing up to 20% of the funds raised into AIM-listed companies as well as businesses listed on other Qualifying Exchanges.

Every company that is selected for potential investment will be required to pass through a comprehensive due diligence exercise which aims to test its business plan, technology and financials as well as reviewing VCT eligibility.

Qualifying Investments

Qualifying Investments comprise investments in companies which are carrying out a qualifying trade (as defined under the relevant VCT legislation), and have a permanent establishment in the UK, although some may trade overseas. The Qualifying Companies in which investments are made must have no more than £15 million of gross assets immediately prior to the investment (or £16 million immediately after the investment), fewer than 250 employees (or fewer than 500 employees in the case of a Knowledge Intensive Company) and generally cannot have been trading for more than seven years (or ten years in the case of a Knowledge Intensive Company) at the time of the Company's investment. Several other conditions must be met for an investment to be classed as a VCT Qualifying Investment.

The Company intends to invest the net proceeds of the Offer in acquiring a portfolio of Qualifying Investments complying with VCT legislation. At least 30% of the funds raised will be invested in Qualifying Investments within 12 months of the end of the Company's accounting period in which the relevant Shares were allotted, and at least 80% of its net assets will, by the start of the Company's accounting period in which the third anniversary of the date the relevant shares are allotted falls and continuously thereafter, be invested in Qualifying Investments.

Non-qualifying investments

Subject to the rules applicable to VCTs, funds not employed in Qualifying Investments will be invested in short term liquid instruments, principally other funds which can be easily exited (e.g. money market funds, government and corporate bonds, term deposits, equity funds) including any appropriate funds managed by Guinness, to generate additional return for investors and mitigate against a rise in value of competing companies. These must be easily

liquidated as cash. Such investments are subject to market fluctuations.

Borrowing policy

The Company has no present intention of utilising gearing as a strategy for improving or enhancing returns. Under the Company's Articles of Association, the borrowings of the Company will not, without the previous sanction of the Company in general meeting, exceed 25% of the aggregate total amount received from time to time on the subscription of shares in the Company.

Share buyback policy

The shares are traded on the London Stock Exchange's main market for listed securities. Although it is likely that there will be an illiquid market for such shares and, in such circumstances, shareholders may find it difficult to sell their shares in the market, the Company intends to pursue an active buyback policy to improve the liquidity in the shares where the Company may repurchase shares which shareholders wish to sell at a discount of up to 5% to the latest published net asset value per share, subject to applicable regulations, market conditions at the time and the Company having both the necessary funds and distributable cash resources available for the purpose. The making and timing of any share buybacks will remain at the absolute discretion of the Board. The Directors expect that there will be limited demand for share buybacks from shareholders within the first five years because the only sellers are likely to be deceased shareholders' estates and those shareholders whose circumstances have changed (to such extent that they are willing to repay the 30% income tax relief in order to gain access to the net proceeds of the sale). There were no share buy-backs in the year to 31 March 2024.

Dividend policy

The Company will target an annual dividend equivalent to 5 per cent of its net asset value as well as special dividends, where appropriate, from the proceeds of successful exists of portfolio companies that are not reinvested. It is envisaged that dividends will be paid from 2026 onwards, subject to the existence of realised profits, legislative requirements and the available cash reserves of the Company.

KEY PERFORMANCE INDICATORS ("KPIs") AND ALTERNATIVE PERFORMANCE MEASURES ("APMs")

The objective of the Company is to provide long-term returns where shares are held for at least five years, whilst enabling shareholders to benefit from available VCT tax reliefs. The KPIs and APMs which the Board will monitor towards that objective are:

Total Return per Ordinary Share*

Total Return per Ordinary Share is calculated as NAV plus dividends paid or proposed to date, divided by the number of Ordinary Shares. NAV per share decreased from 98.67 pence to 97.21 pence in the year due to the effect of operational costs. However, income received from money market funds and investment gains in the final two quarters reduced this effect. No dividends were paid or proposed in the year.

The gain on investments held at fair value

The gain on investments held at fair value reflects the performance of the underlying investee companies over the year. The net increase in the year was £113,899, all from unrealised gains related to the increased holding value of the Company's investment in Plotbox from £350,000 to £463,898.

Annual running expenses as a proportion of NAV*

Annual running expenses, excluding irrecoverable VAT, in the period represented 3.5% of NAV at year end. The Manager has agreed to cap the total annual running expenses to a maximum of 3.5% of year end Net Assets and any excess above this will be borne by them. As such, the Manager reduced its Annual Management Fee in the year to ensure this cap was met.

Ongoing charges ratio*

The ongoing charges ratio is the annualised operating costs divided by the average NAV over the period. The ongoing charges ratio for the year to 31 March 2024 is 4.94%. The ongoing charges ratio includes expenses recommended by the AIC.

As the previous effective period (being the period from the first allotment of shares to 31 March 2023) comprised ten days, there are no comparable previous year figures.

***denotes an APM, please see the Appendix for the calculations of the APMs on pages 64 to 65.**

The Board will also monitor (i) the Company's NAV per share over reporting periods and compare its performance to the MSCI UK Small Cap Index for the relevant periods and (ii) the measures defined by HMRC for its VCT tests to ensure that the Company will continue to qualify as a VCT. The Company's NAV per share over the year is shown in the graph on page 37.

MATERIAL CONTRACTS

Investment Management Agreement

An agreement (the "Investment Management Agreement") dated 18 October 2022 (as varied by a Deed of Amendment dated 29 March 2023) and made between the Company and the Manager whereby the Manager, with effect from the first date on which the Company allotted shares pursuant to the first Offer (22nd March 2023, the "Effective Date"), were appointed as the Company's manager to provide discretionary investment management and advisory services to the Company in respect of its portfolio of Qualifying Investments and non-qualifying investments and valuations of its portfolio interests.

The Manager receives an annual management fee equal to 2.0% of the Company's net asset value (plus VAT if applicable) payable quarterly in arrears from the Effective Date until the termination of the Investment Management Agreement. The Manager is entitled to reimbursement of expenses incurred in performing its duties under the agreement and is also entitled to receive and retain transaction and introductory fees, directors' fees, monitoring fees, consultancy fees, corporate finance fees, syndication fees, exit fees and commissions in relation to portfolio companies.

The Manager is also entitled to a performance fee payable in relation to each accounting period. This fee is set at 20% of dividends (or other return of capital) paid in a financial year in which the Total Return is above the Hurdle. For the Hurdle to be met, the shares must achieve a Total Return (based on audited year end results) in excess of £1.00 for the year ending 31 March 2024. For subsequent years, the Hurdle increases by 3p per annum such that for the year ending 31 March 2025 the Hurdle will be £1.03, for the year ending 31 March 2026 the Hurdle will be £1.06 and so on. There were no dividends (or other returns of capital) paid or accrued in the period and so no performance fee has been accrued. The Total Return at year end was also below the Hurdle and therefore no performance fee was payable in relation to the year ending 31 March 2024.

The Manager acted as the Company's Alternative Investment Fund Manager ("AIFM") for the purposes of the AIFM Directive up until 2 May 2023, on which date Guinness VCT Plc (FRN: 985295) was entered in the register of small-registered UK AIFMs under the Alternative Investment Fund Managers Regulations 2013 (AIFMRs). Under the terms of the Investment Management Agreement the appointment of the Manager as the Company's AIFM fell away as of 2 May 2023, and the Manager continues to provide investment management services on the same terms as set out in the Investment Management Agreement.

The appointment of the Manager in relation to the investment services commenced on the Effective Date and will continue unless and until terminated by either party giving to the other not less than 12 months' notice in writing, such notice not to take effect before the end of the fifth anniversary following the last allotment of shares pursuant to an offer for subscription made by the Company. The Investment Management Agreement is subject to earlier termination by either party in certain circumstances.

All securities purchased through the Manager will be registered (except for bearer stocks) in the name of the Company.

Any investment or other asset of the Company will be registered (except for bearer stocks) in the name of the Company, or, subject to the written agreement of the Company, in the name of a custodian which may be appointed from time to time by the Company on terms agreed by the Manager.

Transactions undertaken by the Manager for the Company shall correspond with the provisions of the Manager's written execution policy, and the Manager shall manage conflicts of interest, disclosing to the Board the nature of any material interest which the Manager may have in any proposed transaction to which the Company is, or is to be, a party, the Manager not causing the Company to become a party to any such contract or transaction except with the prior approval of those members of the Board who are independent of the Manager (such prior approval not to apply to the allocation of investment opportunities governed by the Investment Management Agreement).

The Manager has agreed to indemnify the Company by such amount as is equal to the excess by which the Annual Running Expenses of the Company exceeds 3.5% of the Net Asset Value, calculated on an annual basis.

The provision by the Manager of discretionary investment management and advisory services is subject to the overall control, direction and supervision of the Board.

Administration Agreement

An agreement dated 18 October 2022 and made between the Company and The City Partnership (UK) Limited (the "Administrator"), whereby the Administrator will provide certain administration services, accounting, custody and company secretarial services to the Company in respect of the period from Admission until the termination of the Administration Agreement with regard to all the investments of the Company, for an annual fee of up to £55,000 (plus an additional 0.055% on quarter-end NAV exceeding £25m), calculated on a sliding scale based on the Company's quarterly NAV (plus VAT if applicable). Under this agreement the Administrator will hold securities in certificated form on behalf of the Company for safekeeping.

The Administration Agreement will continue for a period of 2 years from the date on which the Minimum Subscription is raised under the Offer and thereafter is terminable by either party giving 6 months' written notice, on or after the second anniversary of the agreement, but subject to early termination in certain circumstances.

PRINCIPAL RISKS

The Board and the Audit Committee have an ongoing process for identifying, evaluating and monitoring the principal risks facing the Company. The Directors have carried out a robust assessment of the principal risks faced by the Company, considering its business model, future performance, solvency and liquidity The Board has listed below details of these including the measures taken in order to mitigate these risks as far as practicable.

Investment performance and valuation risk

Risk	Mitigation	Magnitude, Likelihood & Change
The Company's Investment Policy is focused on unquoted, small-medium sized VCT qualifying companies. Investment in unquoted, early-stage companies carries inherently greater risk than larger quoted companies as they may have shorter cash runways, may be dependent on a small number of key individuals and may be more susceptible political and economic conditions. The Company's investment valuation methodology is reliant on the portfolio companies issuing accurate and complete information. In particular, the Directors may not be aware of, or take into account, certain events or circumstances which may happen after the information issued by such companies is reported.	The Board has looked to mitigate this risk with the appointment of a Manager experienced in investing in this strategy. The Manager also aims to minimise the investment risk attached to the investment portfolio as a whole by ensuring that a robust and structured selection, monitoring and realisation process is in place. Diversification is intended to be achieved across both sector and development stage. The investment portfolio is reviewed by the Board and Manager together on a regular basis. The unquoted investments held by the Company are designated at fair value through profit or loss and valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines as updated in 2022. The valuation takes into account all known material facts up to the date of approval of the Financial Statements by the Board.	Magnitude – Medium Likelihood - Medium No overall change to the risk this poses, but we note the continuing challenge of the macro environment and the Company is more exposed to unquoted companies than at 31 March 2023.

VCT status qualifying risk

Risk	Mitigation	Magnitude, Likelihood & Change
The Company must comply with section 274 of the Income Tax Act 2007, which, inter alia, enables investors to take advantage of tax relief on their investment and future returns when investing in a VCT. If the Company breaches any of the rules in section 274, this could result in the loss of VCT status. Breaches could also result in investors becoming liable to pay income tax on dividends received from the Company and in some circumstances, investors may have to repay the initial income tax relief on their investment. The most prevalent risk to VCT status at this time is if the VCT fails to invest 80% of its funds into Qualifying Investments by the second anniversary of the end of the accounting period in which the Company issued the shares.	Working closely with the Board, the Manager keeps track of the VCT's qualifying status to ensure it remains qualifying. Regular reports are provided to and discussed with the Board which reviews the status of the VCT tests on a quarterly basis. Philip Hare & Associates has also been appointed as Tax Adviser to provide monitoring reports to the Board twice yearly.	Magnitude - High Likelihood – Low Change - No change to the overall risk this poses.

Regulatory and compliance risk

Risk	Mitigation	Magnitude, Likelihood & Change
The Company's shares have been admitted to the premium segment of the Official List and are traded on the London Stock Exchange's main market for listed securities and the Company is authorised as a self-managed Alternative Invest Fund Manager (AIFM) under the Alternative Investment Fund Managers Directive ("AIFMD"). The Company is required to comply with the Companies Act 2006, the rules of the UK Listing Authority, the Prospectus and Transparency Directives, and United Kingdom Accounting Standards. If the Company breaches any of these it could lead to a number of detrimental outcomes including but not limited to suspension of the Company's Stock Exchange listing, reputational damage, or financial penalties.	The day-to-day running of the Company is overseen by the Manager. The Board is updated at Board Meetings at least quarterly on all regulatory and compliance matters. The Board and the Manager employ third parties to ensure that the Company complies with all its regulatory obligations, these parties include Howard Kennedy as Sponsor and Legal Adviser, The City Partnership as Company Secretary and Philip Hare & Associates as Tax Adviser.	Magnitude – High Likelihood – Low Change - No overall change in risk exposure.

Operational and Internal control risk

Risk	Mitigation	Magnitude, Likelihood & Change
There is a risk of failure of the systems and controls of any of the Company's advisers, leading to an inability to service shareholder needs adequately, provide accurate reporting and accounting, and to ensure the Company is complying with all VCT legislation rules.	To mitigate these risks, the Board regularly reviews the systems of internal controls, both financial and non-financial operated by the Company and key third-party advisers. These include controls designed to ensure that the VCT's assets are safeguarded and that proper accounting records are maintained; and to prevent data protection and cyber security failings. In addition, the Board regularly reviews the performance of its service providers to ensure that they continue to have the necessary expertise and resources to provide the expected level of service.	Magnitude - High Likelihood – Low Change - No overall change in risk exposure.

Economic, political and other external factors

Risk	Mitigation	Magnitude, Likelihood & Change
The valuation of investment companies in the portfolio may be affected by economic, political and other external factors such as a movement in interest rates, a change in Government, or international conflict.	The Company aims to invest in a diversified portfolio across a range of stages and sectors and also maintains cash to ensure it can provide follow-on investments when companies require it. The economic and political environment are kept under constant review and the investment strategy is adapted as far as possible to mitigate emerging risks.	Magnitude – Medium Likelihood – Medium Change - No change to the risk exposure but we recognise the persistence of economic uncertainty as a result of high inflation, high interest rates and other geopolitical factors.

Legislative Risk

Risk	Mitigation	Magnitude, Likelihood & Change
A change to VCT regulations restricting which companies can qualify for VCT investment or changes to tax relief available for investors could adversely impact the Company, limiting its ability to deploy or raise funds. There is also risk that a new government will have a different view on VCT regulations.	The Manager engages with industry bodies to highlight the positive benefits for the wider economy of VCTs funding British start-ups.	Magnitude – High Likelihood – Low Change - The risk has decreased following the extension of VCT reliefs to 2035 which has been legislated for in the Finance Bill 2024. It is noted that ratification is still required from the European Commission.

Cyber Security and Information technology

Risk	Mitigation	Magnitude, Likelihood & Change
The threat of cyber-attacks remain a significant area of risk faced by service providers and a loss of key data can result in a data breach or fines. The Board relies on Guinness and other third parties to take appropriate measures to prevent unauthorised access to or a loss of confidential customer information.	The VCT relies on third parties including the Manager and The City Partnership who act as data processors on behalf of the VCT. The Manager relies on an outsourced IT department with technical measures such as firewalls, antivirus software, access controls, data backup, network segmentation, staff training, and email protection software to guard against phishing attacks. Additionally, the Manager has Cyber insurance and a Cyber Security Incident Response Plan in place as well as a comprehensive Business Continuity Plan and an annual Disaster Recovery Test. The City Partnership has a similar robust framework in place.	Magnitude – High Likelihood - Low Change - No overall change, but the severity of the risk remains.

Governance risk

Risk	Mitigation	Magnitude, Likelihood & Change
The Directors of the Company are aware that an ineffective Board could have a negative impact on the Company.	The Board recognises the importance of effective leadership and board composition and this is ensured by completing an annual evaluation process, with action taken if required. The City Partnership is appointed as Company Secretary to monitor corporate governance best practice.	Magnitude – Medium Likelihood – Low Change - Risk exposure has not changed during the year.

Cash flow risk

Risk	Mitigation	Magnitude, Likelihood & Change
There is a risk that the Company's available cash will not be sufficient to meet its financial obligations. Guinness VCT invests in unquoted companies which are, by nature, illiquid as there is no readily available market for these shares. As a result, these investments may be difficult to realise for their fair market value at short notice.	The Manager closely and continually monitors the availability of cash resources. Cash flow forecasts and budgets are presented to and reviewed by the Board on a regular basis to ensure that the risk of insufficient cash to meet financial obligations is minimised.	Magnitude – High Likelihood – Low Change - Risk exposure has not changed during the year.

SECTION 172 STATEMENT

Section 172 of the Companies Act 2006 requires the Directors of the Company to act in a way that they consider, in good faith, will most likely promote the success of the Company for the benefit of the members as a whole. In doing so, the Directors should have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's 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 as between members of the Company.

The Board considers its primary stakeholder group to be its Shareholders . The Company takes several steps to understand the views of its key stakeholders and considers these, along with the matters set out above, in Board discussions and decision making.

The Company has no employees (other than its Directors) and no customers in a traditional sense and therefore there is nothing to report in relation to these relationships. In line with normal practice for Venture Capital Trusts, the day-to-day management and administration is delegated to the relevant third parties. The Board regularly engages with the third parties to set, approve and oversee the execution of the agreed business strategy and related policies. Ad hoc meetings and communications are convened where necessary to address specific issues to ensure an appropriate and transparent response is formulated.

The Board's principal concern is the interest of the Company's shareholders taken as a whole.

The Board encourages engagement and effective communication with the Company's shareholders. Shareholders are encouraged to attend the Company's AGM and, as the Company's portfolio of investments grows, consideration will be given to staging investor workshops at which the Company's shareholders will have the opportunity to hear from some of the Company's investee companies and put questions to both the Directors and the Manager.

The Board works closely with the Manager in reviewing how stakeholder issues are handled, ensuring good governance and responsibility in managing the Company's affairs. As well as having a Director from the Manager on the Board of the VCT, key stakeholders from the Manager also attend Board meetings. The Manager has therefore been well informed of any decisions the Board has made during the year and as a result has had opportunity to discuss the impact these decisions may have. The Manager provides updates to the Board on the entire portfolio at least quarterly.

The Manager works closely with each investee company to help steer business development and ensure effective communication of the investees' views and the Manager's recommendations.

With the aim of growing the Company's funds under management and, in turn, diversifying the Company's investment portfolio, the Company issued a prospectus in September 2023 to raise up to £15 million in aggregate. The Board also formed a Remuneration and Nomination Committee and approved a wide range of policies for the Company to strengthen its corporate governance and anticipate that stage in the Company's development when it may consider paying dividends, undertaking share buy-backs and offering a dividend reinvestment scheme.

Environmental, Social, Governance, Human Rights and Community Issues

The Board seeks to carry out the Company's affairs in a responsible manner and maintain high standards in respect of environmental, governance and social issues. The Company is required by law to provide details of environmental, employee, human rights, social and community issues. As a VCT the Company does not have any employees and as a result does not maintain specific policies in relation to these matters. The Company does, however, encourage the Manager to consider these issues, where appropriate, with regard to investment decisions.

Environment Policy & Greenhouse Gas Emissions

As a VCT with no physical assets, property, employees or operations, the Company has no direct environmental responsibilities, nor is it directly responsible for the emission of greenhouse gases. The Company has no direct carbon usage therefore there are no disclosures to make in this respect. Therefore, the Board has no specific environmental policy. The Company does however recognise the need to conduct its business, including investment decisions, in a manner that is responsible to the environment wherever possible.

VCT Regulations

The Company has engaged Philip Hare & Associates LLP to advise it on compliance with HMRC's VCT requirements, including evaluation of investment opportunities as appropriate and regular review of the portfolio. Although Philip Hare & Associates LLP works closely with the Manager, they report directly to the Board.

Statement of Long Term Viability

In accordance with provision 4.27 of The UK Corporate Governance Code published by the Financial Reporting Council in July 2018 (the "Code"), the Directors consider the Report to be fair, balanced, and understandable.

In line with provision 4.31 of the Code, the Directors have assessed the Company's prospects over the five-year period to 31 March 2029. This period has been considered appropriate for a business of this nature and size, because it is the minimum recommended investment period and the period for which investors are required to hold their shares in order to retain tax relief.

The Directors have carried out a robust assessment of the principal risks faced by the Company, considering its business model, future performance, solvency and liquidity. They deliberated over the Company's ability to maintain its VCT status with HM Revenue and Customs, and over the valuation of investments. Given the extent of available resources, the Board particularly assessed the ability of the Company to raise finance, as well as its ability to deploy capital. It reviewed income and expenditure projections and examined robust stress-tested cash flows to understand the impact of different scenarios. It also assessed the Manager and the processes in place for dealing with risks and identifying emerging threats. A detailed risk register is monitored and reviewed by the Board at least half-yearly.

The Board has determined that the Company will be able to continue in operation, maintain compliance with the VCT rules and meet its liabilities as they fall due for a period of at least five years from the accounts' approval date.

Other Disclosures

The Board of the Company is made up of three Directors, two of which are male and one is female. The Company has no employees.

The Board's Strategic Report contained on pages 16 to 26 has been approved by the Board and signed on its behalf by:

The City Partnership (UK) Limited
Company Secretary
11 July 2024

DIRECTORS' REPORT

The Statement of Corporate Governance on pages 30 to 34 forms part of the Directors' Report.

Principal activity and status

The Company is registered as a public limited company by shares under the Companies Act 2006 (Registration number 14220882). The address of the registered office is 18 Smith Square, London, SW1P 3HZ. The Company is a generalist VCT seeking to invest in a diversified portfolio of businesses that the Manager believes will provide the opportunity for value appreciation. The Company will focus on investments in growth companies in a range of sectors including technology, education, healthcare, manufacturing, retailing, leisure and food and drink. A review of the Company's business during the year ended 31 March 2024 is contained in the Chair's Statement and Manager's Review.

Directors

The Directors of the Company during the period under review were Ewen Gilmour, Joanna Santinon and Andrew Martin Smith. The Company indemnifies its directors and officers and has purchased insurance to cover its directors.

Dividend

No dividend was paid or declared during the year ended 31 March 2024.

The Company will target an annual dividend equivalent to 5 per cent of its net asset value as well as special dividends, where appropriate, from the proceeds of successful exists of portfolio companies that are not reinvested. It is envisaged that dividends will be paid from 2026 onwards, subject to the existence of realised profits, legislative requirements and the available cash reserves of the Company.

Share capital

As shown in note 16 to the financial statements, the Company had only one class of share as at 31 March 2024, being ordinary shares of 1p each.

Issue of ordinary shares and share buybacks

During the period ended 31 March 2024, a total of 4,393,923 (2023: 2,474,849) ordinary shares in the Company were issued as a result of an offer for subscription at an average price of 99.27 pence (2023: 100.51 pence) per share raising £4.36m (2023: £2.49m). One ordinary share in the Company was issued as a subscriber share. There were 6,868,733 (2023: 2,474,850) ordinary shares in issue at the year end.

No shares were bought back by the Company during the year ended 31 March 2024.

The shares are traded on the London Stock Exchange's main market for listed securities. It is likely, however, that there will be an illiquid market for such shares and, in such circumstances, shareholders may find it difficult to sell their shares in the market. The Company intends to pursue an active share buyback policy to improve the liquidity in the shares where the Company may repurchase shares which shareholders wish to sell at a discount of up to 5% to the latest published net asset value per share, subject to applicable regulations, market conditions at the time and the Company having both the necessary funds and distributable cash resources available for the purpose. The making and timing of any share buybacks will remain at the absolute discretion of the Board. The Directors expect that there will be limited demand for share buybacks from shareholders within the first five years because the only sellers are likely to be deceased shareholders' estates and those shareholders whose circumstances have changed (to such extent that they are willing to repay the 30% income tax relief in order to gain access to the net proceeds of the sale).

Capital disclosures

The rights and obligations attached to the Company's ordinary shares are set out in the Company's Articles of Association, copies of which can be obtained from Companies House. As at the date of this Report, the Company has one class of share in issue, ordinary shares, which carry no right to fixed income. The holders of ordinary 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.

Annual general meeting ("AGM")

The Notice of the AGM is on pages 66 to 69 of these financial statements.

Andrew Martin Smith, as a non-independent Director, is subject to annual re-election in accordance with the Listing Rules. Under the Company's Articles, each of Ewen Gilmour and Joanna Santinon are subject to re-election every second year. The Notice of AGM includes the following resolutions:

- Resolution 7, an ordinary resolution, is proposed to ensure the Directors retain the authority to allot shares in the Company until the date of the 2025 Annual General meeting up to an aggregate nominal amount of £250,000 (representing approximately 326% of the issued ordinary share capital of the Company as at 11 July 2024).
- Resolution 8, a special resolution, is proposed to empower the Directors to allot shares under the authority granted by resolution 7 without regard to any rights of pre-emption on the part of the existing shareholders.
- Resolution 9, a special resolution, is proposed to ensure that authority to buy back shares is in place until the date of the 2025 Annual General Meeting.

Auditor

A resolution to appoint BDO LLP as auditor of the Company will be proposed at the AGM.

Substantial shareholdings (individual shareholders over 3%)

	As at the date of this report		31 March 2024		31 March 2023	
Name of shareholder	No of ordinary shares held	% of shares in issue	No of ordinary shares held	% of shares in issue	No of ordinary shares held	% of shares in issue
Marco Compagnoni	605,994	7.9	400,000	5.8	200,000	8.1
Thomas Smith	405,994	5.3	405,994	5.9	-	-
Edward Guinness	400,000	5.2	400,000	5.8	200,000	8.1
Sean Lindsay	268,862	3.5	268,862	3.9	100,000	4.0

Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has adequate resources to continue in business for the foreseeable future (being a period of 12 months from the date these financial statements were approved). In reaching this conclusion the Directors took into account the nature of the Company's business and Investment Policy, its risk management policies and the cash holdings. They have also reviewed the budgets and forecasts, which have been subject to stress tests performed by the Manager, and consider the Company has adequate financial resources to enable it to continue in operational existence at least 12 months from the date of approval of the Financial Statements. Therefore, the Directors believe it is appropriate to continue to apply the going concern basis in preparing the financial statements.

Accountability and audit

The independent auditor's report is set out on pages 39 to 46 of this report. The Directors who were in office on the date of approval of this Report 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 and to establish that it has been communicated to the auditor.

Financial instruments

The Company's financial instruments will comprise investments held by the VCT, equity, cash balances and liquid resources including debtors and creditors. Details of the financial instruments held by the Company and the risk associated with them are set out in note 19 on pages 60 to 61 and in the Investment Portfolio section on pages 8 to 15.

Indemnity payments

There are no qualifying indemnity payments made on behalf of the Directors.

Risk management

Further details, including details about risk management, are set out on pages 21 to 24 and in note 19 on pages 60 to 61.

Future developments

Significant events which have occurred after the year end are detailed in note 21 on page 62. Future developments which could affect the Company are discussed in the outlook section of the Chair's Statement and in the Manager's Review.

By order of the Board
The City Partnership (UK) Limited
Company Secretary
11 July 2024

STATEMENT OF CORPORATE GOVERNANCE

The Board is committed to the principle and application of sound corporate governance and confirms that the Company has taken steps, appropriate to a venture capital trust and relevant to its size and operational complexity to comply with the provisions and recommendations of The UK Corporate Governance Code published by the Financial Reporting Council in July 2018 (the "Code"). The Code can be found on the website of the FRC at www.frc.org.uk.

The Directors acknowledge the section headed "Reporting on the Code" in the preamble to the Code which recognises that an alternative to complying with a provision may be justified in particular circumstances based on a range of factors, including the size, complexity, history and ownership structure of a company. Accordingly, the provisions of the Code have been complied with save that (i) the Company does not have a senior independent director (although the Chair is an independent director), (ii) the Company will 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 VCT, (iii) the Directors will not stand for annual re-election (but will comply with the Company's Articles concerning their re-election) other than Andrew Martin Smith who, as an employee of the Manager, is not considered independent and is, therefore, obliged to resign and stand for annual re-election as a Director pursuant to the Listing Rules. The independent Directors will stand for re-election every two years. The Board considers that these provisions are not relevant to the position of the Company due to the size and specialised nature of the Company, the fact that all Directors are non-executive and the costs involved.

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

The Board

The Board has overall responsibility for the Company's affairs, including determining its investment policy and having overall control, direction and supervision of the Manager. As the funds under management increase, it is probable that a Management Engagement Committee will be formed to monitor, on behalf of the Board, the Manager's performance. Meanwhile, the Board carries out the functions of a management engagement committee. The Investment Management Agreement between the Company and Guinness Asset Management Limited sets out the matters over which the Manager has authority. This includes monitoring the Company's assets. All other matters, including strategy, investment and dividend policies and corporate governance proceedings are reserved for the approval of the Board. The Board meets at least quarterly and additional meetings are arranged as necessary. Full and timely information is provided to the Board to enable it to function effectively and to allow the Directors to discharge their responsibilities. In addition, the Directors are responsible for ensuring that the policies and operations are in the best interests of all the Company's shareholders and that the best interests of creditors and suppliers to the Company are properly considered. The Chair and the company secretary establish the agenda for each Board meeting. The necessary papers for each meeting are distributed well in advance of each meeting ensuring all Directors receive accurate, timely and clear information. The Board has direct access to corporate governance and compliance services through the company secretary which is responsible for ensuring that Board procedures are followed and compliance requirements are met.

The Board comprises three non-executive Directors, two of whom act independently of the Manager. Accordingly, the majority of the Board, including the Chair, are independent of the Manager. The Directors have a wide range of investment, business, financial skills and knowledge relevant to the Company's business. Brief biographical details of each Director are set out on page 6.

The Board of the Company is made up of three Directors, two of which are male and one is female. The Company has no employees. The Board is aware that the Company has not met the three diversity targets set out in Listing Rule 9.8.6(9). However, the Board would point out that it comprises only three Directors, two of whom are independent. One of the two independent Directors is a woman and chairs the Company's audit committee. At this time, the Company does not have a Director from a minority ethnic background. The Board believes in the value

and importance of diversity in the boardroom but does not consider it appropriate or in the best interests of the Company to set prescriptive targets.

The Board has disclosed the following information in relation to its diversity based on the position at the Company's financial year ended 31st March 2024:

Gender	No. of Directors	% of Directors	No. of Senior Roles
Men	2	66.6	1*
Women	1	33.3	1**
Prefer not to say	0	0	0

Ethnicity	No. of Directors	% of Directors	No. of Senior Roles
White British (or any other white background	3	100.0	2
Mixed/ Multiple Ethnic Groups	0	0	0
Prefer not to say	0	0	0

*Ewen Gilmour is Chair of the Board.

** Joanna Santinon is Chair of the Audit Committee.

The Company may by ordinary resolution appoint any person who is willing to act as a Director, either to fill a vacancy or as an additional Director. No Director has a contract of service with the Company. All of the Directors have been provided with letters of appointment, copies of which are available for inspection on request at the Company's registered office and at the annual general meeting.

The Board is committed to ensuring that the Company is run in the most effective manner. The Board monitors the diversity of all Directors to ensure an appropriate level of experience and qualification. When making new appointments the Board takes into account other demands on directors' time and prior to appointment significant commitments would be disclosed. There are no specific guidelines set on length of Directors' service, including the Chair, as the Board believes that continuity of experience is most important.

Independence of Directors

The Board regularly reviews the independence of each Director and of the Board as a whole in accordance with the guidelines in the Code. Andrew Martin Smith, as an employee of Guinness Asset Management Limited, is not considered independent. Directors' interests are noted at the start of each Board meeting and any Director would not participate in the discussion concerning any investment in which he or she had an interest. The Board, note the UK Corporate Governance Code's recommendation that more than nine years of service would compromise independence, and so will consider the independence of a Director once he or she has served for more than nine years. The Board considers that continuity and experience can be of significant benefit to the Company and its shareholders. The Board believes that Ewen Gilmour and Joanna Santinon have demonstrated that they are independent in character and judgment and there are no relationships or circumstances which could affect their objectivity.

Board Performance

During the year, the Board approved a performance evaluation process which was completed after the year-end. Due to the size of the Company, the fact that all Directors are non-executive and the costs involved, external facilitators are not expected to be used in the evaluation. Post year end, on 17 May 2024, the Company Secretary presented the findings of the Board performance evaluation exercise, which consisted of a series of questionnaires. The Board concluded that all Directors continued to make an effective contribution and have the requisite skills and experience to continue to provide able leadership and direction for the Company. The Board also assessed and monitored its own culture, including its policies, practices and behaviour and was satisfied it is aligned with the Company's purpose, values and strategy.

Board and Committee Meetings

The following table sets out the Directors' attendance at full Board and audit committee meetings held during the year ended 31 March 2024.

	Board meetings		Audit committee meetings	
Director	Held	Attended	Held	Attended
Ewen Gilmour	4	4	2	2
Joanna Santinon	4	4	2	2
Andrew Martin Smith*	4	4	2	2

*Andrew Martin Smith is not a member of the audit committee but attends the audit committee meetings.

The Board is in regular contact with the Manager between Board meetings.

Remuneration & Nomination Committee

At a meeting held in February 2024, the Board established a remuneration & nomination committee comprising two independent non-executive Directors, Joanna Santinon (committee Chair) and Ewen Gilmour. The committee will meet at least once each year and its duties include:

- determining the policy for the Directors' remuneration;
- reviewing the ongoing appropriateness and relevance of the remuneration policy;
- regularly reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- ensuring plans are in place for orderly succession to Board positions and oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future; and
- being responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.

The committee did not meet in the year ended 31 March 2024, with the first meeting held post year end on 4 July 2024 with a further meeting scheduled for February 2025.

Report of the Audit Committee

The Company's audit committee ("Audit Committee") comprises the two independent non-executive Directors, Joanna Santinon (Audit Chair) and Ewen Gilmour. Due to his independence and experience the Board believes it is appropriate that the Chair of the Board is also a member of the Audit Committee. The Board is also satisfied that the committee as a whole has competence relevant to the venture capital trust sector and the requisite skills and experience to fulfil the responsibilities of the Audit Committee and meets the requirements of the Code as to recent and relevant financial experience.

The committee meets at least twice a year. The Company's auditors may be required to attend such meetings. The committee will prepare a report each year addressed to shareholders for inclusion in the Company's annual report and accounts. The duties of the committee are inter alia:

- to review and report to the Board on significant financial reporting issues and judgements which the financial statements, interim reports, preliminary announcements and related formal statements contain;
- to review the different valuation methodologies used to arrive at the investment valuations to be carried in the Company's financial statements;
- to monitor, review and report to the Board on internal control and risk management systems;
- to consider the appointment of the external auditor, to monitor its independence and objectivity, the level of audit fees and to discuss with the external auditor the nature and scope of the audit; and
- to prepare a formal report to shareholders on its activities to be included in the Company's annual report, which includes all information and requirements set out in the UK Corporate Governance Code.

During the year ended 31 March 2024 there were two full meetings of the committee; it will also meet subsequent to 31 March 2024 to review a draft of this Report.

The Directors carried out a robust assessment of the principal risks facing the Company and concluded that the key areas of risk which threaten the business model, future performance, solvency or liquidity of the Company are:

- compliance with HMRC VCT Regulations to maintain the Company's VCT status; and
- valuation of investments.

These matters are monitored regularly by the Manager and reviewed by the Board at every Board meeting. They were also discussed

with the Manager and the auditor at the Audit Committee meeting held to discuss these annual financial statements.

The committee concluded:

- VCT status – the Manager confirmed to the audit committee that the conditions for maintaining the Company's status had been complied with throughout the year. The Company's VCT status is also reviewed by the Company's tax adviser, Philip Hare & Associates, as described on page 26.
- Valuation of investments –the Manager confirmed to the audit committee that unquoted companies are valued in accordance with published industry guidelines. The valuations of unquoted companies take account of the latest available information about the investee companies and relevant current market data. A comprehensive report on the valuation of unquoted investments is presented and discussed at every Board meeting; Directors are also consulted about material changes to those valuations between Board meetings.

The Audit Committee is satisfied that the key areas of risk and judgement will be properly addressed in the financial statements and that the significant assumptions to be used in determining the value of assets and liabilities will be properly appraised and are sufficiently robust.

Relationship with the Auditor

The Audit Committee is responsible for overseeing the relationship with the external auditor, assessing the effectiveness of the external audit process and making recommendations on the appointment and removal of the external auditor.

When assessing the effectiveness of the process for the year under review, the Audit Committee considered the auditor's technical knowledge and its understanding of the business of the Company; whether the audit team was appropriately resourced; whether the auditor provided a clear explanation of the scope and strategy of the audit and whether the auditor 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. BDO LLP has held office as auditor since the inception of the Company. Public interest entities are required to put the external audit contract out to tender at least every ten years. BDO LLP has held office as auditor for two years as at the date of this Report; in accordance with ethical standards the engagement partner is rotated after at most five years, and the current partner has served for two years .

Following the review as noted above the Audit Committee is satisfied with the performance of BDO LLP and recommends the services of BDO LLP to the shareholders in view both of that performance and the firm's extensive experience in auditing VCTs.

Internal control and Risk management

The Board acknowledges that it is responsible for the Company's internal control systems and for reviewing their effectiveness. In accordance with the Code, the Audit Committee has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. The internal control systems aim to ensure the maintenance of proper accounting records, the reliability of the financial information upon which business decisions are made and which is used for publication, and that the assets of the Company are safeguarded. Internal controls can only provide reasonable and not absolute assurance against material misstatement or loss. The financial controls operated by the Board include the authorisation of the investment strategy and regular reviews of the results and investment performance.

The Board has delegated contractually to third parties, as set out on pages 19 to 20, the management of the investment portfolio, the safeguarding of the assets and the day-to-day accounting, company secretarial and administration requirements. The Board receives and considers regular reports from the Manager. Ad hoc reports and information are supplied to the Board as required. It remains the role of the Board to keep under review the terms of the investment management agreement with the Manager.

Regular review of the control systems is carried out which covers consideration of the key risks. Each risk is considered with regard to the controls exercised at Board level, reporting by service providers and controls relied upon. The company secretary reviews the annual statutory accounts to ensure compliance with Companies Acts and the Code and the audit committee reviews financial information prior to its publication. Quarterly management accounts are produced for review and approval by the Manager and the Board. Quarterly valuation reports, including valuation methodology, are also reviewed by the Audit Committee on behalf of the Board

and, where necessary, either valuations or methodology will be challenged.

The Board has also agreed a cycle of policy reviews, including policy compliance, which includes the Company's policy for approving and making payments.

Shareholder reporting

The Directors believe that communication with shareholders is important. Shareholders have access to a copy of the Company's annual report and accounts (expected to be published each July) and a copy of the Company's half-yearly report (expected to be published each November). These will be made available on the Manager's website. Shareholders and their advisers (if applicable) will also receive updated reports from the Company and the Manager on the progress of the Company. In order to reduce the administrative burden and cost of communicating with shareholders, the Company intends to publish all notices, documents and information to be sent to shareholders generally on the Manager's website (www.guinnessgi.com/ventures/guinness-vct). Increased use of electronic communications will deliver significant savings to the Company in terms of administration, printing and postage costs, as well as speeding up the provision of information to shareholders. The reduced use of paper will also have environmental benefits. Shareholders will be notified when documents are published on the Manager's website. Such notification will be delivered electronically (or by post where no email address has been provided for that purpose). The Company welcomes the views of shareholders and places great importance on communication with its shareholders. Shareholders will have the opportunity to meet the Board at the annual general meeting. All shareholders are welcome to attend the meeting and to ask questions of the Directors. The Board is also happy to respond to any written queries made by shareholders during the course of the year. All communication from shareholders is recorded and reviewed by the Board to ensure that shareholder enquiries are promptly and adequately resolved.

On behalf of the Board
Ewen Gilmour
Non-executive Chair
11 July 2024

DIRECTORS' REMUNERATION REPORT

Introduction

This report has been prepared in accordance with the requirements of the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the "Regulations"). Ordinary resolutions for the approval of the Directors' Annual Report on remuneration will be put to members at the Company's next AGM to be held on 29 August 2024.

This Directors' Remuneration Report is audited by the Company's auditor, BDO LLP, and any material misstatements are identified through this. The disclosures which have been audited are indicated as such. The auditor's opinion on these and other matters is included in the Independent Auditor's Report on pages 39 to 46.

Annual statement from the Chair of the Board

Directors' fees are reviewed annually and are set by the Board to attract individuals with the appropriate range of skills and experience. In determining the level of fees their duties and responsibilities are considered, together with the level of time commitment required in preparing for and attending meetings. Directors' fees have not changed in the period.

Directors' remuneration policy

At a meeting held in February 2024, the Board established a Remuneration & Nomination Committee. The current policy is that the remuneration of non-executive Directors should reflect the experience of the Board as a whole, be fair and comparable with that of other companies that are similar in size and nature to the Company and have similar objectives and structures. Directors' fees are set with a view to attracting and retaining the Directors required to oversee the Company effectively and to reflect the specific circumstances of the Company, the duties and responsibilities of the Directors and the value and amount of time committed to the Company's affairs. It is the intention of the Committee that, unless any revision to this policy is deemed necessary, this policy will continue to apply in the forthcoming and subsequent financial years.The Board has not received any views from the Company's shareholders in respect of the levels of Directors' remuneration.

The Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits. No arrangements have been entered into between the Company and the Directors to entitle any of the Directors to compensation for loss of office.

No Director has a contract of service with the Company. All of the Directors have been provided with letters of appointment, copies of which are available for inspection on request at the Company's registered office and at the annual general meeting.

Directors' annual report on remuneration

Terms of appointment

No Director has a contract of service with the Company. Each of the Directors entered into an agreement with the Company dated 18 October 2022 whereby he or she is required to devote such time to the affairs of the Company as the Board reasonably requires consistent with their role as non-executive Director. Ewen Gilmour is entitled to receive an annual fee of £30,000 (plus VAT if applicable), Joanna Santinon is entitled to receive an annual fee of £25,000 (plus VAT if applicable) and Andrew Martin Smith is entitled to receive an annual fee of £15,000 (plus VAT if applicable). Each party can terminate the agreement by giving to the other at least six months' notice in writing to expire at any time after the date 12 months from the respective commencement dates. No benefits are payable on termination.

Directors are subject to election by shareholders at the first annual general meeting after their appointment. The Company's Articles of Association provide for a maximum level of total remuneration of £200,000 per annum in aggregate.

Directors are remunerated exclusively by fixed fees and do not receive bonuses, share options, long term incentives, pension or other benefits. There is no comparative information in respect of employee remuneration as the Company has no employees.

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 fixed fee £	Total fixed fee for the year ended 31 March 2024** £	Total annual fixed fee £	Total fixed fee for the period ended 31 March 2023* £
Ewen Gilmour	30,000	30,870	30,000	815
Joanna Santinon	25,000	25,725	25,000	679
Andrew Martin Smith	15,000	15,435	15,000	408
	70,000	72,030	70,000	1,902

*Directors fees were not payable and did not accrue until the first allotment of shares under the offer for subscription. Directors' fees for the period to 31 March 2023 were accrued in but not paid as at 31 March 2023.

** The aggregated amount of NI contribution paid on directors' remuneration totalled to £1,513 (2023: £Nil). Contributions paid on remuneration of Ewen Gilmour, Joanna Santinon and Andrew Martin Smith were £Nil, £1,513 and £Nil respectively (2023: £Nil).

Annual percentage change in Directors' remuneration (Unaudited)

Director's name	*% change for the year ended 31 March 2024*
Ewen Gilmour	-
Joanna Santinon	-
Andrew Martin Smith	-

Relative importance of spend on Directors' fees

The table below shows the remuneration paid to Directors and shareholder distributions in the period to 31 March 2024:

	2024 £	2023 £
Total dividend paid to shareholders	-	-
Total repurchase of own shares	-	-
Total directors' fees	72,030	1,902

Directors' shareholdings (Audited)

The Directors who held office at year-end and their interests in the shares of the Company (including beneficial and family interests) were:

	31-Mar-24		31-Mar-23	
	Shares held	% of issued share capital	Shares held	% of issued share capital
Ewen Gilmour	40,299	0.6	30,000	1.2
Joanna Santinon	20,000	0.3	5,000	0.2
Andrew Martin Smith	40,000	0.6	40,000	1.6

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

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 Manager through the management agreement. The Board intends to compare the Company's NAV per share to the MSCI UK Small Cap Index. This index was chosen as the benchmark for investment performance because its constituents are smaller UK listed companies and therefore closest to the small private companies in which the Company will invest. However, readers should note that the differences between the scale, capital structure and liquidity of investments included in this index differ markedly to typical VCT investments. It should also be noted that VCTs are not able to make qualifying investments in companies quoted on the Main Market.

Shareholder voting

At the last Annual General Meeting, 100 per cent of shareholders who exercised their voting rights (8 shareholders holding a total of 331,210 Ordinary shares) voted for the resolution approving the Directors' Remuneration Report, and there were no withheld votes.

On behalf of the Board
Ewen Gilmour
Non-executive Chair
11 July 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that year.

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 applicable UK 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; and
- prepare a Strategic Report, a Directors' 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 provide the information necessary for shareholders to assess the Company's position, 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. A copy is maintained on the website by the Manager on behalf of the Company. 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 which have been prepared in accordance with UK Generally Accepted Accounting Practice 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 it faces.

The Board considers the annual report and financial statements, taken as a whole, are fair, balanced and understandable and that it provides the necessary information for shareholders to assess the Company's performance, business model and strategy.

On behalf of the Board
Ewen Gilmour
Non-executive Chair
11 July 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUINNESS 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 Guinness VCT plc (the 'Company') for the year ended 31 March 2024 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Statement of Cash Flow and the 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 Members on 30 August 2023 to audit the financial statements for the period 31 March 2023 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 2 years, covering the period ended 31 March 2023 to year ended 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; and
- 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.

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

Key audit matters		2024	2023
	Valuation of unquoted investments	✓	✗
	This is the first year in which Key audit Matters are being reported.		
Materiality	*Company financial statements as a whole*		
	£133,000 (2023: £25,000) based on 2% (2022: 1%) of Net assets		

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		How the scope of our audit addressed the key audit matter
Valuation of unquoted investments (Note 6(a) and Note 12)	We consider the valuation of unquoted investments to be the most significant audit area as there is a high level of estimation uncertainty involved in determining the unquoted investment valuations. There is an inherent risk of management override arising from the unquoted investment valuations being prepared by the Investment Manager, who is remunerated based on net asset value.	For all unquoted investments we: Challenged 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. We have recalculated the value attributable to the Company, having regard to the application of enterprise value across the capital structures of the investee companies. For investments that were valued using less subjective valuation techniques (cost and price of recent investment reviewed for changes in fair value) we: • Verified the cost or 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 already investors of the investee Company.

		• Considered whether there were any indications that the cost or price of recent investment was no longer representative of fair value considering, inter alia, the current performance of the investee company; and • Considered whether the price of recent investment is supported by alternative valuation techniques For the investment that was valued using more subjective techniques (revenue multiples) we: • Challenged and corroborated the input to the valuation with reference to management information of the investee company, market data and our own understanding and assessed the impact of the estimation uncertainty concerning these assumptions; • Reviewed the historical financial statements and any recent management information available to support assumptions about maintainable revenue used in the valuation; • Considered the revenue multiple applied and the discount applied by reference to observable listed company market data; and • Challenged the consistency and appropriateness of adjustments made to such market data in establishing the revenue multiple applied in arriving at the valuation adopted by considering the individual performance of investee company against plan and relative to the peer group, the market and sector in which the investee company operates and other factors as appropriate. Where appropriate, we performed a sensitivity analysis by developing our own point estimate where we considered that alternative input assumptions could reasonably have been applied and we considered the overall impact of such sensitivities on the portfolio of investments in determining whether the valuations as a whole are reasonable and free from bias. *Key observations* Based on the procedures performed we consider the investment valuations to be appropriate considering the level of estimation uncertainty.

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	£133,000	£25,000
Basis for determining materiality	2% of Net assets.	1% of Net assets.
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 net assets.	In setting materiality, we have had regard to the nature of the entity and the limited activity in the year.
Performance materiality	£100,000	£16,000
Basis for determining performance materiality	75% of materiality.	75% of materiality.
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.	The level of performance materiality applied was set after having considered a number of factors including likely misstatements and the level of transactions in the year.

Reporting threshold

We agreed with the Audit Committee that we would report all individual audit differences to them in excess of £6,600 (2022: £1,200). 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.

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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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;
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations; and

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 February 2018 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 Investment 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 the Company's VCT Tax Adviser during the year and as at year end and reviewing their calculations 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 Investment Manager, the Administrator and those charged with governance regarding any known or suspected instances of 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 unlisted 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.

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, UK
11 July 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

	Note	Revenue £	Capital £	Total £
Gain on investments held at fair value	*12*	-	113,899	113,899
Loss on quoted investments held at fair value	*12*	(690)	-	(690)
Investment income	*7*	60,685	-	60,685
Manager's fee	*8*	(8,976)	(26,929)	(35,905)
Other expenses	*9*	(215,983)	-	(215,983)
(Loss)/profit before taxation		(164,964)	86,970	(77,994)
Taxation	*10*	-	-	-
(Loss)/profit attributable to equity shareholders		(164,964)	86,970	(77,994)
Return per Ordinary shares (pence)	*11*	(3.57)	1.88	(1.69)

INCOME STATEMENT
for the 9 months period ended 31 March 2023

	Note	Revenue £	Capital £	Total £
Manager's fee	*8*	(342)	(1,024)	(1,366)
Other expenses	*9*	(31,571)	-	(31,571)
Loss before taxation		(31,913)	(1,024)	(32,937)
Taxation	*10*	-	-	-
Loss attributable to equity shareholders		(31,913)	(1,024)	(32,937)
Return per ordinary share (pence)	*11*	(1.29)	(0.04)	(1.33)

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") updated in July 2022 with consequential amendments. A separate Statement of Comprehensive Income has not been prepared as all income is included in the Income Statement.

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

The notes on pages 51 to 62 are an integral part of the financial statements.

STATEMENT OF CHANGE IN EQUITY

for the year ended 31 March 2024

	Non-distributable reserves			Distributable reserves*		Total
	Called up share capital £	Share premium £	Capital reserve £	Capital reserve £	Revenue reserve £	Total reserve £
Opening balance as at 1 April 2023	**74,749**	**2,450,101**	**-**	**(1,024)**	**(31,913)**	**2,491,913**
Total comprehensive income/(loss) for the period	-	-	113,899	(26,929)	(164,964)	(77,994)
Contributions by and distributions to owners:						
Shares issued (Note 16)	43,939	4,317,845	-	-	-	4,361,784
Share issue expenses	-	(48,223)	-	-	-	(48,223)
Redeemable preference shares cancellation (Note 16)	(50,000)	-	-	-	-	(50,000)
Closing balance as at 31 March 2024	**68,688**	**6,719,723**	**113,899**	**(27,953)**	**(196,877)**	**6,677,480**

STATEMENT OF CHANGE IN EQUITY

for the 9 month period ended 31 March 2023

	Non-distributable reserves			Distributable reserves*		Total
	Called up share capital £	Share premium £	Capital reserve £	Capital reserve £	Revenue reserve £	Total reserve £
Total comprehensive loss for the period	-	-	-	(1,024)	(31,913)	(32,937)
Contributions by and distributions to owners:						
Shares issued	24,749	2,462,652	-	-	-	2,487,401
Share issue expenses	-	(12,551)	-	-	-	(12,551)
Redeemable preference shares issued	50,000	-	-	-	-	50,000
Closing balance as at 31 March 2023	**74,749**	**2,450,101**	**-**	**(1,024)**	**(31,913)**	**2,491,913**

The notes on pages 51 to 62 are an integral part of the financial statements.

BALANCE SHEET

as at 31 March 2024

	Note	31 March 2024 £	31 March 2023 £
Fixed assets			
Investments	*12*	5,379,530	-
Current assets			
Debtors	*14*	110,220	58,285
Funds held by Administrator	*19*	1,086,885	-
Cash at bank and in hand		254,112	2,487,400
Creditors: amounts falling due within one year	*15*	(153,267)	(53,772)
Net current assets		1,297,950	2,491,913
Net assets		6,677,480	2,491,913
Capital and reserves			
Called up share capital	*16*	68,688	24,749
Share premium account		6,719,723	2,450,101
Redeemable preference shares	*16*	-	50,000
Capital reserves		85,946	(1,024)
Revenue reserves		(196,877)	(31,913)
Total shareholders' funds		6,677,480	2,491,913
Net asset value per Ordinary share (pence)	*18*	97.21	98.67

The Financial Statements were approved by the Directors and authorised for issue on 11 July 2024 and signed on their behalf by:

Ewen Gilmour
Non-executive Chair

Company registered number: 14220882

The notes on pages 51 to 62 are an integral part of the financial statements.

STATEMENT OF CASH FLOW

for the year ended 31 March 2024

	Notes	Year ended 31 March 2024 £	9-month period ended 31 March 2023 £
Operating activities			
Loss before taxation for the period		(77,994)	(32,937)
Net gain on investments	*12*	(113,899)	-
(Increase) in debtors		(101,935)	(8,285)
Increase in creditors		87,559	41,222
Net cash outflow from operating activities		(206,269)	-
Cash flows from investing activities			
Purchase of investments	*12*	(4,160,128)	-
Purchase of quoted investments (Money Market Funds)	*12*	(2,775,000)	
Proceeds from sale of quoted investments (Money Market Funds)	*12*	1,668,807	-
Net cash outflow from investing activities		(5,266,321)	-
Net cash outflow before financing		(5,472,590)	-
Cash flows from financing activities			
Proceeds from share issues *		3,274,300	2,487,400
Share issue costs		(34,998)	-
Net cash inflow from financing activities		3,239,302	2,487,400
(Decrease)/increase in cash and cash equivalents		(2,233,288)	2,487,400
Cash at bank and in hand at the beginning of the period		2,487,400	-
Cash at bank and in hand at the end of the period		254,112	2,487,400

*Proceeds from share issue differ from the Statement of Changes in Equity due to funds held by Administrator being in transit and received post the year end.

The notes on pages 51 to 62 are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Company information

The Company is a public limited company by shares, incorporated in England and Wales. The registered address is 18 Smith Square, London SW1P 3HZ. The principal activity is investing in un-listed 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 with the Companies Act 2006 and in accordance with the SORP issued by the Association of Investment Companies ("AIC") in July 2022. 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. All values in these financial statements are rounded to the nearest pound, except where stated.

3. Going concern

The Board of Directors is satisfied that the Company has adequate availability to continue as a going concern and are satisfied that the Company has adequate resources to continue in business for the foreseeable future (being a period of 12 months from the date these Financial Statements were approved). In reaching this conclusion the Directors took into the account the nature of the Company's business and Investment Policy, its risk management policies, and the cash holdings. As at 31 March 2024 the Company held cash balance with value of £254,112 (2023: £2,487,400). There was also cash held by the Administrator of the Offer account totalling £1,086,885 which was received by the Company post the year end. The Company also held £1,105,503 in highly liquid money market funds at the year end, which the Company can sell to satisfy cash requirements. In the year ended 31 March 2024, the Company had operating expenses of £251,888. The Company also benefits from the Manager's cost cap which limits annual running expenses to 3.5% of year end NAV. The Directors have reviewed the budgets and forecasts, which have been subject to stress tests performed by the Manager, and consider the Company has adequate financial resources to enable it to continue in operational existence at least 12 months from the date of approval of the Financial Statements. The stress tests included a scenario that assumed the Company raised no future funds which had no impact on the going concern basis of the Company. Thus, the Directors believe it is appropriate to continue to apply the going concern basis in preparing the financial statements.

4. Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business, being investment business.

5. 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, liabilities and income and expenses. Estimates and assumptions mainly relate to the fair value of the fixed asset investments, particularly unquoted investments. The valuation methodologies used when valuing unquoted investments provide a range of possible values. Judgments are made to determine the best valuation methodology in order to ascertain the fair value of unquoted investments. Estimates are based on historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions are under continuous review with attention paid to the carrying value of the investments.

More information related to unquoted investments and their valuations is included in Note 12 and the Manager's Review on page 7.

Judgements

The Directors consider that the preparation of the Financial Statements involves the following key judgements:

i. the determination of the functional currency of the Company as sterling (see rationale in 2. above); and

ii. the fair valuation of the unlisted investments

The key judgements in the fair valuation process are:

i. the Manager's determination of the appropriate application of IPEV Guidelines to each unlisted investment; and

ii. the Directors' consideration of whether each fair value is appropriate following review and challenge. The judgement applied in the selection of methodology used for determining fair value of each unlisted investment can have a significant impact upon the valuation.

Estimates

The key estimate in the Financial Statements is the determination of the fair value of the unlisted investments by the Manager for consideration by the Directors. This estimate is key as it significantly impacts the valuation of the unlisted investments at the Balance Sheet date. The fair valuation process involves estimation using subjective inputs that are unobservable (for which market data is unavailable). The main estimates involved in the selection of the valuation process inputs are:

i. the selection of appropriate comparable companies in order to derive revenue multiples and meaningful relationships between enterprise value, revenue and earnings growth. Comparable companies are chosen on the basis of their business characteristics and growth pattern;

ii. the selection of a revenue metric, either historic or forecast;

iii. the selection of an appropriate industry benchmark index to assist with the valuation validation or the application of valuation adjustments, particularly in the absence of established earnings or closely comparable peers; and

iv. the multiple is adjusted to reflect any risk associated with lack of marketability and to take account of the differences between the investee company and the benchmark company or companies used to derive the multiple.

6. Accounting policies

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

a. Investments

The Company held quoted investments (Money Market Funds) during the reporting period. The Money Market Funds fair value is established by reference to bid, or last market prices at the close of business on the balance sheet date.

Investments in unlisted companies are held at fair value through profit or loss. 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. The fair value of unquoted investments is assessed by the Directors with reference to the International Private Equity and Venture Capital Valuation Guidelines December 2022 ("IPEV guidelines") which include the following techniques:

i. Where a value is indicated by a material arms-length transaction by an independent third party in the shares of a company within the last twelve months. This value will be used only if, after careful consideration of all the facts and circumstances it is considered the best measure of fair value.

ii. In the absence of (i), and depending upon both the subsequent trading performance and investment structure of an investee company, the valuation basis will usually move to either:

   a. a revenue multiple basis. The shares may be valued by applying a suitable enterprise value-to-revenue ratio to that company's historical, current, or forecast revenue, or to the revenues (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified by the Manager compared with the sector including, inter alia, a lack of marketability); or
   b. an assessment of other relevant, objective evidence.

iii. Where a revenue multiple or other objective evidence is not appropriate and overriding factors apply, discounted cash flow or net asset valuation bases may be applied.

b. Income

Dividends receivable on quoted investments are recognised as revenue on the date on which the shares or units are marked as ex-dividend basis. Where no ex-dividend date is available, the revenue is recognised when the Company's right to receive payment has been established.

Interest receivable on bank deposits and quoted investments is included in the financial statements on an accruals basis.

c. Expenses

All expenses are accounted for on an accruals basis. In respect of analysis between revenue and capital items presented within the income statement, all expenses have been accounted for as revenue 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.

Expenses which are incidental to the purchase of an investment and do not exceed total of £5,000 during the year are charged through the capital reserve. Any other transaction costs are taken to the revenue column of the Income Statement.

d. Cash at bank and in hand

Cash at bank and in hand comprises cash in hand and at bank deposits with an original maturity of less than three months, readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

e. Funds held by Administrator

Funds held by Administrator on behalf of the Company relate to the allotment on 28 March 2024. The Administrator holds the Offer bank account to which the subscription funds are received from the investors. The Administrator transfers the funds to the VCT after each allotment. As the last allotment was on 28 March 2024, the funds were transferred to and received by the VCT on 3 April 2024.

f. Financial instruments

The Company has applied the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all of its financial instruments. Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Most of the Company's financial instruments fall under the 'Basic financial instruments' category and comprise its cash balances, funds held by the Administrator and most debtors and creditors. These financial assets and financial liabilities are initially and subsequently measured at the transaction price (including transaction costs) less any impairment.

The Company's investment portfolio falls within the scope of Section 12 'Other Financial Instruments', and is measured and carried at fair value through profit or loss.

g. Equity

Called up share capital

Equity instruments (ordinary shares and redeemable preference shares) issued by the Company are recorded at the nominal amount.

Share premium

The share premium account is a non-distributable reserve which represents the price paid for shares and the nominal value of the shares, less issue costs.

Non-distributable capital reserve

Non-distributable capital reserve represents increases and decreases in the value of investments held at the period-end.

Distributable capital reserve

The following are disclosed in this reserve:

- gains and losses on the disposal of investments;
- gains and losses on sale of quoted investments, and
- expenses allocated to this reserve in accordance with the above policies.

Revenue reserve

The revenue reserve represents accumulated profits and losses, and any surplus profit is distributable by way of dividends.

h. 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 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 that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

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.

7. Income

	2024 £	2023 £
Dividends received	58,135	-
Other income	2,550	-
	60,685	-

8. Manager's fee

	Year ended 31 March 2024			Period ended 31 March 2023		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Guinness Asset Management Limited fee	25,389	76,167	101,556	342	1,024	1,366
Cost cap provision	(16,413)	(49,238)	(65,651)	-	-	-
	8,976	26,929	35,905	342	1,024	1,366

Guinness Asset Management Limited has been appointed as the Company's Manager. This appointment shall continue for a period of five years following the allotment of any Ordinary shares 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.

Details of the appointment may be found in the Strategic Report on pages 16 to 26.

9. Other expenses

	Year ended 31 March 2024 £	9 month Period ended 31 March 2023 £
Directors' remuneration - fees	76,300	1,902
Administration fees	12,096	1,051
Registrars' fee	10,215	219
Auditor's remuneration – audit of Statutory Financial Statements	40,000	15,000
Other professional fees	30,573	817
Other costs	28,637	8,777
Irrecoverable VAT	18,162	3,805
	215,983	31,571

The Company has no employees other than the Directors.

Information relating to Director's remuneration can be found in the audited section of the Director's Remuneration Report on page 36.

10. Taxation

a) Analysis of tax charge

	2024 £	2023 £
Current year charge:		
Revenue charge	-	-
Credited to capital return	-	-
Current tax charge (Note 10b))	-	-
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 £	2023 £
Profit/(loss) on ordinary activities before taxation	(77,994)	(32,937)
Effect of:		
Profit/(loss) before taxation multiplied by average rate of corporation tax in UK of 25% (2023 19%)	(19,499)	(6,258)
Effect of non-taxable (gains)	-	-
Effect of timing difference loss not recognised carried forward	19,499	6,258
Tax charge for year (Note 10a))	-	-

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.

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 value of the unrecognised deferred tax asset is £70,313 (2023: £7,978) based on losses carried forward of £281,251 (2023: £31,913). 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.

11. Return per Ordinary share (Basic and Diluted)

	Year ended 31 March 2024			10 day period ended 31 March 2023*		
	Net(loss)/ profit £	Weighted average shares	Return per share pence	Net loss £	Weighted average shares	Return per share pence
Revenue	(164,964)	4,616,591	(3.57)	(31,913)	2,474,850	(1.29)
Capital	86,970	4,616,591	1.88	(1,024)	2,474,850	(0.04)
Total	(77,994)	4,616,591	(1.69)	(32,937)	2,474,850	(1.33)

*** Weighted average number of shares was calculated based on the 10-day period i.e. from the first allotment on 22 March 2023, which was the first transaction made by the Company.**

The Company has no dilutive shares and consequently, basic and diluted return per ordinary share are equivalent in both the year ended 31 March 2024 and period ended 31 March 2023.

12. Investments

	Notes	Unquoted investments £	Money Market Funds £	Total £
Opening valuation:				
Cost as at 31 March 2023		-	-	-
Valuation at 31 March 2023		-	-	-
Movements in the year:				
Purchased at cost		4,160,128	2,775,000	6,935,128
Sales proceeds		-	(1,668,807)	(1,668,807)
Unrealised gains		113,899	-	113,899
Decrease in investment holding		-	(690)	(690)
Total movements in period		4,274,027	1,105,503	5,379,530

	Notes	Unquoted investments £	Money Market Funds £	Total £
Closing valuation:				
Cost at 31 March 2024		4,160,128	1,106,193	5,266,321
Unrealised gains at 31 March 2024	17	113,899	-	113,899
Investment holding losses at 31 March 2024		-	(690)	(690)
Valuation at 31 March 2024		4,274,027	1,105,503	5,379,530

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:

Level 1: quoted prices in active markets for identical assets or liabilities. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is defined as a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1 and comprise AIM quoted investments and money market funds as held at fair value through profit or loss.

The Company invested in quoted investments during the year, and held investments in this category at 31 March 2024.

Level 2: the fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The Company has no investments classified in this category.

Level 3: the fair value of financial instruments that are not traded in an active market (for example, investments in unquoted companies) is determined by using valuation techniques such as revenue multiples. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The majority of the Company's investments fall into this category at 31 March 2024.

Most companies, due to the recency of investment were valued at the price of that investment. Calibration exercises for investments held at price of recent investment were conducted using relevant public market trading multiples based off sector, business model, growth rate etc). The remaining investments were valued using a multiple of revenue based off a relevant public market peer set.

Valuation Methodology	Total Value of Investments
Revenue Multiple	£463,898
Held at Price of Recent Investment	£3,810,129
Quoted Price (Money Market Funds)	£1,105,503

The Board acknowledges the uncertainty that accompanies the valuation of unquoted investments and has conducted sensitivities to determine the impact of changing these parameters on the fair value of the portfolio. Revenue multiples are based on the multiples of a comparable publicly listed companies where the change in value of a market multiple could lead to a significant change in the fair value of the portfolio. The prices of new investments that are agreed are subjective and could affect the value of any prior holding in that company.

Valuation Methodology	Input modified	Change to input	Increase in fair value of investments	Increase in NAV per share
Revenue Multiple	Reference public revenue multiple	+20%	£88,983	1.30p
		-20%	(£88,983)	(1.30p)
Price of recent investment	Price of recent investment	+20%	£762,026	11.09p
		-20%	(£762,026)	(11.09p)

The aggregated effect of these sensitivities could be to decrease, or increase, the value of the Companies unquoted investments by £0.85 million which, in turn, would decrease or increase NAV per share by 12.39p and also impact the Income Statement by the amount of the valuation change. However, it is likely that the downside effect would be reduced given the majority of investments have downside protection achieved through preference shares. For valuations determined by a revenue multiple, the average multiple used was 6.1x.

13. Significant interests

Investee company	Total Equity (fully diluted) held by Guinness EIS* Portfolios (%)	Equity (fully diluted) held by Guinness VCT Plc (%)
Aptem	18.0%	1.1%
Baby Mori	21.2%	1.3%
BBC Maestro	6.4%	1.3%
Dragonfly	17.3%	1.3%
Fable Data	2.2%	0.3%
Fussy	9.0%	1.0%
Holibob	8.8%	0.9%
Plotbox	13.5%	1.3%
Qureight	4.0%	0.9%
Sessions Market	13.5%	0.9%
Sportable	7.3%	0.9%
Wrisk	7.8%	0.9%

The voting rights for each investee company are aligned with the equity interest disclosed in the table above.

*Guinness EIS portfolios refer to other services managed by the Manager which may co-invest alongside the VCT.

Further details of the holdings may be found in the Investment Portfolio section on pages 8 to 15.

14. Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Prepayments	23,249	8,285
Other debtors	86,971	50,000
	110,220	58,285

15. Creditors

	2024 £	2023 £
Amounts falling due within one year:		
Trade creditors	27,611	264
Other creditors	5,828	27,671
Accruals	119,828	25,837
	153,267	53,772

16. Called up share capital

During the year, the Company issued 4,393,923 Ordinary shares for a consideration of £4,361,785.

	2024 Number	2024 £	2023 Number	2023 £
Allotted, issued, and fully paid during the period:				
Ordinary shares (1p shares)	6,868,773	68,688	2,474,850	24,749
Redeemable preference shares (£1 shares)	-	-	50,000	50,000

The redeemable preference shares:

- carry the right to receive a fixed cumulative preferential dividend from the revenue profits of the Company which are available for distribution and which the Directors determine to distribute by way of dividend in priority to any dividend payable on the ordinary shares at the rate of 0.1% per annum (exclusive of any imputed tax credit available to shareholders) on the nominal amount thereof, but confer no other right to a dividend;
- confer no right to receive notice of, or to attend or vote at general meetings, except where the rights of holders of redeemable preference shares are to be varied or abrogated;
- on a winding up confer the rights to be paid out of the assets of the Company available for distribution the nominal amount paid up to such shares pari passu with, and in proportion to, the amount of capital paid to the holders of the ordinary shares, but do not confer any right to participate in any surplus assets of the Company; and
- are capable of being redeemed by the Company at any time and on their redemption the holders thereof shall, subject to the provisions of the Act, be paid sum equivalent to the amount paid on each redeemable preference share held and each redeemable preference share which is redeemed shall thereafter be cancelled without any further resolution or consent.

On 3 October 2022, the Company allotted and issued 50,000 redeemable preference shares of £1.00 each to Guinness Asset Management Limited. These 50,000 redeemable preference shares were paid up, fully redeemed and subsequently cancelled on 4 May 2023.

17. Reserves

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

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

Capital reserves include all costs which are considered capital in nature. As at 31 March 2024 there were losses of £85,946 (2023: £1,024), and unrealised gains of £113,899 (2023: £Nil).

Revenue reserves includes all retained profits and losses. The balance on the account is distributable.

18. Net asset value per Ordinary share

	2024			2023		
	Net assets £	Ordinary shares	NAV per share pence	*Net assets £	Ordinary shares	NAV per share pence
Ordinary share	6,677,480	6,868,733	97.21	2,441,913	2,474,850	98.67

*The net assets attributable to the Ordinary shares are the net assets of the Company less the deemed value (£50,000) of the redeemable preference shares.

19. Financial instruments

The Company's financial instruments comprise equity, cash balances and liquid resources including debtors and creditors.

The Company holds financial assets in accordance with its investment policy to invest in qualifying investments and Money Market Funds.

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

	2024		**2023**	
	Cost £	**Fair value £**	**Cost £**	**Fair value £**
Assets at fair value through profit or loss:				
Equity investments	4,160,128	4,274,027	-	-
Money Market Funds	1,106,193	1,105,503	-	-
	5,266,321	5,379,530	-	-

	2024 Cost £	**2023 Cost £**
Assets measured at amortised cost:		
Cash at bank	254,112	2,487,400
Funds held by Administrator	1,086,885	-
Other debtors	86,971	58,285
Liabilities measured at amortised cost:		
Creditors	(33,439)	27,935
Accruals	(119,828)	25,837
	1,274,701	2,599,457

When an investment has been made recently, the value of that investment is based on its cost, reviewed for impairment or uplift. This valuation is also calibrated with the most appropriate choice of a market-based multiple or discounted cash flow analysis, and considering any significant triggers or events that may affect it. This same valuation model will typically be used to value the investment when there has been no recent investment to provide firm evidence of the market price of an investment, subject to a review to confirm it is still most appropriate. Adjustments consistent with the IPEV guidelines may be made to the resulting company valuation if deemed appropriate by the Board.

The Company's investment policy means that many portfolio companies are targeting long-term growth and will not reach sustained profitability for some years. Consequently, a revenue multiple

will often be the most appropriate market-based methodology to use for the calibration and valuation models. However, the Company would expect to switch to an earnings multiple when an investment has achieved the scale required for consistent profitability.

In the valuation models and calibration exercise, comparable trading multiples are selected, based on the most relevant combination of sector, size, growth rate, developmental stage, and strategy. The multiple for each company is calculated by dividing the enterprise value of the comparable by its revenue or earnings as appropriate, and adjusting for other considerations such as illiquidity, territories served, and other company specific circumstances.

Further details of the bases on which financial instruments, including investments, are held may be found in Note 6 and Note 12 and in the Investment Portfolio Section on pages 8 to 15.

Market and Investment valuation risk

Market risk is the exposure of the Company to the revaluation and devaluation of investments as a result of macroeconomic changes. The main driver of market risk is the dynamics of market quoted comparators as well as the financial and operational performance of portfolio companies. The Board seeks to reduce this risk by diversifying investments across a variety of sectors, details of the sectors the Company invests in can be found in the pie chart on page 15.

The Board tracks the investment valuation risk inherent in the Company's portfolio on the risk register that is reviewed quarterly. It maintains an appropriate spread of risk and ensures full and timely access to relevant information from the Manager. The Company does not use derivative instruments to hedge against market risk. The equity of the Company's unquoted investee companies is not traded and, as such, its price is more uncertain than this of more frequently traded stocks.

A sensitivity analysis was conducted where the key inputs of valuation were reduced by 20% ; this would reduce profit before tax by £0.85 million and the NAV per share by 12.39 pence. However, it is likely that the downside affect would be reduced given that the majority of investments have downside protection achieved through preference shares.

More information related to a sensitivity analysis is included in Note 12 on pages 56 to 58.

Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Company is exposed to credit risk through its debtors and cash held with bank.

Credit risk arising on transactions with debtors relates to transactions awaiting settlement. Risk related to unsettled transactions is considered to be small due to the short settlement period involved.

At 31 March 2024, cash held by the Company was held by Coutts Bank. Bankruptcy or insolvency of the bank may cause the Company's rights with respect to the cash held by it to be delayed or limited. Should the credit quality or the financial position of the bank deteriorate significantly the Company has the ability to move the cash holdings to another bank.

Liquidity risk

The Company's financial instruments may include investments in unlisted equity investments which are not traded in an organised public market, and require a mid to long term commitment, which generally may be illiquid. The Company retains a portion of the portfolio in cash in order to finance new investment opportunities. Surplus cash is invested into highly liquid money market funds which can be sold if the need to use more cash arose, typically within 3 working days.

Interest rate risk

The Company has some exposure to changes in interest rates with small bank deposits attracting bank interest. Most surplus cash is invested into money market funds and the returns on those investments are directly correlated with interest rates. The potential impact to portfolio companies of interest rates is kept under review by the Manager. Overall, the impact from interest rate risk on the Company is not deemed to be material.

20. Capital management policies and procedures

The Company's capital management objectives are:

- to ensure that it will be able to continue as a going concern;
- to satisfy the relevant HMRC requirements; and
- to maximise the income and capital return to its shareholders.

As a VCT, the Company must hold at least 80% of its assets by value in Qualifying Investments by the second anniversary of the end of the accounting period in which the Company issued the shares. In addition, at least 30% of all new funds raised by the Company must be invested in Qualifying Investments within 12 months of the end of the accounting period in which the Company issued the shares. Qualifying Investments will be made in companies which are carrying out a qualifying trade, and have a permanent establishment in the UK, although some may trade overseas.

The Company will target an annual dividend equivalent to 5% of its net asset value, and special dividends, where appropriate, from the proceeds of successful exits of portfolio companies that are not reinvested. It is envisaged that dividends will be paid from 2026 onwards and will be subject to the existence of realised profits, legislative requirements, and the available cash reserves of the Company.

21. Post Balance Sheet events

Since 31 March 2024, the Company has completed the following investment transactions:

- Investment of £201,302 in Obrizum Group Ltd;
- Investment of £350,000 into Shotscope Technologies Limited.

22. Contingencies, guarantees and financial commitments

Under the terms of the Investment Management Agreement, the running expenses of the Company which are provided for in an annual budget approved by both the Board and the Manager are restricted to a maximum of 3.50% of the net asset value of the Company. Such excess, if occurred, is either to be paid by the Manager or to be refunded by way of a reduction to its annual investment management fee.

The running expenses incurred in the period were 3.50% of the net asset value as at 31 March 2024 (2023: 1.17%).

There were no other contingencies or guarantees as at 31 March 2024 (2023: none).

23. Related parties

The Company retains Guinness Asset Management Limited as its Manager. Details of the agreement with the Manager are set out on pages 19 to 20.

Guinness Asset Management Limited also acts as a promoter for the VCT offers. In the year 2024 the Company was charged total amount of £41,796 for those services (2023: £12,551)

The remuneration and shareholdings of the Directors, who are key management personnel of the Company, is disclosed in the Directors' Remuneration Report on pages 35 to 37.

24. Geographical analysis

The operation of the Company is wholly in the United Kingdom.

DIRECTORS AND ADVISORS

Directors (all non-executive)

Ewen Hamilton Gilmour (Chair)

Joanna Lesley Santinon

Andrew Everard Martin Smith

All of:

Registered Office at

18 Smith Square

London, SW1P 3HZ

Secretary and Administrator

The City Partnership (UK) Limited

The Mending Rooms,

Park Valley Mills

Meltham Road

Huddersfield, HD4 7BH

VCT Tax Adviser

Philip Hare & Associates LLP

6 Snow Hill

London, EC1A 2AY

Auditor

BDO LLP

55 Baker Street

London, W1U 7EU

Solicitors

Howard Kennedy LLP

No.1 London Bridge

London, SE1 9BG

Sponsor

Howard Kennedy Corporate Services LLP

No.1 London Bridge

London, SE1 9BG

Registrars and Receiving Agent

The City Partnership (UK) Limited

The Mending Rooms,

Park Valley Mills

Meltham Road

Huddersfield, HD4 7BH

Manager and Promoter

Guinness Asset Management Limited

18 Smith Square

London

SW1P 3HZ

APPENDIX

ALTERNATIVE PERFORMANCE MEASURES ("APMs")

An APM is a financial measure of historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. The APMs noted below are commonly used measures for VCTs and will help shareholders to understand the Company's progress and serve to improve comparability between VCTs. As the previous effective period (being the period from the first allotment of shares to 31 March 2023) comprised approximately one month, there are no comparable previous year figures.

Total Return per Ordinary Share

Total return per ordinary share is calculated as NAV plus dividends, paid or proposed to date, divided by the number of Ordinary shares at the year end. This APM allows shareholders to evaluate the performance of the Company as it reflects the underlying value of the portfolio at the reporting date.

		31-Mar-2024	31-Mar-2023
Net Asset Value	a	£6,677,480	£2,441,913
Dividends (paid or proposed)	b	-	-
Number of Ordinary Shares	c	6,868,773	2,474,850
Total Return per Ordinary Share	**(a+b)/c**	**97.22p**	**98.67p**

Annual running expenses as a proportion of NAV

Annual running expenses are defined as the Company's annual expenses less irrecoverable VAT. This figure is divided by NAV to calculate annual running expenses as a proportion of NAV. The Manager has agreed to cap the total annual running expenses to a maximum of 3.5% of year end Net Assets and any excess above this will be borne by them.

Expenses Included in the Calculation		**31-Mar-2024**	**31-Mar-2023**
Investment Management fee		£35,905	£1,366
Directors' fees		£76,300	£1,902
Audit fees		£40,000	£15,000
Registrars' fees		£10,215	£221
Company secretary and administration fees		£12,096	£1,051
Marketing fees		£3,340	£1,500
VCT status fees		£8,600	£400
LSE fees - annual fees		£7,674	-
Broking fees		£3,203	£417
RNS fees		£4,190	£440
CT Compliance		£2,200	-
FCA fees		£7,561	-
Insurance		£18,906	£6,835
Other professional fees		£1,523	-
Bank charges and other interest		£2,013	-
Annual Running Expenses	(a)	**£233,726**	**£29,132**
Net Asset Value	(b)	£6,677,480	£2,491,913
Annual Running Expenses as % of NAV	a/b	**3.50%**	**1.17%**

Ongoing charges ratio

The ongoing charges ratio is the annualised operating costs divided by the average NAV over the period. The expenses included follow the AIC recommended methodology. The average NAV is calculated as the mean of the Company's NAV at the end of each quarter. This APM demonstrates to shareholders all operating costs incurred in relation to the average NAV over the period.

Expenses Included in the Calculation		**31-Mar-2024**	**31-Mar-2023**
Investment Management fee		£35,905	£1,366
Directors' fees		£76,300	£1,902
Audit fees		£40,000	£15,000
Registrars' fee		£10,215	£221
Company secretary and administration fees		£12,096	£1,051
Marketing fees		£3,340	£1,500
VCT status fees		£8,600	£400
LSE fees		£7,674	-
Broking fees		£3,203	£417
RNS fees		£4,190	£440
CT Compliance fees		£2,200	-
FCA fees		£7,561	-
Other professional fees (ongoing - expected to be received annually)		£22,442	£6,835
Irrecoverable VAT		£18,162	£3,805
Ongoing Expenses	a	**£251,888**	**£32,937**
30-Jun-23		£4,341,861	-
30-Sep-23		£4,263,573	-
31-Dec-23		£5,095,546	-
31-Mar-24		£6,677,480	£2,491,913
Average NAV	b	**£5,094,615**	**£622,978**
Ongoing Expenses as % of Average NAV	a/b	**4.94%**	**5.29%**

GUINNESS VCT plc

(REGISTERED IN ENGLAND AND WALES WITH REGISTERED NUMBER 14220882)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the second annual general meeting of Guinness VCT plc ("the Company") will be held at noon on 29 August 2024 at 18 Smith Square, London, SW1P 3HZ for the purposes of considering and, if thought fit, passing the following resolutions, resolutions 1 to 7 as ordinary resolutions and resolutions 8 and 9 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.

The Board also encourages the submission, by those who are unable to attend in person, of questions on either the Company or the portfolio to the Board via email to vct@guinnessfunds.com by 22 August 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 and adopt the Directors' Report and Financial Statements of the Company for the year ended 31 March 2024 together with the Independent Auditor's Report thereon.
2. To approve the Directors' Remuneration Report for the year ended 31 March 2024.
3. To appoint BDO LLP as auditor of the Company from the conclusion of the AGM until the conclusion of the next AGM of the Company to be held in 2025 at which financial statements are laid before the Company.
4. To authorise the directors to fix the remuneration of the auditor.
5. To re-elect Joanna Santinon as a director of the Company in accordance with the Articles of Association.
6. To re-elect Andrew Martin Smith as a director of the Company in accordance with the Articles of Association and the Listing Rules.
7. That, the Directors be and hereby are generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006, as amended, (the "Act") to exercise all of the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal value of £250,000, representing approximately 326% of the issued share capital of the Company as at 11 July 2024, being the latest practical date prior to publication of this document, provided that the authority conferred by this Resolution 7 shall expire at the conclusion of the Company's next annual general meeting or on the expiry of fifteen months following the passing of this Resolution 7, whichever is the later (unless previously renewed, varied or revoked by the Company in general meeting).

Special resolutions

8. That, the Directors be and hereby are empowered pursuant to Section 570(1) of the Act to allot or make offers or agreements to allot equity securities (which expression shall have the meaning ascribed to it in Section 560(1) of the Act) for cash pursuant to the authority given in accordance with Section 551 of the Act by Resolution 7 above as if Section 561 of the Act did not apply to such allotments, provided that the power provided by this Resolution 10 shall expire at the conclusion of the Company's next annual general meeting or on the expiry of fifteen months following the passing of this Resolution 8, whichever is the later (unless previously renewed, varied or revoked by the Company in general meeting).

9. That, the Company be and is hereby authorised to make one or more market purchases (within the meaning of section 693(4) of the Act) of Ordinary shares provided that:

i. the maximum aggregate number of Ordinary shares authorised to be purchased is an amount equal to 14.99% of the issued Ordinary shares;

ii. the minimum price which may be paid for an Ordinary share is their nominal value;

iii. the maximum price which may be paid for an Ordinary share, exclusive of expenses, is an amount equal to the higher of (i) 105% of the average of the middle market prices shown in the quotations for an Ordinary share in the Daily Official List of the London Stock Exchange for the five Business Days immediately preceding the day on which that Ordinary share is purchased; and (ii) the amount stipulated by Article 5(6) of Market Abuse Regulation;

iv. unless renewed, the authority hereby conferred shall expire either at the conclusion of the annual general meeting of the Company following the passing of this Resolution 9 or on the expiry of fifteen months from the passing of this Resolution 9, whichever is the later, save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary shares which will or may be completed or executed wholly or partly after such expiry.

By order of the Board
The City Partnership (UK) Limited
Company Secretary
11 July 2024

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 27 August 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 noon on 27 August 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 via the registrar's on-line Proxy Voting App which may be found by Vote Here' button/link on the Company's website: https://www.guinnessgi.com/ventures/guinness-vct. 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 noon on 27 August 2024.

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 via the Proxy Voting App by accessing the 'Vote Here' button/link on the Company's website: https://www.guinnessgi.com/ventures/guinness-vct.

Whichever method is used, the revocation notice must be received by the Company no later than noon on 27 August 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.