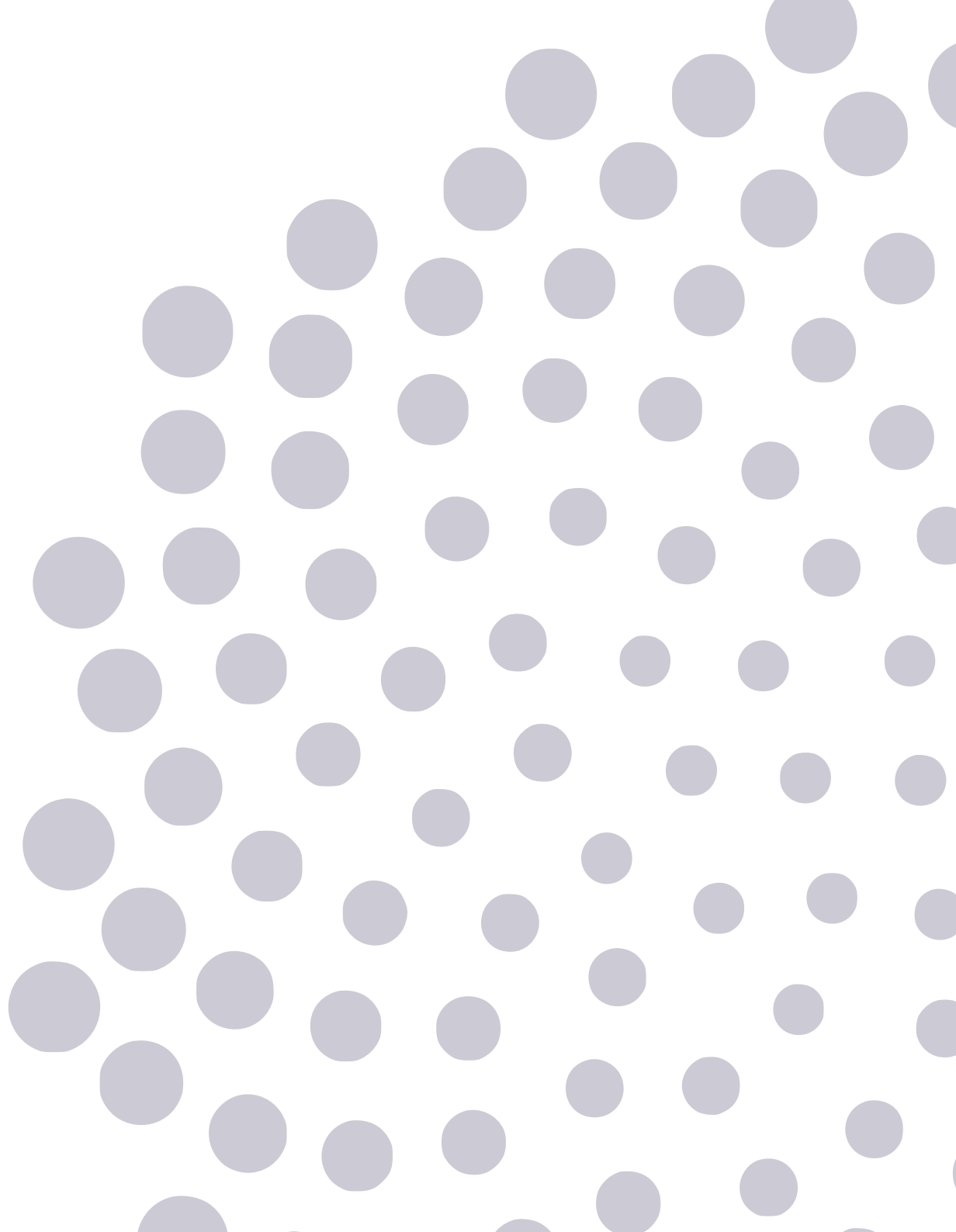


Northern Venture Trust PLC

Half-Yearly Financial Report
30 September 2024



Welcome

Northern Venture Trust PLC is a Venture Capital Trust (VCT) advised by Mercia Fund Management Limited (the Investment Adviser).

The trust was one of the first VCTs launched on the London Stock Exchange in 1995. It invests mainly in unquoted venture capital holdings and aims to provide long-term tax-free returns to shareholders through a combination of dividend yield and capital growth.

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Financial summary

	Six months ended 30 September 2024	Six months ended 30 September 2023	Year ended 31 March 2024
Net assets	£119.3m	£106.6m	£114.8m
Net asset value per share	59.9p	61.4p	60.3p
Return per share			
Revenue	0.2p	0.2p	0.6p
Capital	1.0p	1.1p	1.2p
Total	1.2p	1.3p	1.8p
Dividend per share declared in respect of the period	1.6p	1.6p	3.2p
Cumulative return to shareholders since launch			
Net asset value per share	59.9p	61.4p	60.3p
Dividends paid per share*	193.7p	190.5p	192.1p
Net asset value plus dividends paid per share	253.6p	251.9p	252.4p
Mid-market share price at end of period	56.5p	56.5p	57.5p
Share price discount to net asset value	5.7%	8.0%	4.6%
Tax-free dividend yield (based on the net asset value per share)**	5.2%	6.3%	5.2%

* Excluding interim dividend not yet paid.

** The dividend yield is calculated by dividing the dividends declared in the 12 month period ended on each reference date by the net asset value per share at the start of that period.

Key dates

21 November
2024

Half-yearly results announced

19 December
2024

Shares quoted ex dividend

22 January
2025

Interim dividend paid
(to shareholders on register
on 20 December 2024)



Deborah Hudson
Chair

“We sold the Company’s investment in Gentronix, a biotechnology company that provides predictive toxicology solutions, for net proceeds of £6.1 million, representing a 4.5 times return on the original cost.”

Half-yearly management report

for the six months ended 30 September 2024

It is my pleasure to present our interim financial report. Having served on the Board for the past three years, I have witnessed the resilience and evolution of the Company’s portfolio and management team as we continue to navigate a dynamic market landscape. Over the past six months, there have been early signs of growth returning in the UK economy, with easing inflationary pressures, and some stabilisation in energy prices. While the global political climate remains uncertain and the domestic outlook remains challenging, your Company has continued its long term strategy of investing in promising early-stage businesses, supporting its existing portfolio companies, and generating cash from realisations.

Venture capital investment activity and portfolio update

We are pleased to report an overall increase in the holding value of the unquoted portfolio, the uplifted valuations resulting from our good performers having more than outweighed reductions we felt prudent to make in the valuations of companies that have performed less well.

The portfolio has shown further progress. We have made three new venture capital investments totalling £4.0 million over the six month period and invested £1.9 million in three existing portfolio companies. The new portfolio companies are Ski Zoom (trading as Heidi) (£1.4 million investment), a booking platform for flexible winter mountain breaks, Culture AI (£1.3 million), a cyber security training and monitoring platform, and Promethean Particles (£1.3 million), a developer of carbon capture and storage technologies.

While there has been a cyclical dip in exit confidence among UK venture managers, we nevertheless continued to achieve favourable outcomes from our portfolio investments and the Company received £6.9 million from exits during the period. Notably, we sold the Company’s investment in Gentronix, a biotechnology company that provides predictive toxicology solutions. This delivered net proceeds of £6.1 million, representing a 4.5 times return on the original cost. Having

supported The Climbing Hangar as it re-established itself after COVID, VCT investment limits prevented us from deploying further capital and we therefore sold NVT’s investment for £2.8 million, representing an uplift from the holding value of £2.6 million, equating to 73% of cost.

Results and dividend

The unaudited net asset value (NAV) per share at 30 September 2024 was 59.9 pence (60.3 pence (audited) on 31 March 2024). The total return per share before dividends for the six months ended 30 September 2024 as shown in the income statement was 1.2 pence, compared with 1.3 pence in the corresponding period last year. The performance was driven by a realised gain on disposal of investments of £1.7 million over the last six months, along with an unrealised increase of £1.0 million in the valuation of investments.

Five years ago, we introduced a target dividend yield of 5% of opening NAV, which has been exceeded in each of the years since then. On 23 August 2024 the final dividend of 1.6 pence in respect of the period ending 31 March 2024 was paid to shareholders. After careful consideration, and taking our target yield into account, we have decided to declare an interim dividend of 1.6 pence per share in respect of the year to 31 March 2025. The interim dividend will be paid on 22 January 2025 to shareholders on the register on 20 December 2024.

We continue to operate our dividend investment scheme, which enables shareholders to invest their dividends in new ordinary shares free of dealing costs and with the benefit of the tax reliefs available on new VCT share subscriptions. We have included details of the scheme within the dividend section of our website, which can be found at: www.mercia.co.uk/vcts/nvt/.

Shareholder issues

In April 2024 shares related to the second allotment of the 2023/24 share offer, totalling £20 million, were issued. The Company issued 12,234,307 new ordinary shares, yielding gross subscriptions of £7.8 million.

We continue to observe a sustained demand for long-term growth capital for smaller companies in the UK, and the Investment Adviser has reviewed an increasing number of opportunities. We therefore announced in late September 2024 our intention to fundraise in the current tax year, in conjunction with the other Northern VCTs. This will allow us to further support our existing portfolio and selectively to invest in new early-stage opportunities. We remain grateful for our existing shareholders' continued support. Full details of how to participate in the planned £15 million fundraise will be published in January 2025.

We have maintained our policy of being willing to buy back the Company's shares in the market to maintain liquidity, at a 5% discount to NAV. During the period a total of 4,445,489 shares were purchased by the Company for cancellation, representing around 2.3% of the opening ordinary share capital.

VCT legislation and qualifying status

The Company has continued to meet the stringent and complex qualifying conditions laid down by HM Revenue & Customs for maintaining its approval as a VCT. The Investment Adviser monitors the position closely and reports regularly to the Board. Philip Hare & Associates LLP has continued to act as independent adviser to the Company on VCT taxation matters.

We are pleased to report that the sunset date for VCTs has been extended. The 'Sunset Clause' is a European state aid requirement, introduced when the VCT scheme received state aid approval, that determines the upfront tax relief available to investors in VCTs. Following a final review by the European Union and the issuance of the necessary statutory instrument in September 2024, the Sunset Clause was officially extended from 2025 to 2035. This provides useful certainty for our Company and the investment team.

Board succession

We have previously reported the retirement of previous Chair Simon Constantine, and Richard Green, Chair of the Audit

Committee. We would like to reiterate our gratitude to Simon and Richard for their years of dedicated service and significant contributions to the Company.

After almost 10 years of service to the Company, David Mayes has decided not to seek re-election to the Board of Directors at the upcoming Annual General Meeting. We would like to express our gratitude for his invaluable contributions to the Company during his tenure. A process to identify and appoint a successor will be undertaken in the coming months.

We are pleased to report that Brigid Sutcliffe, who joined the board in April 2024, has succeeded Richard as Chair of the Audit Committee.

Additionally, we were delighted to welcome John Milad to the Board as a non-executive director, effective from August 2024. John brings over 25 years' experience as an executive leader, board member, venture capital investor and investment banker focused on the life sciences and medical technology sector.

With these changes, we are confident the Company remains in capable hands. The Board's collective experience and commitment will ensure we continue to act in the best interests of our shareholders.

Outlook

With inflation stabilising and interest rates starting to fall, there are tentative signs of optimism returning to the UK economy. While uncertainties in the run up to the UK budget and the impact of its fiscal measures may still influence market dynamics, we remain confident in the prospects of our portfolio companies. We will continue to work with our Investment Adviser to make the most of the opportunities for value creation as they arise.

On behalf of the Board

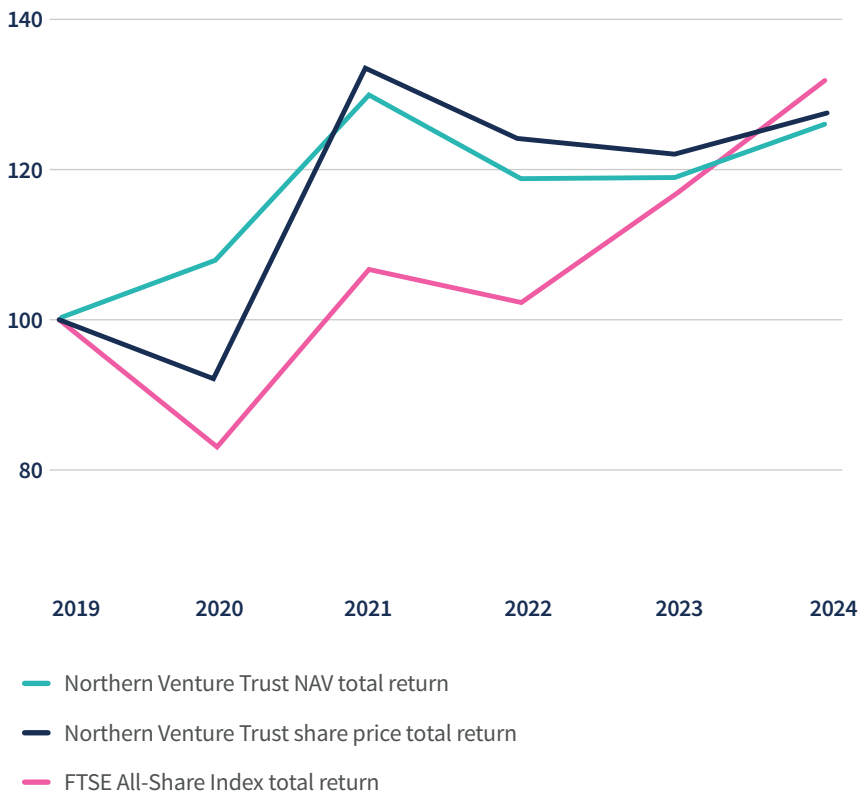
Deborah Hudson
Chair



Five-year performance

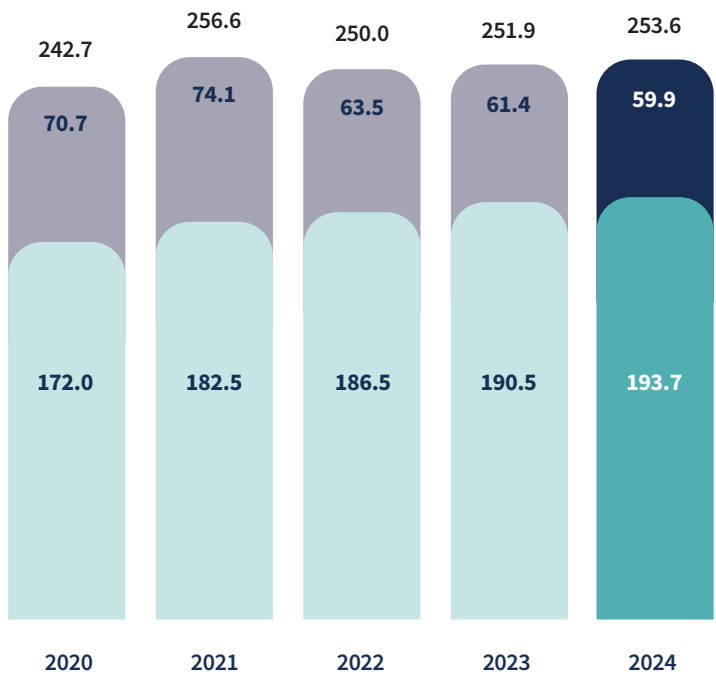
Comparative return to shareholders (assuming dividends re-invested)

Five years to 30 September 2024 (30 September 2019 = 100)



Net asset value and cumulative dividends per share

As at 30 September (pence per share)



Investment portfolio

As at 30 September 2024 (unaudited)

Fifteen largest venture capital investments	Cost £000	Valuation £000	% of net assets by value
Pure Pet Food	1,662	4,208	3.5%
Project Glow Topco (t/a Currentbody.com)	1,686	3,854	3.2%
Pimberly	2,060	3,500	2.9%
Rockar	1,877	3,448	2.9%
Tutora (t/a Tutorful)	3,305	3,305	2.8%
Newcells Biotech	3,011	3,011	2.5%
Grip-UK (t/a The Climbing Hangar)	3,885	2,821	2.4%
Netacea	2,631	2,631	2.2%
Ridge Pharma	1,497	2,585	2.2%
Biological Preparations Group	2,366	2,222	1.9%
Broker Insights	2,076	2,118	1.8%
Administrate	2,906	2,050	1.7%
Forensic Analytics	2,016	2,016	1.7%
Clarilis	1,972	1,972	1.7%
LMC Software	1,950	1,950	1.6%
Fifteen largest venture capital investments	34,900	41,691	35.0%
Other venture capital investments	50,198	42,494	35.6%
Total venture capital investments	85,098	84,185	70.6%
Net current assets		35,119	29.4%
Net assets		119,304	100.0%

Income statement

For the six months ended 30 September 2024 (unaudited)

	Six months ended 30 September 2024			Six months ended 30 September 2023			Year ended 31 March 2024		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Gain on disposal of investments	–	1,705	1,705	–	834	834	–	1,203	1,203
Movements in fair value of investments	–	954	954	–	1,922	1,922	–	2,499	2,499
	–	2,659	2,659	–	2,756	2,756	–	3,702	3,702
Dividend and interest income	1,020	–	1,020	873	–	873	2,220	–	2,220
Investment management fee	(280)	(841)	(1,121)	(260)	(780)	(1,040)	(516)	(1,549)	(2,065)
Other expenses	(320)	–	(320)	(345)	–	(345)	(641)	–	(641)
Return before tax	420	1,818	2,238	268	1,976	2,244	1,063	2,153	3,216
Tax on return	(101)	101	–	86	(86)	–	79	(79)	–
Return after tax	319	1,919	2,238	354	1,890	2,244	1,142	2,074	3,216
Return per share	0.2p	1.0p	1.2p	0.2p	1.1p	1.3p	0.6p	1.2p	1.8p

- The total column of the income statement is the statement of total comprehensive income of the Company prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”. The supplemental revenue return and capital return columns have been prepared in accordance with the Statement of Recommended Practice “Financial Statements of Investment Trust Companies and Venture Capital Trusts” issued in July 2022 by the Association of Investment Companies (“AIC SORP”).
- There are no recognised gains or losses other than those disclosed in the income statement.
- All items in the above statement derive from continuing operations.
- The accompanying notes are an integral part of this statement.

Balance sheet

As at 30 September 2024 (unaudited)

	30 September 2024 £000	30 September 2023 £000	31 March 2024 £000
Fixed assets			
Investments	84,185	72,706	82,574
Current assets			
Debtors	559	362	951
Cash and cash equivalents	34,727	33,720	31,497
	35,286	34,082	32,448
Creditors (amounts falling due within one year)	(167)	(141)	(191)
Net current assets	35,119	33,941	32,257
Net assets	119,304	106,647	114,831
Capital and reserves			
Called-up equity share capital	49,790	43,457	47,615
Share premium	35,077	23,159	30,418
Capital redemption reserve	7,769	5,801	6,658
Capital reserve	26,805	38,668	28,099
Revaluation reserve	(913)	(5,192)	882
Revenue reserve	776	754	1,159
Total equity shareholders' funds	119,304	106,647	114,831
Net asset value per share	59.9p	61.4p	60.3p

Statement of changes in equity

For the six months ended 30 September 2024 (unaudited)

	Non-distributable reserves				Distributable reserves		Total £000
	Called-up share capital £000	Share premium £000	Capital redemption reserve £000	Revaluation reserve* £000	Capital reserve £000	Revenue reserve £000	
At 1 April 2024	47,615	30,418	6,658	882	28,099	1,159	114,831
Return after tax	–	–	–	(1,795)	3,714	319	2,238
Dividends paid	–	–	–	–	(2,508)	(702)	(3,210)
Net proceeds of share issues	3,286	4,659	–	–	–	–	7,945
Shares purchased for cancellation	(1,111)	–	1,111	–	(2,500)	–	(2,500)
At 30 September 2024	49,790	35,077	7,769	(913)	26,805	776	119,304
Six months ended 30 September 2023							
At 1 April 2023	41,230	19,394	5,342	1,698	34,433	400	102,497
Return after tax	–	–	–	(6,890)	8,780	354	2,244
Dividends paid	–	–	–	–	(3,475)	–	(3,475)
Net proceeds of share issues	2,686	3,765	–	–	–	–	6,451
Shares purchased for cancellation	(459)	–	459	–	(1,070)	–	(1,070)
At 30 September 2023	43,457	23,159	5,801	(5,192)	38,668	754	106,647
Year ended 31 March 2024							
At 1 April 2023	41,230	19,394	5,342	1,698	34,433	400	102,497
Return after tax	–	–	–	(816)	2,890	1,142	3,216
Dividends paid	–	–	–	–	(6,156)	(383)	(6,539)
Net proceeds of share issues	7,701	11,024	–	–	–	–	18,725
Shares purchased for cancellation	(1,316)	–	1,316	–	(3,068)	–	(3,068)
At 31 March 2024	47,615	30,418	6,658	882	28,099	1,159	114,831

* The revaluation reserve is generally non-distributable other than that part of the reserve relating to gains/losses on readily realisable quoted investments, which are distributable.

Statement of cash flows

For the six months ended 30 September 2024 (unaudited)

	Six months ended 30 September 2024 £000	Six months ended 30 September 2023 £000	Year ended 31 March 2024 £000
Cash flows from operating activities			
Return before tax	2,238	2,244	3,216
Adjustments for:			
(Gain) / loss on disposal of investments	(1,705)	(834)	(1,203)
(Gain) / loss in fair value of investments	(954)	(1,922)	(2,499)
(Increase) / decrease in debtors	392	(292)	(103)
(Decrease) / increase in creditors	(24)	(42)	8
Net cash (outflow) / inflow from operating activities	(53)	(846)	(581)
Cash flows from investing activities			
Purchase of investments	(5,936)	(5,263)	(15,351)
Sale and repayment of investments	6,984	23,922	24,310
Net cash inflow / (outflow) from investing activities	1,048	18,659	8,959
Cash flows from financing activities			
Issue of ordinary shares	8,290	6,603	19,353
Share issue expenses	(345)	(152)	(628)
Purchase of ordinary shares for cancellation	(2,500)	(1,070)	(3,068)
Equity dividends paid	(3,210)	(3,475)	(6,539)
Net cash inflow / (outflow) from financing activities	2,235	1,906	9,118
Net increase / (decrease) in cash and cash equivalents	3,230	19,719	17,496
Cash and cash equivalents at beginning of period	31,497	14,001	14,001
Cash and cash equivalents at end of period	34,727	33,720	31,497

Notes to the financial statements

For the six months ended 30 September 2024 (unaudited)

1. The financial statements have been prepared under FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” and in accordance with the Statement of Recommended Practice “Financial Statements of Investment Trust Companies and Venture Capital Trusts” issued in July 2022 by the Association of Investment Companies (“AIC SORP”).
2. The calculation of return per share is based on the return after tax for the six months ended 30 September 2024 and on 201,421,491 (30 September 2023: 173,914,768) ordinary shares, being the weighted average number of shares in issue during the period.
3. The calculation of net asset value per share is based on the net assets at 30 September 2024 divided by the 199,158,435 (30 September 2023: 173,828,792) ordinary shares in issue at that date.
4. The interim dividend of 1.6 pence per share for the year ending 31 March 2025 will be paid on 22 January 2025 to shareholders on the register on 20 December 2024.
5. The unaudited half-yearly financial statements for the six months ended 30 September 2024 do not constitute statutory financial statements within the meaning of Section 434 of the Companies Act 2006, have not been reviewed or audited by the Company’s independent auditor and have not been delivered to the Registrar of Companies. The comparative figures for the year ended 31 March 2024 have been extracted from the audited financial statements for that year, which have been delivered to the Registrar of Companies; the independent auditor’s report on those financial statements (i) was unqualified, (ii) did not include any reference to matters to which the auditor drew attention by way of emphasis without qualifying the report and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006. The half-yearly financial statements have been prepared on the basis of the accounting policies set out in the annual financial statements for the year ended 31 March 2024.
6. Each of the Directors confirm that to the best of their knowledge the half-yearly financial statements have been prepared in accordance with the Statement “Half-yearly financial reports” issued by the UK Accounting Standards Board and the half-yearly financial report includes a fair review of the information required by (a) DTR 4.2.7R of the Disclosure Rules and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year, and (b) DTR 4.2.8R of the Disclosure Rules and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period, and any changes in the related party transactions described in the last annual report that could do so.
7. Copies of this half-yearly report are available to the public at the Company’s registered office, and on the Company’s website.

Risk management

The Board carries out a regular and robust assessment of the risk environment in which the Company operates and seeks to identify new risks as they emerge.

The principal and emerging risks and uncertainties identified by the Board which might affect the Company's business model and future performance, and the steps taken with a view to their mitigation, are as follows:

Risk

Mitigation

Credit risk: the Company holds a number of financial instruments and cash deposits and is dependent on the counterparties discharging their commitment. Such balances may be held with banks or in money market funds as part of the Company's liquidity management.

The Directors review the creditworthiness of the counterparties to these instruments including the rating of money market funds to seek to manage and mitigate exposure to credit risk.

Economic and geopolitical risk: events such as economic recession or general fluctuation in stock markets, exchange rates and interest rates may affect the valuation of investee companies and their ability to access adequate financial resources, as well as affecting the Company's own share price and discount to net asset value. The level of economic risk is assessed against macroeconomic factors such as inflation, interest rates and the ability of companies to raise funds in the capital and private markets.

The Company invests in a diversified portfolio of investments spanning various industry sectors and which are at different stages of growth. The Company maintains sufficient cash reserves to be able to provide additional funding to investee companies where it is appropriate and in the interests of the Company to do so. The Investment Adviser's team is structured such that appropriate monitoring and oversight is undertaken by an experienced investment executive. As part of this oversight, the investment executive will guide and support the board of each unquoted investee company. At all times, and particularly during periods of heightened economic uncertainty, the investment team of the Investment Adviser share best practice from across the portfolio with the investee management teams in order to help with addressing economic challenges.

Financial risk: most of the Company's investments involve a medium to long-term commitment and many are illiquid.

The Directors consider that it is inappropriate to finance the Company's activities through borrowing except on an occasional short-term basis. Accordingly they seek to maintain a proportion of the Company's assets in cash or cash equivalents in order to be in a position to pursue new unquoted investment opportunities and to make follow-on investments in existing portfolio companies. The Company has very little direct exposure to foreign currency risk and does not enter into derivative transactions.

Investment and liquidity risk: the Company invests in early stage companies which may be pre-revenue at the point of investment. Portfolio companies may also require significant funds, through multiple funding rounds to develop their technology or the products being developed may be subject to regulatory approvals before they can be launched into the market. This involves a higher degree of risk and company failure compared to investment in larger companies with established business models. Early stage companies generally have limited product lines, markets and financial resources and may be more dependent on key individuals. The securities of companies in which the Company invests are typically unlisted, making them particularly illiquid and may represent minority stakes, which may cause difficulties in valuing and disposing of the securities. The Company may invest in businesses whose shares are quoted on AIM however this may not mean that they can be readily traded and the spread between the buying and selling prices of such shares may be wide.

The Directors aim to limit the investment and liquidity risk through regular monitoring of the investment portfolio and oversight of the Investment Adviser who is responsible for advising the Board in accordance with the Company's investment objective. The investment and liquidity risks are mitigated through the careful selection, close monitoring and timely realisation of investments, by carrying out rigorous due diligence procedures and maintaining a wide spread of holdings in terms of financing stage and industry sector within the rules of the VCT scheme. The Board reviews the investment portfolio and liquidity with the Investment Adviser on a regular basis.

Risk management *continued*

Risk

Legislative and regulatory risk: in order to maintain its approval as a VCT, the Company is required to comply with current VCT legislation in the UK. Changes to UK legislation in the future could have an adverse effect on the Company's ability to achieve satisfactory investment returns whilst retaining its VCT approval.

Operational risk: the Company does not have any employees and the Board relies on a number of third party providers, including the Investment Adviser, registrar, listed investments custodian, sponsor, receiving agent, lawyers and tax advisers, to provide it with the necessary services to operate. Such operations delegated to the Company's key service providers may not be performed in a timely or accurate manner, resulting in reputational, regulatory, or financial damage. The risk of cyber-attack or failure of the systems and controls at any of the Company's third party providers may lead to an inability to service shareholder needs adequately, to provide accurate reporting and accounting and to ensure adherence to all VCT legislation rules.

Stock market risk: a small proportion of the Company's investments are quoted on AIM and will be subject to market fluctuations upwards and downwards. External factors such as terrorist activity, political activity or global health crises, can negatively impact stock markets worldwide. In times of adverse sentiment there may be very little, if any, market demand for shares in smaller companies quoted on AIM.

VCT qualifying status risk: while it is the intention of the Directors that the Company will be managed so as to continue to qualify as a VCT, there can be no guarantee that this status will be maintained. A failure to continue meeting the qualifying requirements could result in the loss of VCT tax relief, the Company losing its exemption from corporation tax on capital gains, to shareholders being liable to pay income tax on dividends received from the Company and, in certain circumstances, to shareholders being required to repay the initial income tax relief on their investment.

Mitigation

The Board and the Investment Adviser monitor political developments and where appropriate seek to make representations either directly or through relevant trade bodies.

The Board has appointed an Audit and Risk Committee, who monitor the effectiveness of the system of internal controls, both financial and non-financial, operated by the Company and the Investment Adviser. These controls are designed to ensure that the Company's assets are safeguarded and that proper accounting records are maintained. Third party suppliers are required to have in place their own risk and controls framework, business continuity plans and the necessary expertise and resources in place to ensure that a high quality service can be maintained even under stressed scenarios.

The Company's small number of holdings of quoted investments are actively managed by the Investment Adviser, and the Board keeps the portfolio and the actions taken under ongoing review.

The Investment Adviser keeps the Company's VCT qualifying status under continual review and its reports are reviewed by the Board on a quarterly basis. The Board has also retained Philip Hare & Associates LLP to undertake an independent VCT status monitoring role.

The Board continually assesses and monitors emerging risks that could impact the Company's operations and strategic objectives. As part of the risk assessment process, the Board evaluates a wide range of potential threats and uncertainties that may arise from evolving market dynamics, regulatory changes, technological advancements such as artificial intelligence, geopolitical developments, and other external factors. By remaining aware of emerging risks, the Board ensures that the Company is better equipped to anticipate challenges and adapt swiftly to changing circumstances.

Company information

Directors

Deborah Hudson (Chair)
David Mayes
John Milad
Brigid Sutcliffe

Secretary

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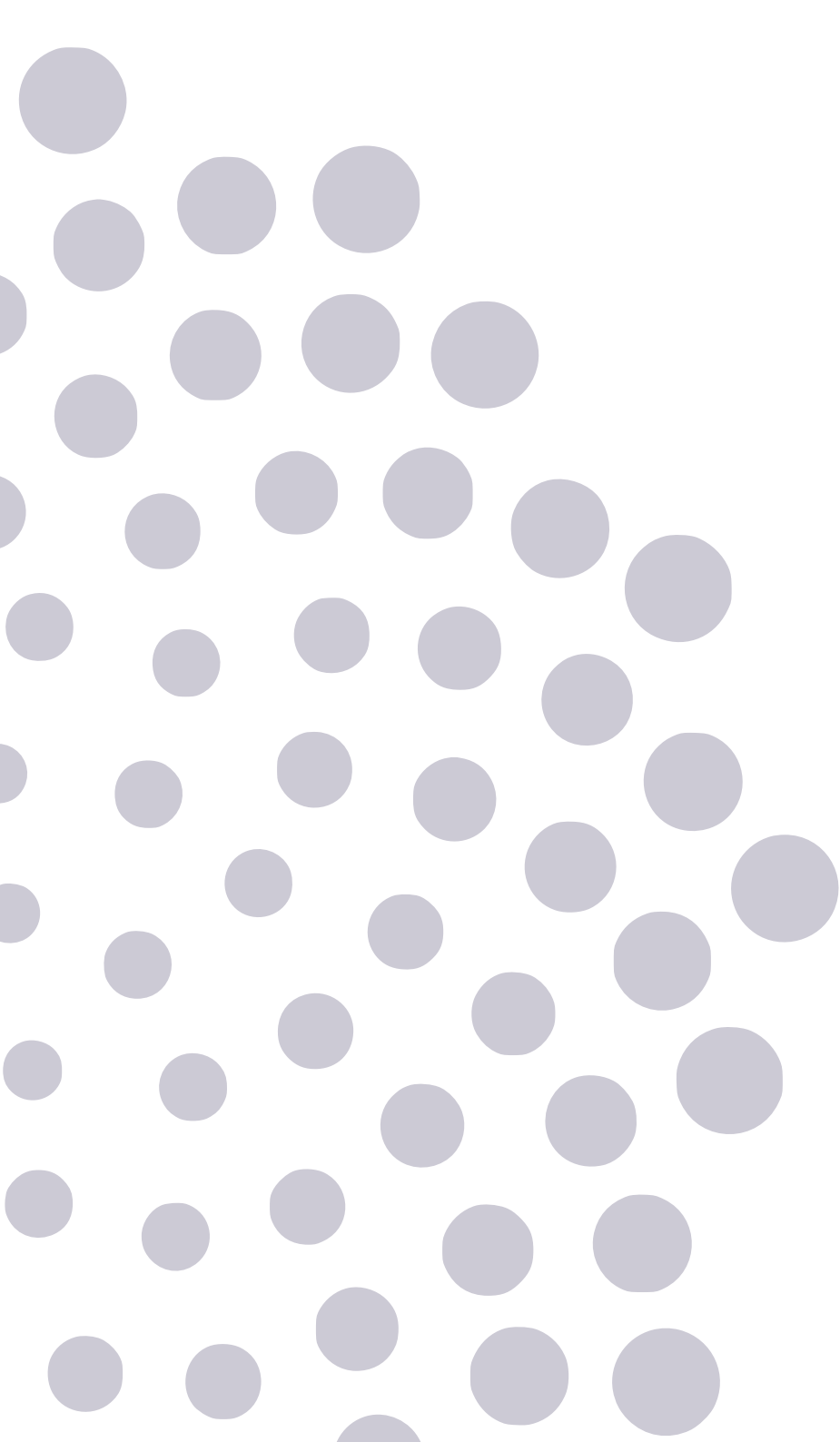
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