Annual Report

For the year ended 30 September 2024

Unicorn AIM VCT Plc

Contents

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Financial Highlights

for the year ended 30 September 2024

- **In addition to the 6.5 pence per share ordinary dividends, a special interim dividend of 11.7 pence per share was also paid during the year.**
- **Net Asset Value ("NAV") total return for the financial year ended 30 September 2024, after adding back dividends of 18.2 pence per share paid in the year, rose by 0.3%.* By comparison the FTSE AIM All-Share Total Return Index rose by 3.9%.***
- **Offer for Subscription raised £19.5 million (after costs).**
- **Final dividend of 3.5 pence per share proposed and a special dividend declared of 6.0 pence per share for the financial year ended 30 September 2024.**
- **New Offer for Subscription announced to raise up to £25 million.**

* Alternative Performance measures.

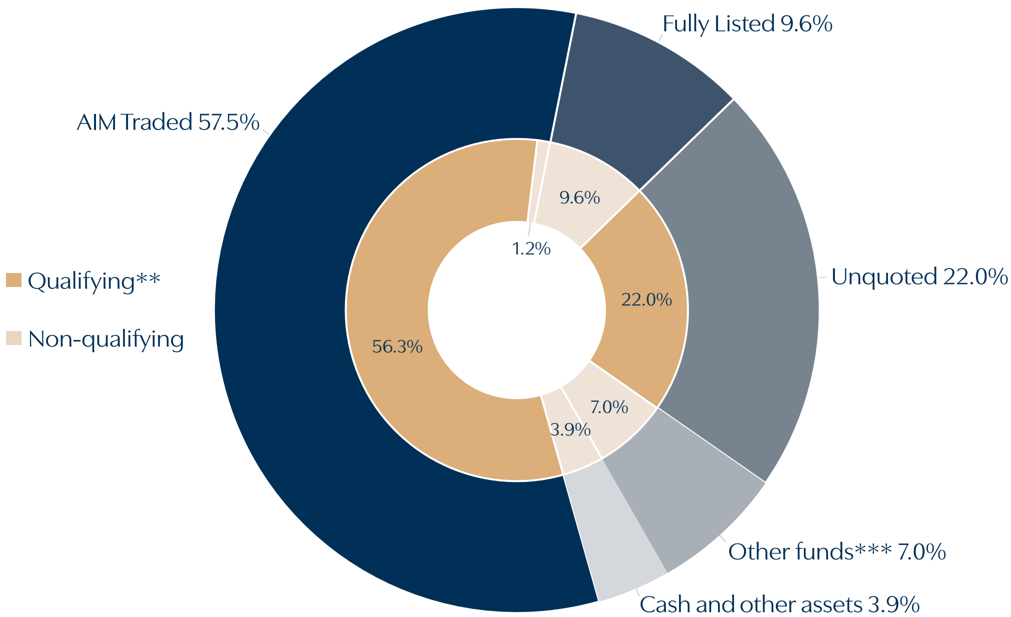
Fund Performance

Ordinary Shares	Shareholders' Funds* (£m)	Net asset value per share (NAV) (p)	10 year cumulative dividends† paid per share (p)	Net asset value plus cumulative dividends paid per share (p)	Share price (p)
30 September 2024	**199.4**	**104.7**	**117.7**	**222.4**	**93.5**
31 March 2024	199.5	103.6	114.7	218.3	91.5
30 September 2023	211.9	122.6	99.5	222.1	103.5
31 March 2023	218.4	125.5	96.5	222.0	103.5

* Shareholders' funds/net assets as shown on the Statement of Financial Position on page 66.

† The Board has recommended a final dividend of 3.5 pence per share and declared a special dividend of 6.0 pence per share for the year ended 30 September 2024 bringing total dividends for the year to 24.2 pence per share. If the final dividend is approved by Shareholders, then these payments will bring total dividends paid in the last ten years from 30 September 2014 to 127.2 pence per share.

Percentage of Assets Held as at 30 September 2024



Valuation based on fair value

** The criteria required for a holding to be a qualifying holding are given on pages 89 and 90.

*** Other funds include the Unicorn Ethical Fund, the BlackRock Cash Fund and the Royal London Short-Term Money Market Fund.

The purpose of this Strategic Report is to inform Shareholders of the Company's progress on key matters and assist them in assessing the extent to which the Directors have performed their legal duty to promote the success of the Company in accordance with section 172 of the Companies Act 2006.

The Investment Manager's Review on pages 6 to 12 includes a comprehensive analysis of the development of the business during the financial year and the position of the Company's main investments at the end of the year.

Chair's Statement

I am pleased to present the Company's Audited Annual Report for the year ended 30 September 2024.

Introduction

The economic and geopolitical environment in both the UK and globally has been challenging. Following a sustained period of rising interest rates, aimed at curbing inflation, the UK economy has shown some tentative signs of stabilisation, albeit that productivity is still below par and economic growth remains modest. Despite the rate of inflation having declined, the cost of living remains high, which has placed a strain on household budgets and dampened consumer confidence.

The faltering macroeconomic environment has been reflected in the behaviour of the UK stock market, where investor sentiment remains fragile. Sectors perceived as being less vulnerable to geopolitical or economic shocks have benefited from their global exposure or have been rewarded for strong operational performance. In contrast, the FTSE AIM All-Share Index ("AIM Index"), which is composed of smaller, growth-oriented businesses, has continued to face significant headwinds. Despite this, the AIM Index delivered a total return of +3.9% for the year ended 30 September 2024. Increased borrowing costs, a reduced appetite for risk and a continued reluctance to invest in smaller early-stage businesses meant however that your Company underperformed the AIM Index, producing a positive total return of 0.3%.

Economic & Market Review

The Bank of England's monetary tightening measures have brought down the rate of inflation. Despite struggling to generate meaningful and sustained growth, the economy managed to avoid falling into a prolonged recession. Rising costs of energy, raw materials, and labour continued to pose challenges, while the housing market softened as mortgage rates remained elevated, further constraining consumer spending.

The FTSE All-Share Index delivered a total return of +13.4% during the period under review, primarily due to its focus on larger, more liquid, and often globally diversified firms. This significant divergence in performance relative to the AIM Index emphasises the continued and prevailing preference among the investor community for stable, liquid assets over higher-risk investments.

Despite these challenges, certain AIM sectors including technology, healthcare, and renewable energy demonstrated resilience. Companies in these areas continued to benefit from structural trends towards digital transformation and sustainability, which remain attractive to investors. Additionally, the relative weakness of the pound continued to support Merger and Acquisition ("M&A") activity, as undervalued UK assets appealed to foreign buyers.

A good example of this was the acquisition of Abcam Plc by Danaher Corporation in January 2024. The Investment Manager initially backed Abcam at its Initial Public Offering ("IPO") in November 2005, reflecting a long-term commitment to a high-growth, innovative business. The successful sale of Abcam delivered an overall return on investment of 821.9% and led to a special dividend of 11.7 pence per share being paid to Unicorn AIM VCT Shareholders in February 2024, underscoring the value generated by the Investment Manager's early and sustained investment. The strong returns generated through such M&A activity over the past 2 years have provided significant benefits to Shareholders and resulted in the payment of special dividends totalling 50.7 pence per share since 1 October 2022.

Net Assets

As at 30 September 2024, the audited net assets of the Company were £199.4 million, a decline of £12.5 million over the course of the financial year. There were a number of moving parts behind this fall, with a decrease in the value of the investment portfolio of £3.3 million, £32.0 million of dividends paid and a further £4.9 million returned to Shareholders through share buybacks all contributing to the reduction in net assets. This was partially offset by the fully subscribed Offer for Subscription, which raised net proceeds of £19.5 million and £4.4 million from Shareholders who invested in the Dividend Reinvestment Scheme (DRIS). After adding back all dividends paid, the total return in the period was +0.3%.

Chair's Statement (continued)

Investment Performance Review

The Company's total return of +0.3% underperformed the AIM Index, which delivered a total return of +3.9% over the period. Whilst disappointing, it is worth noting that the average total return of the other constituents within the AIC VCT AIM-Quoted Peer Group was -5%.

The investment portfolio remains well-diversified, comprising holdings that range from early-stage, cash-consuming companies, to more well-established holdings that are both profitable and cash-generative. At the close of the financial year, the Company held 79 active VCT qualifying investments, with 39 of these valued in excess of £500,000. More than 70% of the qualifying businesses in the Company continue to maintain a net cash position on their balance sheets.

Despite resilience in the broader UK stock market, the smaller companies listed on AIM underperformed relative to other, more established, UK-listed smaller companies during the period. This underperformance can largely be attributed to risk aversion among investors, who continue to favour larger, more liquid assets during a period of elevated interest rates and persistent inflation. AIM-listed companies, especially those outside of the FTSE AIM 100 Index, are typically early-stage, cash-consuming businesses with high growth aspirations. It is unsurprising therefore that many of them have encountered difficulties in attracting further, much needed capital under these tighter financial conditions. The small size and limited liquidity of these companies continues to deter investors and, for the time being, the focus remains on more established companies offering stronger cash flow stability.

The specific and rather unusual sector composition of the AIM Index further heightened its vulnerability to economic headwinds throughout the year. Sectors that are well represented within the AIM Index, such as technology, consumer discretionary, and biotechnology, were negatively affected by rising borrowing costs and weakening consumer confidence. These conditions proved particularly challenging for companies with longer paths to profitability, as they depend heavily on external funding to sustain their growth. Consequently, the AIM Index experienced disproportionately weak returns due to its greater weighting in sectors that are traditionally vulnerable in a rising interest rate environment. This was in stark contrast to the main UK Indices, which continued to see capital allocations being directed towards more stable sectors including energy, commodities, and financials.

The Company's performance reflects these broader market dynamics. While the portfolio's diversification strategy reduced risk to some extent, certain holdings within high-growth sectors faced considerable pressure and, as is normal in Venture Capital investing, some of our investee companies failed during the year under review. Nonetheless, we believe that the Company's strategic positioning within high growth sectors will ultimately enable the portfolio to generate Shareholder value over the long term. As the macroeconomic environment begins to stabilise, and with expectations of improved investor sentiment towards smaller, growth-oriented companies, both the Board and the Investment Manager are optimistic that the Company is well positioned to deliver positive capital returns.

Portfolio Activity

During the period, there were several opportunities to deploy capital into both new investments and follow-on opportunities within existing holdings. Encouragingly, the Investment Manager continues to identify new and potentially highly attractive investment prospects, some of which are currently under active consideration. This pipeline of opportunities reflects a gradual yet steady recovery in both the quantity and quality of potential investments available to the Company.

Five new VCT qualifying investments were made during the period, at a total cost of £7.5 million. In addition, £5.9 million of capital was allocated across nine of the existing VCT qualifying investee companies, to support their future growth.

A number of full and partial disposals were also made during the course of the financial year. Total proceeds from disposals of qualifying investments amounted to £39.2 million, realising an overall capital gain of £28.8 million over the lifetime of the investments.

The Investment Manager continued to utilise two money market funds, and an investment in the Unicorn UK Ethical Income Fund, alongside holdings in some large, highly liquid UK equities during the period. These were non-qualifying investments, which continued to enable Shareholders to benefit from the current higher interest rate environment, while maintaining a strong liquidity position to fund new qualifying investment opportunities.

A more detailed analysis of investment activity and performance can be found in the Investment Manager's Review on pages 6 to 12.

Chair's Statement (continued)

Dividends

A special dividend of 11.7 pence per share, was paid to Shareholders on 14 February 2024 following the successful acquisition of Abcam by Danaher Corporation.

An interim dividend of 3.0 pence per share, for the half year ended 31 March 2024, was paid to Shareholders on 13 August 2024.

The Board is also pleased to recommend a further final dividend of 3.5 pence per share for the financial year ended 30 September 2024. This dividend, if approved by Shareholders at the Company's forthcoming AGM, will be payable on 21 February 2025 to Shareholders on the register as at 3 January 2025. In addition, the Board has declared a special dividend of 6.0 pence per share as a result of the M&A activity that led to the disposal of our shareholdings in Mattioli Woods and Keywords Studios during, and shortly after, the period end. This special dividend will be payable alongside the final dividend on 21 February 2025.

Total dividends in respect of the financial year ended 30 September 2024, including these significant special dividends are therefore expected to be 24.2 pence per share.

Share Buybacks & Share Issues

The Board continues to believe that it is in the best interests of the Company and its Shareholders to make market purchases of its shares from time to time. During the period from 1 October 2023 to 30 September 2024, the Company bought back 5,205,225 of its own Ordinary Shares for cancellation, at an average price of 93.4 pence per share including costs.

Future repurchases of shares will continue to be made in accordance with guidelines established by the Board and will be subject to the Company having the appropriate authorities from Shareholders and sufficient funds available for this purpose. Share buybacks will also be subject to the Listing Rules and any applicable law at the relevant time. Shares bought back in the market are normally cancelled.

An Offer for Subscription was launched on 26 January 2024. The Offer was again strongly supported and closed, fully subscribed, on 15 February 2024. The total raised, net of all costs, was £19.5 million and resulted in the issue of 18.7 million new shares. On behalf of the Board, I would like to welcome all new Shareholders and to thank existing Shareholders for their continued support. As at 30 September 2024, there were 190,437,026 Ordinary Shares in issue.

New Offer

On 27 November 2024, the Company announced the intention to launch an Offer for Subscription to raise up to £25 million through the issue of new ordinary shares. The prospectus, which will contain the full details and terms and conditions of the Offer, is expected to be available in January 2025.

VCT Status

There were no changes to VCT legislation during the period under review.

The Government last introduced new legislation pertaining to Venture Capital Trusts in November 2017. The most important of these new rules came into effect in the 2019/2020 tax year and are designed to ensure that capital is directed at young, developing businesses, which might otherwise find it difficult to secure funding to finance their planned growth.

One of the key tests is the requirement for at least 80% of a Venture Capital Trust's total assets to be invested in VCT qualifying companies. I am pleased to report that, excluding new capital raised in Offers for Subscription within the last three years, Unicorn AIM VCT's qualifying percentage was 100% of total assets as of 30 September 2024. All other HM Revenue & Customs tests have also been complied with during the period, and the Board has been advised by its VCT status advisor, PricewaterhouseCoopers ("PwC"), that the Company continues to maintain its Venture Capital Trust status. It will, of course, remain a key priority of the Board to ensure that the Company retains this VCT status. We welcome the new government's swift action to extend the State Aid rules for venture capital trusts until 2035.

Board changes

Jeremy Hamer will not be seeking re-election at the forthcoming AGM. We would like to take this opportunity to thank Jeremy for his invaluable service as a Non-Executive Director and Audit Committee Chair of the Company.

We also take this opportunity to welcome Julian Bartlett, who was appointed to the Board as a new Non-Executive Director on 2 October 2024. Jeremy's wealth of experience and wise counsel will be difficult to replace; however, we are pleased to have secured such a highly experienced director in Julian, following an extensive and open executive search process.

Chair's Statement (continued)

Annual General Meeting

I would like to take this opportunity to thank all Shareholders for their continued support of the Company and to invite you to attend the Company's Annual General Meeting, which is to be held on 12 February 2025. Full details of the AGM including; location, timing, and the business to be conducted, are given in the Notice of the Meeting on pages 92 and 93. Shareholders' views are important, and the Board therefore encourages all Shareholders to vote on the resolutions within the Notice of Annual General Meeting on pages 92 and 93 using the proxy form, or electronically at https://unicorn.city-proxyvoting.uk. The Board has carefully considered the business to be approved at the AGM and recommends that Shareholders vote in favour of all the resolutions being proposed.

Outlook

The current financial year is expected to reflect many of the same themes that have shaped recent performance, with investor sentiment toward smaller quoted companies likely to remain fragile. The Company is however, well-positioned to navigate this environment, benefiting, as it does, from a diversified portfolio that has consistently demonstrated resilience.

The Investment Manager is seeing early indications of renewed investor interest in the AIM, driven by attractive valuations. The IPO market has also shown modest signs of recovery, with several new companies preparing to list. The Investment Manager remains highly selective, ensuring that new investments align with the Company's long-term growth strategy. This disciplined approach, coupled with an improved deal pipeline, suggests promising opportunities for capital deployment in the coming year.

The Budget on 30 October 2024 brought in a number of measures that will impact UK businesses in general, and AIM-listed Companies in particular. The 1.2% increase in Employers' NI, coupled with the reduction in earnings thresholds on which it is paid, will have a negative effect on all businesses that employ more than a handful of people. The increase in CGT to 24% and the increase in rates for Business Asset Disposal Relief, and Entrepreneurs/Investors Relief to 14% next year and 18% the year after, may well discourage current and potential entrepreneurs from taking on risk to grow existing businesses or start new ones. Finally, AIM-listed shares will be partially brought inside the net for Inheritance Tax purposes with Business Relief applying to only 50% of their value. This may well reduce the attractiveness of AIM shares to potential investors and have a detrimental effect on the AIM in general. Meanwhile, making assets held in pension schemes subject to Inheritance Tax from April 2027 may also alter attitudes to long-term saving and investor behaviour. It is possible that the prospect of paying 40% Inheritance Tax on pension assets, may encourage the wealthy to mitigate tax liabilities by increasing their exposure to AIM-listed stocks, where partial relief will at least remain available. Nonetheless, it is currently hard to see how any of these measures are going to stimulate much needed economic growth.

Nevertheless, the Board shares the Investment Manager's confidence that the investment portfolio is well-positioned to deliver capital gains as and when market conditions improve.

Although near-term headwinds persist, the Board remains cautiously optimistic about the outlook. The Company's strategic positioning within high-growth sectors, combined with an expanding pipeline of investment opportunities, places it in a strong position to capture any recovery in market value and deliver meaningful capital growth for Shareholders.

Tim Woodcock
Chair

5 December 2024

Investment Manager's Review

Introduction

The twelve-month period ended 30 September 2024 was a challenging period for the Company in both absolute and relative performance terms. The Company's net asset value total return of +0.3% in the financial year, compares to a total return of +3.9% for the AIM Index over the same period.

While this is a slightly disappointing relative performance, it was largely the result of a clear gulf in performance between the largest and smallest companies listed on AIM. The FTSE AIM 50 Index, which represents the fifty largest companies on AIM, registered a total return of +9.2% over the twelve-month period. Meanwhile, the Company's performance remains governed by its requirement to invest in early-stage, scale-up companies. Unfortunately, the conditions for these smaller companies remained challenging, making it harder for our portfolio of investee companies to outperform the larger more established companies on AIM.

The financial year commenced with high levels of economic and geopolitical uncertainty. The UK economy entered a mild technical recession in the second half of 2023, reporting a small decline in quarterly gross domestic product ("GDP") for two consecutive quarters. Also, in September 2023, the UK consumer price index ("CPI") was running at an annual inflation rate of 6.7%, more than triple the 2% level set by the Government as a target for the Bank of England ("BoE") to reach and maintain. As inflation continued to pose a serious threat to economic growth, the BoE initiated the sharpest rate hiking cycle for many decades, which saw the Bank Rate peak at 5.25% in September 2023. Politically, the UK has also now experienced five Prime Ministers in just seven years, reflecting persistent instability in the post-Brexit era.

Globally, geopolitical risks remained at elevated levels throughout the period under review including: the war of attrition being waged by Russia against Ukraine in Europe, the resurgence of conflict in the Middle East between Israel and a number of Iranian backed militant groups, and growing tensions between China and Taiwan in the Far East.

Set against this volatile and unpredictable macro-economic backdrop, it was somewhat surprising to see global stock market indices rally so strongly during the financial year, from a low point reached in October 2023. US equity indices registered notably strong returns over the twelve-month period, as investors bet that the US Federal Reserve would successfully navigate macro-economic challenges and guide the American economy to a so-called 'soft-landing', thereby reducing inflation without putting the economy into recession. The S&P 500 Index registered a total return of +36.3% over the twelve months ended 30 September 2024. Meanwhile, the NASDAQ Composite Index posted a total return of +38.7% over the same period. Most notably, Nvidia's stock price surged by over +179%, as investors concluded that demand for its computer chips would continue to strengthen significantly in an effort to satisfy the phenomenal growth in generative AI computing power.

In the UK, over the same twelve-month period, equity market performance was led by the FTSE 250 (excluding Investment Trusts) Index, which recorded a total return of +21.4%, followed by the FTSE 100 Index, which delivered a total return of +12.4%. The strong performance of the mid-cap index reflected positive contributions from sectors most sensitive to a reduction in interest rates including: Non-Banking Financial Services, Real Estate and House Builders. Meanwhile, the UK's large-cap index also benefited from its large weighting in Banks and Defence sectors, which both performed strongly. Banks have benefited from the higher interest rate environment, which enabled them to earn a greater net interest margin on their loans. Ongoing geopolitical tensions fuelled a significant increase in defence spending by NATO countries, driving strong order intake at BAE Systems, among others.

However, investor appetite for backing UK smaller companies, particularly AIM listed shares, remained muted, and was clearly reflected in the much lower +3.9% total return registered by the AIM Index over the same twelve-month period. This divergence in performance underscores the persistent re-allocation of capital by investors away from smaller, higher risk, higher growth companies listed on AIM and towards large, more liquid, and globally diversified businesses in the UK and US equity markets. The FTSE AIM All-Share Index as at 30 September 2024 was almost 44% below its previous peak level reached in September 2021. Clearly, a sharp improvement in investor appetite for AIM-listed shares is necessary for this situation to change for the better.

Headwinds to equity performance subsided during the second half of the Company's financial year ended 30 September 2024. Inflation fell steadily to reach 2.2% in August 2024 and the BoE implemented its first interest rate cut since 2016, signalling the start of a new phase of easing monetary policy. This scenario should ultimately help support the performance of smaller AIM listed companies via lower borrowing costs and a more benign inflationary cost environment. M&A activity also grew during the year, as private equity investors and larger corporations were increasingly attracted by the generally depressed valuations of AIM listed companies.

The Labour Party's victory in July's General Election ought to bring about a more stable political outlook for the UK. One of the new Government's key pledges is to increase levels of investment in areas that will drive economic growth. The Chancellor, Rachel Reeves has however repeatedly stated that the new Government inherited a 'black hole' in the public purse and is now implementing plans to progressively increase taxation to help fund further increases in public sector expenditure. Investor concern surrounding the possible removal of tax reliefs also led to weaker sentiment towards AIM stocks in particular.

Investment Manager's Review (continued)

Net Asset Performance

As at 30 September 2024, the audited net assets of the Company amounted to £199.4 million, which equates to a decline of £12.5 million during the twelve-month period under review.

The audited Net Asset Value per Share was 104.7 pence as at 30 September 2024, which represents a capital decline (excluding dividends paid) of -14.6% on the closing NAV per share of 122.6 pence as at 30 September 2023. After adding back dividends paid during the financial year, the Net Asset Value ("NAV") Total Return of the Company was +0.3%.

Despite the substantial net proceeds received from a fully subscribed Offer for Subscription together with a positive return generated by the Company's investment portfolio, net assets registered a decline overall during the period under review. This decline was largely due to the £32.0 million in dividends that were paid to Shareholders in the period. A further £4.9 million was also returned to Shareholders by way of share buybacks during the financial year.

The Investment Manager has always adopted a cautious approach to deploying new capital. While total investment in AIM IPOs and AIM-listed companies reduced in 2024 in comparison to previous years, it is nonetheless pleasing to report that several new VCT qualifying investments were concluded during the period. In addition, a number of follow-on investment opportunities have also been completed since the proceeds from the Offer for Subscription were received. While the short-term performance of these new VCT qualifying investments has been volatile, the Investment Manager believes the current portfolio of investments is particularly well-positioned to deliver meaningful long-term growth in net assets.

Performance Review

The financial year under review has been another challenging period for the Company.

A number of investee companies suffered further declines in their market values, which is particularly disappointing since it follows on from the significant share price declines experienced in the prior financial year. The Company's holdings in early-stage, scale-up businesses, including those in the Life Sciences, Technology and Pharmaceutical sectors, came under particular pressure since they typically require multiple funding rounds, and were therefore disproportionately affected by the difficult market conditions.

By contrast, the more established, profitable and cash generative businesses in the portfolio generally delivered positive total returns. Several of these more mature investee companies received take-over approaches during the year. Notably, the Company's long-standing holdings in Mattioli Woods, Keywords Studios, City Pub Group and Belvoir Group all received recommended takeover offers at healthy premia to their underlying share prices.

Given the current circumstances, it seems likely that the Company will continue to experience elevated levels of takeover activity amongst its portfolio of investments.

As a reminder, the Investment Manager is required by prevailing VCT legislation to ensure that capital is deployed in early-stage, scale-up businesses. Clearly, investment in immature businesses carries a high degree of risk. We therefore anticipate further divergence of returns from within the portfolio of investee companies.

Over the past two decades however, many of the Company's longer-standing investments have developed into established, sustainably profitable, cash-generative businesses and, in the course of this development, have also generated substantial capital gains. We remain confident that this trend will continue.

The investment portfolio remains diversified, both by number of holdings and by sector exposure. At the financial year end, the Company held investments in 79 active VCT qualifying companies and 10 non-qualifying investments. These investments are spread across 27 different sectors.

A review of the ten most meaningful contributors to performance from VCT qualifying investments (both positive and negative) follows:–

Largest Contributors

Hasgrove (20.2% of net assets, +£17.4 million) is an unquoted holding company, which wholly-owns an operating subsidiary called Interact. Interact is a fast-growing global provider of corporate intranet solutions that operates a Software-as-a-Service (SaaS) business model.

In its most recent results for the financial year ended 31 December 2023, Hasgrove reported revenue growth of over 26% to £37.0 million and operating profit growth of 19% to £9.6 million, when compared to its prior financial year. Hasgrove continues to perform strongly, with profits growth continuing to exceed expectations, a growing customer base, and an accelerating stream of highly predictable recurring revenues. As a consequence of this continued strong financial and operational performance, the carrying fair value of the Company's investment in Hasgrove was raised to £40.3 million, representing an increase of +70.8% on the closing fair value of £23.6 million as at 30 September 2023.

Cohort (5.7% of net assets, +£5.5 million) is a defence technology group, focused on providing advanced solutions in defence, security, and related markets. Through its subsidiaries, it delivers innovative services such as electronic warfare systems, cyber security, and surveillance technologies. These capabilities support critical operations for defence organisations worldwide, ensuring enhanced safety and security across complex and high-risk environments.

Investment Manager's Review (continued)

In its most recent annual results for the financial year ended 30 April 2024, Cohort reported record revenues, operating profits, and order intake levels. Its current order book underpins over 90% of forecast revenues for its current financial year and management expect another year of good growth. Cohort also announced five substantial contract wins during the year totalling over £45 million in additional revenues.

Mattioli Woods (sold in year, +£2.3 million) is a specialist provider of wealth management and employee benefits services. Mattioli Woods offers tailored financial planning, asset management, and advisory solutions for individuals and corporate clients. Through its expertise in pension consultancy and investment strategies, Mattioli Woods ensures long-term financial security and growth, addressing the diverse needs of its clients across the UK.

In March 2024, Mattioli Woods announced the terms of a recommended takeover offer from Pollen Street Capital, a UK listed private equity firm, specialising in investments within the financial services sector. The offer valued Mattioli Woods at approximately £432 million, or 804 pence per share, which represented a 34% premium over Mattioli's closing price prior to the announcement. The transaction completed on 2 September 2024, generating proceeds of £7.8 million and realised a capital profit on book cost of £6.1 million.

Belvoir Group ("**Belvoir**")/**The Property Franchise Group** ("**TPFG**") (3.2% of net assets, +£2.3 million) is a UK based franchised property services company that specialises in residential lettings and sales through a network of franchisees. In January 2024, Belvoir announced a recommended all-share merger with TPFG to form one of the UK's largest multi-brand lettings and estate agency groups, integrating both companies' networks and services. Under the merger terms, Belvoir shareholders were entitled to approximately 48.25% of the combined entity, valuing Belvoir at around £110 million pre-merger. The transaction completed in March 2024, and we received new shares in TPFG in exchange for our shares in Belvoir. Following receipt of these shares, we disposed of the portion of shares which were non-qualifying and retained the qualifying element.

Keywords Studios ("**Keywords**") (3.0% of net assets, +£2.2 million) is a leading provider of creative and technological solutions for the video games and entertainment sectors. Keywords' offerings include: game development, art creation, audio production, quality assurance testing, localisation, and marketing services. Its comprehensive solutions ensure the smooth production and global distribution of engaging content, significantly enhancing player experience, and contributing to the success of top gaming titles worldwide.

Following a number of unsolicited and rejected bids from EQT, a global private equity firm, Keywords announced in July 2024 a final, recommended takeover offer, which valued Keywords at approximately £2.1 billion, or 2,450 pence per share, reflecting a premium of 66.7% over the closing price prior to the initial announcement. This offer completed on 23 October 2024, generating proceeds of £6.0 million and a realised gain of £5.7 million.

City Pub Group (sold in year, +£1.7 million) is a UK-based pub company that owns and manages a portfolio of over fifty pubs located in the southern regions of England and Wales.

In November 2023, Young & Co's Brewery ("Young's") announced a recommended takeover offer for City Pub Group valuing the company at approximately £162 million, or about 1,110 pence per share, reflecting a 46% premium over the company's closing share price prior to the announcement. The offer was satisfied through a combination of cash and new Young's shares. The transaction completed on 4 March 2024 and resulted in cash proceeds of £4.2 million and realised a profit on the Company's book cost of the holding in City Pub Group of £0.6 million. Following receipt of the new Young's shares, the Investment Manager disposed of the portion of shares that were non-qualifying and retained the qualifying portion of shares.

Anpario (3.1% of net assets, +£1.4 million) is a leading provider of natural animal health products. Anpario develops and manufactures innovative solutions for poultry, livestock, and aquaculture, focusing on nutritional additives and biosecurity measures. Anpario's range of products aim to enhance the health and welfare of farm animals, while promoting sustainable farming practices.

Anpario recently released positive interim results, which covered the period ended 30 June 2024. These results highlighted a recovery in global agricultural markets, leading to an improvement in sales volumes and a stabilisation of raw material costs. As a result, Anpario experienced strong growth in revenue (+11% to £17.0 million) and pre-tax profits (+53% to £2.1 million) year-on-year. Management also indicated a robust start to the second half of the year, with a sustained recovery in volumes across all product lines.

SulNOx Group (1.2% of net assets, +£1.0 million) specialises in providing responsible solutions for decarbonising liquid hydrocarbon fuels. SulNOx's natural, biodegradable fuel additives effectively reduce harmful greenhouse gas emissions.

SulNOx's results for the year to 31 March 2024 reported record turnover of £0.5 million as the business won its first sales of product to marine customers. Despite operational losses, SulNOx's now has positive business momentum, is expanding its operations globally and has added new board members with expertise in the marine sector. SulNOx has identified potential growth opportunities in the African, Asian, US, and European markets. In a recently released, independent report, the results of a generator-based study, unequivocally demonstrate commercially meaningful fuel savings and emissions reductions, which should assist SulNOx to achieve further commercial traction.

Investment Manager's Review (continued)

Animalcare Group (1.9% of net assets, +£0.9 million) is an international veterinary sales and marketing organisation which is headquartered in York. In April 2024, Animalcare released results for the financial year ending 31 December 2023, which reported an improved trading performance driven by management's focus on growing sales of its more popular and more profitable products in the group's portfolio. This approach facilitated an improvement in gross margins and improved cash generation. The group also disposed of its stake in Identicare, which is a UK-based pet microchipping business, for a cash consideration of circa £25 million. Management intends to prioritise growth in the animal pharmaceuticals business, via a combination of organic and acquisitive investment opportunities. In September 2024, Animalcare announced interim results for the six months ended 30 June 2024, which reported a continued positive trading performance and outlook.

Incanthera (1.4% of net assets, +£0.9 million) is a UK-based dermatology company currently wholly focused on commercialising a range of luxury skincare targeted solutions. A recently announced partnership agreement with Marionnaud has resulted in an exclusive Europe-wide product launch and underscores the growth potential of their proprietary Skin + CELL brand. Incanthera's specialist expertise in formulation and delivery, coupled with a significant market opportunity, positions the business well for rapid revenue growth. In order to fund the short-term increase in working capital, the business has strengthened the balance sheet by way of a further funding round of £1.1 million, in which we were pleased to participate.

Largest Detractors

Oxford Biodynamics ("OBD") (0.4% of net assets, -£5.8 million) is a biotechnology company dedicated to advancing healthcare by creating and distributing precision tests for life-changing diseases. OBD's pioneering EpiSwitch technology is acknowledged for its ability to assist in a more accurate diagnosis of prostate cancer. OBD's Prostate Screening Test (PSE) was launched ahead of schedule earlier this year and has received approval codes for reimbursement in the US by health insurers. However, a laboratory expansion and an increased investment in sales & marketing capacity, resulted in high levels of cash outflows during the financial year. In March 2024, OBD raised a further £10 million despite the difficult market conditions. In October 2024, OBD's management team announced a strategic review of the business, including a material reduction in costs in an effort to maximise the cash runway. Nonetheless, it is likely that OBD will require additional funding by early 2025. OBD's management team will be providing an update on the progress of the strategic review in due course.

Surface Transforms (0.0% of net assets, -£4.7 million) is a manufacturer of carbon fibre ceramic brake discs for the automotive industry. Surface Transforms has faced extreme challenges over the past year and slowly improving levels of manufacturing output have been insufficient to meet the forecast, and necessary levels of revenue growth. The implementation of capacity upgrade projects has taken longer, and cost more than originally anticipated. This has resulted in increased operational and working capital costs, which have led to a material decline in the company's cash balance. Revenues for the financial year ending 31 December 2024 are likely to fall significantly short of prior expectations and management have since enacted measures to carefully manage working capital, while also reviewing all available future funding options.

Tracsis (4.5% of net assets, -£4.3 million) is a leading provider of software, hardware, data analytics and services for the rail, traffic data, and wider transport industries. Products and services provided by Tracsis help their customers improve the efficiency and safety of their operations, reduce costs, make better decisions, and improve customer service. During the summer, Tracsis warned that its business had been negatively affected by a period of pre-election inactivity, which imposed restrictions on spending across central government, local authorities, and train operating companies. Current fiscal year revenue forecasts were trimmed by circa 5%, however, earnings forecasts were cut by a more substantial 30%, reflecting Tracsis's relatively high fixed cost base. In counterbalance to this setback, the management team emphasised that overall momentum in the group remained strong and that the market opportunity for its rail enterprise software continues to grow.

Avacta Group (1.0% of net assets, -£3.1 million) is a biopharmaceutical company focused on developing innovative cancer therapies and diagnostics using its proprietary Affimer® technology. In its recent interim results, Avacta reported strong progress with its Phase 1a clinical trial for AVA6000, supported by a successful fundraise of £30 million earlier this year. Management emphasised that both preclinical studies and ongoing clinical data support confidence in the broader potential of its pre|CISION™ platform. Additionally, a process is underway to divest its diagnostics division to sharpen focus on the therapeutics division.

Aurrigo International ("**Aurrigo**") (2.9% of net assets, -£2.8 million), is a leading global provider of innovative transport technology, specialising in autonomous and semi-autonomous solutions. Aurrigo's patented products and services tackle the ongoing transport issues that the aviation industry around the world is still facing due to labour shortages caused by the COVID pandemic. In November 2023, Aurrigo secured an additional £3.84 million, including £1.5 million from the Company, to support its development plans. This important funding round was completed at a significant discount to the underlying share price, immediately prior to the announcement of the latest investment round. Since then, Aurrigo has released half-year financial results, which confirmed significant growth in revenues in both its Autonomous and Automotive divisions. Total revenues increased by 26% (£3.9 million), gross profit was up 100% (£1.4 million). Cash reserves were £1.8 million. Aurrigo's management team anticipates delivering significant growth in

Investment Manager's Review (continued)

revenues during the 2025 financial year. Meanwhile, by exerting a tight control of overheads, management is confident that margins will improve during the remainder of the current financial year.

Directa Plus (0.5% of net assets, -£2.4 million) is a leading supplier of graphene, an innovative material with a wide range of applications across a variety of industries including consumer, energy, automotive, and aerospace. Directa Plus reported lower sales and profitability in its most recent interim results, reflecting a variety of challenges, including a delayed start to a key contract, the cessation of lower-margin contracts and a temporary slowdown in orders from a major workwear client. Despite these short-term setbacks, Directa Plus remains focused on strengthening its commercial capabilities, driving growth through production efficiencies, cost restructuring, and converting contracts from its growing pipeline of opportunities.

Destiny Pharma (0.0% of net assets, -£2.0 million) is a biotechnology firm focused on creating innovative anti-infection solutions. Its lead product, XF-73 Nasal, is an antimicrobial gel designed to prevent post-surgical infections and currently remains in late-stage development.

In July 2024, Destiny Pharma's Board came to the conclusion that staying on public markets hindered their ability to secure adequate funding for the Phase 3 clinical trials of this product. Despite the strong market potential of XF-73 Nasal, the company has faced challenges in raising further capital and delays in securing a commercially viable licensing deal. Given limited funding opportunities in public markets and significant cash constraints, the Board concluded that transitioning to private ownership would enhance access to the necessary capital.

Unfortunately, this initiative was unsuccessful and, on 22 August 2024, Destiny Pharma entered administration, having failed to secure the necessary capital from alternative sources. At this point, the value of our investment in Destiny Pharma was written down to zero.

Lunglife AI (0.2% of net assets, -£1.7 million) is a biotechnology company focused on using artificial intelligence to improve the early detection and diagnosis of lung cancer. By analysing lung samples using its proprietary algorithms, Lunglife aims to enhance diagnostic accuracy and ultimately improve patient outcomes. Despite past delays in the clinical development of its diagnostic tests, LungLife AI is now laying the groundwork for commercial progress. The company has secured a reimbursement code and favourable Medicare pricing for its test, coupled with initial orders generated from its early access program, indicating increasing interest from physicians. LungLife AI is actively seeking to secure funding from a strategic partner, while also implementing effective cost-control measures to extend its current cash runway.

Arecor Therapeutics ("**Arecor**") (0.4% of net assets, -£1.5 million) is a clinical-stage biopharmaceutical company focused on developing novel therapies through its proprietary Arestat™ technology. Arecor's portfolio includes next-generation insulin therapies and other advanced biologics, which target unmet medical needs across a range of therapeutic areas.

During the period under review, Arecor achieved notable pipeline advancements and secured a further £6 million in funding. Although the fundraise led to a decline in the company's share price, Arecor has since reported encouraging Phase I clinical results for AT278, showcasing its potential to significantly improve outcomes for diabetic patients. Discussions are currently underway to secure a development partner for this key asset.

Tribe Technology ("**Tribe Tech**") (0.4% of net assets, -£1.0 million) specialises in the development and manufacture of autonomous mining equipment. Tribe Tech has made significant progress in developing its autonomous drill rig and sample system products. The company has successfully manufactured its first drill rig for Master Drilling, a mining contractor, and is currently manufacturing a second drill rig for Anglo American, a global mining corporation. However, delays in delivering the first drill rig to Master Drilling have resulted in much needed revenue generation slipping into 2025. Tribe Tech raised a further £1.41 million in June 2024 via the issue of new shares and a Convertible Loan Note. The company's management team has also enacted cost reductions to preserve working capital where possible.

Non-Qualifying Investments

The non-qualifying investments in the portfolio are typically made in larger, more liquid quoted companies that are listed on the FTSE 350 Index. Non-qualifying investments are normally held in the portfolio in lieu of cash, allowing us to generate additional dividend income for future distribution to Shareholders while awaiting suitable VCT qualifying investment opportunities. In the main, these investments performed satisfactorily during the period under review.

During the twelve-month period ended 30 September 2024, the Investment Manager continued to take advantage of the attractive yields available on short-term money market funds to generate additional income. While short-term bond yields remain high, we expect this to remain an attractive means of generating additional income at minimal risk, while awaiting suitable VCT qualifying opportunities.

Offer for Subscription

The fully subscribed Offer for Subscription that closed in February 2024, was a very pleasing outcome and is a humbling endorsement, in particularly challenging times, of the Investment Manager's proven and successful long-term approach. The new funds raised will enable the Investment Manager to continue the established and successful strategy of selectively growing the existing portfolio of investments by providing much needed capital to emerging 'scale-up' businesses. The deployment of capital into new investment opportunities will continue to be rigorously controlled, especially in view of the difficult investment landscape.

Investment Manager's Review (continued)

Investment Activity

In terms of investment activity, the number of companies raising money on AIM remained at historically low levels due to the difficult market conditions. Initial Public Offerings ("IPOs") were largely absent during the twelve-month period. By number, the majority of the fund-raises in which we participated were in companies in which we already held an equity stake and were designed to provide additional capital to enable them to accelerate their development plans. A total of £5.9 million was invested in these follow-on funding rounds, across nine qualifying companies already held in the portfolio.

In addition, five VCT qualifying investments were made in businesses already listed on AIM or the Aquis Exchange, but which were new introductions to the Company's portfolio. In total, £7.5 million was invested in these VCT qualifying companies.

As highlighted in the table below, the VCT qualifying investments made during the financial year have delivered disappointing initial returns, which starkly illustrates the difficult market conditions for small, early-stage AIM- listed businesses. The standout performer in a positive sense, was our investment in Incanthera, which has generated strong short-term gains.

	Trade Date	Cost £	Value at 30 September 2024 £	Profit/(loss) £	Return %
NEW INVESTEE COMPANIES					
Eden Research	6 October 2023	1,500,000	900,000	(600,000)	(40.0)
SkinBioTherapeutics	22 November 2023	1,500,000	848,684	(651,316)	(43.4)
Equipmake Holdings	15 February 2024	1,500,000	625,000	(875,000)	(58.3)
EDX Medical Group	4 March 2024	1,000,000	791,667	(208,333)	(20.8)
Incanthera*	21 June 2024	2,000,000	2,933,333†	933,333†	46.7
Total		**7,500,000**	**6,098,684**	**(1,401,316)**	**(18.7)**
FOLLOW ON INVESTMENTS					
Aurrigo International	20 November 2023	1,500,000	1,125,000	(375,000)	(25.0)
Verici DX	20 February 2024	1,000,000	722,222	(277,778)	(27.8)
PCI-PAL	18 March 2024	123,064	102,846	(20,218)	(16.4)
LungLife AI	22 March 2024	755,000	215,714	(539,286)	(71.4)
Oxford Biodynamics	5 April 2024	748,201	267,690	(480,511)	(64.2)
Polarean Imaging	17 June 2024	350,000	507,500	157,500	45.0
Tribe Technology Conv LN 7.5%	26 June 2024	600,000	600,000	–	–
Directa Plus	1 July 2024	640,000	391,111	(248,889)	(38.9)
Oberon Investments Group	9 August 2024	224,400	192,343	(32,057)	(14.3)
Total		**5,940,665**	**4,124,426**	**(1,816,239)**	**(30.6)**

* During the period, sales were made realising a gain of £40,774.
† Based on original investment.

While initial performance has been disappointing, the Investment Manager believes that each of these has the potential to generate a significant contribution to long-term capital growth.

As a reminder, the Investment Manager is required, by virtue of the strict investment rules surrounding Venture Capital Trusts, to invest in businesses that are typically at an early stage in their development. These rules, which the Investment Manager fully supports, do however increase the risk of incurring capital losses, especially given that progress toward sustainable profitability is rarely straightforward. In testing macro-economic conditions, such as those currently being experienced, it is therefore unsurprising that some of the investments made in recent years, have struggled to perform in share price terms.

Investment Manager's Review (continued)

Realisations

In aggregate, £0.9 million was raised from the partial disposal of VCT qualifying shares during the period. A further £37.8 million was received in net proceeds from VCT qualifying investments, which were fully disposed as a consequence of M&A activity. These corporate exits realised an aggregate gain on book cost of £29.1 million.

The largest corporate exit was Abcam, which was acquired by Danaher Corporation. This transaction completed in December 2023, generating net proceeds of £20.3 million and a realised capital gain on remaining book cost of £19.2 million. As a reminder, the Investment Manager has also realised very substantial capital profits throughout the 18 year investment holding period, by making a series of regular partial disposals of shares in Abcam. The Company's initial investment in Abcam was made in November 2005.

Other corporate takeovers of VCT qualifying investments, which completed during the twelve-month period, included; Mattioli Woods, Instem, Smoove and City Pub Group. In aggregate, these four additional exits generated net proceeds of £17.4 million and realised capital gains of £11.1 million on book cost.

Corporate actions also resulted in the full exit of non-qualifying investments. These included the takeover of non-qualifying shares in City Pub Group, which generated net proceeds of £1.2 million and a realised loss on book cost of £0.1 million. The Company also tendered its non-qualifying shares in Gama Aviation, ahead of Gama's delisting from AIM, which generated proceeds of £0.3 million and a realised loss of £0.5 million. A qualifying stake in Gama Aviation was retained in the portfolio as an unlisted investment.

Outlook

The headwinds faced by the UK economy over recent years finally appear to be abating. Inflation is moderating and the 'core' Consumer Price Index ("CPI") is expected to soften further to 2.2% in 2025 and 2.1% in 2026. Core CPI is an important indicator of economic health, which is closely monitored by the Bank of England since it excludes the highly volatile costs of energy and food.

Provided that the downward trend in inflation continues, the Bank of England is expected to continue to reduce interest rates beyond the initial 25 basis point reduction made in August 2024. Market forecasts currently indicate the potential for an additional 50 basis point reduction to 4.5% by the end of 2024. Declining interest rates should help to support listed company valuations, particularly those at the smaller end of the market capitalisation range.

Following years of political disruption and uncertainty, the election of a government with a large majority should provide stability and boost levels of confidence among retail and institutional investors. It is to be hoped that the UK becomes more widely perceived as being an attractive place in which to invest. However, near-term optimism has recently been tempered in the aftermath of the new Chancellor's first Budget. While anticipated reductions in the tax reliefs enjoyed by certain AIM businesses did not fully materialise, other aspects of the Budget were clearly designed to rapidly increase HMRC's overall tax take. This is disappointing, especially given the Labour Party's pro-growth and pro-business rhetoric prior to the General Election.

Globally, geopolitical risks remain significant. Conflict between Russia and Ukraine is likely to grind on. Elsewhere, dramatic escalation of military conflict in the Middle East, poses a threat to stability throughout the Middle East region. In Asia, increasing military tension between China and Taiwan may lead to global economic and supply chain disruption or, in the worst-case scenario, military conflict. The outcome of these risks, and the effects they may have on equity markets, is highly unpredictable. However, the Investment Manager takes comfort from the diversified nature of the portfolio, which has always demonstrated resilience in previous periods of extreme market dislocation.

In the meantime, the portfolio of investee companies remains in reasonably good health. Importantly, most of these businesses remain well-funded and are operating with balance sheets that are sufficiently robust to enable them to successfully navigate a further period of economic and equity market uncertainty.

Overall, IPO activity on AIM is likely to take longer to recover than previously expected. However, VCT qualifying pipeline opportunities remain satisfactory in terms of both quantity and quality. As a reminder, the Investment Manager's approach to raising new capital through Offers for Subscription has always been prudent. This cautious approach will remain in place, thereby allowing us to maintain a selective approach when considering new VCT qualifying investment opportunities.

We remain confident in the potential for significant capital growth from the existing investment portfolio over the longer term and are cautiously optimistic about prospects for an improvement in investor sentiment during the current financial year.

Chris Hutchinson
Unicorn Asset Management Limited

5 December 2024

Top Ten Investments (by Value)

at 30 September 2024 with prior year comparative values

	30 September 2024			30 September 2023		
	Book cost £'000	Valuation £'000	% of net assets by value	Book cost £'000	Valuation £'000	% of net assets by value
Hasgrove (unlisted)	**1,277**	**40,306**	**20.2**	1,303	23,607	11.2
Cohort	**1,278**	**11,376**	**5.7**	1,278	5,904	2.8
Tracsis	**1,500**	**8,910**	**4.5**	1,500	13,200	6.2
Avingtrans*	**1,864**	**7,979**	**4.0**	1,864	7,979	3.8
MaxCyte	**2,926**	**7,208**	**3.6**	2,926	6,214	2.9
Tristel	**878**	**6,411**	**3.2**	878	7,195	3.4
The Property Franchise Group (formerly Belvoir Group)*	**2,202**	**6,308**	**3.2**	2,362	4,351	2.0
Anpario	**1,423**	**6,248**	**3.1**	1,423	4,849	2.3
Keywords Studios	**303**	**6,007**	**3.0**	303	3,818	1.8
Aurrigo International	**4,458**	**5,747**	**2.9**	2,980	7,139	3.4
Total	**18,109**	**106,500**	**53.4**	16,817	84,256	39.8

* The holding consists of both qualifying and non-qualifying shares as shown on pages 14 and 20.

Investment Portfolio Summary

at 30 September 2024

	Year first invested	Book cost £'000	Value £'000	Market sector	% of net assets by value	% of equity held	% of equity managed by UAML*
QUALIFYING AIM QUOTED INVESTMENTS							
Cohort Provision of a wide range of technical services to clients in the defence and security sectors	2006	1,278	11,376	Aerospace & defence	5.7	2.9	3.2
Tracsis Developer and supplier of resource optimisation and data capture technologies to the transport industry	2007	1,500	8,910	Software & computer services	4.5	5.4	5.9
MaxCyte Developer of cell -engineering platforms based on Flow Electroporation technology	2016	2,926	7,208	Pharmaceuticals & biotechnology	3.6	2.4	2.4
Avingtrans Provision of precision engineering services	2004	996	6,806	Industrial engineering	3.4	5.9	5.9
Tristel Manufacturer of contamination and infection control products	2009	878	6,411	Healthcare providers	3.2	3.4	4.0
Anpario Manufacturer of natural feed additives for global agricultural markets	2006	1,423	6,248	Pharmaceuticals & biotechnology	3.1	9.2	9.2
Keywords Studios Provider of technical service to the global video game industry	2013	303	6,007	Leisure goods	3.0	0.3	0.3
Aurrigo International An international provider of transport technology solutions	2022	4,458	5,747	Technology hardware & equipment	2.9	16.7	16.7
The Property Franchise Group (formerly Belvoir Group) Residential property lettings and sales	2015	1,883	5,388	Real estate investment & services	2.7	2.4	2.4
AB Dynamics Designer, manufacturer and supplier to the global automotive industry of advanced testing and measurement products for vehicle suspension, brakes and steering	2016	792	4,875	Industrial engineering	2.5	1.1	1.4
Idox Information and knowledge management software	2007	1,242	3,868	Software & computer services	1.9	1.4	1.4
Pulsar Group (formerly Access Intelligence) Compliance software solutions for the public and private sectors	2004	3,159	3,848	Software & computer services	1.9	5.1	5.1
Animalcare Group Specialist veterinary pharmaceuticals and animal health products	2007	2,401	3,844	Pharmaceuticals & biotechnology	1.9	2.7	2.7
Incanthera** Dermatology and oncology therapeutics company focusing on discovery and development of targeted solutions	2024	1,960	2,874	Pharmaceuticals & biotechnology	1.4	11.2	11.2
SulNOx Group** The development and marketing of fuel emulsifiers and conditioners	2021	1,800	2,353	Chemicals	1.2	5.4	5.4
Avacta Group Developer of protein based reagents for research and diagnostics	2018	932	2,064	Pharmaceuticals & biotechnology	1.0	1.2	1.2

* Unicorn Asset Management Limited.
** Listed on Acquis Exchange.

Investment Portfolio Summary (continued)

at 30 September 2024

	Year first invested	Book cost £'000	Value £'000	Market sector	% of net assets by value	% of equity held	% of equity managed by UAML*
Futura Medical Experts in topical formulations and transdermal delivery and have developed an advanced proprietary transdermal technology	2021	2,300	1,975	Pharmaceuticals & biotechnology	1.0	1.9	1.9
Oberon Investments Group** A boutique financial institution providing a personalised wealth management service for retail and professional clients and corporate broking services for small and mid-cap companies	2023	2,224	1,859	Financial services	0.9	9.0	9.0
Verici DX Developer of tests to understand how a patient will and is responding to organ transplant	2020	3,125	1,323	Pharmaceuticals & biotechnology	0.7	8.4	8.4
PCI-PAL A leading world-wide provider of payment card industry compliance solutions for contact centres	2018	1,023	1,039	Software & computer services	0.5	3.1	3.1
Directa Plus Producer and supplier of graphene-based products for use in consumer and industrial products	2016	5,250	1,037	Chemicals	0.5	9.0	9.0
Feedback A specialist technology company providing innovative software and systems to benefit those working in the field of medical imaging	2020	4,000	971	Medical equipment & services	0.5	18.2	18.2
Huddled Group (formerly Let's Explore Group) Provider of ‘out of home’ virtual reality experiences	2018	2,250	903	Electronic & electrical equipment	0.5	9.1	9.1
Eden Research Develops and supplies innovative biopesticide products and natural microencapsulation technologies to the global crop protection, animal health and consumer products industries	2023	1,500	900	Chemicals	0.5	4.3	4.3
Tribe Technology A disruptive developer and manufacturer of autonomous mining equipment	2023	2,000	880	Industrial engineering	0.4	8.3	8.3
SkinBioTherapeutics A life science company focused on skin health	2023	1,500	849	Pharmaceuticals & biotechnology	0.4	3.5	3.5
Oxford Biodynamics A global biotech company advancing personalised healthcare by developing & commercialising precision medicine tests for life-changing diseases	2022	3,498	809	Pharmaceuticals & biotechnology	0.4	8.1	8.1
EDX Medical Group** Develops innovative digital diagnostic products and services for the personalised treatment for cancer, heart disease and infectious diseases	2024	1,000	792	Pharmaceuticals & biotechnology	0.4	2.4	2.4
Vianet Provision of real-time monitoring systems and data management services	2006	725	788	Software & computer services	0.4	2.1	2.1
Ilika A pioneer in solid state battery technology, enabling solutions for applications such as Industrial IoT, MedTech and EV	2020	1,528	744	Electronic & electrical equipment	0.4	1.9	1.9

* Unicorn Asset Management Limited.
** Listed on Acquis Exchange.

Investment Portfolio Summary (continued)

at 30 September 2024

	Year first invested	Book cost £'000	Value £'000	Market sector	% of net assets by value	% of equity held	% of equity managed by UAML*
Arecor Therapeutics A globally focused biopharmaceutical company transforming patient care by bringing innovative medicines to market through the enhancement of existing therapeutic products	2021	2,778	743	Pharmaceuticals & biotechnology	0.4	3.2	3.2
Equipmake Holdings** A UK-based technology company, which has developed a range of electrification products for the provision of electric vehicle drivetrains	2024	1,500	625	Technology hardware & equipment	0.3	2.5	2.5
Young & Co Owner and occupier of pubs located in cities and major towns in the South including London	2024	745	608	Travel & Leisure	0.3	0.2	0.7
Concurrent Technologies Designer and manufacturer of high performance processor based solutions for use in critical embedded applications	2016	275	570	Technology hardware & equipment	0.3	0.6	0.6
Polarean Imaging Manufacturer and service provider for noble gas polariser devices and ancillary instruments with special focus on pulmonary imaging	2021	2,257	554	Medical equipment & services	0.3	3.2	3.2
Totally Delivery of care solutions to individuals, business or public bodies	2015	3,107	518	Healthcare providers	0.3	2.9	2.9
Tan Delta Systems Provider of real-time oil condition analysis that optimises maintenance and reduces operating costs	2023	504	484	Electronic & electrical equipment	0.3	2.7	2.7
LungLife AI A diagnostic company focused on the early detection of lung cancer from a simple blood draw enhanced by artificial intelligence	2021	3,835	408	Pharmaceuticals & biotechnology	0.2	12.7	12.7
PHSC Health & Safety consultancy and training	2007	253	375	Industrial support services	0.2	12.2	12.2
Nexteq Designer and manufacturer of advanced hardware and software solutions for the pay-to-play gaming and slot machine industry	2016	648	368	Technology hardware & equipment	0.2	0.6	0.6
Netcall Creates, maintains and supports a full range of communication software tailored to both the public and private sectors	2016	192	335	Software & computer services	0.2	0.2	0.2
Touchstar Development and supply of rugged, hand-held data capture devices to the logistics sector	2005	338	304	Technology hardware & equipment	0.2	3.5	3.5
XP Factory Global provider of live 'escape the room' experiences	2017	2,000	263	Travel & leisure	0.1	1.3	1.3
Fusion Antibodies A contract research organisation that offers a range of antibody engineering services for all stages of therapeutic and diagnostic antibody development	2017	1,410	262	Healthcare providers	0.1	6.7	6.7

* Unicorn Asset Management Limited.
** Listed on Acquis Exchange.

Investment Portfolio Summary (continued)

at 30 September 2024

	Year first invested	Book cost £'000	Value £'000	Market sector	% of net assets by value	% of equity held	% of equity managed by UAML*
Diales (formerly Driver Group) Provision of specialist commercial, project planning and dispute resolution services to the construction industry	2006	552	257	Industrial support services	0.1	3.1	3.1
Kingswood Holdings Private wealth management	2015	1,758	253	Investment banking & brokerage services	0.1	0.3	0.3
Synectics Designer of end-to-end integrated security and surveillance solutions	2016	110	250	Industrial support services	0.1	0.6	0.6
Gelion Developer of the next generation of safe stationary storage technology to maximise solar and wind energy	2022	1,900	223	Electronic & electrical equipment	0.1	1.0	1.0
Angle Developer of products for use in rare cell diagnostics that enable early, accurate identification of an individual's condition for the prevention, treatment, and monitoring of disease	2018	1,385	222	Pharmaceuticals & biotechnology	0.1	0.9	0.9
Creo Medical A medical device company focused on the emerging field of surgical endoscopy, a recent development in minimally invasive surgery	2018	1,000	192	Medical equipment & services	0.1	0.2	0.2
Oncimmune Holdings A immunodiagnostics developer, primarily focused on the growing fields of immuno-oncology, autoimmune disease and infectious diseases	2021	2,088	191	Pharmaceuticals & biotechnology	0.1	1.6	1.6
Hardide Advanced tungsten carbide based metal coatings for internal and external surfaces	2014	2,054	191	Chemicals	0.1	4.1	4.1
Pressure Technologies Manufacturer of high pressure cylinders	2007	1,140	176	General industrials	0.1	1.5	1.5
Abingdon Health Developer and manufacturer of high-quality rapid lateral flow tests across all industry sectors, including healthcare and COVID-19	2020	1,851	173	Medical equipment & services	0.1	1.0	1.0
Software Circle (formerly Grafenia) Franchised high street print shops	2004	231	154	Consumer services	0.1	0.2	0.2
Engage XR A virtual/augmented reality software firm dedicated to changing how educational content and corporate training are provided and consumed globally	2018	2,084	152	Software & computer services	0.1	3.6	3.6
Merit Group Media group focused on political communication, training and publishing	2003	1,176	134	Media	0.1	0.9	0.9
Cambridge Nutritional Sciences Medical diagnostics company focused on allergy, food intolerance and infectious disease	2010	444	130	Medical equipment & services	0.1	1.6	1.6

* Unicorn Asset Management Limited.

Investment Portfolio Summary (continued)

at 30 September 2024

	Year first invested	Book cost £'000	Value £'000	Market sector	% of net assets by value	% of equity held	% of equity managed by UAML*
Surgical Innovations Group Designer and manufacturer of minimally invasive surgical instruments	2007	436	129	Medical equipment & services	0.1	2.8	2.8
Renalytix (formerly Renalytix AI) A developer of artificial intelligence enabled diagnostic solutions	2018	1,425	88	Healthcare providers	–	0.7	0.7
Brighton Pier Group Owner and operator of Brighton Pier and of premium bars across the UK	2013	426	85	Travel & leisure	–	0.7	0.7
Surface Transforms Developer and producer of carbon-ceramic brakes	2016	3,164	62	Automobiles & parts	–	1.4	1.4
Trellus Health Provider of quality and expert-driven personalised care for people with chronic conditions	2021	2,500	59	Healthcare providers	–	3.9	3.9
Dillistone Group Provider of software services to the executive recruitment industry	2006	356	52	Software & computer services	–	7.8	7.8
Genedrive Developing and commercialising a low cost, rapid, versatile point-of-need diagnostics platform for the diagnosis of infectious diseases	2016	706	21	Pharmaceuticals & biotechnology	–	0.2	0.2
Earnz (formerly Verditek) Development and production of lightweight, flexible solar panels	2020	1,500	13	Alternative energy	–	0.2	0.2
Getech Group A leading petroleum and minerals consultancy	2016	188	13	Oil, gas & coal	–	0.4	0.4
Microsaic Systems A high technology company which develops point-of-need mass spectrometers, focussed on early drug development and life science markets	2018	2,175	13	Electronic & electrical equipment	–	0.7	0.7
Zoo Digital Provider of software services to the media, entertainment and publishing industries	2016	3	10	Software & computer services	–	–	–
RUA Life Sciences Intellectual property holding company of biomedical polymer technology, components and medical devices	2016	8	4	Pharmaceuticals & biotechnology	–	0.1	0.1
Cloudified Holdings(formerly Falanx Group) Provider of proactive cyber defence, intelligence and technology	2018	1,500	3	Industrial support services	–	6.3	6.3
Cizzle Biotechnology Holdings Designer and manufacturer of intelligent LED lighting solutions for commercial and architectural markets	2014	747	1	Pharmaceuticals & biotechnology	–	–	–
Distil Owner and supplier of gin, vodka and liquor brands	2016	5	1	Beverages	–	0.1	0.1
		112,608	**112,365**		**56.3**		

* Unicorn Asset Management Limited.

Investment Portfolio Summary (continued)

at 30 September 2024

	Year first invested	Book cost £'000	Value £'000	Market sector	% of net assets by value	% of equity held	% of equity managed by UAML*
QUALIFYING UNQUOTED INVESTMENTS							
Hasgrove Digital marketing and communication services	2006	1,277	40,306	Media	20.2	25.9	25.9
nkoda Limited Online provider of sheet music by subscription	2018	2,496	1,283	Software & computer services	0.7	10.5	10.5
Heartstone Inns A group of individual Free Houses each with a distinct character in locations across Southern England	2014	1,112	766	Travel & leisure	0.4	7.6	7.6
Tribe Technologies - Loan stock A disruptive developer and manufacturer of autonomous mining equipment	2024	600	600	Industrial engineering	0.3	N/A	N/A
Phynova A life science company that develops and commercialises natural healthcare products	2018	1,500	301	Pharmaceuticals & biotechnology	0.2	5.3	5.3
LightwaveRF A pioneer of the smart home technology sector	2017	2,616	279	Technology hardware & equipment	0.1	9.9	9.9
Gama Aviation Operator of privately owned passenger jet aircraft	2010	760	231	Industrial transportation	0.1	1.2	1.2
Saietta Group** An engineering company specialising in propulsion motors for a broad range of electric vehicles	2021	3,151	–	Automobiles & parts	–	1.8	1.8
British Honey Company (The)** A UK based producer of spirits, honey and jams	2020	3,101	–	Beverages	–	16.6	16.6
Destiny Pharma** A clinical phase biotechnology company dedicated to the development of novel anti-infectives with a focus on infection prevention	2020	2,500	–	Pharmaceuticals & biotechnology	–	4.3	4.3
Uvenco*** Operator of vending machines	2008	2,102	–	Food & drug retailers	–	1.8	1.8
Bonhill Group*** Media and events company focused on the financial and technology sectors	2007	1,812	–	Finance & credit services	–	1.9	1.9
Trackwise Designs** Manufacturer, to customer specification, of specialist products using printed circuit technology	2018	1,750	–	Technology hardware & equipment	–	0.3	0.3
Crawshaw Group*** Yorkshire based chain of retail butchers	2007	1,538	–	Food & drug retailers	–	6.4	6.4
Syndicate Room Group Investment company and crowd funding platform	2016	1,250	–	Financial services	–	3.8	3.8
Kellan Group A recruitment business operating across a wide range of functional disciplines and industry sectors	2016	13	–	Industrial support services	–	0.3	0.3
Miroma Holdings Film and live entertainment advertising, marketing and display agencies	2016	1	–	Media	–	–	–
		27,579	43,766		22.0		
TOTAL QUALIFYING INVESTMENTS		**140,186**	**156,131**		**78.3**		

* Unicorn Asset Management Limited.
** In administration.
*** In liquidation.

Investment Portfolio Summary (continued)

at 30 September 2024

	Year first invested	Book cost £'000	Value £'000	Market sector	% of net assets by value	% of equity held	% of equity managed by UAML*
NON-QUALIFYING INVESTMENTS							
BlackRock Cash Fund Class D (Unit Trust)	2023	5,086	5,089	Unit Trust	2.5	N/A	N/A
Royal London Short-Term Money Market Fund Y (OEIC)	2023	4,994	5,007	OEIC	2.5	N/A	N/A
Unicorn Ethical Fund (OEIC) Income	2016	4,483	3,956	OEIC	2.0	N/A	N/A
NON-QUALIFYING FULLY LISTED EQUITIES							
Unilever	2024	2,945	3,628	Personal care, drug & grocery stores	1.8	–	–
Primary Health Properties	2024	3,016	3,032	Real estate investment trusts	1.5	0.2	1.4
Londonmetric Property	2024	3,030	2,967	Real estate investment trusts	1.5	0.1	0.5
Diageo	2024	2,975	2,785	Beverages	1.4	–	–
Lloyds Banking Group	2018	3,010	2,598	Banks	1.3	–	–
Schroders	2024	2,998	2,530	Investment banking & brokerage services	1.3	–	0.2
Babcock International	2017	3,006	1,569	Aerospace & defence	0.8	0.1	0.1
NON-QUALIFYING AIM QUOTED ENTITIES							
Avingtrans	2004	868	1,173	Industrial engineering	0.6	5.9	5.9
The Property Franchise Group (formerly Belvoir Group)	2015	319	920	Real estate investment & services	0.5	2.4	2.4
Diales (formerly Driver Group)	2006	561	150	Industrial support services	0.1	3.1	3.1
Dillistone Group	2006	722	108	Software & computer services	–	7.8	7.8
NON-QUALIFYING UNQUOTED INVESTMENTS							
Unlisted equities		205	–		–		
TOTAL NON-QUALIFYING INVESTMENTS		**38,218**	**35,512**		**17.8**		
TOTAL INVESTMENTS		**178,405**	**191,643**		**96.1**		
Current assets			9,808		4.9		
Current liabilities			(2,029)		(1.0)		
NET ASSETS			**199,422**		**100.0**		

* Unicorn Asset Management Limited.

Unquoted Investments Summary

at 30 September 2024

Company	Value £'000	% of net assets by value £'000	Valuation Basis	Date of Latest Accounts	Turnover £'000	Profit/(loss) Before Tax £'000	Net assets/ (liabilities) £'000
Hasgrove	40,306	20.2	Earnings multiple	31 Dec '23	37,032	9,907	13,344
nkoda Limited	1,283	0.7	Recent transaction	30 Sep '23	N/A	N/A	2,425
Heartstone Inns	766	0.4	Net asset value	31 Dec '23	9,692	15	14,640
Tribe Technology – Loan stock	600	0.3	Discounted cash flow	N/A	N/A	N/A	N/A
Phynova	301	0.2	Earnings multiple	31 Dec '22	N/A	N/A	(3,661)
LightwaveRF	279	0.1	Recent transaction	31 Dec '23	N/A	N/A	12,477
Gama Aviation	231	0.1	Recent transaction	31 Dec '23	115,491	(16,248)	79,175
Saietta Group*	–	–	Full provision	31 Mar '23	2,103	(20,428)	29,189
British Honey Company (The)*	–	–	Full provision	31 Dec '21	7,957	(12,103)	810
Destiny Pharma*	–	–	Full provision	31 Dec '23	832	(6,446)	9,189
Uvenco**	–	–	Full provision	31 Dec '16	10,857	421	982
Bonhill Group**	–	–	Full provision	31 Dec '22	14,913	(6,271)	7,430
Trackwise Designs*	–	–	Full provision	31 Dec '21	8,011	(1,976)	24,451
Crawshaw Group**	–	–	Full provision	28 Jan '18	44,559	(13,521)	10,366
Syndicate Room Group	–	–	Full provision	31 Dec '23	718	(327)	683
Kellan Group	–	–	Full provision	31 Dec '22	24,341	1,013	3,337
Miroma Holdings	–	–	Full provision	30 Jun '23	255,640	1,373	37,850

The valuations of the unquoted portfolio are reviewed quarterly as discussed on pages 54 and 55.

* In administration.
** In liquidation.

Financial and Performance Review

for the year ended 30 September 2024

Net Assets

As at 30 September 2024, the audited net assets of the Company were £199.4 million, compared to £211.9 million on 1 October 2023. The decline in total net assets was primarily due to the distribution of dividends to Shareholders. This was partially offset by the support received from new and existing Shareholders under the Offer for Subscription, which raised £19.5 million net of costs and the reinvestment in the DRIS.

Performance during the year

As at 30 September 2024, the audited NAV of the Company was 104.7 pence per share, having fallen by 17.9 pence from 122.6 pence per share at the start of the financial year under review, compared with a fall of 12.2 pence per share in the year ended 30 September 2023. After adding back dividends of 18.2 pence per share paid in the year, the total return to Shareholders increased by 0.4 pence or 0.3% compared with a decrease of 5.7 pence or 4.3% in the previous year. In comparison, the total return from the FTSE AIM All-Share Total Return Index was an increase of 3.9% over the year to 30 September 2024 (2023: 8.3% decline).

At the financial year end, there were 79 active VCT qualifying and 10 non-qualifying investments held in the portfolio. These investments are spread across 27 different sectors.

In the year to 30 September 2024, a total of £85.3 million was realised through the sale of investments (including transfers from money market funds of £39.5 million), approximately £66.9 million was deployed in new investments (including transfers in to money market funds of £37.5 million) and approximately £32.0 million was paid out as dividends to Shareholders. A further £4.7 million was spent on the operating costs of the Company and £4.9 million on share buybacks.

Share Issues and Buybacks

The Company raised £19.5 million (after costs) through an Offer for Subscription and issued 18,692,025 shares at prices ranging from 106.97 pence to 110.38 pence per share depending on initial commissions paid by investors to their advisers. Full details are given in Note 13 on page 78.

In addition, the Company allotted 4,074,070 shares under the Dividend Reinvestment Scheme ("DRIS") at an average price of 107.16 pence per share.

During the year a total of 5,205,225 (2023: 3,398,754) shares representing 3% of the opening share capital, were bought back for cancellation, at an average price of 93.86 pence per share (including costs), for a total cost of £4.9 million (2023: £3.8 million). Details are shown below:

Date	Number of shares	Price per share pence	Discount to NAV %	Total cost £'000
15 March 2024	2,190,947	92.0	11.8	2,026
17 June 2024	1,689,372	95.5	11.3	1,621
15 August 2024	834,951	93.0	11.4	780
17 September 2024	489,955	93.0	10.8	458
	5,205,225			4,885

Total Return

The Company generates returns and losses from both capital growth and dividend income. For the year ended 30 September 2024, the total gain was £0.6 million (2023: loss £10.6 million), of which there was a £0.5 million loss (2023: £11.1 million loss) from capital and a £1.1 million gain (2023: £0.5 million gain) from revenue. Full details of the total return can be found in the Income Statement on page 65. The Company's allocation of expenses is described in Note 1 (g) on page 71.

The total net gains per share were 0.3p (2023: losses 6.2p). The total net gains per share were made up of 0.3p loss from capital and 0.6p gain from revenue.

Revenue Return

The income of £2.9 million (2023: £2.3 million) represents dividend income derived from the Company's investments and interest on cash balances.

Financial and Performance Review (continued)

for the year ended 30 September 2024

Capital Return

At the year end the investment portfolio was valued at £191.6 million (2023: £207.5 million). The investment portfolio delivered realised gains on disposals of £5.7 million (2023: £1.0 million) and unrealised valuation losses on investment of £3.3 million (2023: £9.0 million). The valuation basis of the Company's investments is described in Note 1 (d) on pages 69 and 70.

Ongoing Charges and Running Costs

The Ongoing Charges of the Company for the financial year under review was 2.3% (2023: 2.2%) of average net assets, which remains below the cap of 2.75%.

The total expenses amounted to £4.7 million (2023: £4.9 million) and include investment management fees of £3.9 million (2023: £4.2 million), Directors' fees of £0.1 million (2023: £0.1 million), administrative service fees of £0.2 million (2023: £0.2 million) and other third party service providers' fees of £0.2 million (2023: £0.2 million).

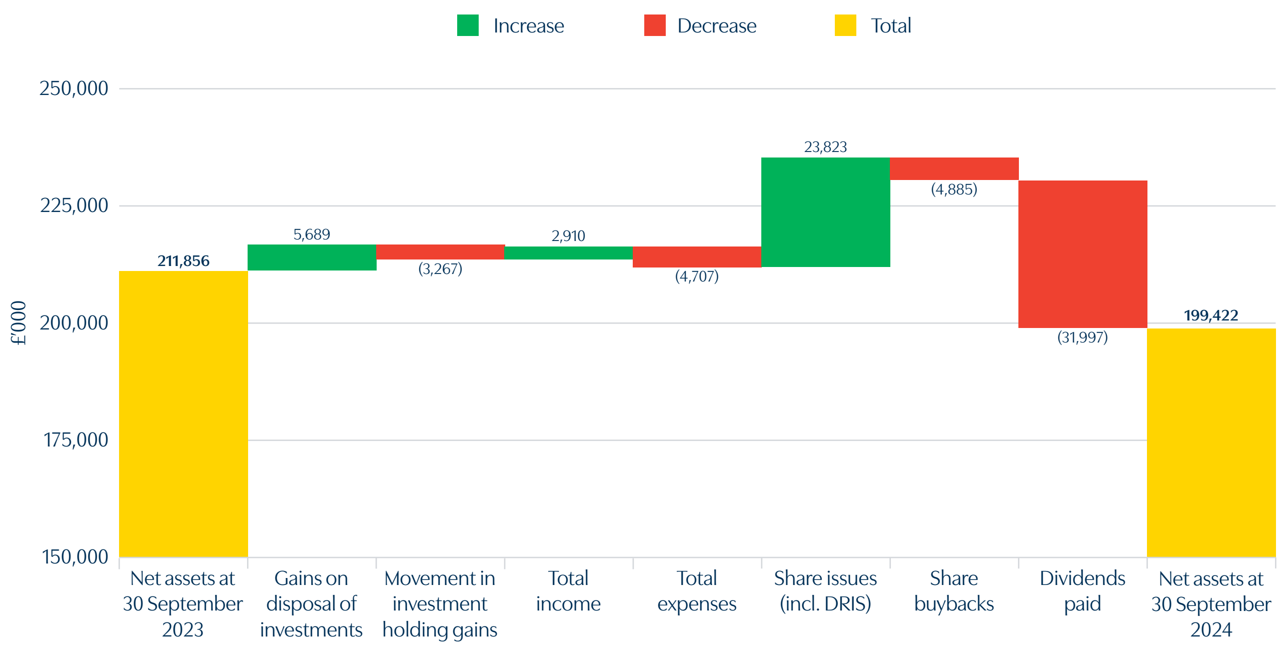
Under the revised management agreement effective from 1 October 2018 and the side letter effective from 1 January 2022 and as shown in Note 3 on page 72, the Investment Manager receives a management fee of 2% per annum of net assets up to £200 million, 1.5% per annum of net assets in excess of £200 million and 1% in excess of £450 million (other than on investments in OEICs managed by the Investment Manager). Other expenses are shown in Note 4 on page 73.

Further information in respect of the Company's performance can be found in the Financial Highlights on page 1.

Cash and Cash Equivalents

During the year the Company increased its cash balances through the Offer for Subscription and the sale of investments. This was offset by the purchase of investments, the payment of running costs, share buybacks and dividends and at the year end the cash balance had decreased to £4.4 million (2023: £5.4 million). In addition, £10.1 million (2023: £12.1 million) was held in money market funds.

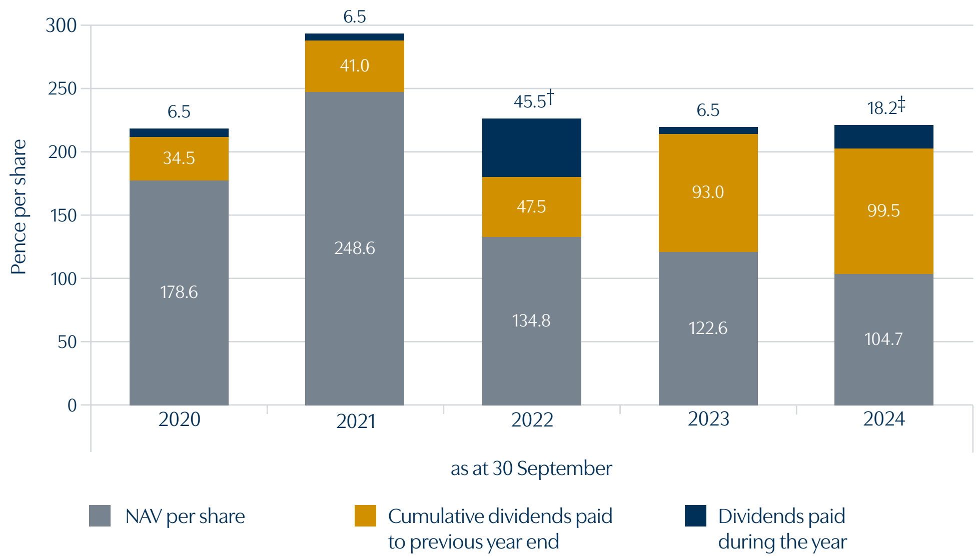
Movement in net assets for the year ended 30 September 2024



Key Performance Indicators

The bar charts below display the key indicators that the Board uses as Alternative Performance Measures ("APMs") to measure the Investment Manager's performance, thereby helping Shareholders to assess how the Company is performing against its objective.

NAV per share, cumulative dividends paid & cumulative total Shareholder return*



- NAV per share decreased by 17.9 pence to 104.7 pence during the year ended 30 September 2024
- 10 year cumulative total shareholder return increased by 0.3 pence during the year ended 30 September 2024 and at that date totalled 78.7 pence

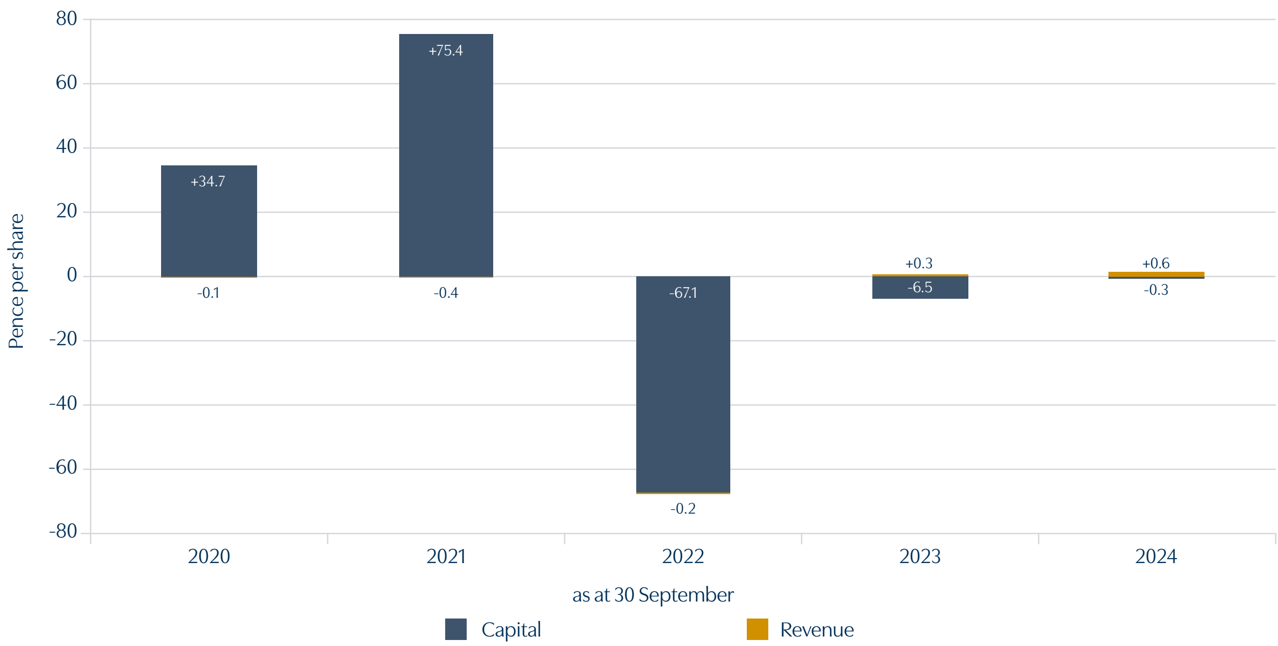
* The cumulative total Shareholder return since 30 September 2014, when the NAV per share was 143.7 pence, has been 78.7 pence representing the cumulative dividends paid of 117.7 pence less a decrease in NAV per share of 39.0 pence since that date.

† Including 3.0 pence interim dividend paid on 11 August 2022, a special interim dividend of 7.0 pence paid on 10 February 2023 and a special interim dividend of 32.0 pence paid on 11 August 2022.

‡ Including 3.0 pence interim dividend paid on 13 August 2024, and the final dividend of 3.5 pence and a special interim dividend of 11.7 pence paid on 14 February 2024.

Earnings per share*

The earnings per share for the year ended 30 September 2024, together with those of the previous four financial years are outlined in the graph below:

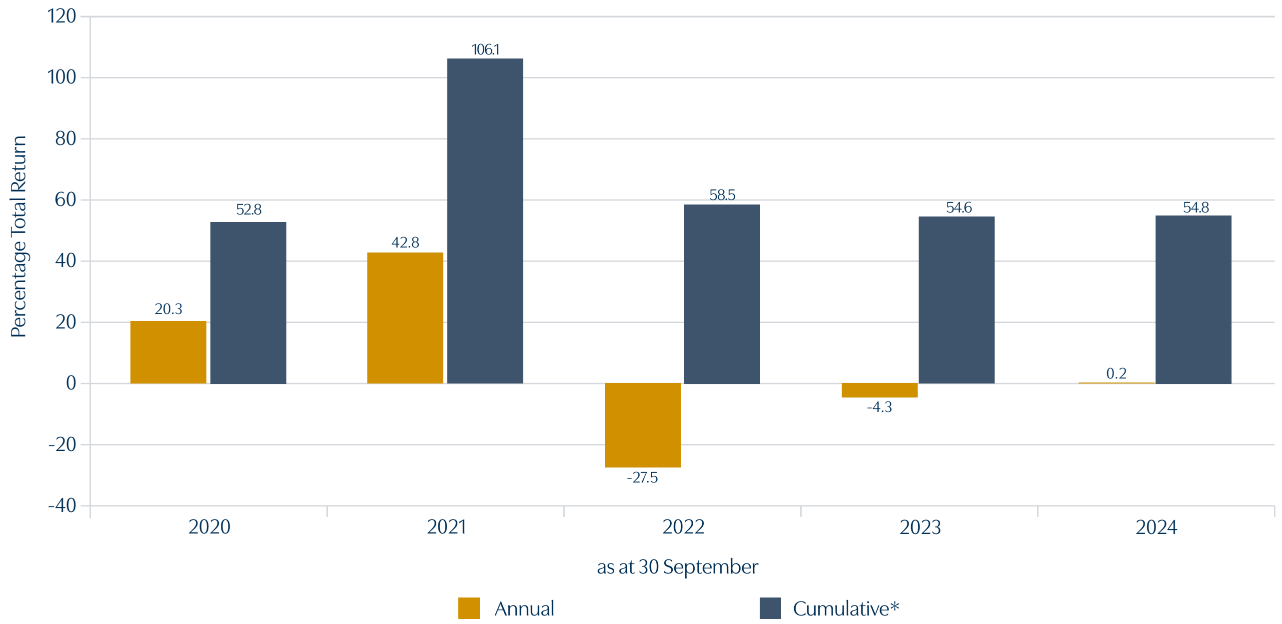


* Total earnings including unrealised gains/(losses) on investments after taxation divided by weighted average number of shares in issue.

The results underperformed the FTSE AIM Total Return Index, are disappointing and arise directly from falls in valuations during the year. The Board keeps under review, but sees no reason to change the investment strategy.

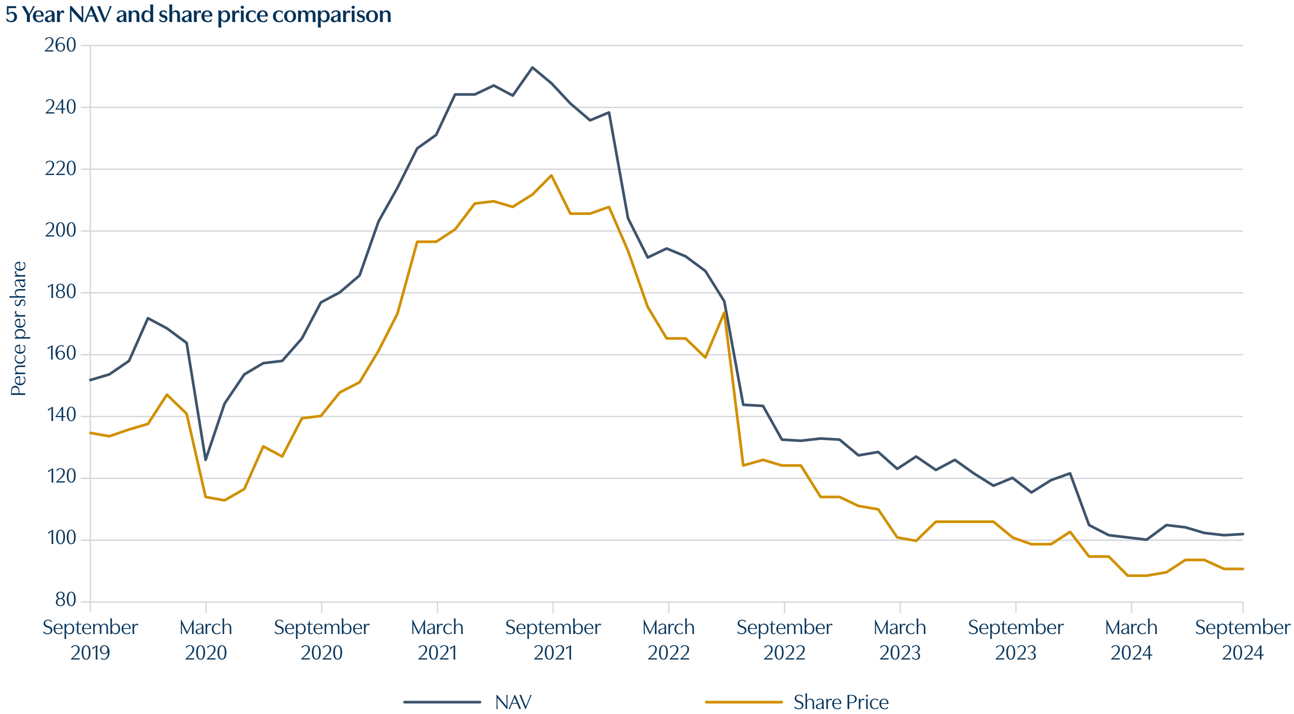
Key Performance Indicators (continued)

10 year annual and cumulative total return



* The cumulative total return is based on the total return in the ten year period since 30 September 2014 when the NAV was 143.7 pence.

5 Year NAV and share price comparison



The Company and its Business Model

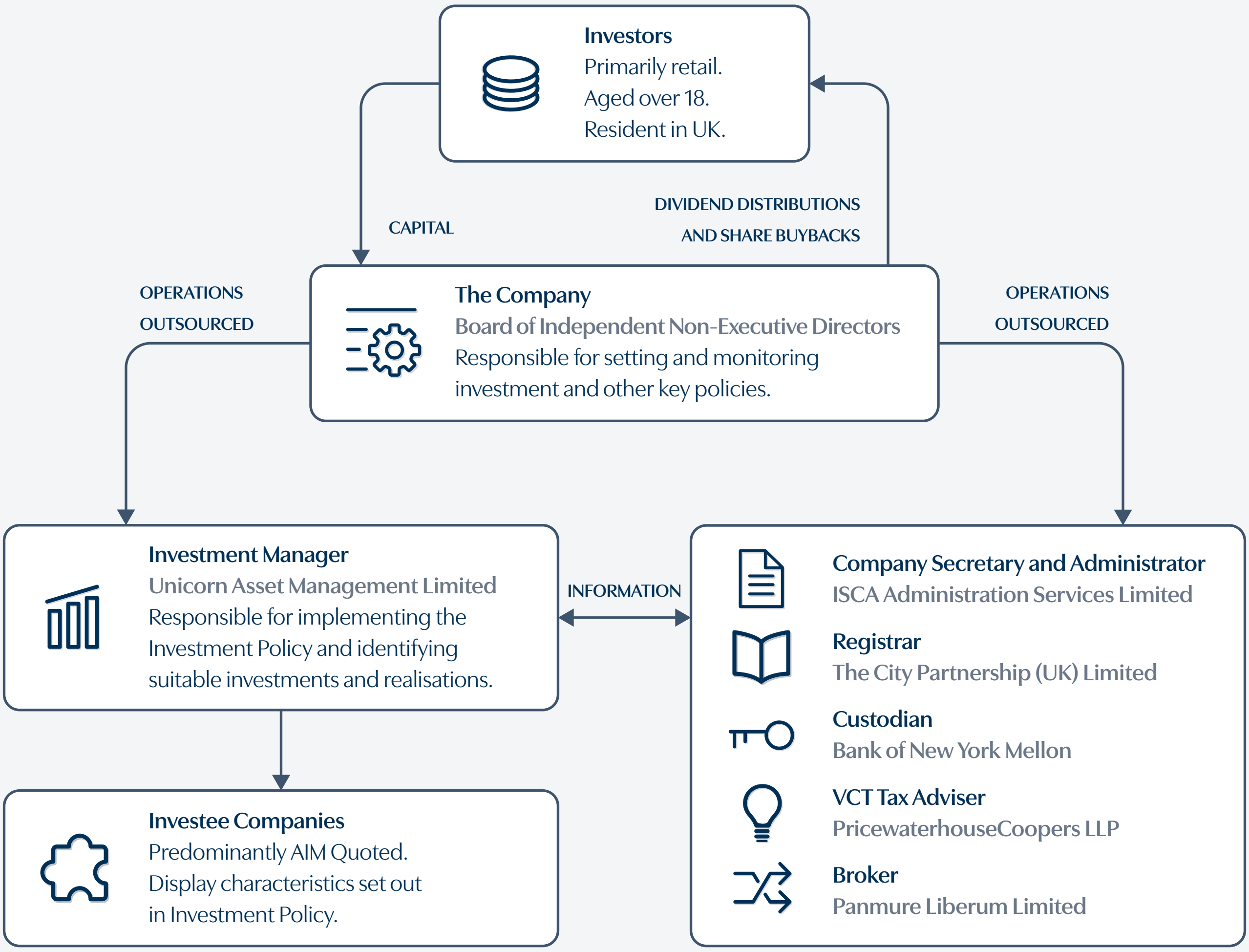
The Company is registered in England and Wales as a Public Limited Company (registration number 04266437) and is approved as a Venture Capital Trust ("VCT") under section 274 of the Income Tax Act 2007 (the "ITA"). In common with many other VCTs, the Company revoked its status as an investment company as defined in section 266 of the Companies Act 1985 on 17 August 2004, to make it possible to pay dividends from capital. A summary of the VCT regulations is shown on page 90.

The Company's shares are listed on the London Stock Exchange main market under the code UAV and ISIN GB00B1RTFN43.

The Company is an externally managed fund with a Board currently comprising four non-executive Directors (five with effect from 2 October 2024). Investment management and operational support are outsourced to external service providers, with the strategic and operational framework and key policies set and monitored by the Board as described in the diagram below. Further information on the service providers is outlined in the Corporate Governance Statement on pages 51 and 52.

The Board has overall responsibility for the Company's affairs including the determination of its investment policy. Risk is spread by investing in a number of different businesses across different industry sectors. The Investment Manager is responsible for managing sector and stock specific risk and the Board does not impose formal limits in respect of such exposures. However, in order to maintain compliance with HMRC rules for VCTs and to ensure that an appropriate spread of investment risk is achieved, the Board receives and reviews comprehensive reports from the Investment Manager on a monthly basis. When the Investment Manager proposes to make any investment in unlisted securities, the prior approval of the Board is required.

A summary of the relationship between the Board, the Company's Shareholders and external service providers is depicted below:



Investment Objective

The Company's investment objective is to provide Shareholders with an attractive return from a diversified portfolio of investments, predominantly in the shares of AIM quoted companies, by maintaining a steady flow of dividend distributions to Shareholders from the income as well as capital gains generated by the portfolio.

It is also the objective that the Company should continue to qualify as a Venture Capital Trust, so that Shareholders benefit from the taxation advantages that this brings. To achieve this, at least 80% for accounting periods commencing after 6 April 2019 (previously 70%) of the Company's total assets are to be invested in qualifying investments of which 70% by VCT value (30% in respect of investments made before 6 April 2018 from funds raised before 6 April 2011) must be in ordinary shares which carry no preferential rights (save as permitted under VCT rules) to dividends or return of capital and no rights to redemption.

Investment Policy

In order to achieve the Company's investment objective, the Board has agreed an investment policy which requires the Investment Manager to identify and invest in a diversified portfolio, predominantly of VCT qualifying companies quoted on AIM that display a majority of the following characteristics:

- experienced and well-motivated management;
- products and services supplying growing markets;
- sound operational and financial controls; and
- potential for good cash generation, in due course, to finance ongoing development and support for a progressive dividend policy.

Asset allocation and risk diversification policies, including maximum exposures, are to an extent governed by prevailing VCT legislation. No single holding may represent more than 15% (by VCT value) of the Company's total investments and cash, at the date of investment.

There are a number of VCT conditions which need to be met by the Company which may change from time to time. The Investment Manager will seek to make qualifying investments in accordance with such requirements.

Asset mix

Where capital is available for investment while awaiting suitable VCT qualifying opportunities, or is in excess of the 80% VCT qualification threshold for accounting periods commencing after 6 April 2019 (previously 70%), it may be held in cash or invested in money market funds, collective investment vehicles or non-qualifying shares and securities of fully listed companies registered in the UK.

Borrowing

To date the Company has operated without recourse to borrowing. The Board may, however, consider the possibility of introducing modest levels of gearing up to a maximum of 10% of the adjusted capital and reserves, should circumstances suggest that such action is in the interests of Shareholders.

The effect of any borrowing is discussed further on page 43 under "AIFMD".

Key Policies

The Board sets the Company's policies and objectives and ensures that its obligations to Shareholders are met. Besides the Investment Policy already referred to, the other key policies set by the Board are outlined below.

Dividend policy

The Board remains committed to a policy of maintaining a steady flow of dividend distributions to Shareholders from the income and capital gains generated by the portfolio.

The ability to pay dividends and the amount of such dividends is at the Board's discretion and is influenced by the performance of the Company's investments, available distributable reserves and cash, as well as the need to retain funds for further investment and payment of ongoing fees and expenses.

Details of the Company's Dividend Reinvestment Scheme are outlined on page 87.

Share buybacks and discount policy

The Board believes that it is in the best interests of the Company and its Shareholders to make market purchases of its shares from time to time.

There are three main advantages to be gained from maintaining a flexible approach to share buybacks; namely:

1. Regular share buybacks provide a reliable mechanism through which Shareholders can realise their investment in the Company, rather than being reliant on a very limited secondary market.
2. Share buybacks, when carried out at a discount to underlying net assets, help modestly to enhance NAV per share for continuing Shareholders.
3. Implementing share buybacks on a regular basis helps to control the discount to NAV.

The Board decides the level of discount to NAV at which shares will be bought back and keeps this under regular review. The Board seeks to maintain a balance between the interests of those wishing to sell their shares and continuing Shareholders.

The Company has continued to buy back shares for cancellation at various points throughout the financial year in accordance with the above policy. Details of the shares purchased for cancellation are shown on pages 22 and 78. At the financial year end, the Company's shares were quoted at a mid price of 93.5 pence per share representing a discount to NAV per share of 10.7%.

The Board intends to continue with the above share buyback policy. Any future repurchases will be made in accordance with guidelines established by the Board from time to time and will be subject to the Company having the appropriate authorities from Shareholders and sufficient funds available for this purpose. Share buybacks will also be subject to prevailing market conditions, Market Abuse Rules and any other applicable law at the relevant time. Shares bought back are cancelled.

Section 172(1) Statement

The Directors of the Company are required under the Companies Act 2006 ("the Act") to act in a way that they consider is in good faith to promote the success of the Company for the benefit of its members, the Shareholders. Furthermore, under s172 of the Act, the Directors should consider other stakeholder groups and any long-term consequences of decisions made. Stakeholders for consideration would be employees (if any), third-party service providers, suppliers, customers and others. When making decisions the Directors should take into account the needs of each of these stakeholders, whilst recognising that some stakeholders may have conflicting priorities. It is acknowledged that not all decisions made can be to the benefit of all stakeholder groups.

Like similar Venture Capital Trusts and Investment Companies, the Company does not have any employees or customers and relies on a number of third-party providers of services such as the Investment Manager, the Administrator, Custodian and the Registrar to maintain its operations. The Company takes into account the regulations applicable to the market in which it operates and has regard to the environment and the wider community in which it operates.

Every month, and at each Board meeting, the Directors receive and review a summary of the performance of the Company in relation to meeting the Company's investment objective. Key representatives of the Investment Manager attend Board meetings to report directly to the Board and answer any questions raised. The financial performance is reviewed against the Key Performance Indicators as set by the Board and compared to those competitors in its peer group. Compliance with existing legal and regulatory requirements is reviewed, together with any new regulations that are to be introduced in the future or are being proposed. Any new regulations are discussed and their potential impact on the Company and its stakeholders assessed. The Directors receive updates from the Company's Broker, and the Company Secretary on the share trading activity and share price performance including the discount to Net Asset Value.

The Board considers the following:

- the likely consequences of any decisions in the long-term;
- the need to foster the Company's business relationships with service suppliers;
- the impact of the Company's operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between Shareholders of the Company.

This is undertaken through:

Engaging with Shareholders

The Board recognises the importance of and is committed to understanding the views of Shareholders and maintaining communication with its Shareholders in the most appropriate manner.

Annual General Meeting

The Company encourages all Shareholders to attend and participate at its AGM. Whilst the formal business is the primary purpose of the meeting, members of the Board are available to answer questions directly from Shareholders. The Investment Manager presents a summary of the Company's performance for the year under review and the current composition of the portfolio, and the Board invites a representative of one of the investee companies to provide an update to the meeting offering Shareholders an insight into their business.

To complement the Shareholders attending in person, the Company offered non-attending Shareholders the ability to view the meeting held on 7 February 2024, on Zoom, and to put questions to the Investment Manager and the Board.

Section 172(1) Statement (continued)

As reported on pages 43 and 44, it is intended to hold the AGM on 12 February 2025 and invite Shareholders to attend and meet the Board and Investment Manager. The Company will again seek to provide an online broadcast of the AGM and the Manager's presentations to allow Shareholders unable to attend in person an opportunity to listen to the meeting. Questions may be submitted ahead of the day and it is anticipated that questions can be put to the Investment Manager and Directors.

To assist Shareholders who might not wish to attend in person, voting at the AGM will be on a poll, including all proxy votes cast, therefore all Shareholders are encouraged to submit their proxy votes in accordance with the Notice of Annual General Meeting on pages 92 to 96 of this report. To ensure that all Shareholders can ask questions of the Board you are invited to submit these by email ahead of the meeting.

Published Reports

The Company produces the Annual Report and Financial Statements which are posted to all Shareholders who have requested to receive hard copies and made available to others through the Company's website. To further reduce the impact of printing and posting material to Shareholders the Company no longer prints the Half-Yearly Report, however copies will be available to view and download from the Company's website. Shareholders who have notified the Registrar of their email address will be notified of the publication of the Half-Yearly Report. The publication of these reports is considered the prime method of communication with Shareholders and other readers of the reports and provides detailed information on the portfolio, performance over the period and assessment of the outlook for the Company. Reports from the various committees of the Board are included, as are descriptions of the Company's corporate governance arrangements. Whilst the structure and layout of these reports is often prescribed by regulatory requirements the Board seeks to ensure that the report is readable and is mindful that it should be fair, balanced and understandable. The Company produces a Key Information Document ("KID") and has engaged a third party supplier to monitor and update this document as necessary.

Shareholder enquiries

Shareholders can contact the Company or any of its Directors through the Company Secretary or by post to the Registered Office address. Although the Directors are Non-Executive and therefore not available full time, with the assistance of the Company Secretary they seek to maintain open communications with Shareholders. Charlotta Ginman is its Senior Independent Director ("SID"). Should Shareholders wish to contact the Board they should initially contact the Company Secretary. If Shareholders have concerns which have failed to be resolved through the Chair or Investment Manager, or where such contact may be inappropriate, they may contact the SID through the Company Secretary.

The enquiries this year have covered topics such as the fall in share price and NAV, the share price discount to NAV, and the decision to withhold dividends from Shareholders who have not provided information to enable them to be sanction-checked. The Directors discuss these matters at Board meetings and take action where they feel it is appropriate to do so.

Other Stakeholders

Investee Companies

The Company's performance is dependent upon the performance of its underlying investee companies. The Investment Manager seeks to identify companies in which long term investments can be made. In addition, the Investment Manager does not seek, nor have, board representation in any of the Company's investee companies. For these reasons, it is particularly important that communication between the Investment Manager and the management teams of the Company's investee companies is both effective and regular in nature.

Key Suppliers

The Board recognises the key relationship the Company has with its Investment Manager and its importance to the overall success of the Company. Representatives of the Investment Manager attend all Board meetings and are in regular contact with the Directors outside formal meetings, to ensure that communication is maintained.

The Company Secretary and Administrator, ISCA Administration Services Limited ("ISCA"), is often the primary contact point for financial advisers and stakeholders in the Company. Regular communication is maintained between ISCA and the Directors, in order to share up-to-date information concerning the Company.

Section 172(1) Statement (continued)

Other Suppliers
As stated above the Company relies on the provision of outside parties to operate and has engaged with a number of third parties to run its affairs and meet its regulatory obligations. The Board and its Committees undertake a review of all the key third party suppliers at least annually to ensure that they are providing the Company with the required level of service.

Regulators
The Company operates in an environment that is governed by legal and regulatory requirements, which prescribe what the Company can undertake and how it can operate. The Board recognises that these restrictions are in place to protect the Company's stakeholders, including the government which provides tax incentives to investors in the Company. The tightening of the State Aid regulations from April 2019 has resulted in a necessary shift towards earlier stage investments in order to maintain Shareholders' tax advantages. The State Aid regulations will expire in April 2035.

Environment and Community
As the Company does not have any employees nor any physical office environment of its own it has little direct impact on the community or the environment. In relation to the Company's own practices the Company encourages electronic communication to reduce paper usage, has withdrawn its dividend by cheque service and the printing of the Half-Yearly Report, and has taken advantage at times of electronic meetings. Where we are required to print Annual Reports we will use recycled paper and offset our carbon footprint by supporting recognised carbon offset projects.

With the exception of the Company's few unquoted investments our Investment Manager has a discretionary mandate to invest on the Company's behalf and we are therefore reliant on its processes and practices to deliver the policy. The Investment Manager has developed its Environmental, Social and Governance ("ESG") processes signing up to the UN Principles of Responsible Investing ("UNPRI") and the Net Zero Manager's Initiative. This has resulted in defining certain 'no-go sectors', setting-up an ESG questionnaire for new investments and reviewing the practices of existing portfolio companies. The work undertaken on ESG is described on page 32.

Other

Fundraising
Every year, the Directors consider whether to raise additional funds. They take account of the need to invest new money in qualifying investments, the risks of poor investment decisions, and the impact upon existing Shareholders. New investment has to comply with the timetable to meet State Aid regulations. Having considered a fundraising the Company announced a £15 million offer with a further £5 million over-allotment faculty, in January 2024. Applications under the offer opened approximately two weeks after the offer was announced to allow investors time to prepare for the application process. Interest was strong and having opened on 8 February 2024, the offer was closed, fully subscribed, on 15 February 2024. Following further discussions, the Board has announced that it intends to raise up to £25 million in the current tax year.

Dividends
A special interim dividend of 11.7 pence per share was paid to Shareholders on 14 February 2024 following the successful acquisition of Abcam by Danaher Corporation. In addition, the Company continued with the payment of an interim dividend and a proposed final dividend payment of 3.5 pence will be made on 21 February 2025 to Shareholders on the register as at 3 January 2025.

In addition, the Board has declared a special dividend of 6.0 pence per share following the sale of Mattioli Woods and Keywords Studios. This special dividend will be paid alongside the final dividend on 21 February 2025.

Decision-making
The Board recognises that all material decisions it makes will impact the various stakeholders to a greater or lesser degree and it seeks to assess that impact when making any decision. It acknowledges the need to act fairly between members of the Company when considering the buyback of the Company's shares and the publishing of a prospectus for the issue of new shares.

Environmental, Social and Governance ("ESG") Report

for the year ended 30 September 2024

The Board continues to support the Investment Manager's approach to ESG. The Board and the Investment Manager remain committed to advancing ESG integration and consideration within its investment process. The Investment Manager continues to develop this area, allocating increased resources to support further development. The Investment Manager's ESG team has expanded to include a Head of Sustainability, an ESG Risk Executive, and an ESG Associate, all operating under the oversight of the ESG Committee. Unicorn Asset Management continues to be a signatory to the United Nations Principles for Responsible Investment and the Net Zero Asset Managers Initiative.

The Investment Manager continues to prioritise the following areas when engaging with VCT companies: improving transparency and completeness of sustainability and climate related disclosure in annual reporting and supporting companies' development towards more refined net zero alignment and climate risk management considerations. The Investment Manager reported 18 strategic ESG engagements with investee companies over the period. The Investment Manager remains mindful that while many of the portfolio companies are not required to report on emissions, there has been continued emphasis to formalise targets wherever feasible. The Investment Manager has been encouraged by investee companies within the Company's portfolio continuing to remain open and supportive of engagement regarding ESG matters. Around 37% of investee companies (with a market value greater than £1 million) have now made a formal commitment towards net zero alignment.

The Investment Manager continues to see opportunities to allocate capital to innovative, early-stage businesses, which have commercial models aligned with environmental, social and/or governance themes. Recent examples include Incanthera and Equipmake Holdings. Incanthera is a UK-based dermatology and oncology company focused on developing innovative therapies for autoimmune diseases. The Company's mission focuses on improving patient lives and reducing healthcare costs. Through successful drug development, there is greater potential to reduce the long-term healthcare costs associated with managing autoimmune diseases. Equipmake is a British engineering and manufacturing company which specialises in electric drivetrain systems for commercial vehicles. Equipmake focuses on developing innovative and efficient electric drivetrain systems, including motors, inverters, and battery packs. Their solutions are designed to meet the growing demand for electric commercial vehicles and support the transition to a more sustainable transportation sector.

The Investment Manager recognises the importance of stewardship and shareholder engagement, which remain integral to the investment process. Regular meetings with company management teams provide the Investment Manager with a valuable forum for dialogue, monitoring and appraisal of investee companies. The Investment Manager actively exercises voting rights to ensure that the investee companies act in the best interests of the Company's shareholders. During the financial year ended 30 September 2024, the Investment Manager voted on a total of 951 Resolutions, and voted against Management on Resolutions proposed on 46 separate occasions, representing 5% of total voting activity in the period. The Resolutions that the Investment Manager actively decided to oppose were mainly around Corporate Governance, with particular focus on director election and remuneration. In the interests of transparency, the Investment Manager has chosen to publish its voting history on the Unicorn Asset Management website.

Principal and Emerging Risks

The Directors have carried out a robust review of the principal and emerging risks faced by the Company as part of its internal controls process, as outlined below. Note 17 to the Financial Statements on pages 80 to 85 also provides information on the Company's financial risk management objectives and exposure to risks. The Directors' process for monitoring these risks is shown below.

During the year the Board has reviewed in detail its approach to risk. It has sought to identify new and emerging risks alongside the principal risks faced by the Company and the mitigating steps being taken by both the Board and the Company's service providers to reduce the impact of each risk. The results have been summarised in a heat map and are reviewed for sensitivity quarterly.

During the review with the key service providers, evidence was requested of the mitigating actions being taken and on which the Board is relying. Balance sheet reconciliations, asset valuations and VCT qualification being examples of such reviews.

Two additional initiatives have been worked on this year in relation to risk.

- Firstly, the Audit Committee has further developed its scenario planning in order to greater understand our vulnerability to a combination of adverse events and the necessity for further mitigating actions.
- Secondly, we have been documenting for the first time our 'risk appetite' in relation to each of our 7 key risks in order to guide both our service providers and our own actions. We have categorised our appetite as either Low, Medium or High and the current position is detailed below.

Risk Appetite	Risk	Possible consequence	How the Board monitors and mitigates risk	Movement in risk during the year
Investment – High **Strategy – Low but rising**	**1. Investment and strategic risk**	• Unsuitable investment strategy or investment selection could lead to poor returns to Shareholders.	• Regular review of investment strategy by the Board. • Monitoring of the performance of the investment portfolio on a regular basis. • All purchases or sales of unquoted investments require prior authorisation from the Board.	→
Low	**2. Regulatory and tax risk**	• The Company is required to comply with the Companies Act 2006, ITA, AIFMD (as applicable to small registered UK AIFMs), FCA Listing Rules and UK Accounting Standards. Breaching these rules may result in a public censure, suspension from the Official List and/or financial penalties. There is a risk that the Company may lose its VCT status under the ITA. Should this occur, Shareholders may lose any upfront income tax relief and be taxed on any future dividends and capital gains if they dispose of their shares.	• Regulatory and legislative developments are kept under close review by the Board, the Investment Manager, Company Secretary and Administrator. • The Company's VCT qualifying status is continually reviewed by the Investment Manager and the Administrator. • PricewaterhouseCoopers LLP has been retained by the Board to undertake a bi-annual independent VCT status monitoring role.	→
Low	**3. Operational risk**	• The Company has no employees and is therefore reliant on third party service providers. Failure of the systems at third party service providers could lead to inaccurate reporting or monitoring. Inadequate controls could lead to the misappropriation of assets.	• Internal control reports are provided by service providers on an annual basis. • The Board considers the performance of the service providers annually and monitors activity on a monthly basis. • The Board discusses succession planning with its key service providers.	→

Principal and Emerging Risks (continued)

Risk Appetite	Risk	Possible consequence	How the Board monitors and mitigates risk	Movement in risk during the year
Low	**4. Fraud, dishonesty and cyber risks**	• Fraud involving Company assets may occur, perpetrated by a third party, the Investment Manager or other service provider. • Cyber attacks on the Company could lead to financial loss and impact the Company's reputation.	• Internal control reports are provided by service providers on a regular basis. • The Administrator is independent of the Investment Manager. • The Company minimises as far as practical the amount of personal data held by service providers and the Board. • All service providers use third party professionals to review cyber security exposure and act on any material recommendations made.	→
Low	**5. Financial Instrument risks**	• The main risks arising from the Company's financial instruments are from fluctuations in their market prices, interest rates, credit risk and liquidity risk.	• The Board regularly reviews and agrees policies for managing these risks and further details can be found in Note 17 on pages 80 to 85.	→
High	**6. Economic and political risks**	• Events such as recession, inflation or deflation, movements in interest rates and technological change can affect trading conditions and consequently the value of the Company's investments. • Other geopolitical issues may affect the Company's performance at both macro and micro economic level. • Labour and material shortages may affect the value of the Company's investments. • Russia's invasion of Ukraine and the current situation in the Middle East could adversely affect investee companies.	• While no single policy can obviate such risks, the Company invests in a diversified portfolio of companies, whilst seeking to maintain adequate liquidity. • The Board liaises with the Investment Manager to obtain an understanding of the impact on the investee companies. • The Investment Manager reviews the impact of staff availability, raw materials availability, energy supply and inflationary impact on portfolio companies.	→
High	**7. Black Swan events**	• Events such as pandemics could adversely affect investee companies and/or service providers. • Environmental disasters may adversely affect investee companies and/or service providers.	• The Board liaises with the Investment Manager to obtain an understanding of the impact on the investee companies. • The Investment Manager reviews the impact of staff availability, raw materials availability, energy supply and inflationary impact on portfolio companies.	→

The Board is responsible for assessing the possibility of new and emerging risks and, in addition to the principal risks, the Board has identified the following emerging risks:

Risk	Possible consequence	How the Board monitors and mitigates risk
Emerging risks	• The physical impact of climate change on investee companies. • The changes to investee company business models brought about by the need to reduce carbon footprints. • The increasing use of Artificial Intelligence ("AI") and its effect on investee companies although AI will also have positive effects on some investee companies.	• Increasing the influence of ESG matters around investment decisions. • Investment Manager focus on these issues when reviewing the portfolio.

The Regulatory Environment

The Board and Investment Manager are required to consider the regulatory environment when setting the Company's strategy and making investment decisions. A summary of the key considerations is outlined below.

Social and community issues, employees, and human rights

The Board recognises the requirement under section 14C of the Companies Act 2006 (the "Act") to provide information about social and community issues, employees and human rights; including any policies it has in relation to these matters and the effectiveness of these policies. As the Company has no employees, and all Directors are non-executive, the Company has no formal policies in respect of these matters. The Board seeks to conduct the Company's affairs responsibly and expects the Investment Manager to consider human rights implications when making investment decisions.

Recruitment and succession planning

As reported last year Jeremy Hamer indicated his intention to step down at the AGM in 2025. The Board engaged an external recruitment agency with a view to making an appointment. During this process the Board undertook an assessment of key skills the suitable candidate should possess, furthermore, it was agreed the process would also take account of Board diversity. On 2 October 2024, Julian Bartlett was appointed to the Board. The Company will continue to look to refresh its Board and will take into account regulatory guidance on diversity when making future appointments.

Diversity

The Board is aware of the requirement of Listing Rule 9.8.6R and the composition of the Board. As disclosed on page 51 the Board does not meet the requirement to have at least one director from an ethnic minority. Being externally managed and comprising of only four (five from 2 October 2024) non-executive directors there is reduced scope to fully comply with the requirements. However, the Board will continue to consider these requirements in any recruitment process.

Anti-bribery, corruption and tax evasion policy

The Company has a zero tolerance approach to bribery and tax evasion. It is the Company's policy to conduct all of its business in an honest and ethical manner and it is committed to acting professionally, fairly and with integrity in all of its business dealings and relationships.

Directors and service providers must not promise, offer, give, request, agree to receive or accept a financial or other advantage in return for favourable treatment, to influence a business outcome or to gain any other business advantage on behalf of themselves or of the Company or encourage others to do so.

The Company has communicated its anti-bribery policy to each of its service providers. It requires each of its service providers to have policies in place which reflect the key principles of this policy and procedures and which demonstrate that they have adopted procedures of an equivalent standard to those instituted by the Company.

Further information relating to the Company's anti-bribery policy can be found on its website: www.unicornaimvct.co.uk. A full copy of the Company's anti-bribery policy and procedures can be obtained from the Company Secretary by sending an email to: unicornaimvct@iscaadmin.co.uk.

Environmental and social responsibility

Full details of the Company's and Investment Manager's approach can be found on page 32.

In relation to the Company's own practices the Company encourages electronic communication to reduce paper usage, has withdrawn its dividend by cheque service and the printing of the Half-Yearly Report, and has taken advantage at times of electronic meetings. Where we are required to print Annual Reports, we will use recycled paper and offset our carbon footprint.

Viability Statement

The Board's assessment of the ability of the Company to meet all liabilities when due and that it can continue to operate for a period of at least twelve months from the date of signing the Annual Report is shown in the Going Concern Statement on page 43.

Under the UK Corporate Governance Code there is a requirement that the Board performs a robust assessment of the Company's principal and emerging risks and include disclosures in the Annual Report that describe the principal risks and the procedures in place to identify emerging risks and explain how they are being managed or mitigated. The last review was performed in November 2024.

The Directors have considered the viability of the Company as part of their continuing programme of monitoring risk and conclude that five years is a reasonable time horizon to consider the continuing viability of the Company. This is also in line with the requirement for the Company to continue in operation so investors subscribing for new shares issued by the Company can hold their shares for the minimum five year period to allow them to benefit from the tax incentives offered when those shares were issued. The last allotment of shares under the Offer for Subscription took place in March 2024 and under the DRIS in August 2024.

The Regulatory Environment (continued)

The Directors consider that the Company is viable for the five year time horizon for the following reasons:

- At the year end the Company had a diversified investment portfolio in addition to its VCT qualifying investments comprising: £19.1 million invested in non-qualifying, fully listed shares which are readily realisable, a further £14.1 million in daily dealing open ended funds, and £4.4 million in cash. The Company therefore has sufficient immediate liquidity in the portfolio for any near term requirements.
- The Company has undertaken a stress-testing exercise on the portfolio and operating environment and the outcome supports the assessment of viability.
- The Ongoing Charges ratio of the Company as calculated using the AIC recommended methodology equates to 2.3% of net assets.
- The Board anticipates that there will continue to be suitable qualifying investments available that will enable the Company to maintain its operations over the five year time horizon.
- The Company has no debt or other external funding apart from its ordinary shares.
- The payment of dividends and buybacks are at the discretion of the Board.
- The continuation of the State Aid regulations to 2035.

In order to maintain viability, the Company has a risk control framework as shown on pages 33 and 34 which has the objective of reducing the likelihood and impact of: poor judgement in decision-making, risk-taking that exceeds the levels agreed by the Board, human error, or control processes being deliberately circumvented. These controls are reviewed by the Board on a regular basis to ensure that controls are working as prescribed. In addition, formal reviews of all service providers are undertaken annually and activity is monitored at least monthly.

In its assessment of the viability of the Company, the Board has recognised factors such as the continuation of the current State Aid regulations to 2035, the ability of the Company to raise money from future Offers for Subscription and there being sufficient VCT qualifying investment opportunities available.

The Directors have also considered the viability of the Company should there be a slowdown in the economy or a correction of the markets leading to lower dividend receipts and asset values. As stated above, Ongoing Charges equate to 2.3% of net assets of which the Investment Management fee (as reduced by the Company's investment in Unicorn funds) equates to 2.0% of net assets up to £200 million and 1.5% of net assets in excess of £200 million. In November 2021 the Company entered into an agreement with the Investment Manager to reduce fees to 1% for any assets exceeding £450 million. As these fees are based on a percentage of assets any fall in the value of net assets will result in a corresponding fall in the major expense of the Company.

The Directors have concluded that there is a reasonable expectation that the Company can continue in operation over the five year period.

Prospects

The prospects for the Company are discussed in detail in the Outlook section of the Chair's Statement on page 5.

For and on behalf of the Board

Tim Woodcock
Chair

5 December 2024

Board of Directors

Tim Woodcock

Status: Independent, non-executive Chair

Skills and experience:
Tim Woodcock qualified as a Chartered Accountant at PwC. He is an experienced company director who has held a number of main board roles for both public and private companies. He also has considerable Investment Management experience – in 2008 he co-founded Oakfield Capital Partners, a private equity firm specialising in investing and developing fast growing UK smaller companies.

Other appointments:
Tim is a director of a number of private companies in which he holds a significant shareholding. These include Jolly Fine Pub Group Ltd, Secure Parking and Storage Ltd, and Taylor Asset Management Ltd.

Rationale for re-election:
Tim's financial understanding and extensive board experience makes him well placed to Chair the Board of your Company. In addition, he brings extensive experience as an investor in smaller fast-growing UK companies and, as such, is well placed to review both the performance of the VCT and its Investment Manager.

Length of service as at 30 September 2024:
5 years, 3 months

Last elected to the Board:
7 February 2024

Committee memberships:
Audit Committee

Remuneration 2023/2024:
£37,500

Relevant relationships with the Investment Manager or other service providers:
None

Relevant relationships with investee companies:
None

Shared directorships with other Directors:
None

Other public company directorships (not disclosed above):
None

Shareholding in the Company:
114,447 Ordinary shares

Charlotta Ginman

Status: Senior independent, non-executive Director

Skills and experience:
Charlotta Ginman, FCA, qualified as a Chartered Accountant at Ernst & Young before spending a career in investment banking and commercial organisations, principally in technology and telecoms related industries. Former employers include S.G. Warburg (now UBS), Deutsche Bank, JP Morgan and Nokia Corporation.

Other appointments:
Charlotta is a non-executive director and audit committee chair for Gamma Communications plc and the senior independent director and audit committee chair for Boku Inc. Charlotta also sits on the board of JPMorgan Indian Investment Trust PLC.

Rationale for re-election:
Charlotta has recent and relevant financial expertise with a strong accounting background which enables her to add depth to discussions around the Company's Financial Statements, comparisons to both peers and industry trends as well as being up to date on relevant governance issues.

Length of service as at 30 September 2024:
8 years, 3 months

Last elected to the Board:
7 February 2024

Committee memberships:
Audit Committee

Remuneration 2023/2024:
£33,500

Relevant relationships with the Investment Manager or other service providers:
None

Relevant relationships with investee companies:
Shareholder and non-executive director of Keywords Studios plc until 23 October 2024.

Shared directorships with other Directors:
None

Other public company directorships (not disclosed above):
None

Shareholding in the Company (including connected persons):
39,198 Ordinary shares

Board of Directors (continued)

Jeremy Hamer

Status: Independent, non-executive Director
Chair of the Audit Committee

Skills and experience:
Jeremy qualified as a Chartered Accountant and went into industry after 3 years abroad with Coopers and Lybrand. Initially in finance roles he moved into general management leading a significant turnaround for a private food group. After a 5-year stint in venture capital he became a plural NXD on a number of AIM company Boards as well developing a business coaching practice. Today he continues to coach.

Other appointments:
None

Rationale for re-election:
Jeremy is not seeking re-election at the forthcoming AGM.

Length of service as at 30 September 2024:
14 years, 6 months

Last re-elected to the Board:
7 February 2024

Committee memberships:
Audit Committee (Chair)

Remuneration 2023/2024:
£36,000

Relevant relationships with the Investment Manager or other service providers:
None

Relevant relationships with investee companies:
Shareholder of Pulsar Group plc

Shared directorships with other Directors:
None

Other public company directorships (not disclosed above):
None

Shareholding in the Company:
30,202 Ordinary shares

Josephine Tubbs

Status: Independent non-executive Director

Skills and experience:
Josephine Tubbs is an independent non-executive director, financial consultancy co-founder and a practising lawyer. Josephine has over 30 years' experience as a lawyer and regulatory adviser in the authorised funds and asset management sector having started her career in private practice. For 25 years Josephine worked as Head of Legal, initially for Framlington Group and then AXA Investment Managers (AXA IM), where she was promoted to General Secretary UK in 2020. During her time at AXA IM, Josephine served on its Executive Committee and the board of several authorised Irish investment funds and management companies. At the end of 2022 Josephine left AXA IM to focus on several part time roles She holds a law degree from Bristol University and qualified as a solicitor at Simmons & Simmons in 1992.

Other appointments:
Josephine is a senior lawyer at Better Society Capital Limited, the UK's largest social impact investor and an independent non-executive director of Makrana Dunmore Singapore Fund Pte, Ltd and Dunmore Alternative Multi-Manager ICAV, an Irish umbrella investment fund authorised by the Central Bank of Ireland which is a multi- manager hedge fund platform.

Rationale for re-election:
Josephine brings both legal, regulatory and investment experience to board discussions and decisions and corporate governance expertise. She has also acted as a non-executive director for AXA IM Irish entities for several years bringing existing experience as a non-executive director on investment fund boards prior to joining the Board in May 2022.

Length of service as at 30 September 2024:
2 years, 4 months

Last elected to the Board:
7 February 2024

Committee memberships:
Audit Committee

Remuneration 2023/2024:
£30,500

Relevant relationships with the Investment Manager or other service providers:
None

Relevant relationships with investee companies:
None

Shared directorships with other Directors:
None

Other public company directorships (not disclosed above):
None

Shareholding in the Company:
17,811 Ordinary shares

Board of Directors (continued)

Julian Bartlett
(appointed 2 October 2024)

Status: Independent non-executive Director

Skills and experience:
Julian has significant financial, assurance and advisory experience gained from over 30 years as a partner at Grant Thornton UK LLP and from former roles at RSM Robson Rhodes and Deloitte. He specialised in financial services throughout his career with a focus on investment management. He was formerly a non-executive Director of FFI Holdings plc from August 2017 until it ceased trading on AIM in August 2019. Julian is a Fellow of the Institute of Chartered Accountants in England and Wales.

Other appointments:
Julian is the Chair of Invesco Fund Managers Limited, a Director of Invesco Pensions Limited, Audit Committee Chair and Director of Triple Point Venture VCT Plc and a Director of Lindsell Train Limited.

Rationale for election:
Julian brings a wealth of experience to the Board through his previous role as an audit partner in the financial services sector and his current roles as audit chair of another VCT and non-executive director of investment firms.

Length of service as at 30 September 2024:
0 years

Last re-elected to the Board:
N/A

Committee memberships:
None

Remuneration 2023/2024:
£nil

Relevant relationships with the Investment Manager or other service providers:
None

Relevant relationships with investee companies:
None

Shared directorships with other Directors:
None

Other public company directorships (not disclosed above):
None

Shareholding in the Company:
Nil Ordinary shares

Investment Management Team

Anam Ajani CFA
Investment & ESG Associate

Anam joined Unicorn in 2022 and works closely with the investment team on the OEIC, AIM VCT, AIM IHT and Managed Accounts, providing research and analysis across the UK equity market. Anam holds an MSc in Finance and Accounting from Imperial College Business School, and was previously a Senior Analyst with J.P. Morgan Chase & Co.

Chris Hutchinson
Director and Portfolio Manager

Chris has been covering UK Equity Investments since 1998 with a particular focus on small and mid-sized businesses. He collaborates with the investment team across Unicorn AIM VCT, Unicorn AIM IHT Service and Managed Accounts. Chris joined Unicorn in 2005 and is also co-manager of Unicorn Outstanding British Companies Fund.

Cordelia Tahany
Head of Sustainability & Senior Investment Analyst

Cordelia joined the team in 2022 having previously worked as an Investment Banking Analyst at J.P. Morgan. A holder of the CFA Level 4 certificate in ESG Investing, Cordelia leads Unicorn's ESG function, working as part of the investment team across the OEIC, AIM VCT, IHT Portfolios and Managed Accounts. Cordelia is a CFA Level II Candidate and graduated from London School of Economics & Political Science (LSE) with a BSc in Economic History.

Fraser Mackersie
Portfolio Manager

Fraser joined Unicorn in 2008 and is co-manager of the Unicorn UK Income Strategy, UK Smaller Companies & UK Growth Funds as well as collaborating with the Investment team across the OEIC, AIM VCT, AIM IHT Portfolios and Managed Accounts. Having previously held positions with F&C Asset Management and Geoghegan & Co Chartered Accountants, Fraser graduated from the University of St Andrews in 2003 with a degree in Economics and Management and is a Fellow of the Association of Chartered Certified Accountants.

Investment Management Team (continued)

Max Ormiston CFA
Portfolio Manager

Max joined Unicorn in 2014 and is co-manager of the Unicorn Outstanding British Companies Fund as well as collaborating with the Investment team across the OEIC, AIM VCT, AIM IHT Portfolios and Managed Accounts. Prior to Unicorn Max worked as an investment manager with Brewin Dolphin. Max graduated from Newcastle University in 2009 with a First-Class degree.

Simon Moon
Portfolio Manager

Simon joined Unicorn in 2008 and is co-manager of the Unicorn UK Income Strategy, UK Smaller Companies and UK Growth Funds as well as collaborating with the Investment team across the OEIC, AIM VCT, AIM IHT Portfolios and Managed Accounts. Prior to joining Unicorn, Simon worked as a research analyst at JM Finn & Co. Stockbrokers and spent three years in the NHS graduate finance scheme.

Paul Harwood
Non-Executive Director

Paul brings a wealth of knowledge in his capacity as a Non-Executive Director with over 40 years' investment experience. Paul has held positions at Phillips & Drew, Richards Longstaff and Mercury Asset Management/Merrill Lynch, where he was a Director, Joint Head of the European Equity Investment team and latterly the Head of the UK Smaller Companies Team.

Directors' Report

The Directors present the twenty-third Annual Report and Audited Financial Statements of the Company for the year ended 30 September 2024 (the "Annual Report") incorporating the Corporate Governance Statement on pages 49 to 53.

The Company

The Company, being fully listed on the London Stock Exchange, is required to comply with the Financial Reporting Council's UK Corporate Governance Code ("UK Code"). In accordance with the UK Code, the Company is required to be headed by an effective Board of Directors, providing entrepreneurial leadership within a framework of prudent and effective controls.

As stated on page 49, the Directors believe that reporting in line with the AIC Code of Corporate Governance (the "AIC Code") is most appropriate for the Company.

The Directors

Throughout the year the Board consisted of four Directors, and following the appointment of Julian Bartlett on 2 October 2024, the Board consisted of five Directors. All of the Directors are non-executive and are independent of the Investment Manager. The biographies of the Directors are shown on pages 37 to 39 together with their interests in the shares of the Company.

The AIC Code recommends that all directors offer themselves for re-election annually. Tim Woodcock, Charlotta Ginman and Josephine Tubbs will be subject to re-election by Shareholders at the forthcoming AGM on 12 February 2025. Julian Bartlett will be subject to election, this being the first AGM since his appointment. Jeremy Hamer will not be seeking re-election.

Dividends

As stated in the Chair's Statement on page 4, a special dividend of 11.7 pence per share, was paid to Shareholders on 14 February 2024 following the successful acquisition of Abcam by Danaher Corporation. In addition, an interim dividend of 3.0 pence per share was paid on 13 August 2024.

Details of the proposed final dividend and the special dividend are set out in the Chair's Statement on page 4.

Share Capital

At the year-end there were 190,437,026 (2023: 172,876,156) Ordinary shares of 1p each in issue, none of which are held in Treasury. The issues and buybacks of the Company's shares during the year are shown on page 22 and in Note 13 on page 78. No shares have been bought back subsequent to the year end, therefore, at the date of this report, the Company had 190,437,026 shares in issue. All shares are listed on the main market of the London Stock Exchange.

Directors' Indemnities and Liability Insurance

The Company has, as permitted by the legislation and the Company's Articles of Association, maintained Directors' and Officers' Indemnity insurance cover on behalf of the Directors indemnifying them against costs, charges, losses, damages and liabilities incurred for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or in connection with the activities of the Company. The policy does not provide cover for fraudulent or dishonest actions by the Directors. Save for the indemnity provisions contained in the Articles of Association and the Directors' letters of appointment, there are no qualifying third party indemnities.

Companies Act 2006 and Disclosure, Guidance and Transparency Rules ("DTRs") Disclosures

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

- The structure of the Company's capital is summarised above and in Note 13 and the voting rights are contained on page 53. There are no restrictions on voting rights or any agreement between holders of securities that result in restrictions on the transfer of securities or on voting rights.
- There are no securities carrying special rights with regard to the control of the Company.
- The Company does not operate an employee share scheme.
- The Company's Articles of Association and the Companies Act 2006 contain provisions relating to the appointment and replacement of Directors, amendment of the Articles of Association and powers to issue or buy back the Company's shares.
- No agreements exist to which the Company is a party that may affect its control following a takeover bid.
- There are no agreements in place between the Company and its Directors providing for compensation for loss of office in any event.

Details of the financial risk management objectives and policies of the Company together with information on exposure to credit, price, liquidity and cash flow risks are contained in Note 17 on pages 80 to 85.

The business model and strategy is included in the Strategic Report on pages 26 and 27.

Streamlined Energy and Carbon Reporting

The Company has no direct greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

For the same reasons, the Company considers itself to be a low energy user under the Streamlined Energy and Carbon Reporting regulations and therefore it is not required to disclose energy and carbon reports.

Alternative Investment Funds Manager's Directive ("AIFMD")

The Company registered as a small Alternative Investment Fund Manager with the Financial Conduct Authority ("FCA") and is subject to the reduced level of requirements under the Alternative Investment Fund Manager's Regulations 2013 (SI2013/1773).

Directors' Report (continued)

If the Company becomes "leveraged" as defined in the Regulations, or its assets exceed €500 million, it would become subject to the full requirements under the Regulations including the requirement to appoint a Depositary which may have material cost implications for the Company. The Company has no plans to become leveraged and monitors the size of the assets against the limits of AIFMD to assess any requirement to register as a full scope Alternative Investment Fund Manager.

Outlook

The outlook is discussed in the Chair's Statement on page 5.

Going concern

After due consideration, the Directors believe that the Company has adequate resources for a period of at least 12 months from the date of the approval of the Financial Statements and that it is appropriate to apply the going concern basis in preparing the Financial Statements. As at 30 September 2024, the Company held cash balances of £4.4 million, £19.1 million in fully listed stocks and £14.1 million in open-ended investment funds. The majority of the Company's investment portfolio remains invested in qualifying and non-qualifying AIM traded equities which may be realised, subject to the need for the Company to maintain its VCT status. The cash flow projections, covering a period of at least twelve months from the date of approving the Financial Statements, have been reviewed and show that the Company has access to sufficient liquidity to meet both contracted expenditure and any discretionary cash outflows from buybacks and dividends. The Company has no borrowings and is therefore not exposed to any gearing covenants.

Auditor's right to information

The Directors who held office at the date of this report confirm that, so far as they are aware, there is no relevant audit information of which the Auditor is unaware. They have individually taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Substantial interests

As at 4 December 2024, the Company had not been notified of any significant interest exceeding 3% of the issued share capital.

Post balance sheet events

On 23 October 2024, EQT completed its acquisition of Keyword Studios plc at a price of 2,450 pence per share. The Company received proceeds of £6.0 million on 6 November 2024.

On 27 November 2024, the Company announced an Offer for Subscription as detailed in the Chair's Statement on page 4.

On 29 November 2024, the Company announced that, following the completion of the acquisition of Mattioli Woods and Keywords Studios, and the receipt by the Company of its share of the proceeds a special dividend of 6.0 pence per share will be paid to Shareholders on 21 February 2025.

Annual General Meeting ("AGM") format for this year

Details of the AGM, to be held on 12 February 2025, are below and the Notice of Meeting is on pages 92 to 96. The Company intends to hold an open meeting to which Shareholders can attend in person if they wish.

A presentation will be given by the Investment Manager and, as in previous years, it is hoped that a representative of one of the investee companies will also present to the meeting.

Notice of the AGM to be held at The Great Chamber, The Charterhouse, Charterhouse Square, London EC1M 6AN is set out on pages 92 to 96 of this Annual Report and a proxy form is included with Shareholders' copies of this Annual Report.

Voting on all resolutions will be by Poll including proxy votes lodged, therefore all Shareholders are actively encouraged to submit their votes by proxy in accordance with the Notice of Meeting. The Board encourages all Shareholders to vote on the resolutions within the Notice as set out on pages 92 to 96 using the proxy form, or electronically at https://unicorn.city-proxyvoting.uk. Shareholders are encouraged to appoint "the Chair of the Meeting" as their proxy. The Board has carefully considered the business to be considered at the AGM and recommends that Shareholders vote in favour of all the resolutions being proposed.

The Board wishes to offer Shareholders the opportunity to submit any questions they may have in advance to the Board or the Investment Manager. Please send all questions via email through the Company Secretary at unicornaimvct@iscaadmin.co.uk. All relevant questions received will be answered and also posted on the Company's website as soon as practicable and, where possible, ahead of the proxy voting deadline.

Broadcast of Meeting and Presentations

The Company intends to broadcast the AGM and presentation via Zoom for those Shareholders unable to attend in person. The Directors will also be in attendance during the presentation. It is anticipated that Shareholders will have an opportunity to submit questions for the Directors or Investment Manager either in advance of the presentations, by email, to unicornaimvct@iscaadmin.co.uk or on the day during the Presentation through the text facility in Zoom. To receive an invitation to join the Zoom presentation please email unicornaimvct@iscaadmin.co.uk from the email address you wish the invitation to be sent, by midday on 5 February 2025.

Business of the AGM

The following notes provide an explanation of a number of the Resolutions that will be proposed at the meeting. Resolutions 1 to 10 will be proposed as ordinary resolutions requiring the approval of more than 50% of the votes cast at the meeting to be passed and resolutions 11 to 13 will be proposed as special resolutions requiring the approval of at least 75% of the votes cast at the meeting to be passed. Resolutions 10 to 12 are the usual resolutions relating to the authority to issue and buyback shares and in substitution for existing authorities passed in previous years. Resolutions 10 and 11 will be used to enable the issue of shares pursuant to top-up

Directors' Report (continued)

offers should the Directors consider raising further funds to be in the best interests of the Company. Resolution 13 will permit the Company to apply to the Court to cancel the Share premium account and Capital redemption reserve and increase the Special reserve for use as set out in note 1f(iii) on page 70. The Directors believe that the proposed resolutions are in the interests of Shareholders and accordingly recommend Shareholders to vote in favour of each resolution.

Voting rights of Shareholders

Normally at general meetings of the Company business is conducted on a show of hands, however, as stated above, at the next AGM, to take into account Shareholders not wishing to attend in person, the business will be conducted through a Poll on all resolutions. Proxy votes must be lodged with the Registrars 48 hours before the meeting, see notes on pages 94 to 96.

Ordinary Business at the Annual General Meeting

Appointment of Auditors

Resolution 3 proposes the re-appointment of Johnston Carmichael LLP as the Company's External Auditor for the forthcoming year and the authority proposed under resolution 4 will authorise the Directors to determine the Auditor's remuneration.

Re-election of Directors

Resolutions 5 to 8 will be proposed to re-elect Tim Woodcock, Charlotta Ginman and Josephine Tubbs as Directors of the Company, and to elect Julian Bartlett who will be seeking election, this being his first AGM since his appointment on 2 October 2024. The Board currently consists of five Directors, but as stated on page 42 Jeremy Hamer will not be seeking re-election and will therefore retire from the Board after the AGM. All the Directors have extensive investment based backgrounds and both private and public company board level experience. The Board believes that they bring valuable skill, experience and expertise to the Company and all have confirmed they have sufficient time available to commit to the Company. The Board recommends that Shareholders vote in favour of the resolutions relating to their re-election and election. A summary of the Directors' skills and experience is given in their biographies on pages 37 to 39.

Special Business at the Annual General Meeting

Allotment of shares

The authority proposed under Resolution 10 will authorise the Directors to allot shares or grant rights to subscribe for or to invest in shares in the Company generally, in accordance with section 551 of the Companies Act 2006 (the "Act"), up to an aggregate nominal amount of £761,748 representing 40% of the issued share capital at the date of this report. This authority, will expire on the date falling 15 months after the passing of this resolution or, if earlier, at the conclusion of the Annual General Meeting of the Company to be held in 2026.

Disapplication of pre-emption rights

Resolution 11 will give Directors the authority to allot shares for cash without first offering the securities to existing Shareholders in certain circumstances. The resolution proposes that the disapplication of such pre-emption rights be sanctioned in respect of the allotment of equity securities:

1. with an aggregate nominal value of up to, but not exceeding, £380,874 representing 20% of the issued share capital at the date of this report, in connection with offer(s) for subscription;
2. with an aggregate of up to 10% of the issued share capital pursuant to any dividend re-investment scheme; and
3. with an aggregate nominal value of up to, but not exceeding, 10% of the issued share capital of the Company from time to time;

in each case where the proceeds of the issue may be used in whole or in part to purchase the Company's shares in the market.

The authority conferred under this resolution, will expire on the date falling 15 months after the passing of this resolution or, if earlier, at the conclusion of the Annual General Meeting to be held in 2026.

Authority for the Company to purchase its own shares

Resolution 12 authorises the Company to purchase up to 28,546,510 of its own shares (representing approximately 14.99% of the Company's shares in issue at the date of this Annual Report), or, if lower, such number of shares (rounded down to the nearest whole share) as shall equal 14.99% of the issued share capital of the Company at the date the resolution is passed. Purchases will be made on the open market at prices that are in accordance with the terms laid out in the Resolution. Shares will be purchased only in circumstances where the Board believes that it is in the best interests of the Shareholders generally. Furthermore, purchases will only be made at a discount to the latest announced NAV per share. The Board currently intends to cancel those shares purchased. Such authority will expire on the date falling 15 months after the passing of this resolution or, if earlier, at the conclusion of the Annual General Meeting of the Company to be held in 2026.

At the Annual General Meeting held on 7 February 2024, Shareholders gave authority for the Company to buy back a total of 14.99% or 25,914,136 of its own shares. The Company has since repurchased and cancelled 5,205,225 shares and therefore has remaining authority to repurchase 20,708,911 shares which authority will lapse at the Annual General Meeting to be held in 2025.

Cancellation of Share premium account and Capital redemption reserve

Resolution 13 authorises the Company to apply to the court to cancel the Share premium account and Capital redemption reserve and increase the distributable Special reserve.

By order of the Board.

ISCA Administration Services Limited
Company Secretary

5 December 2024

Directors' Remuneration Report

Annual Remuneration Report

The purpose of this Report is to demonstrate the method by which the Board has implemented the Company's Remuneration Policy (see page 48) and provide Shareholders with specific information in respect of the Directors' remuneration. A resolution to approve the Remuneration Report will be put forward at the AGM to be held on 12 February 2025, where Shareholders will have an advisory vote on the approval of the Report.

This Directors' Remuneration Report has been prepared by the Directors in accordance with the Companies Act 2006. The Company's Independent Auditor is required to give its opinion on the specified information provided on Directors' emoluments (see below) and this is explained further in their report to Shareholders on pages 58 to 64. Shareholders are encouraged to vote on the Remuneration Report annually at the AGM and on the Remuneration Policy at least every three years. The Board will take Shareholders' views into consideration when setting remuneration.

Statement from the Chair of the Board in relation to Directors' Remuneration Matters

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

During the year to 30 September 2024, the Board reviewed its existing remuneration levels, having considered the remuneration payable to non-executive directors of comparable VCTs, the demand for non-executive directors within the financial sector and the increasing regulatory requirements with which the sector is required to comply. Following this review, the Board agreed to increase Directors' fees from 1 October 2024, as shown on page 48. As with any Board comprised solely of non-executive directors it is not possible for a Director to abstain from any discussion or decision concerning their own fees. Directors' remuneration consists of a base fee for all Directors and each Director participated in the process of setting the level of this fee. Additional fees were then set for specific roles and the individual Directors did not participate in setting any additional fee for their own specific role. The Board considers that this process is consistent with the spirit of the AIC Code on the setting of Directors' fees.

At the Annual General Meeting held on 7 February 2024, the following votes were cast on the Poll voting on the Remuneration Report:

	Number of votes	% of votes cast
For	6,978,888	94.43
Against	411,799	5.57
Total votes cast	**7,390,687**	**100.00**

The Remuneration Policy was last approved by the Shareholders at the Annual General Meeting held on 7 February 2023. A resolution to approve the policy for a further three years will be proposed at the AGM to be held in 2026.

Votes cast on a Poll at the Annual General Meeting held on 7 February 2023 on the resolution were as follows:

	Number of votes	% of votes cast
For	7,753,434	95.33
Against	380,047	4.67
Total votes cast	**8,133,481**	**100.00**

Directors' interests (audited information)

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

	30 September 2024		30 September 2023	
Director	Shares	% of share capital	Shares	% of share capital
Tim Woodcock	**114,447**	**0.06**	67,707	0.04
Charlotta Ginman	**39,198**	**0.02**	39,198	0.02
Jeremy Hamer	**30,202**	**0.02**	30,202	0.02
Josephine Tubbs	**17,811**	**0.01**	15,175	0.01

There have been no changes in the Directors' interests since 30 September 2024. No options over the share capital of the Company have been granted to the Directors.

Julian Bartlett was appointed on 2 October 2024 and has no shares in the Company.

Details of the Directors' remuneration are disclosed below and in Note 5 on page 73.

Directors' Remuneration Report (continued)

Pensions (audited information)

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

Share options and long-term incentive schemes (audited information)

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

Relative spend on pay

The table below sets out:

a. the remuneration paid to the Directors; and

b. the distributions made to Shareholders by way of dividends paid in the financial year ended 30 September 2024 and the preceding four financial years.

There were no share buy-backs for Treasury.

	Year ended 30 September								
	2024		2023		2022		2021		2020
	Change %	£	Change %	£	Change %	£	Change %	£	£
Total remuneration	**(0.9)**	**137,500**	4.9	138,693	11.7	132,169	(8.8)	118,300	129,751
Dividends paid (Note 7)	**192.4**	**32,005,000**	(84.7)	10,945,000	650.2	71,701,000	6.5	9,557,000	8,974,000

Directors' emoluments (audited information)

The total emoluments in respect of qualifying services of each person who served as a Director during the year are as set out in the table below. The Company does not have any schemes in place to pay bonuses or benefits to any of the Directors in addition to their Directors' fees. Tim Woodcock, Charlotta Ginman and Jeremy Hamer are entitled to a higher fee due to their roles as Chair, Senior Independent Director and Audit Committee Chair, respectively.

	Year ended 30 September								
	2024		2023		2022		2021		2020
	Change %	£	Change %	£	Change %	£	Change %	£	£
Tim Woodcock (Chair)	**6.4**	**37,500**	4.4	35,250	3.2	33,750	12.6	32,700	29,042
Charlotta Ginman* (Senior Independent Director)	**10.3**	**33,500**	11.5	30,375	4.0	27,250	2.2	26,200	25,625
Jeremy Hamer (Audit Committee Chair)	**8.3**	**36,000**	4.7	33,250	3.4	31,750	5.9	30,700	29,000
Josephine Tubbs** (Independent Director)	**6.1**	**30,500**	197.3	28,750	N/A	9,669	N/A	–	–
Jocelin Harris***	**N/A**	**–**	(62.8)	11,068	3.7	29,750	1.8	28,700	28,188
Peter Dicks****	**N/A**	**–**	N/A	–	N/A	–	N/A	–	17,896
		137,500		138,693		132,169		118,300	129,751
Expenses†		**1,540**		915		–		–	160
		139,040		139,608		132,169		118,300	129,911

* Appointed as Senior Independent Director from 7 February 2023.
** Appointed 24 May 2022.
*** Retired 7 February 2023.
**** Retired 18 May 2020.
† These travel and other expenses are not considered taxable.

Directors' Remuneration Report (continued)

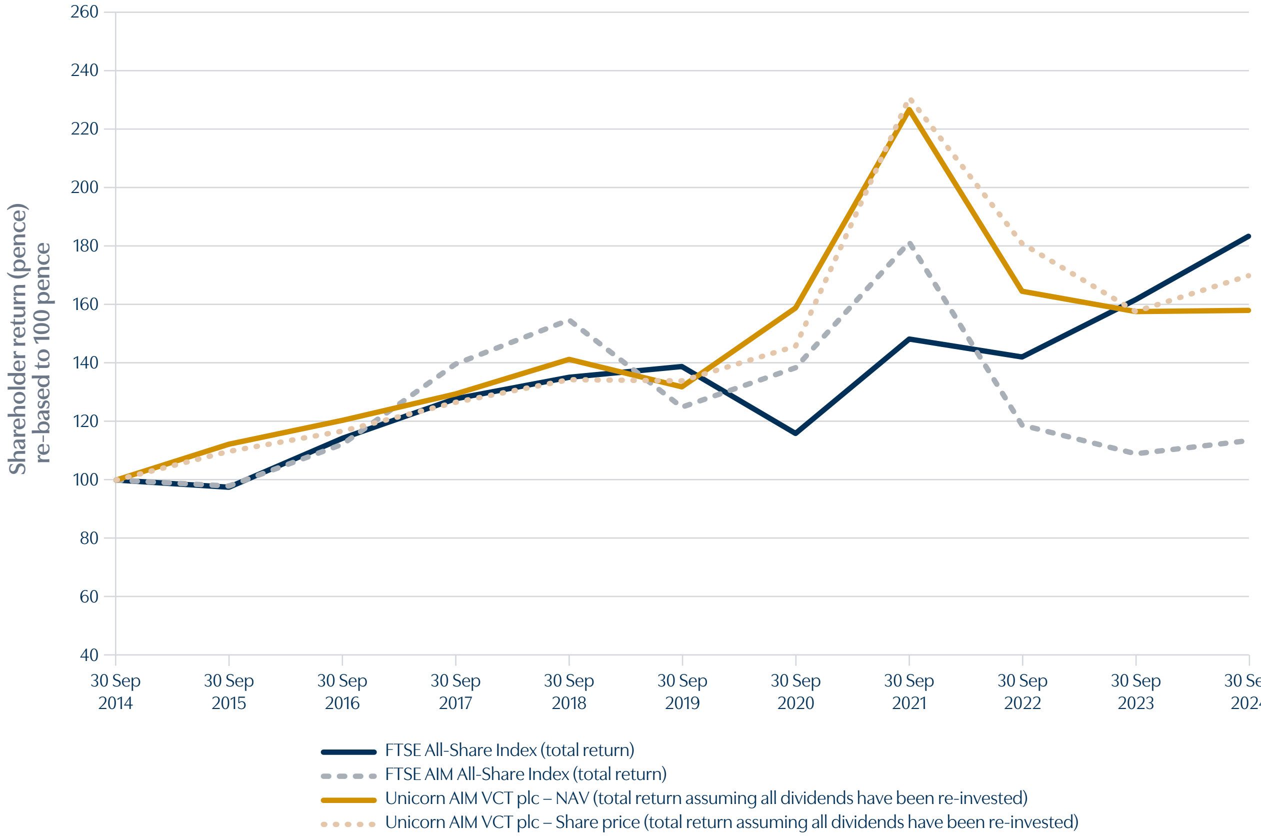
Total Shareholder return performance graph

The following graph charts the total cumulative shareholder return of the Company since 30 September 2014 (assuming all dividends are re-invested) compared to the total cumulative shareholder return of both the FTSE All-Share and the FTSE AIM All-Share Indices. These indices represent the broad equity market against which investors can measure the performance of the Company and are thus considered the most appropriate benchmarks. The NAV total return per share has been shown separately in addition to the information required by law because the Directors believe it is a more accurate reflection of the Company's performance.

In the graph, the total Shareholder return figures have been rebased to 100 pence.

Total cumulative annual Shareholder return since the merger compared to the total return of the FTSE All-Share and FTSE AIM All-Share indices

Ordinary shares



An explanation of the performance of the Company is given in the Strategic Report on pages 2 to 36.

Directors' Remuneration Report (continued)

Remuneration Policy

As the Board consists entirely of non-executive Directors it is considered appropriate that matters relating to remuneration are considered by the Board as a whole, rather than a separate remuneration committee. The remuneration policy is set by the Board, which reviews the remuneration of each of the Directors, and considers at least annually whether the remuneration policy is fair and in line with comparable VCTs.

When considering the level of the Directors' remuneration, the Board reviews existing remuneration levels elsewhere in the Venture Capital Trust sector and other relevant information. It considers the levels and make-up of remuneration which need to be sufficient to attract, retain and motivate directors of the quality required to oversee the running of the Company.

The remuneration levels are designed to reflect the duties and responsibilities of the roles and the amount of time spent in carrying these out. The Board will obtain independent advice where it considers it necessary. No such advice was taken during the year under review. This policy will be applied when agreeing the remuneration of any new Director.

A resolution approving the Remuneration Policy was passed at the Annual General Meeting in January 2023 and will remain valid until the Annual General Meeting in 2026.

Basis of Remuneration

All of the Directors are considered to be independent and non-executive and it is not considered appropriate to relate any portion of their remuneration to the performance of the Company and performance conditions have not been set in determining their level of remuneration. As the Company has no employees, it is not possible to take account of the pay and employment conditions of employees when determining the levels of the Directors' remuneration. This approach to remuneration would also be used when recruiting any new directors. The Company's Articles of Association limit the aggregate amount that can be paid to the Directors in fees to £200,000 per annum.

The table below shows the expected maximum payment that will be received per annum by each Director for the year to 30 September 2025.

Role	2025	2024*	% Increase
Non-executive Director basic fee	**31,750**	30,500	**4.1**
Additional fees			
– Chair	**8,000**	7,000	**14.3**
– Chair of Audit Committee	**5,500**	5,500	–
– Senior Independent Director	**3,000**	3,000	–

* Following a review of fees payable to Directors, the Board has approved an increase for each of the current Directors with effect from 1 October 2024 to the amounts shown above, an increase of 4.1% of basic fees. Increases in relation to additional fees are shown in the table above.

The remuneration policy is stated above.

Terms of Appointment

All of the Directors are non-executive and none of the Directors has a service contract with the Company.

All Directors receive a formal letter of appointment setting out the terms of their appointment, the powers and duties of Directors and the fees pertaining to the appointment. Appointment letters for new Directors contain an assessment of the anticipated time commitment of the appointment and Directors are asked to undertake that they will have sufficient time to carry out what is expected of them and to disclose their other significant commitments to the Board before appointment. Copies of the letters appointing the Directors are made available for inspection at each General Meeting.

A Director's appointment may be terminated forthwith on notice being given by the Director or the Company and in certain other circumstances. No arrangements have been entered into between the Company and the Directors to entitle any of the Directors to compensation for loss of office.

By order of the Board

ISCA Administration Services Limited
Company Secretary

5 December 2024

Corporate Governance Statement

The Directors have adopted the AIC Code published in February 2019 for the financial year ended 30 September 2024. The AIC Code addresses the principles and provisions set out in the UK Code as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide as outlined above, will provide the most appropriate information to Shareholders.

The AIC Code was endorsed in February 2019 by the Financial Reporting Council ("FRC") which has confirmed that in complying with the AIC Code, the Company will meet its obligations in relation to the UK Code. The AIC Code is available online at: www.theaic.co.uk. A copy of the UK Code can be found at: www.frc.org.uk.

The Board has noted the publication of the AIC Code in August 2024 following the issue of the updated UK Code in January 2024. The new AIC Code will be applicable to the Company from 1 October 2025.

This statement has been compiled in accordance with the FCA's Disclosure and Transparency Rule (DTR) 7.2 on Corporate Governance Statements.

The Board considers that the Company has complied fully with the AIC Code and the relevant provisions of the UK Code, as set out below.

As an investment company managed by third parties, the Company does not employ a chief executive, nor any executive directors. The systems and procedures of the Investment Manager and the Administrator, the provision of VCT monitoring services by PwC, and the annual statutory audit as well as the size of the Company's operations, gives the Board confidence that an internal audit function is not appropriate. The Company is therefore not reporting further in respect of these areas.

The Board

Throughout the year the Board consisted of four non-executive Directors. On 2 October 2024, Julian Bartlett was appointed to the Board. Jeremy Hamer will retire from the Board at the AGM on 12 February 2025. Each Director brings a range of relevant expertise, experience and judgement to the Board. Charlotta Ginman is the Senior Independent Director. The Directors believe that this structure is right for the Company given its current size and the nature of its business.

Should Shareholders wish to contact the Board they should initially contact the Company Secretary. Shareholders may then contact the Senior Independent Director, through the Company Secretary, if they have concerns which have failed to be resolved through the Chair or Investment Manager or where such contact is inappropriate.

Details of the Directors' other significant time commitments are disclosed on pages 37 to 39 of this Annual Report.

All the Directors are equally responsible under the law for the proper conduct of the Company's affairs. In addition, the Directors are responsible for ensuring that their 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.

Matters specifically reserved for decision by the Board have been defined. These include compliance with the requirements of the Companies Act, the UK Listing Authority, AIFMD, the London Stock Exchange and UK Accounting Standards; changes relating to the Company's capital structure or its status as a public limited company; Board and committee appointments and terms of reference of committees; material contracts of the Company and contracts of the Company not in the ordinary course of business. The Board as a whole considers management engagement, nomination and remuneration matters rather than delegating these to committees, as all of the current Directors are considered independent of the Investment Manager. Management engagement matters include an annual review of the Company's service providers, with a particular emphasis on reviewing the Investment Manager in terms of investment performance, quality of information provided to the Board and remuneration. The Board as a whole considers Board and Committee appointments and the remuneration of individual Directors.

A procedure has been adopted for individual Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company. The Directors also have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring board procedures are followed. Both the appointment and removal of the Company Secretary is a matter for the Board as a whole. Where Directors have concerns which cannot be resolved about the running of the Company or a proposed action, they are asked to ensure that their concerns are recorded in the Board minutes. If ultimately a Director feels it necessary to resign, a written statement should be provided to the Chair, for circulation to the Board.

Directors' attendance at Board and Committee meetings

The table below details the formal Board and Audit Committee meetings attended by the Directors during the year. Four regular Board meetings and four Audit Committee meetings were held during the year with additional ad-hoc meetings being held where necessary. In addition, quarterly valuation meetings were held to consider the valuation of unquoted securities in the Company's portfolio. The Directors also held a strategy meeting during the year, without the service providers attending.

Director	Board	Audit Committee
Tim Woodcock	4/4	4/4
Charlotta Ginman	4/4	4/4
Jeremy Hamer	4/4	4/4
Josephine Tubbs	4/4	4/4

Corporate Governance Statement (continued)

Tenure

All Directors are subject to election by Shareholders at the first AGM following their appointment.

In terms of overall length of tenure, the AIC Code does not explicitly make recommendations on tenure for Directors. However, it does state, circumstances which are likely to impair or could appear to impair, a non-executive Director's independence include, but are not limited to, whether a Director has served on the board for more than nine years from the date of their first appointment. The Board does not believe that a Director should be appointed for a finite period. The AIC Code does recommend that it should have a policy on tenure of its Chair and the Company has adopted a nine year maximum tenure policy for its Chair.

Jeremy Hamer has served longer than nine years, however, the Board considers that he remained independent of the Investment Manager and continued to offer independent, professional judgement and constructive challenge to the Investment Manager. Jeremy will step down from the Board at the AGM on 12 February 2025. In accordance with the AIC Code, all Directors will offer themselves for re-election annually or election at their first AGM. The Board's succession planning is discussed on page 35.

Director	Date of appointment
Tim Woodcock	10 June 2019
Charlotta Ginman	14 July 2016
Jeremy Hamer	9 March 2010
Josephine Tubbs	24 May 2022
Julian Bartlett	2 October 2024

Independence of Directors

The Board has considered whether each Director is independent in character and judgement and whether there are any relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement and has concluded that, all of the Directors are independent of the Investment Manager. The Directors' shareholdings in the Company's investee companies are shown on pages 37 to 39.

The Directors who were independent of each potential conflict noted above, considered the circumstances and agreed that all of the relevant Directors in each case remained independent of the Investment Manager. This is because these relationships were not of a material size to their assets and other business activities nor to those of the Company. There are no other contracts or investments in which the Directors have declared an interest.

The above potential conflicts, along with other potential conflicts, have been reviewed by the Board in accordance with the procedures under the Articles of Association and applicable rules and regulations and have been authorised by the Board in accordance with these procedures. The Articles allow the Directors not to disclose information relating to a conflict where to do so would amount to a breach of confidence. The Board places great emphasis on the requirement for the Directors to disclose their interests in investments (and potential investments) and has instigated a procedure whereby a Director declaring such an interest does not participate in any discussions or decisions relating to such investments. The Directors inform the Board of changes to their other appointments as necessary. The Board reviews the authorisations relating to conflicts quarterly.

Appointment letters for new Directors include an assessment of the expected time commitment for each Board position and new Directors are asked to give an indication of their other significant time commitments. The Board has adopted a formal process of recruitment when seeking the appointment of new Directors.

The Board aims to include a balance of skills and experience that the Directors believe to be appropriate to the management of the Company. The Chair fully meets the independence criteria as set out in the AIC Code.

During the year, a review of the Directors, the Board and the Audit Committee was undertaken through a questionnaire completed by each Director and the Senior Independent Director led a review of the Chair. The responses were reviewed by the Chair and discussed by Directors at their strategy day. The effectiveness of the Board and the Chair is reviewed annually as part of the internal control process led by the Senior Independent Director. It was concluded that the composition and performance of the Board was effective, and that the open culture of the Board facilitated a full and wide-ranging discussion in meetings and led to a collegiate approach on all matters. The Directors monitor the continuing independence of the Chair and inform him of their discussions.

All of the Directors are involved at an early stage in the process of structuring the launch of any Offers for Subscription that may be agreed by the Board.

Diversity

The Directors are aware of the need to have a Board which, as a whole, comprises an appropriate balance of skills and experience combined with diversity of thinking, perspective and background. Any Board appointment will be based on merit against the required criteria, the current and future needs of the Company and having regard to the diversity criteria under the Listing Rules. The Board place great importance on diversity and independent thinking when assessing its composition although being externally managed and comprising of only four/five non-executive directors there is reduced scope to fully comply with the requirements.

Corporate Governance Statement (continued)

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

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

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

Gender Identity	Number of Board members	Percentage of the Board	Number of senior positions on the Board
Men	2	50%	1
Women	2	50%	1
Ethnic Background			
White British or other White (including minority-white groups)	4	100%	100%
Mixed/Multiple Ethnic Groups	–	–	–
Asian/Asian British	–	–	–
Black/African	–	–	–
Other ethnic group including Arab	–	–	–
Not specified/ prefer not to say	–	–	–

The Board therefore meets the criteria under parts 1 and 2 above, with 50% of the Board being female and Charlotta Ginman being the SID. Subsequent to the year end, Julian Bartlett was appointed to the Board, which amended the percentage of women on the Board to 40% until the AGM on 12 February 2025 when, following the retirement from the Board of Jeremy Hamer, the percentage will revert back to 50%.

Although not currently meeting the requirement that one Director should be from an ethnic minority background, during the recent recruitment process the Board engaged an external recruitment consultant, Trust Associates, and sought to meet the ethnic minority target and gave this consideration when reviewing candidates. However, selecting a candidate with suitable skills and experience was given priority. Charlotta Ginman, the Senior Independent Director, is Finnish which although not categorised as an ethnic minority under the regulations provides additional diversity to the Board.

More details on the Directors can be found in the Board of Directors section on pages 37 to 39.

Management

Investment Manager

Unicorn Asset Management Limited ("UAML") was appointed as Investment Manager to the Company on 1 October 2001. This agreement was amended on 9 March 2010, 12 April 2010, 1 October 2018 and again on 18 November 2021. Under the terms of the Company's Investment Management Agreement ("IMA"), the Investment Manager is empowered to give instructions in relation to the management of investments and other assets including subscribing, purchasing, selling and otherwise dealing in qualifying and non-qualifying investments and to enter into and perform contracts, agreements and other undertakings that are necessary to the carrying out of its duties under the Agreement in accordance with specific written arrangements laid down by the Board. Board approval is required before any investment is made or realised in unquoted investments.

At 30 September 2024, officers and employees of the Investment Manager held 1,557, 866 shares in the Company.

The Investment Manager has adopted a proactive approach to vote at all general meetings of investee companies. Institutional Shareholder Services have been engaged by the Investment Manager to advise on voting matters in accordance with their Proxy Voting Guidelines with particular focus on Environmental, Social, and Governance criteria. In reaching a final decision on voting, the aims and objectives of the Company will take precedence. The Investment Manager has voted against 5% of resolutions during the year, largely relating to Board independence, remuneration packages and governance.

The Directors regularly review the investment performance of the Investment Manager. Terms of the IMA and policies covering key operational issues are reviewed with the Investment Manager at least annually. The Board believes that the continued appointment of the Investment Manager remains in Shareholders' best interests and the investment criteria remain appropriate. Furthermore, the Board remains satisfied with the Investment Manager's investment performance. For a summary of the performance of the Company please see the Investment Manager's Review, Top Ten Holdings and the Investment Portfolio Summary on pages 13 to 21, the Financial Highlights on page 1 and the Financial Performance Review on pages 22 and 23. Details of the management fee arrangements with the Investment Manager are set out in Note 3 to the accounts on pages 72 and 73. The Board and the Investment Manager aim to operate in a co-operative and open manner while the Board maintains its oversight obligations.

Corporate Governance Statement (continued)

Company Secretary and Company Administrator

ISCA Administration Services Limited was appointed as the Company Secretary and Administrator under a contract dated 1 September 2014. The fees paid are shown in Note 4 on page 73.

Corporate Broker

The Company has retained Panmure Liberum Limited as its corporate broker.

Internal controls

The Board is responsible for the Company's internal control and risk management systems. It has delegated the monitoring of these systems, on which the Company is reliant, to the Audit Committee (the "Committee").

Internal control systems are designed to manage the particular needs of the Company and the risks to which it is exposed and can by their nature only provide reasonable and not absolute assurance against material misstatement or loss. They aim to ensure the maintenance of proper accounting records, the reliability of published financial information and the information used for business making decisions and that the assets of the Company are safeguarded.

The Committee has implemented procedures for identifying, evaluating and managing the significant risks faced by the Company. As part of this process an annual review of the control systems is carried out in accordance with the Internal Control: Revised Guidance for Directors as issued by the Financial Reporting Council. The review covers consideration of the key business, operational, compliance and financial risks facing the Company. Each risk is considered with regard to: the controls exercised at Board or Committee level; reporting by service providers and controls relied upon by the Board or Committee; exceptions for consideration by the Board or Committee; responsibilities for each risk and its review period; and risk rating. Investment risk is managed to the Board or Committee's satisfaction by the Investment Manager, primarily through the medium of a diversified portfolio; this approach is described in more detail in the Investment Manager's Review.

The Committee reviews a schedule of key risks at each Committee meeting which identifies the risks, controls and deficiencies that have arisen in the quarter, and any action to be taken. The Committee reviews the management accounts prepared by the Company Secretary and Administrator, each quarter, and the Annual or Half-Yearly Reports arising there from.

The main aspects of the internal controls which have been in place throughout the year in relation to financial reporting are:

- the valuations prepared by the Investment Manager are entered into the accounting system and reconciled by the Administrator. Controls are in place to ensure the effective segregation of these two tasks;
- the Administrator cross-checks the monthly valuations of Listed and AIM companies to an independent data source;
- an independent review of the unquoted investment valuations is conducted quarterly by the Board;
- bank reconciliations are carried out daily by the Administrator;
- the Board has procedures in place for the approval of expenses and payments to third parties;
- the Committee reviews the monthly investment and net asset value reports, quarterly management accounts and underlying notes to those accounts, and other RNS announcements as necessary;
- the Annual and Half-Yearly Reports are reviewed separately by the Committee prior to consideration by the Board; and
- the Board reviews all financial information prior to publication.

The Board has delegated contractually to third parties, the management of the investment portfolio, the day to day accounting, company secretarial and administration requirements and the custody and registration services. Each of these contracts was entered into after full and proper consideration by the Board. The annual review includes a consideration of the risks associated with the Company's contractual arrangements with third party suppliers. The Board monitors and evaluates the performance of each of the service providers. The Committee also considers on an annual basis whether it is necessary for the Company to establish its own internal audit function. For the year under review, the Committee has determined that the Company does not require a separate internal audit function given that internal control reports are received from the Company's service providers, which the Committee relies upon to satisfy itself that sufficient and appropriate controls are in place.

The procedure for regular interim and full year reviews of control systems has been in place and operational throughout the year under review. The last formal annual review took place on 21 November 2024. The Board has identified no issues with the Company's internal control mechanisms that warrant disclosure in the Annual Report.

Corporate Governance Statement (continued)

Further Disclosures

Amendment of the Company's Articles of Association

The Company may amend its Articles of Association by special resolution in accordance with section 21 of the Companies Act 2006.

Share capital and voting rights

Details of the Company's share capital can be found on page 42 and in Note 13 and there are no reported substantial shareholdings. The voting rights of Shareholders are set out below:

Each Shareholder has one vote on a show of hands, and on a Poll one vote per share held, at a general meeting of the Company. No member shall be entitled to vote or exercise any rights at a general meeting unless all their shares have been paid up in full. Any instrument of proxy must be deposited at the place specified by the Directors no later than 48 hours before the time for holding the meeting. As stated above, voting at the 2025 AGM will be undertaken on a Poll on all Resolutions.

As detailed in the Company's Articles of Association, the shares in issue rank equally in all respects and are entitled to dividends paid out of distributable reserves and the net income derived from the assets of the Company and, in the event of liquidation, any surplus arising from the assets.

Shareholders may, if they so wish, arrange for their shares to be held via a nominee or depository where they retain all financial rights, but not voting/AGM attendance rights, carried by the Company's shares.

Powers of the Directors

In addition to the powers granted to the Directors by Company Law and the Articles of Association, the Directors obtain authority from Shareholders to issue a limited number of shares, dis-apply pre-emption rights and purchase the Company's own shares. Further details can be found in the Directors' Report on page 44.

Relations with Shareholders

Communication with Shareholders is considered a high priority.

All Shareholders are entitled to receive a copy of the Annual Report. Shareholders are encouraged to agree to receive these electronically. The Board invites communications from Shareholders and usually there is an opportunity to question the Directors, the Chair of the Audit Committee and the Investment Manager at the AGM. For the 2025 AGM, Shareholders have been requested to submit questions by email to unicornaimvct@iscaadmin.co.uk.

The Company's website can be accessed by going to: www.unicornaimvct.co.uk.

The Board as a whole approves the contents of the Annual and Half-Yearly Reports, circulars, and other Shareholder communications in order to ensure that they present a fair, balanced and understandable assessment of the Company's position and prospects and the risks and rewards to which Shareholders are exposed through continuing to hold their shares.

For the AGM, all proxy votes are counted to ensure all Shareholders, whether present at the AGM or not, are able to vote on the resolutions. At the AGM the Chair will call a Poll for voting on all resolutions. The proxy votes cast, together with any votes polled in the meeting room will be used to decide each resolution. The Poll voting will be declared and the results published on the Stock Exchange RNS system and the Company's website.

The Notice of the Annual General Meeting is included in this Annual Report and is sent to Shareholders at least 21 days before the meeting. Shareholders wishing to contact the Board should direct their communications to the Company Secretary and any questions will be passed to the relevant Director or the Board as a whole.

By order of the Board

ISCA Administration Services Limited
Company Secretary

5 December 2024

Audit Committee Report

I chair the Committee which comprises all members of the Board. It is the Company's policy to include all members of the Board on the Committee to ensure clear communication and to enable all Directors to be kept fully informed of any issues that may arise. It should also be noted that 3 of the 4 of the Directors serving during the year are qualified accountants. I attended a number of audit briefings throughout the year with the Investment Manager, Administrator, the Registrar and the External Auditor as appropriate, on several key issues and reported back to the Committee accordingly. The Board has satisfied itself that at least one member of the Committee has recent and relevant financial experience in the sector in which the Company operates and that the Committee has sufficient resources to undertake its duties. All Board members are independent of the Investment Manager.

The Committee met four times this year in person and its responsibilities are set out in its terms of reference, which are reviewed annually and are available on the Company's website (www.unicornaimvct.co.uk) or can be requested from the Company Secretary, who, along with the External Auditor, updates the Committee with changes in relevant legislation. Quarterly meetings are held face to face and supplementary meetings are also held by telephone or other electronic means. Meetings are minuted by the Company Secretary.

During the year under review, the Members of the Committee have:

- reviewed several iterations of the Company's Annual Report and Half-Yearly Report and assessed them against the AIC Code and FRS 102 to ensure that relevant disclosures have been included and to ensure that both narrative and financial figures reflect accurately the position of the Company;
- reviewed its terms of reference to ensure that they are compliant with the best practice guidance issued by the Institute of Chartered Secretaries and Administrators on Audit Committees;
- reviewed the External Auditor's audit strategy for auditing the Company's Annual Report;
- reviewed the effectiveness of the external audit process against specific criteria;
- re-assessed all risks on a quarterly basis during the year having significantly upgraded the risk monitoring processes last year – please refer to later in this report;
- begun defining the company's 'risk appetite' for each identified risk category in order to more clearly guide both service provider and our own actions in each area;
- further developed its scenario planning in order to greater understand the Company's vulnerability to a combination of adverse events;
- reviewed the internal controls of our service providers;
- reviewed the capital adequacy of the Investment Manager;
- reviewed the year's activities with the Investment Managers governance adviser who provides advice and support in relation to FCA compliance;
- reviewed the report produced by PwC biannually on the Company's compliance with the VCT status tests;
- agreed the ownership of holdings to share certificates, loan note agreements and independent custody reports;
- reviewed the processes of the administrator;
- reviewed unquoted valuations on a quarterly basis;
- reviewed the cyber security of the Company and its service providers; and
- reviewed the Investment Manager's developing approach to ESG tracking and reporting, and its integration within investment decisions

1. Financial Reporting

Financial Statements

The Committee has responsibility for reviewing the Financial Statements and reporting to the Board on any significant issues. Any issues would be discussed with the External Auditor and Administrator at the audit planning meeting prior to the year end and at the completion of the audit of the Financial Statements. No conflicts arose between the Committee and the External Auditor in respect of their work during the year.

The key accounting and reporting issues considered by the Committee were:

Valuation of the Company's quoted and unquoted investments
Valuations of listed, AIM quoted and unquoted investments are prepared by the Investment Manager. All listed and AIM quoted valuations are independently checked by the Administrator. The IPEV valuation guidelines (updated in December 2022) require the Investment Manager to update the valuation model for each unquoted investment individually, with the latest available information from the company itself and market data and to update the valuations accordingly. All unquoted investments are reviewed in a valuation meeting on a quarterly basis.

The Committee has reviewed the peer benchmarking, recent transactions data and the particular importance of the discount level to reflect the lack of liquidity in unquoted shares and, where appropriate, recommended revised valuations to the Board. The Committee paid particular attention to the methodology and

Audit Committee Report (continued)

process for valuing these investments to ensure that the resulting valuation was appropriate and in accordance with IPEV valuation guidelines. The formal quarterly reviews are supplemented with additional reviews should material new information become available.

The Committee also discussed the controls in place over the valuation of the quoted investments and the judgements made when considering if any losses on investments held should be treated as realised and considered that no further permanent impairment was necessary, as detailed in note 9. The Investment Manager actively tracks the liquidity of all AIM listed stocks taking particular note of those where our holding would take 100 days or more to dispose of. These stocks are then reviewed individually by an internal committee to confirm whether or not 'bid price' remains the appropriate valuation criteria.

The Committee recommended the investment valuations to the Board for approval, which the Board accepted.

Revenue Recognition
The revenue generated from dividend income and loan stock interest has been considered by the Committee. The Committee has considered the controls in place at the Custodian over the recognition of dividends from quoted investments and the review undertaken by the Administrator to ensure that amounts received are in line with expectations. Dividend income is recognised in our revenue statement as soon as the payer declares itself 'ex div.'

Completeness and control of expenditure
The Committee reviewed the process in place for managing the Company's expenditure. It noted that, in accordance with agreed policy, all payments over £7,500 have been authorised by at least one Director and any payments under this threshold have been authorised by the Administrator.

Going Concern and Viability Statement
The Committee monitors the Company's resources at each of its quarterly meetings to assess whether the Company has adequate financial resources to remain in operation. This includes a review of both cash balances and readily realisable investments. Prior to the release of the Half-Yearly and Annual Reports the Committee reviews a 5 year cash flow forecast. The Committee is satisfied both as to the Company being a going concern for the next 12 months and to its viability over the longer term.

2. Internal Controls and Risk Management

Key internal controls
The key internal controls document is reviewed by the Committee at least annually. The Committee considers the implication of the risks to each stakeholder group, the relevant controls in place and the level of impact each risk has on the Company. In addition to the Financial Statements the Committee receives a quarterly risk summary from the Company Secretary and reviews this for any issues or changes in the level of risk in the period, changes to the risks and any improvements in the mitigation activities.

On each occasion that we have reviewed our risk register during this year adjustments have been made although in terms of our ratings there have been no changes in the last 12 months. It should be noted that we have rated our 'economic and political' risk category on the highest level for well over 12 months now and remain very concerned both about global and local political decisions ahead of us.

Compliance with VCT Tests (Tax Compliance)
The Company has retained PwC to advise on an ongoing basis its compliance with the legislative requirements relating to VCTs.

PwC reviews new investment proposals as appropriate and carries out biannual reviews of the Company's investment portfolio from a VCT regulation perspective, presenting their findings at a meeting. The Committee is very aware of the importance of compliance in this context.

PwC provide a Report to the Committee at the meetings covering the Half-Yearly and Annual Reports where the Committee will ask questions, discuss and approve the report in advance of releasing the results.

Compliance, whistleblowing and fraud
During the year, the Committee received no reports from the Investment Manager regarding money laundering, whistleblowing or fraud impacting the Company. This was also confirmed by the Registrar.

The Committee Chair has spoken to the Investment Manager's external compliance adviser during the year to discuss any compliance and governance concerns at the Investment Manager. There were no issues to report.

Anti-Bribery Policy
The Company has maintained a zero-tolerance approach to bribery. A summary of the anti-bribery policy can be found on page 35 of this report and on the Company's website. A full copy can be obtained from the Company Secretary by sending an email to: unicornaimvct@iscaadmin.co.uk.

Cyber Security
The Committee has continued discussions with all service providers regarding cyber security. Both Unicorn Asset Management and ISCA continue to take advice and action to reduce the likelihood of attack and data breach. Similarly, control reports were received from the Registrar. This focus continues.

Audit Committee Report (continued)

3. Audit

Internal Audit

The Committee has not seen the need to introduce an independent internal audit other than the work done by the Committee itself. The justification for this decision is given in the Corporate Governance Statement on page 49.

Relationship with the External Auditor

Johnston Carmichael LLP were appointed as auditor in February 2023 and are now reporting for the second time. As in their first year they attended the audit strategy Committee Meeting and the Committee Meeting that considered the Annual Report.

The Committee has also undertaken a review of the audit plan received from the external auditor and assessed the effectiveness of the audit process. When assessing the effectiveness of the process for the year under review, the Committee considered whether the Auditor has:

- demonstrated strong technical knowledge and a clear understanding of the business;
- indicated professional scepticism in key judgements, particularly around unquoted valuations, and raised any significant issues in advance of the audit process commencing;
- fielded an audit team that is appropriately resourced;
- demonstrated a proactive approach to the audit planning process, engaging with the Committee Chair and other key individuals;
- provided a clear explanation of the scope and strategy of the audit;
- an expectation of clear and prompt communication with the members of the Committee, the Administrator and the Investment Manager and produced comprehensive reports on its findings;
- the ability to meet timetables set by the Company;
- maintained independence and objectivity; and
- charged justifiable fees in light of the scope of services provided.

Non-audit services

The Committee has reviewed the implications of the Financial Reporting Council's (FRC) Revised Ethical Reporting Standard 2019 and as a result has decided to contract other third-party suppliers to carry out these duties. The External Auditor does not undertake any non-audit services for the Company.

Role Change

After 14 years as your Audit Chair I am stepping down at the AGM in February 2025 passing the responsibility to Julian Bartlett who was recently appointed to our Board.

Jeremy Hamer
Audit Committee Chair

5 December 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 elected to prepare the Company's Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP') (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 period.

In preparing these Financial Statements the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Annual Report and accounts, taken as a whole, are fair, balanced, and understandable and provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

Website publication

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

Directors' responsibilities pursuant to the Disclosure Guidance and Transparency Rule 4 of the UK Listing Authority

The Directors confirm to the best of their knowledge:

- The Financial Statements have been prepared in accordance with UK GAAP and give a true and fair view of the assets, liabilities, financial position and profit 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 Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the position and performance, business model and strategy of the Company.

For and on behalf of the Board:

Tim Woodcock
Chair

5 December 2024

Independent Auditor's Report to the Members of Unicorn AIM VCT plc

Opinion

We have audited the Financial Statements of Unicorn AIM VCT plc ("the Company"), for the year ended 30 September 2024, which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and the related notes, including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including *Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Financial Statements:

- give a true and fair view of the state of Company's affairs as at 30 September 2024 and of its net profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard, as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our approach to the audit

We planned our audit by first obtaining an understanding of the Company and its environment, including its key activities delegated by the Board to relevant approved third-party service providers and the controls over provision of those services.

We conducted our audit using information maintained and provided by Unicorn Asset Management Limited (the "Investment Manager"), ISCA Administration Services Limited (the "Company Secretary," and "Administrator"), The Bank of New York Mellon (the "Custodian") and The City Partnership (UK) Limited (the "Registrar") to whom the Company has delegated the provision of services.

We tailored the scope of our audit to reflect our risk assessment, taking into account such factors as the types of investments within the Company, the involvement of the Administrator, the accounting processes and controls, and the industry in which the Company operates.

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in the evaluation of the effect of misstatements, both individually and in aggregate on the Financial Statements as a whole.

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. These matters included 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, we do not provide a separate opinion on these matters.

Independent Auditor's Report to the Members of Unicorn AIM VCT plc (continued)

We summarise below the key audit matters in arriving at our audit opinion above, together with how our audit addressed these matters and the results of our audit work in relation to these matters.

Key audit matter	How our audit addressed the key audit matter and our conclusions
Valuation and ownership of unquoted investments As per pages 54 and 55 (Audit Committee Report), pages 69 and 70 (Accounting Policies) and Note 9. At 30 September 2024 the valuation of the unquoted investment portfolio was £43.8 million. As this is one of the largest components of the Company's Statement of Financial Position, and there is a high degree of subjectivity in the valuation of unquoted investments, it has been designated as a key audit matter, being one of the most significant assessed risks of material misstatements due to fraud or error. The unquoted investments are valued in accordance with the revised International Private Equity and Venture Capital (IPEV) valuation guidelines. Significant judgement is required in applying these principles and determining certain inputs to the valuation models. Additionally, there is a risk that the investments recorded as held by the Company may not represent property of the Company.	We have performed a walkthrough of the unquoted investment valuation process to evaluate the design of the process and implementation of key controls. We obtained evidence of the valuation committee's oversight of each valuation and assessed whether they performed their review on a regular basis free from bias, had the necessary skills and knowledge to perform the review, reviewed and approved estimates based on the data available, challenged the data, assumptions and estimates used in the valuations and if any issues were identified, addressed and resolved those issues. We stratified the portfolio of unquoted investments according to risk, considering the value of individual investments, the movement in fair value and the inherent risk factors associated with each valuation basis. We then selected a sample of investments for testing, to ensure appropriate coverage of each strata of the portfolio. For the sample of unquoted investments, we: assessed the degree to which the valuations were subject to estimation uncertainty and the degree to which the selection and application of the valuation method, assumptions and data were affected by complexity and subjectivity. For certain investments we engaged our specialist corporate finance team to review the appropriateness of certain judgements, such as multiples and discounts. Obtained an understanding of the sector for each investee company for the period being audited, making enquiries of management. Corroborated data used in the valuation models to available independent sources, assessing if market conditions meet management's expectations and any forecasts used in the valuation models are suitable, consistent and the data is relevant and reliable. Reperformed the calculation of the valuation models to ensure mathematical accuracy. Assessed if any changes from the prior year valuation models were appropriate and in line with IPEV guidelines. Where appropriate, developed an auditor's point estimate or range. We agreed the ownership to share certificates and loan notes/ agreements, and where available, to the independently obtained custodian report. We performed back-testing over investment disposals (proceeds vs most recent valuation) to assess for evidence of potential management bias in the valuation process. From our completion of these procedures, we identified no material misstatements in relation to the valuation and ownership of the unquoted investments.

Independent Auditor's Report to the Members of Unicorn AIM VCT plc (continued)

Key audit matter	How our audit addressed the key audit matter and our conclusions
Valuation and ownership of quoted investments As per pages 54 and 55 (Audit Committee Report), pages 69 and 70 (Accounting Policies) and Note 9. The valuation of the level 1, quoted investment portfolio at 30 September 2024 was £133.8 million and the valuation of the level 2 investment portfolio was £14.1 million. As this is the largest component of the Company's Statement of Financial Position, and a key driver of the Company's net assets and total profit, this has been designated as a key audit matter, being one of the most significant assessed risks of material misstatement due to error. There is a further risk that the quoted investments held at fair value may not be actively traded and the quoted prices may not therefore be reflective of fair value.	We have performed a walkthrough of the valuation process for level 1 and level 2 investments to evaluate the design of the process and implementation of key controls. We have compared market prices applied to all level 1 and level 2 investments held at 30 September 2024 to an independent third-party source and recalculated the investment valuations. We have obtained average trading volumes from an independent third-party source for all level 1 investments held at year end and challenged management's active market assessment for investments where trading volumes indicated lower levels of liquidity. From our completion of these procedures, we identified no material misstatements in relation to the valuation of the quoted investments.
Revenue recognition, including allocation of special dividends as revenue or capital returns As per page 55 (Audit Committee Report), page 70 (Accounting Policies) and Note 2. Investment income recognised for the year ended 30 September 2024 was £2.9 million consisting primarily of dividend income from listed investments, OEICs and money market funds. Revenue-based performance metrics are often one of the key performance indicators for stakeholders. The income from investments received by the Company during the year directly impacts these metrics and the minimum dividend requirement to be paid by the Company. There is a risk that revenue is incomplete, did not occur or is inaccurate through failure to recognise income entitlements or failure to appropriately account for their treatment. It has therefore been designated as a key audit matter being one of the most significant assessed risks of material misstatement due to fraud or error. Additionally, there is a further risk of incorrect allocation of special dividends as revenue or capital returns as judgement is required in determining their allocation within the Income Statement.	We have performed a walkthrough of the revenue recognition process to evaluate the design of the process and implementation of key controls. We have confirmed that income is recognised and disclosed in accordance with the AIC SORP by assessing the accounting policies. We have recalculated 100% of dividends due from listed investments, OEICs and money market funds to the Company based on investment holdings throughout the year and announcements made by investee companies and agreed a sample of dividends received to bank statements. We inspected financial information from a sample of unquoted investments to determine whether the unquoted investment income was complete. We tested a sample of dividends received from unquoted investments during the year and agreed their receipt to bank statements. We assessed the completeness of the special dividend population with reference to third party market data and determined whether special dividends recognised were revenue or capital in nature with reference to the underlying commercial circumstances of the investee companies' dividend payment. In our assessment we found there to be no special dividends received within the year. From our completion of these procedures, we identified no material misstatements in relation to revenue recognition, including allocation of special dividends as revenue or capital returns.

Independent Auditor's Report to the Members of Unicorn AIM VCT plc (continued)

Our application of materiality

We define materiality as the magnitude of misstatement in the Financial Statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature and extent of our work and in evaluating the results of that work.

Materiality measure	Value
Materiality for the Financial Statements as a whole We have set materiality as 1% of net assets as we believe that net assets is the primary performance measure used by investors and is the key driver of shareholder value. We determined the measurement percentage to be commensurate with the risk and complexity of the audit and the Company's listed status.	**£1.99 million** (2023: £2.12 million)
Performance materiality Performance materiality represents amounts set by the auditor at less than materiality for the Financial Statements as a whole, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the Financial Statements as a whole. In setting this we consider the Company's overall control environment and any experience of the audit that indicates a lower risk of material misstatements. Based on our judgements of these factors we have set performance materiality at 75% (2023: 50%) of our overall financial statement materiality.	**£1.50 million** (2023: £1.06 million)
Specific materiality Recognising that there are transactions and balances of a lesser amount which could influence the understanding of users of the Financial Statements we calculate a lower level of materiality for testing such areas. Specifically, given the importance of the distinction between revenue and capital for the Company, we applied a separate testing threshold for the revenue column of the Income Statement set at the higher of 5% of the revenue profit on ordinary activities before taxation and our Audit Committee reporting threshold. We have also set a separate specific materiality in respect of related party transactions and Directors' remuneration. We used our judgement in setting these thresholds and considered our experience and industry benchmarks for specific materiality.	**£0.10 million** (2023: £0.11 million)
Audit Committee reporting threshold We agreed with the Audit Committee that we would report to them all differences in excess of 5% of overall materiality in addition to other identified misstatements that warranted reporting on qualitative grounds, in our view. For example, an immaterial misstatement as a result of fraud.	**£0.10 million**

During the course of the audit, we reassessed initial materiality and found no reason to alter the basis of calculation used at year-end.

Independent Auditor's Report to the Members of Unicorn AIM VCT plc (continued)

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:

- evaluating management's method of assessing going concern, including consideration of market conditions and macro-economic uncertainties;
- assessing and challenging the forecast cashflows and associated sensitivity modelling used by the Directors in support of their going concern assessment;
- obtaining and recalculating management's assessment of the Company's ongoing maintenance of venture capital trust status; and
- assessing the adequacy of the Company's going concern disclosures included in the Annual Report.

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.

Other information

The other information comprises the information included in the Annual Report other than the Financial Statements and our Auditor's Report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

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.

Matters on which we are required to report by exception

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.

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 by the Company, 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; or
- a corporate governance statement has not been prepared by the Company.

Independent Auditor's Report to the Members of Unicorn AIM VCT plc (continued)

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:

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 43;
- the Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 36;
- the Directors' statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities set out on page 43;
- the Directors' statement on fair, balanced and understandable set out on page 57;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 33 and 34;
- the section of the Annual Report that describes the review of the effectiveness of risk management and internal control systems set out on page 52; and
- the section describing the work of the Audit Committee set out on pages 54 to 56.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 57, 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.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Extent to which the audit was considered 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.

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and the sector in which it operates, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the Financial Statements. The most relevant frameworks we identified include:

- Companies Act 2006;
- FCA listing and DTR rules;
- the principles of the UK Corporate Governance Code applied by the AIC Code of Corporate Governance (the "AIC Code");

Independent Auditor's Report to the Members of Unicorn AIM VCT plc (continued)

- industry practice represented by the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("the SORP");
- Financial Reporting Standard 102; and
- the Company's qualification as a Venture Capital Trust under section 274 of the Income Tax Act 2007.

We gained an understanding of how the Company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of relevant correspondence with regulatory bodies and board meeting minutes.

We assessed the susceptibility of the Financial Statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the Financial Statements where the risks were considered to be higher, we performed procedures to address each identified risk. We identified a heightened fraud risk in relation to:

- management override of controls;
- the allocation of special dividends as revenue or capital returns; and
- valuation and ownership of unquoted investments.

Audit procedures performed in response to the risks relating to the allocation of special dividends as revenue or capital returns and the valuation and ownership of unquoted investments are set out in the section on key audit matters above, and audit procedures performed in response to the risk of management override of controls are included below.

In addition to the above, the following procedures were performed to provide reasonable assurance that the Financial Statements were free of material fraud or error:

- reviewing minutes of meetings of those charged with governance for reference to: breaches of laws and regulation or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, recalculating the investment management fee, evaluating the business rationale of significant transactions outside the course of normal business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- completion of appropriate checklists and use of our experience to assess the Company's compliance with the Companies Act 2006 and the Listing Rules; and
- agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements 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 intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures described above 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 would become aware of it.

Other matters which we are required to address

Following the recommendation of the Audit Committee, we were appointed by the Board on 7 February 2023 to audit the Financial Statements for the year ended 30 September 2023 and subsequent financial periods. The period of our total uninterrupted engagement is two years, covering the years ended 30 September 2023 to 30 September 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

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

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.

Richard Sutherland (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP
Statutory Auditor
Edinburgh, United Kingdom

5 December 2024

Income Statement

for the year ended 30 September 2024

	Notes	Year ended 30 September 2024 Revenue £'000	Year ended 30 September 2024 Capital £'000	Year ended 30 September 2024 Total £'000	Year ended 30 September 2023 Revenue £'000	Year ended 30 September 2023 Capital £'000	Year ended 30 September 2023 Total £'000
Net unrealised losses on investments	9	–	**(3,267)**	**(3,267)**	–	(8,975)	(8,975)
Net gains on realisation of investments	9	–	**5,689**	**5,689**	–	994	994
Income	2	**2,910**	–	**2,910**	2,312	–	2,312
Investment management fees	1g & 3	**(980)**	**(2,940)**	**(3,920)**	(1,048)	(3,144)	(4,192)
Other expenses	4	**(787)**	–	**(787)**	(725)	–	(725)
Profit/(loss) on ordinary activities before taxation		**1,143**	**(518)**	**625**	539	(11,125)	(10,586)
Tax on profit/(loss) on ordinary activities	6	–	–	–	–	–	–
Profit/(loss) on ordinary activities after taxation for the financial year		**1,143**	**(518)**	**625**	539	(11,125)	(10,586)
Basic and diluted earnings per share: Ordinary shares	8	**0.62p**	**(0.28)p**	**0.34p**	0.32p	(6.55)p	(6.23)p

All revenue and capital items in the above statement derive from continuing operations of the Company.

The total column of this statement is the Statement of Total Comprehensive Income of the Company prepared in accordance with applicable Financial Reporting Standards ("FRS"). The supplementary revenue return and capital return columns are prepared in accordance with the Statement of Recommended Practice ("AIC SORP") issued in July 2022 by the Association of Investment Companies.

Other than revaluation movements arising on investments held at fair value through profit or loss, there were no differences between the profit/(loss) as stated above and at historical cost.

The notes on pages 69 to 86 form part of these Financial Statements.

Statement of Financial Position

as at 30 September 2024

Company number 04266437

	Notes	30 September 2024 £'000	30 September 2024 £'000	30 September 2023 £'000	30 September 2023 £'000
Non-current assets					
Investments at fair value	9		**191,643**		207,531
Current assets					
Debtors	11	**5,388**		675	
Cash and cash equivalents		**4,420**		5,357	
		9,808		6,032	
Creditors: amounts falling due within one year	12	**(2,029)**		(1,707)	
Net current assets			**7,779**		4,325
Net assets			**199,422**		211,856
Capital					
Called up share capital	13		**1,904**		1,729
Capital redemption reserve			**199**		147
Share premium account			**124,570**		100,974
Capital reserve			**26,582**		56,883
Special reserve	14		**24,027**		39,040
Profit and loss account			**22,140**		13,083
Equity Shareholders' funds			**199,422**		211,856
Net asset value per Ordinary share:					
Ordinary shares	15		**104.72p**		122.55p

The Financial Statements were approved and authorised for issue by the Board of Directors on 5 December 2024 and were signed on their behalf by:

Tim Woodcock
Chair

The notes on pages 69 to 86 form part of these Financial Statements.

Statement of Changes in Equity

for the year ended 30 September 2024

	Called up share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Unrealised capital reserve £'000	Special reserve* £'000	Profit and loss account** £'000	Total £'000
At 1 October 2023	**1,729**	**147**	**100,974**	**56,883**	**39,040**	**13,083**	**211,856**
Shares repurchased and cancelled (see Note 13)	**(52)**	**52**	–	–	**(4,885)**	–	**(4,885)**
Shares issued under Offer for Subscription (see Note 13)	**187**	–	**19,812**	–	–	–	**19,999**
Expenses of shares issued under Offer for Subscription (see Note 14)	–	–	**(503)**	–	–	–	**(503)**
Proceeds from DRIS share issues	**40**	–	**4,325**	–	–	–	**4,365**
Expenses of DRIS share issues	–	–	**(38)**	–	–	–	**(38)**
Transfer from special reserve***	–	–	–	–	**(4,077)**	**4,077**	–
Gains on disposal of investments (net of transaction costs)	–	–	–	–	–	**5,689**	**5,689**
Realisation of previously unrealised valuation movements****	–	–	–	**(27,034)**	–	**27,034**	–
Net decreases in unrealised valuations in the year	–	–	–	**(3,267)**	–	–	**(3,267)**
Dividends paid (Note 7)	–	–	–	–	**(6,051)**	**(25,946)**	**(31,997)**
Investment Management fee charged to capital	–	–	–	–	–	**(2,940)**	**(2,940)**
Revenue return for the year	–	–	–	–	–	**1,143**	**1,143**
At 30 September 2024	**1,904**	**199**	**124,570**	**26,582**	**24,027**	**22,140**	**199,422**

	Called up share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Unrealised capital reserve £'000	Special reserve* £'000	Profit and loss account** £'000	Total £'000
At 1 October 2022	1,640	113	85,063	55,038	68,338	10,934	221,126
Shares repurchased and cancelled (see Note 13)	(34)	34	–	–	(3,785)	–	(3,785)
Shares issued under Offer for Subscription (see Note 13)	111	–	14,885	–	–	–	14,996
Expenses of shares issued under Offer for Subscription (see Note 14)	–	–	(377)	–	–	–	(377)
Proceeds from DRIS share issues	12	–	1,438	–	–	–	1,450
Expenses of DRIS share issues	–	–	(35)	–	–	–	(35)
Transfer from special reserve***	–	–	–	–	(14,568)	14,568	–
Gains on disposal of investments (net of transaction costs)	–	–	–	–	–	994	994
Realisation of previously unrealised valuation movements****	–	–	–	10,820	–	(10,820)	–
Net decreases in unrealised valuations in the year	–	–	–	(8,975)	–	–	(8,975)
Dividends paid (Note 7)	–	–	–	–	(10,945)	12	(10,933)
Investment Management fee charged to capital	–	–	–	–	–	(3,144)	(3,144)
Revenue return for the year	–	–	–	–	–	539	539
At 30 September 2023	1,729	147	100,974	56,883	39,040	13,083	211,856

* The special reserve and profit and loss account are distributable to Shareholders. The special reserve was created by the cancellation of the Share premium account and Capital redemption reserve in March 2019.

** The profit and loss account consists of the Revenue reserve of £1.0 million and the realised capital reserve of £21.1 million.

*** Transfer of realised losses in accordance with accounting policy f(iii) on page 70.

**** Transfer of previously unrealised valuation movements on investments sold in the year.

The notes on pages 69 to 86 form part of these Financial Statements.

Statement of Cash Flows

for the year ended 30 September 2024

	Notes	30 September 2024 £'000	30 September 2024 £'000	30 September 2023 £'000	30 September 2023 £'000
Operating activities					
Investment income received		**3,188**		2,145	
Investment management fees paid		**(3,974)**		(4,227)	
Other cash payments		**(883)**		(766)	
Net cash outflow from operating activities	16		**(1,669)**		(2,848)
Investing activities					
Purchase of investments	9	**(65,905)**		(26,604)	
Sale of investments	9	**79,305**		9,636	
Net cash inflow/(outflow) from investing activities			**13,400**		(16,968)
Net cash inflow/(outflow) before financing			**11,731**		(19,816)
Financing					
Dividends paid	7	**(27,641)**		(9,483)	
Unclaimed dividends returned		**400**		504	
Shares issued under Offer for Subscription (net of transaction costs)	14	**19,496**		14,619	
Expenses of DRIS share issues		**(38)**		(35)	
Shares repurchased for cancellation	13	**(4,885)**		(4,183)	
Net cash (outflow)/inflow from financing			**(12,668)**		1,422
Net decrease in cash and cash equivalents			**(937)**		(18,394)
Cash and cash equivalents at 30 September 2023			**5,357**		23,751
Cash and cash equivalents at 30 September 2024			**4,420**		5,357

The notes on pages 69 to 86 form part of these Financial Statements.

Notes to the Financial Statements

for the year ended 30 September 2024

1. Accounting policies

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

a) Basis of accounting

The Financial Statements have been prepared under FRS 102 and the SORP issued by the Association of Investment Companies in July 2022.

In accordance with the requirements of FRS 102 Section 14.4B, those undertakings in which the Company holds more than 20% of the equity as part of an investment portfolio are not accounted for using the equity method. In these circumstances the investment is measured at "fair value through profit or loss". The Company is exempt from preparing consolidated accounts under the investment entities exemption as permitted by FRS 102.

The Financial Statements have been prepared on a going concern basis under the historical cost convention, except for the measurement at fair value of investments designated as fair value through profit or loss.

As a result of the Directors' decision to distribute capital profits by way of a dividend, the Company revoked its investment company status as defined under section 266(3) of the Companies Act 1985, on 17 August 2004.

b) Going concern

After due consideration, the Directors believe that the Company has adequate resources for a period of at least 12 months from the date of the approval of the Financial Statements and that it is appropriate to apply the going concern basis in preparing the Financial Statements. As at 30 September 2024, the Company held cash balances of £4.4 million, £19.1 million in fully listed stocks and £14.1 million in the Unicorn Ethical OEIC fund, the BlackRock Cash Fund (Unit Trust) and the Royal London Short-Term Money Market Fund (OEIC). The majority of the Company's investment portfolio remains invested in qualifying and non-qualifying AIM traded equities which may be realised, subject to the need for the Company to maintain its VCT status. The cash flow projections, covering a period of at least twelve months from the date of approving the Financial Statements, have been reviewed and show that the Company has access to sufficient liquidity to meet both contracted expenditure and any discretionary cash outflows from buybacks and dividends. The Company has no borrowings and is therefore not exposed to any gearing covenants.

c) Presentation of the Income Statement

In order to better reflect the activities of a VCT and in accordance with the SORP, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Statement of Total Comprehensve Income. The revenue column of the profit attributable to Shareholders is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in section 274 Income Tax Act 2007.

d) Investments

All investments held by the Company are classified as "fair value through profit or loss", in accordance with FRS102. This classification is followed as the Company's business is to invest in financial assets with a view to profiting from their total return in the form of capital growth and income and in accordance with the Company's risk management and investment policy. In the preparation of the valuations of assets, in accordance with current International Private Equity and Venture Capital Valuation ("IPEV") guidelines, the Directors are required to make judgements and estimates that are reasonable and incorporate their knowledge of the performance of the investee companies.

- For investments actively traded on organised financial markets, fair value is generally determined by reference to Stock Exchange market quoted bid prices at the close of business on the balance sheet date. Purchases and sales of quoted investments are recognised on the trade date where a contract of sale exists whose terms require delivery within a time frame determined by the relevant market.
- For level 2 investments fair value is determined by the Net Asset Value of the OEIC at the Balance Sheet date.
- Unquoted investments, including the Tribe Technology Loan Stock, are reviewed at least quarterly to ensure that the fair values are appropriately stated and are valued in accordance with current IPEV guidelines, as updated in December 2022, which relies on subjective estimates. Fair value is established by assessing different methods of valuation, such as price of recent transaction, earnings multiples, discounted cash flows and net assets. Purchases and sales of unlisted investments are recognised when the contract for acquisition or sale becomes unconditional.

Notes to the Financial Statements (continued)

for the year ended 30 September 2024

- Where a company's underperformance against plan indicates a diminution in the value of the investment, provision against cost is made, as appropriate. Where it is considered the value of an investment has fallen permanently below cost, the loss is treated as a permanent impairment and as a realised loss, even though the investment is still held. The Board assesses the portfolio for such investments and, after agreement with the Investment Manager, will agree the values that represent the extent to which an investment loss has become realised. This is based upon an assessment of objective evidence of that investment's prospects, to determine whether there is potential for the investment to recover in value.
- Redemption premiums on loan stock investments are recognised at fair value when the Company receives the right to a premium and when considered recoverable.

e) Income

Dividends receivable on quoted equity shares are taken to revenue on the ex-dividend date. Dividends receivable on unquoted equity shares are brought into account when the Company's right to receive payment is established and there is no reasonable doubt that payment will be received. Fixed returns on non-equity shares are recognised on a time apportioned basis so as to reflect the effective interest rate, provided there is no reasonable doubt that payment will be received in due course. Fixed returns on debt securities are recognised on a time-apportioned basis so as to reflect the effective yield.

Dividends are allocated to revenue or capital depending on whether the dividend is of a revenue or capital nature. Capital reconstructions or reorganisations of the investee company resulting in the payment of a dividend may be considered to be of a capital nature. Such dividends are reviewed on a case by case basis.

f) Reserves

(i) Realised (included within the Profit and loss account reserve)

The following are accounted for in these reserves:

- the costs associated with running the Company.
- gains and losses on realisation of investments;
- permanent diminution in value of investments; and
- transaction costs incurred in the acquisition of investments.

(ii) Unrealised capital reserve (Revaluation reserve)

Increases and decreases in the valuation of investments held at the year-end are accounted for in this reserve, except to the extent that the diminution is deemed permanent.

In accordance with stating all investments at fair value through profit or loss, all such movements through both unrealised and realised capital reserves are shown within the Income Statement for the year.

(iii) Special reserve

The Special reserve was created by the cancellation of the Share premium account and Capital redemption reserve in March 2019. The purpose of the Special reserve is to fund market purchases of the Company's own shares as and when it is considered by the Board to be in the interests of the Shareholders, make distributions and to write-off existing and future losses (including permanent impairments) as the Company must take into account capital losses in determining distributable reserves. In addition, 75% of the management fee and the related tax effect are transferred to this reserve. Included in the transfer to the Special reserve from the profit and loss account is the total of realised losses incurred by the Company in the year of £1,054,000.

(iv) Capital redemption reserve

Represents the nominal value of the shares purchased and cancelled.

(v) Share premium account

Represents the amount received in excess of nominal value on the issue of shares.

(vi) Share capital

Represents the nominal value of the shares issued.

Notes to the Financial Statements (continued)

for the year ended 30 September 2024

g) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged wholly to revenue, with the exception of expenses incidental to the acquisition or disposal of an investment, which are charged to capital, and with the further exception that 75% of the fees payable to the Investment Manager are charged against capital. This is in line with the Board's expected long-term split of returns from the investment portfolio of the Company.

h) Taxation

No taxation liability arises on the Company's income or any gains on sales of fixed asset investments by virtue of its VCT status.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the Financial Statements that arise from the inclusion of gains and losses in the tax assessments in periods different from those in which they are recognised in the Financial Statements.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

A deferred tax asset is recognised only to the extent that it is more likely than not that future taxable profits will be available against which the asset can be utilised.

Any tax relief obtained in respect of management fees allocated to capital is credited to the capital reserve – realised and a corresponding amount is charged against revenue. The tax relief is the amount by which any corporation tax payable is reduced as a result of these capital expenses.

i) Cash and cash equivalents

This includes cash at bank and in hand.

j) Judgements and estimates

The preparation of the Financial Statements requires the Company to make judgements, estimates and assumptions that affect amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenditure during the year. The nature of estimation means that the actual outcomes may differ from such estimates, possibly significantly.

The majority of the Company's equity investments, Unit Trusts and OEICs, £147.8 million at the year end, are valued using bid market prices or net asset values, and do not require significant estimates to be used. However, significant estimates are used in valuing unquoted investments, £43.8 million at the year end, where there is no available market price. These estimates have a risk of material adjustment within the next year. A more detailed analysis of the valuation methods used is shown in Note 17 on pages 80 to 85.

Significant estimates are not used in valuing the Company's other net current assets and liabilities, £7.8 million at the year end.

In addition, whilst not affecting the Net Asset Value of the Company, judgement is used in deciding whether a holding should be impaired and this does affect the level of distributable reserves. Further details are given in Note 9 on page 76.

Notes to the Financial Statements (continued)

for the year ended 30 September 2024

2. Income

	2024			2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income from investments						
– equities	1,830	–	1,830	1,590	–	1,590
– loan stocks	6	–	6	148	–	148
– bank interest	81	–	81	115	–	115
– Unicorn managed OEIC (including reinvested dividends)	189	–	189	193	–	193
– Other OEIC and Unit Trust	804	–	804	266	–	266
Total income	2,910	–	2,910	2,312	–	2,312
Total income comprises:						
Dividends	2,823	–	2,823	2,049	–	2,049
Loan stock	6	–	6	148	–	148
Interest	81	–	81	115	–	115
	2,910	–	2,910	2,312	–	2,312
Income from investments comprises:						
Listed UK securities	470	–	470	210	–	210
OEIC and Unit Trust	804	–	804	266	–	266
AIM and unquoted companies	1,555	–	1,555	1,721	–	1,721
	2,829	–	2,829	2,197	–	2,197

3. Investment Management fees

	2024			2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Unicorn Asset Management Limited	980	2,940	3,920	1,048	3,144	4,192

The Management fee is calculated as follows:

Net assets	Since 1 January 2022
Up to £200 million	2.0% per annum as at the relevant quarter date
In excess of £200 million and up to £450 million	1.5% per annum as at the relevant quarter date
In excess of £450 million	1.0% per annum as at the relevant quarter date

At 30 September 2024, officers and employees of the Investment Manager held 1,557, 866 shares in the Company.

During the year, Unicorn Asset Management Limited ("UAML") received an annual management fee, as detailed above, of the net asset value of the Company, excluding the value of the investments in the Unicorn OEICs.

Notes to the Financial Statements (continued)

for the year ended 30 September 2024

If the Company raises further funds during a quarter the net asset value for that quarter is reduced by an amount equal to the amount raised, net of costs, multiplied by the percentage of days in that quarter prior to the funds being raised. The annual management fee charged to the Company is calculated and payable quarterly in arrears. In the year ended 30 September 2024, UAML also earned fees of £25,000 (2023: £27,000), being OEIC management fees calculated on the value of the Company's holdings in the OEIC on a daily basis. This management fee is 0.75% per annum of the net asset value of the Unicorn UK Ethical Fund OEIC.

The management fee will be subject to repayment to the extent that the annual costs of the Company incurred in the ordinary course of business have exceeded 2.75% of the closing net assets of the Company at each year end. There was no excess of expenses for year 2023/24 or the prior year.

4. Other expenses

	2024 £'000	2023 £'000
Directors' remuneration (see Note 5 below)	**138**	139
IFA trail commission	**27**	30
Administration services (ISCA)	**204**	192
Broker's fees	**14**	14
Custody fees	**87**	60
Loan stock interest impaired	**9**	–
Auditors' fees		
– for audit related services pursuant to legislation excluding VAT	**50**	43
VCT compliance monitoring fees	**21**	20
Other professional fees (including taxation fees)	**42**	25
Directors' and officers' insurance	**9**	10
Registrar's fees	**81**	88
Printing	**30**	28
Sundry	**75**	76
	787	725

5. Directors' remuneration

	2024 £'000	2023 £'000
Directors' emoluments		
Tim Woodcock	**38**	35
Charlotta Ginman	**33**	31
Jeremy Hamer	**36**	33
Josephine Tubbs	**31**	29
Jocelin Harris (retired 7 February 2023)	**–**	11
	138	139

No pension scheme contributions or retirement benefit contributions were paid. There are no share option contracts held by the Directors. Since all the Directors are non-executive, the other disclosures required by the Listing Rules are not applicable.

The Company has no employees.

Notes to the Financial Statements (continued)

for the year ended 30 September 2024

6. Taxation on ordinary activities

a) Analysis of tax charge in the year

	2024 £'000	2023 £'000
Current and total tax charge (Note 6b)	–	–

b) Factors affecting tax charge for the year:

	2024 £'000	2023 £'000
Profit/(loss) on ordinary activities before tax	**625**	(10,586)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023: 22%)	**156**	(2,329)
Non-taxable UK dividend income	**(505)**	(451)
Non-taxable unrealised losses	**817**	1,975
Non-taxable realised gains	**(1,422)**	(219)
Allowable expense not charged to revenue	**735**	692
Deferred tax not recognised	**219**	332
Actual current charge – revenue	–	–
Impact of allowable expenditure credited to capital reserve	**(735)**	(692)
Additional deferred tax not recognised	**735**	692
Actual tax charge – capital	–	–
Tax charge for the year	–	–

Tax relief relating to investment management fees is allocated between Revenue and Capital in the same proportion as such fees.

There is no taxation in relation to capital gains or losses. Due to the Company's status as a Venture Capital Trust, and the intention to continue meeting the conditions required to maintain this status in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

No deferred tax asset has been recognised on surplus management expenses carried forward. At present it is not envisaged that any tax will be recovered in the foreseeable future. The amount of surplus management expenses carried forward is £57,389,000 (30 September 2023: £53,573,000).

The UK government announced an increase in the main rate of corporation tax to 25% for the financial years beginning 1 April 2023. This new rate was substantively enacted by the Finance Act 2021 on 10 June 2021.

Notes to the Financial Statements (continued)

for the year ended 30 September 2024

7. Dividends

	2024 £'000	2023 £'000
Amounts recognised as distributions to equity holders in the year:		
Interim capital dividend of 3.0 pence (2023: 3.0 pence) per share for the year ended 30 September 2024 paid on 13 August 2024	**5,728**	5,204
Final capital dividend of 3.5 pence (2023: 3.5 pence) per share for the year ended 30 September 2023 paid on 14 February 2024	**6,051**	5,741
Special interim capital dividend of 11.7 pence (2023: nil pence) per share for the year ended 30 September 2024 paid on 14 February 2024	**20,226**	–
Total dividends paid in the year	**32,005**	10,945
Unclaimed dividends returned	**(8)**	(12)
Total dividends*	**31,997**	10,933

* The difference between total dividends and that shown in the Cash Flow Statement is £4,356,000, which is the amount of dividends reinvested under the DRIS.

The proposed final dividend is subject to approval by Shareholders at the Annual General Meeting and has not been included as a liability in these Financial Statements. The final dividend will consist of a 3.1 pence capital dividend and 0.4 pence revenue dividend in order to ensure the Company does not retain more than 15% of its income from shares and securities.

As stated in the Chair's Statement on page 4, the Board has also declared a special dividend of 6.0 pence per share as a result of the M&A activity that led to the disposal of our shareholdings in Mattioli Woods and Keywords Studios during, and shortly after, the period end. This special dividend will be payable alongside the final dividend on 21 February 2025.

Set out below are the total income dividends payable in respect of the 2023/24 financial year, which is the basis on which the requirements of Section 274 of the Income Tax Act 2007 are considered.

	2024 £'000	2023 £'000
Profit for the year	**1,143**	539
Proposed final income dividend of 0.4 pence (2023: nil pence) for the year ended 30 September 2024	**762**	–†

† In the previous year, despite the revenue profit for the year, no revenue dividend could be made due to the deficit on the revenue reserve.

8. Basic and diluted earnings and return per share

	2024	2023
Total earnings after taxation: (£'000)	**625**	(10,586)
Basic and diluted earnings per share (Note a) (pence)	**0.34**	(6.23)
Net revenue from ordinary activities after taxation (£'000)	**1,143**	539
Revenue earnings per share (Note b) (pence)	**0.62**	0.32
Total capital return (£'000)	**(518)**	(11,125)
Capital earnings per share (Note c) (pence)	**(0.28)**	(6.55)
Weighted average number of shares in issue during the year	**183,590,913**	169,795,766

Notes
a) Basic and diluted earnings per share is total earnings after taxation divided by the weighted average number of shares in issue during the year.
b) Revenue earnings per share is net revenue after taxation divided by the weighted average number of shares in issue during the year.
c) Capital earnings per share is total capital return divided by the weighted average number of shares in issue during the year.
There are no instruments in place that may increase the number of shares in issue in future. Accordingly, the above figures currently represent both basic and diluted returns.

Notes to the Financial Statements (continued)

for the year ended 30 September 2024

9. Investments at fair value

	Fully listed £'000	Traded on AIM £'000	Unlisted shares £'000	Unlisted loan stock £'000	Other funds* £'000	2024 Total £'000	2023 Total £'000
Opening book cost at 30 September 2023	8,357	126,473	14,488	500	16,496	**166,314**	150,578
Unrealised (losses)/gains at 30 September 2023	(1,055)	42,352	16,524	–	(938)	**56,883**	55,038
Permanent impairment in value of investments	–	(11,020)	(4,646)	–	–	**(15,666)**	(7,075)
Opening valuation at 30 September 2023	7,302	157,805	26,366	500	15,558	**207,531**	198,541
Shares delisted	–	(3,377)	3,377	–	–	**–**	–
Purchases at cost	14,965	13,883	–	600	37,500	**66,948**	26,606
Sale proceeds	(4,325)	(39,989)	(1,034)	(500)	(39,500)	**(85,348)**	(9,636)
Net realised gains	357	4,939	601	–	(118)	**5,779**	995
Movement in unrealised gains	810	(18,545)	13,856	–	612	**(3,267)**	(8,975)
Closing valuation at 30 September 2024	19,109	114,716	43,166	600	14,052	**191,643**	207,531
Book cost at 30 September 2024	20,980	115,078	27,184	600	14,563	**178,405**	166,314
Unrealised (losses)/gains at 30 September 2024	(1,871)	1,837	27,128	–	(511)	**26,583**	56,883
Permanent impairment in value of investments (see note)	–	(2,199)	(11,146)	–	–	**(13,345)**	(15,666)
Closing valuation at 30 September 2024	19,109	114,716	43,166	600	14,052	**191,643**	207,531

Transaction costs on the purchase and disposal of investments of £90,000 were incurred in the year. These have not been deducted from realised gains shown above of £5,779,000 but have been deducted in arriving at gains on realisation of investments disclosed in the Income Statement of £5,689,000.

The shares delisted during the year relate to Destiny Pharma (£2,038,000), Gama Aviation (£368,000) and Saietta (£971,000).

* Other funds include the Unicorn Ethical Fund, the BlackRock Cash Fund and the Royal London Short-Term Money Market Fund.

Note: Permanent impairments of £15,666,000 were held in respect of losses on investments held at the previous year end. No impairments have been provided for in the year. The reduction in impairments of £2,321,000 relate to the sale of Osirium Technologies (£1,971,000) and companies dissolved, Individual Restaurant Company (£163,000) and Le Chameau Group (£187,000).

Reconciliation of cash movements in investment transactions

The difference between the purchases above and that shown in the Cash Flows is £1,043,000 which relates to the takeover of City Pub Group by Young & Co. The difference between the sale proceeds in Note 9 and that shown in the Cash Flows is £6,043,000 which relates to the takeover of City Pub Group (£1,043,000) and trades for future settlement (£5,000,000).

Notes to the Financial Statements (continued)

for the year ended 30 September 2024

10. Significant interests

At 30 September 2024, the Company held significant investments, amounting to 3% or more of the equity capital of an undertaking, in the following companies:

Stock	Equity investment (ordinary shares) £'000	Investment in loan stock and preference shares £'000	Total investment (at cost) £'000	Percentage of investee company's total equity %
Hasgrove	1,277	–	1,277	25.9
Feedback	4,000	–	4,000	18.2
Aurrigo International	4,458	–	4,458	16.7
British Honey Company (The)	3,101	–	3,101	16.6
LungLife AI	3,835	–	3,835	12.7
PHSC	253	–	253	12.2
Incanthera	1,960	–	1,960	11.2
nkoda Limited	2,496	–	2,496	10.5
LightwaveRF	2,616	–	2,616	9.9
Anpario	1,423	–	1,423	9.2
Huddled Group (formerly Let's Explore Group)	2,250	–	2,250	9.1
Directa Plus	5,250	–	5,250	9.0
Oberon Investments Group	2,224	–	2,224	9.0
Verici DX	3,125	–	3,125	8.4
Tribe Technology	2,000	600	2,600	8.3
Oxford Biodynamics	3,498	–	3,498	8.1
Dillistone Group	1,078	–	1,078	7.8
Heartstone Inns	1,112	–	1,112	7.6
Fusion Antibodies	1,410	–	1,410	6.7
Crawshaw Group	1,538	–	1,538	6.4
Cloudified Holdings(formerly Falanx Group)	1,500	–	1,500	6.3
Avingtrans	1,864	–	1,864	5.9
SulNOx Group	1,800	–	1,800	5.4
Tracsis	1,500	–	1,500	5.4
Phynova	1,500	–	1,500	5.3
Pulsar Group (formerly Access Intelligence)	3,159	–	3,159	5.1
Eden Research	1,500	–	1,500	4.3
Destiny Pharma	2,500	–	2,500	4.3
Hardide	2,054	–	2,054	4.1
Trellus Health	2,500	–	2,500	3.9
Syndicate Room Group	1,250	–	1,250	3.8
Engage XR	2,084	–	2,084	3.6
Touchstar	338	–	338	3.5
SkinBioTherapeutics	1,500	–	1,500	3.5
Tristel	878	–	878	3.4
Arecor Therapeutics	2,778	–	2,778	3.2
Polarean Imaging	2,257	–	2,257	3.2
Diales (formerly Driver Group)	1,113	–	1,113	3.1
PCI-PAL	1,023	–	1,023	3.1

All of the above companies are incorporated in the United Kingdom.

At 30 September 2024, the Company held 20% of the Income B shares issued by the Unicorn UK Ethical Income Fund. Unicorn UK Ethical Income Fund is a sub-fund of the Unicorn Investment Funds ICVC, managed by Unicorn Asset Management Limited ("UAML").

The Company owns 25.9% of the equity of Hasgrove. The value of Hasgrove at 30 September 2024 was £40.3 million equating to 20.2% of net assets. In Hasgrove's last financial statements for the year ended 31 December 2023, the turnover was £37.0 million, profit before tax was £9.9 million and net assets £13.3 million.

The total percentage of equity held in the Company's investments by funds managed by UAML is disclosed in the Investment Portfolio Summary on pages 14 to 20 of this Report.

Notes to the Financial Statements (continued)

for the year ended 30 September 2024

11. Debtors

	2024 £'000	2023 £'000
Amounts due within one year:		
Trades for future settlement*	**5,000**	–
Prepayments and accrued income	**388**	675
	5,388	675

* Withdrawals from Money Market Funds settled on 2 October 2024.

12. Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Accruals	**1,134**	1,203
Unclaimed dividends	**895**	504
	2,029	1,707

13. Called up share capital

	2024 £'000	2023 £'000
Allotted, called-up and fully paid:		
Ordinary shares of 1p each: 190,437,026 (2023: 172,876,156)	**1,904**	1,729

During the year, the Company made purchases of 5,205,225 (a total of £52,052 nominal value) of its own Ordinary shares for a total cost of £4,885,000 representing 3.0% of the opening share capital.

In January 2024, the Company announced an Offer for Subscription which opened on 8 February 2024 and closed fully subscribed on 15 February 2024. The Company allotted 18,692,025 Ordinary shares representing 10.8% of the opening share capital at prices ranging from 106.97 pence to 110.38 pence per share, raising net funds of £19,496,000 from gross funds raised of £19,999,000.

During the year, the Company allotted 4,074,070 Ordinary shares at an average price of 107.16 pence per share under the DRIS.

Notes to the Financial Statements (continued)

for the year ended 30 September 2024

14. Reserves

The full details of the changes in reserves are shown in the Statement of Changes in Equity on page 67.

The purpose of the Special reserve is to fund market purchases of the Company's own shares as and when it is considered by the Board to be in the interests of the Shareholders, make distributions and to write-off existing and future losses (including permanent impairments) as the Company must take into account capital losses in determining distributable reserves. In addition, 75% of the management fee and the related tax effect are transferred to this reserve. Included in the transfer to the Special reserve from the profit and loss account is the total of realised losses incurred by the Company in the year of £1,054,000.

Reconciliation of the Statement of Cash Flows to the Statement of Changes in Equity.

The Statement of Cash Flows discloses an inflow of funds of £19,496,000 being shares issued under the Offer for Subscription of £19,999,000, less expenses of shares issued under the Offer for Subscription. Total expenses were £503,000, being 2.5% of amounts subscribed under the Offer (less any discount), payable to the Investment Manager as Promoter to the Offer.

15. Net asset value

	2024	2023
Net Assets	**£199,422,000**	£211,856,000
Number of shares in issue	**190,437,026**	172,876,156
Net asset value per share	**104.72p**	122.55p

16. Reconciliation of profit for the year to net cash outflow from operating activities

	2024 £'000	2023 £'000
Profit/(loss) for the year	**625**	(10,586)
Net unrealised losses on investments	**3,267**	8,975
Net gains on realisation of investments	**(5,689)**	(994)
Transaction costs	**(90)**	(1)
Decrease/(increase) in debtors and prepayments	**287**	(160)
Decrease in creditors and accruals	**(69)**	(80)
Reconciling items – dividends reinvested	**–**	(2)
Net cash outflow from operating activities	**(1,669)**	(2,848)

Notes to the Financial Statements (continued)

for the year ended 30 September 2024

17. Financial instruments

The Company's financial instruments comprise:

- Equity, preference shares, OEICs, Unit Trusts and loan stocks that are held in accordance with the Company's investment objective.
- Cash and short-term debtors and creditors that arise directly from the Company's operations.

The principal purpose of these financial instruments is to generate revenue and capital appreciation through the Company's operations. The Company has no gearing or other financial liabilities apart from short-term creditors.

It is, and has been throughout the year under review, the Company's policy that no trading in derivative financial instruments shall be undertaken.

Classification of financial instruments

The Company held the following categories of financial instruments at 30 September 2024. All assets are included in the Statement of Financial Position at fair value and all liabilities at amortised cost which equates to fair value.

	2024 (Book and fair value) £'000	2023 (Book and fair value) £'000
Assets at fair value through profit or loss:		
Investment portfolio	**191,643**	207,531
Loans and receivables		
Trades for future settlement	**5,000**	–
Accrued income	**370**	657
Cash at bank	**4,420**	5,357
Liabilities at amortised cost or equivalent		
Creditors (including unclaimed dividends)	**(2,029)**	(1,707)
Total for financial instruments	**199,404**	211,838
Non-financial instruments	**18**	18
Total net assets	**199,422**	211,856

The investment portfolio principally consists of fully listed investments, AIM quoted investments, unquoted investments, collective OEIC investment funds and a Unit Trust. These are valued at their bid price, net asset value, or Directors' valuation for unquoted investments, which represents fair value.

The investment portfolio has a high concentration of risk towards small, UK based companies, the majority of which are quoted on the Sterling denominated UK AIM market (57.5% of net assets), within other funds (7.0% of net assets), unquoted investments 22.0% of net assets) and fully listed shares (9.6% of net assets).

The main risks arising from the Company's financial instruments are due to investment or market price risk, credit risk, interest rate risk and liquidity risk. There have been no changes in the nature of these risks that the Company has faced during the past year. The Board reviews and agrees policies for managing each of these risks, which are summarised below. There have been no changes in their objectives, policies or processes for managing risks during the past year.

Notes to the Financial Statements (continued)

for the year ended 30 September 2024

Risk

Market Price Risk: Market price risk arises from uncertainty about the changes in market prices of financial instruments held in accordance with the Company's investment objectives. These changes in market prices are determined by many factors but include the operational and financial performance of the underlying investee companies, as well as market perceptions of the future performance of the UK economy and its impact upon the economic environment in which these companies operate.

Credit Risk: Failure by counter-parties to deliver securities which the Company has paid for, or pay for securities which the Company has delivered. The Company uses a third-party custodian, and were that entity not to segregate client assets from its own, it would expose the Company's assets so held to such risk. The Company is exposed to credit risk through its debtors and holdings of loan stocks and cash.

Cash is held at banks with a credit rating of A or above.

The Company's maximum exposure to credit risks at 30 September 2024 was:

	2024 £'000	2023 £'000
Loan stock investments	**600**	500
Trades for future settlement	**5,000**	–
Accrued income and other debtors	**370**	657
Cash at bank	**4,420**	5,357
	10,390	6,514

The following table shows the expected maturity of the loan stock investments referred to above:

	2024 £'000	2023 £'000
Repayable or converting within		
0 to 1 year	–	500
1 to 2 years	–	–
2 to 3 years	–	–
3 to 4 years	–	–
4 to 5 years	**600**	–
Total	**600**	500

Liquidity Risk: The Company's investments in the equity and loan stocks of unlisted, AIM and Acquis Exchange listed companies are thinly traded and as such the prices tend to be more volatile than those of more widely traded securities. In addition, the Company may not be able to realise the investments at their carrying value if there are no willing purchasers. The ability of the Company to purchase or sell investments is also constrained by the requirements for continuing to qualify as a Venture Capital Trust.

Notes to the Financial Statements (continued)

for the year ended 30 September 2024

The maturity profile of the Company's financial liabilities, including creditors is as follows:

	2024 £'000	2023 £'000
Within 1 year or less	**2,029**	1,707

Interest Rate Risk: Some of the Company's financial assets are interest-bearing. As a result, the Company is exposed to fair value interest rate risk due to fluctuations in the prevailing level of market interest rates. The value of the Company's equity and non-equity investments, OEIC and Unit Trust investments and its net revenue may be affected by interest rate movements. Investments in the portfolio include small businesses, which are relatively high risk investments which may be sensitive to interest rate fluctuations. On maturity of the Company's fixed rate non-equity investments, it may not be possible to re-invest in assets which provide the same rates as those currently held. The amount of revenue receivable from fixed interest stocks, other funds and on bank balances may be affected by fluctuations in interest rates.

Currency Risk: All assets and liabilities are denominated in Sterling. There is no material currency risk other than the impact currency fluctuations may have on the performance of investee companies' operations.

Management of risk

Market Price Risk: At formal meetings held at least quarterly, the Board reviews the Company's exposure to market price risk inherent in the Company's portfolio. Mitigation is achieved by maintaining a spread of equities across different market sectors. The Board seeks to ensure that a proportion of the Company's assets is invested in cash and readily realisable securities. The Company does not use derivative instruments to hedge against market risk.

The Company holds an investment totalling £4.0 million (2023: £3.5 million) in the Unicorn UK Ethical Fund managed by UAML.

The Unicorn UK Ethical Fund is diversified across a number of holdings with 100% invested in AIM and fully listed companies, or held in cash and as such, is exposed to overall market risk.

As at 30 September 2024, the Unicorn UK Ethical Income Fund contained 19% in AIM shares and 79% in fully listed stocks with an average market capitalisation of £1.3 billion. In addition, 2% was held in cash.

Liquidity risk: Besides the maintenance of a spread of investments within the investment portfolio, the Company maintains liquidity by holding adequate levels of cash, OEIC funds and a Unit Trust which can be realised to meet the costs of future investments and running costs.

Credit Risk: All transactions are settled on the basis of delivery against payment. The Board manages market and credit risks in respect of the current investments and cash by ensuring that the Investment Manager diversifies investments and under VCT rules none may exceed 15% of the Company's total assets at the time of investment.

Credit Quality: Financial assets that are neither past due nor impaired comprise investments in equity and preference shares, investments in OEICs, Unit Trusts, investments in loan stock, cash and debtors. The credit quality of cash can be assessed with reference to external credit ratings and are currently rated as A or higher for cash held at NatWest and BNY Mellon. The credit quality of the loan stock and debtors cannot be readily assessed by reference to external credit ratings.

Interest Rate Risk: The Company's assets and liabilities include cash, other funds and one fixed interest non-equity stock, the value of which is reviewed by the Board, as referred to above. As most of the portfolio is non-interest bearing, the direct exposure to interest rates is insignificant. The impact of changes in interest rates on the value of the portfolio is discussed in the sensitivity analysis below.

Notes to the Financial Statements (continued)

for the year ended 30 September 2024

Financial net assets

The interest rate profile of the Company's financial net assets at 30 September 2024 was:

	Financial net assets on which no interest paid £'000	Fixed rate financial assets £'000	Variable rate financial assets £'000	Total £'000	Weighted average interest rate %	Average period to maturity (years)
Equity shares	176,991	–	–	176,991	N/A	N/A
Unicorn OEIC	3,956	–	–	3,956	N/A	N/A
Other funds	–	–	10,096	10,096	N/A	N/A
Loan stocks	–	600	–	600	7.5	4.8
Cash	–	–	4,420	4,420	N/A	N/A
Trades for future settlement	5,000	–	–	5,000	N/A	N/A
Debtors	370	–	–	370	N/A	N/A
Creditors	(2,029)	–	–	(2,029)	N/A	N/A
Total for financial instruments	184,288	600	14,516	199,404		
Other non financial assets	18	–	–	18		
Total net assets	184,306	600	14,516	199,422		

The interest rate profile of the Company's financial net assets at 30 September 2023 was:

	Financial net assets on which no interest paid £'000	Fixed rate financial assets £'000	Variable rate financial assets £'000	Total £'000	Weighted average interest rate %	Average period to maturity (years)
Equity shares	191,473	–	–	191,473	N/A	N/A
Unicorn OEIC	3,488	–	–	3,488	N/A	N/A
Other funds	–	–	12,070	12,070	N/A	N/A
Loan stocks	–	500	–	500	7.5	1
Cash	–	–	5,357	5,357	N/A	N/A
Debtors	657	–	–	657	N/A	N/A
Creditors	(1,707)	–	–	(1,707)	N/A	N/A
Total for financial instruments	193,911	500	17,427	211,838		
Other non financial assets	18	–	–	18		
Total net assets	193,929	500	17,427	211,856		

The Company's investments in equity shares and similar instruments have been excluded from the interest rate risk profile as they have no maturity date and would thus distort the weighted average period information.

Notes to the Financial Statements (continued)

for the year ended 30 September 2024

Sensitivity analysis – quoted investments

The Board believes that the Company's assets are mainly exposed to market price risk, as the Company is required to hold most of its assets in the form of investments in small companies which are denominated in Sterling. Most of these assets are, or will be, held in companies quoted on the AIM Market where the Company's investment objective is to achieve a return, partly from dividends, but mainly from capital growth from realisations. The table below shows the impact on profit and net assets if there were to be a 20% movement in overall share prices, which might in part be caused by changes in interest rate levels, but it is not considered possible to evaluate separately the impact of changes in interest rates upon the Company's portfolio of investments in small companies.

For this purpose the investment in the OEIC managed by UAM, the BlackRock Unit Trust and the Royal London OEIC are also included in this analysis. The Financial Highlights and the Investment Portfolio Summary at the front of this Annual Report give Shareholders further analysis in percentages of investments by asset class and market sector, and page 83 contains information on segments of market capitalisation, under "Management of risk". The sensitivity analysis below assumes that each of these sub categories produces a movement overall of 20%, which the Directors feel is a reasonable assumption in the current climate, and that the portfolio of shares and UAML managed OEIC and other funds held by the Company are perfectly correlated to this overall movement in share prices. Shareholders should note that this level of correlation would not be the case in reality.

	2024 Profit and net assets	2023 Profit and net assets
If overall share prices rose/fell by 20% (2023: 20%), with all other variables held constant		
– increase/(decrease) (£'000)	**29,575/(29,575)**	36,133/(36,133)
Increase/(decrease) in earnings, and net asset value, per Ordinary share (pence)	**15.53/(15.53)**	20.90/(20.90)
If interest rates were 1% higher/(lower) (2023: 1%), with all other variables held constant		
– increase/(decrease) (£'000)	**145/(145)**	174/(174)
Increase/(decrease) in earnings, and net asset value, per Ordinary share (pence)	**0.08/(0.08)**	0.10/(0.10)

Unquoted investments – fair value sensitivity analysis

	Base Case – Average	Sensitivity Range
Hasgrove EV/EBITDA Multiple (x)	10.7x	9.6x – 11.7x
Average Discount Rate (%)	43%	29% – 47%

The unquoted investments held by the Company have been reviewed in order to identify whether changing inputs to reasonably possible alternative assumptions would result in a significant change to the Fair Value measurement. Where relevant, the sensitivity analysis includes the most prudent assumptions (downside case) and the most optimistic assumptions (upside case). Applying the downside case assumptions, the total value of the unquoted investments would decline by £8.8 million (-20.1%) to £34.9 million. Applying the upside case assumptions, the total value of the unquoted investments would increase by £9.8 million (+22.5%) to £53.5 million. Total discount factor is defined as the aggregate percentage discount applied due to the risks from illiquidity and other risks (principally smaller company risk) when calculating the Fair Value of an unquoted investment.

Fair value hierarchy

The table below sets out fair value measurements using FRS 102 s34.22 fair value hierarchy. The Company has one class of asset, being at fair value through profit or loss.

Financial assets at fair value through profit or loss at 30 September 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	133,825	–	43,166	176,991
Loan stock investments	–	–	600	600
Open ended investment companies and Unit Trust	–	14,052	–	14,052
Total	133,825	14,052	43,766	191,643

Notes to the Financial Statements (continued)

for the year ended 30 September 2024

Financial assets at fair value through profit or loss at 30 September 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	165,107	–	26,366	191,473
Loan stock investments	–	–	500	500
Open ended investment companies and Unit Trust	–	15,558	–	15,558
Total	165,107	15,558	26,866	207,531

There are currently no financial liabilities at fair value through profit or loss.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in active markets for identical assets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

The valuation techniques used by the Company are explained in the accounting policies in Note 1.

There have been no transfers during the year between Levels 1 and 2. A reconciliation of fair value measurements in Level 3 is set out below.

	Equity Investments £'000	Loan stock investments £'000	Total £'000
Opening balance at 1 October 2023	26,366	500	26,866
Shares delisted	3,377	–	3,377
Purchases	–	600	600
Sales	(1,034)	(500)	(1,534)
Total gains included in gains/(losses) on investments in the Income Statement:			
– on assets sold	601	–	601
– on assets held at the year end	13,856	–	13,856
Closing balance at 30 September 2024	**43,166**	**600**	**43,766**

Level 3 unquoted equity and loan stock investments are valued in accordance with the IPEV guidelines as follows:

	30 September 2024 £'000	30 September 2023 £'000
Investment valuation methodology		
Discounted cash flow	**600**	500
Recent transactions	**1,793**	1,993
Net asset value	**766**	766
Discounted earnings multiple	**40,607**	23,607
	43,766	26,866

The valuation methodology chosen is considered by the Board to be the most appropriate for that investment, with regard to the December 2022 IPEV guidelines.

The valuation of unquoted investments is reviewed by the Board at each quarter end. The valuation methodology used may change for each investment which could result in a material adjustment within the next year to the valuations above.

Details of unquoted investments are shown in the Investment Portfolio Summary on pages 14 to 20 and in the Unquoted Investments Summary on page 21.

Notes to the Financial Statements (continued)

for the year ended 30 September 2024

18. Management of capital

The Board manages the Company's capital (effectively the net assets) to further the overall objective of providing an attractive return to Shareholders through maintaining a steady flow of dividend distributions from the income as well as capital gains generated by the portfolio.

Under VCT tax legislation, for accounting periods commencing after 6 April 2019, at least 80% (previously 70%) calculated by VCT valuation rules, of the Company's cash and investment assets (effectively the gross assets) must at all times be invested in UK companies that are not fully listed. As an AIM VCT, the majority of the Company's assets are held in ordinary shares quoted on the AIM market. The overall level of capital deployed will change as the value of the investments changes. It is also reduced by dividend distributions and buy backs of the Company's own shares.

There is limited scope to alter the Company's capital structure in the light of changing perceived risks in the Company's investment universe and in economic conditions generally. The Board may issue new shares if promising opportunities are available to the Investment Manager. As stated on page 27, the Board has the power to borrow in order to add some gearing but has no current intention to do so.

19. Segmental analysis

The Company has one reportable segment and one operating segment which operates wholly in the United Kingdom.

20. Post balance sheet events

On 23 October 2024, EQT completed its acquisition of Keyword Studios plc at a price of 2,450 pence per share. The Company received proceeds of £6.0 million on 6 November 2024.

On 27 November 2024, the Company announced an Offer for Subscription as detailed in the Chair's Statement on page 4.

On 29 November 2024, the Company announced that, following the completion of the acquisition of Mattioli Woods and Keywords Studios and the receipt by the Company of its share of the proceeds, a special dividend of 6.0 pence per share will be paid to Shareholders on 21 February 2025.

21. Related party transactions

Details of the relationships between the Directors of the Company and Investee Companies are given in their biographies on pages 37 to 39.

Charlotta Ginman was a non-executive director and audit committee chair of Keyword Studios plc until 23 October 2024, as discussed above.

22. Capital commitments and contingent liabilites

There were no capital commitments (2023: £1,500,000) or contingent liabilities (2023: £nil) at 30 September 2024.

Shareholder Information

The Company's Ordinary shares (Code: UAV) are listed on the London Stock Exchange. Shareholders can visit the London Stock Exchange website: www.londonstockexchange.com, for the latest news and share price of the Company. The share price can also be accessed through the Company's website: www.unicornaimvct.co.uk selecting the options Fund Information then "Live Share Price".

Electronic Communications

Shareholders have previously approved a resolution to allow the Company to use its website to publish statutory documents and communications to Shareholders, such as the Annual Report and Accounts, as its default method of publication. The Directors recommend that Shareholders receive information electronically reducing costs and also the impact on the environment of producing and posting paper copy reports.

Shareholders are encouraged to register on the Registrar's electronic system at https://unicorn-aim.cityhub.uk.com to receive communications by email and to ensure that their details are up to date. This portal system can also be used to register to receive dividend payments directly into their bank accounts.

Any Shareholders may request that they are posted copies of reports either through the 'Portal' or by contacting the Company Secretary.

Net asset value per share

The Company normally announces its unaudited NAV on a monthly basis by an RNS release.

Dividend

The Directors have proposed a final dividend of 3.5 pence per share. Subject to Shareholder approval, the dividend will be paid on 21 February 2025 to Shareholders on the Register on 3 January 2025. In addition, the Board has declared a special dividend of 6.0 pence per share as a result of the M&A activity that led to the disposal of our shareholdings in Mattioli Woods and Keywords Studios during, and shortly after, the period end. This special dividend will be payable alongside the final dividend on 21 February 2025.

The Board has previously decided the Company will pay all cash dividends by bank transfer rather than by cheque.

Shareholders have the following options available for future dividends:

- Complete a bank mandate form and receive dividends via direct credit to a UK domiciled bank account.
- Reinvest the dividends for additional shares in the Company through the Dividend Reinvestment Scheme (DRIS).

For those Shareholders who previously received their dividend by cheque, and who have not provided their bank details to the Registrar, a bank mandate form will be available on the Company's website. Once completed the form should be sent to the Company's Registrar, City Partnership at the address shown on page 91. If Shareholders have any questions regarding the completion of the form they are advised to contact the City Partnership on 01484 240910 or by email: registrars@city.uk.com.

Sanctions Checking

Date of Birth information

Following recent legislative changes and the widening of the UK's financial sanctions regime, the Company instructed its registrar, The City Partnership (UK) Ltd, to scan the Shareholder register periodically against databases of persons who are subject to UK financial sanctions.

To ensure the scanning process is effective, the register must include each Shareholder's forename(s), surname, and date of birth.

Those Shareholders where this information is not currently held have been contacted to provide this information to us either by email at **unicornaimvct@iscaadmin.co.uk** by telephone on 01392 487056 or alternatively directly to the Company's Registrars by email at **registrars@city.uk.com** or by telephone on 01484 240 910.

The Board has decided that dividend payments will be withheld from Shareholders who have not provided this information until such information is provided.

Your date of birth will be handled with care and only used for the purpose of carrying out the scanning process. Should you have any queries, please do not hesitate to contact either ISCA Administration Services or The City Partnership.

Dividend Reinvestment Scheme

Shareholders may elect to reinvest their dividends by subscribing for new shares in the Company. Shares will be issued at the latest published Net Asset Value prior to the allotment. For details of the scheme see the Company's website: www.unicornaimvct.co.uk/dividend-reinvestment-scheme or contact the scheme administrators, The City Partnership, on 01484 240910.

Shareholder Information (continued)

Financial calendar

December 2024	Circulation of Annual Report for the year ended 30 September 2024 to Shareholders
3 January 2025	Record date for Shareholders to be eligible for final and special dividends
12 February 2025	Annual General Meeting
21 February 2025	Payment date for final and special dividends subject to Shareholder approval at the Annual General Meeting
31 March 2025	Half-year end
May 2025	Announcement of Half-Yearly Results
June 2025	Circulation of Half-Yearly Report for the six months ending 31 March 2025 to Shareholders
August 2025	Payment of interim dividend
30 September 2025	Year end
December 2025	Announcement of final results for the year ending 30 September 2025

Selling your shares

The Company's shares are listed on the London Stock Exchange and as such they can be sold in the same way as any other quoted company through a stockbroker. **Shareholders wishing to sell their shares are advised to contact the Company's stockbroker, Panmure Liberum Limited, by telephoning 020 7886 2716 or 2717 before agreeing a price with their stockbroker.** Shareholders are also advised to discuss their individual tax position with their financial adviser before deciding to sell their shares.

Annual General Meeting

The twenty-third Annual General Meeting (AGM) of the Company will be held on Wednesday, 12 February 2025 and Shareholders can attend this meeting in person. Arrangements for the meeting are detailed on pages 43 and 44. Voting on all Resolutions will be conducted on a Poll including all proxy votes submitted. The Notice of the Meeting is included on pages 92 to 96 of this Annual Report and a separate proxy form has been included with Shareholders' copies of this Annual Report. Proxy forms should be completed in accordance with the instructions printed thereon and sent to the Company's Registrars, The City Partnership (UK) Limited, at the address given on the form, to arrive no later than 11:30 am on Monday, 10 February 2025. Please note that you can vote your shares electronically at https://unicorn.city-proxyvoting.uk.

The Company intends to broadcast the AGM, together with an online presentation by Chris Hutchinson from the Investment Manager and a representative of one of the portfolio companies, via Zoom. The Directors will also be in attendance during the presentation. It is anticipated that Shareholders will have an opportunity to submit questions for the Directors or Investment Manager either in advance of the presentations, by email, to unicornaimvct@iscaadmin.co.uk or on the day during the presentation in person or through the text facility in Zoom. To receive an invitation to join the Zoom presentation please email unicornaimvct@iscaadmin.co.uk from the email address you wish the invitation to be sent to, by midday on Monday, 10 February 2025.

Shareholder enquiries:

For general shareholder enquiries, please contact ISCA Administration Services Limited (the Company Secretary) on 01392 487056 or by e-mail on unicornaimvct@iscaadmin.co.uk.

For enquiries concerning the performance of the Company, please contact the Investment Manager, Unicorn Asset Management Limited, on 020 7253 0889 or by e-mail on info@unicornam.com.

For enquiries relating to your shareholding, please contact The City Partnership (UK) Limited on +44 (0)1484 240 910 or email at registrars@city.uk.com or by post to: The City Partnership (UK) Limited, The Mending Rooms, Park Valley House, Meltham Road, Huddersfield HD4 7BH.

Electronic copies of this report and other published information can be found via the Company's website: www.unicornaimvct.co.uk.

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Fraud warning

The Company has become aware that a small number of its Shareholders along with shareholders of other VCTs have received unsolicited telephone calls from people purporting to act on behalf of a client who is looking to acquire their VCT shares at an attractive price. The caller often says they already have a significant holding and are trying to obtain a 51% stake in the Company. We believe these calls are part of a "Boiler Room Scam". Typically, these unsolicited calls originate from outside the UK, although a UK address may be given and a UK telephone number provided. If the Shareholder wishes to proceed, they are sent a non-disclosure agreement to sign and return. If this is returned a payment may then be requested for a bond or insurance policy.

Shareholders are warned to be very suspicious if they receive any similar type of telephone call and are strongly advised never to respond to unsolicited calls and emails from people who are not known to them.

If you have any concerns, please contact the Company Secretary, ISCA Administration Services on 01392 487056, or email unicornaimvct@iscaadmin.co.uk.

Information rights for beneficial owners of shares

Please note that beneficial owners of shares who have been nominated by the registered holder of those shares to receive information rights under section 146 of the Companies Act 2006 are required to direct all communications to the registered holder of their shares, rather than to the Company's Registrar, The City Partnership (UK) Limited, or to the Company directly.

Glossary

AIM
The Alternative Investment Market, a sub-market of the London Stock Exchange, designed to help smaller companies access capital from public markets.

Alternative performance measures
A financial measure of historical or future performance or financial position shown in the Key Performance Indicators on pages 24 and 25.

Cumulative dividends paid
The total amount of dividend distributions paid by the Company, in the ten year period since 30 September 2014.

Discount
A discount to NAV is calculated by subtracting the mid-market share price from the NAV per share and is expressed as a percentage of the NAV per share.

DRIS
The Dividend Reinvestment Scheme which gives Shareholders the opportunity to reinvest future dividend payments by subscribing for additional Ordinary Shares.

DTR
The Disclosure and Transparency Rules contained within the Financial Conduct Authority's Handbook.

EBITDA
Earnings Before Interest, Tax, Depreciation and Amortisation. A metric used to evaluate a company's operating performance.

Fair Value
The amount for which an asset or equity instrument could be exchanged between parties. For investments traded on a Stock Exchange market this is usually the closing bid price on the balance sheet date. The fair value of unquoted investments is determined in accordance with current IPEV guidelines.

IPEV Guidelines
The International Private Equity and Venture Capital Valuation ("IPEV") Guidelines as issued in December 2022 which set out recommendations, intended to represent current best practice, on the valuation of Private Capital Investments where they are reported at fair value by assessing different methods of valuation, such as price of recent transaction, earnings multiples, discounted cash flows and net assets.

Market and Abuse rules ("MAR rules")
The Market and Abuse Regulations 2020.

Net Assets
The total value of all the Company's assets, at fair value, having deducted all liabilities at their carrying value.

NAV
Total Net Assets divided by the number of shares in issue at the date of calculation and usually expressed as an amount per share.

NAV total return
Comprises the NAV per share plus the cumulative dividends paid to the year end.

Ongoing charges
The total expenses incurred in the ordinary course of the business expressed as a percentage of average Net Assets.

The ratio is calculated in accordance with the Association of Investment Companies' ("AIC") recommended methodology, published in May 2012. This figure indicates the annual percentage reduction in Shareholder returns as a result of recurring operational expenses. Although the Ongoing Charges figure is based on historic information, it does provide Shareholders with a guide to the level of costs that may be incurred by the Company in the future. The costs of trail commission paid to intermediaries of £27,000 is not included in this calculation.

Qualifying investments
An investment in a company satisfying a number of conditions under the VCT legislation. Included among the many conditions are: the shares or securities in the company must have been originally issued to the VCT and held ever since, the company must be unquoted (which includes listing on AIM or the Aquis exchanges), have a permanent establishment in the UK and apply the money raised for the purposes of growth and development for a qualifying trade within a specified time period. There are also restrictions relating to the size and stage of the company as well as maximum investment limits.

State Aid Regulation
The previous EU State Aid Regulations as replaced by the UK Subsidy Control Act 2022.

VCT
A Venture Capital Trust as defined in the Income Tax Act 2007.

VCT Value
The value of an investment when acquired, rebased if the holding is added to which causes an increase or decrease in its value.

80% test
The requirement for the Company to hold a minimum of 80% of its total assets, by VCT value, in qualifying holdings.

Summary of VCT Regulations

To assist Shareholders, the following is a summary of the most important rules and regulations that determine VCT status.

To maintain its status as a VCT, the Company must meet a number of conditions, the most important of which are that:

- for accounting periods beginning on or after 6 April 2019 the Company must hold at least 80%, by VCT tax value*, of its total investments (shares, securities and liquidity) in VCT qualifying holdings, within approximately three years of a fundraising;
- all qualifying investments made by VCTs on or after 6 April 2018, together with qualifying investments made by funds raised on or after 6 April 2011, are in aggregate required to comprise at least 70% by VCT tax value in "eligible shares", which carry no preferential rights (save as may be permitted under VCT rules) to dividends or return of capital and no rights to redemption;
- no investment in a single company or group of companies may represent more than 15% (by VCT tax value) of the Company's total investments at the date of investment;
- the Company must pay sufficient levels of income dividend from its revenue available for distribution so as not to retain more than 15% of its income from shares and securities in a year;
- the Company's shares must be listed on a regulated European stock market;
- non-qualifying investments can no longer be made, except for certain limited exemptions in managing the Company's short-term liquidity; and
- VCTs are required to invest 30% of funds raised in an accounting period beginning on or after 6 April 2018 in qualifying holdings within 12 months of the end of the accounting period.

Since 6 April 2019:

- the period for reinvestment of proceeds on disposal of qualifying investments increased from 6 to 12 months.

To be a VCT qualifying holding, new investments must be in companies:

- which carry on a qualifying trade;
- which have no more than £15 million of gross assets at the time of investment and no more than £16 million immediately following investment from VCTs;
- whose maximum age is generally up to seven years (ten years for knowledge intensive businesses);
- that receive no more than an annual limit of £5 million and a lifetime limit of £12 million (for knowledge intensive companies the annual limit is £10 million and the lifetime limit is £20 million), from VCTs and similar sources of State Aid and subsidy funding;
- that use the funds received from VCTs for growth and development purposes.

In addition, VCTs may not:

- offer secured loans to investee companies, and any returns on loan capital above 10% must represent no more than a commercial return on the principal; and
- make investments that do not meet the new 'risk to capital' condition (which requires a company, at the time of investment, to be an entrepreneurial company with the objective to grow and develop, and where there is a genuine risk of loss of capital).

* VCT tax value means as valued in accordance with prevailing VCT legislation. The value of an investment when acquired, rebased if the holding is added to at a different price, which causes an increase or decrease in its valuation. This may differ from the actual cost of each investment shown in the Investment Portfolio Summary on pages 13 to 21.

Corporate Information

Directors (all non-executive)
Tim Woodcock (Chair)
Charlotta Ginman
Jeremy Hamer
Josephine Tubbs
Julian Bartlett (appointed 2 October 2024)

Registered office:
The Office Suite
Den House
Den Promenade
Teignmouth TQ14 8SY

Secretary & Administrator
ISCA Administration Services Limited
The Office Suite
Den House
Den Promenade
Teignmouth TQ14 8SY
01392 487056
unicornaimvct@iscaadmin.co.uk

Company Registration Number
04266437

Legal Entity Identifier
21380057QDV7D34E9870

Website
www.unicornaimvct.co.uk

SCAN ME

Investment Manager
Unicorn Asset Management Limited
First Floor Office
Preacher's Court
The Charterhouse
Charterhouse Square
London EC1M 6AU

VCT Tax Adviser
PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Stockbroker
Panmure Liberum Limited
Ropemaker Place
Level 12
25 Ropemaker Street
London EC2Y 9LY

Auditor
Johnston Carmichael
7-11 Melville Street
Edinburgh EH3 7PE

Custodian
The Bank of New York Mellon
One Canada Square
London E14 5AL

Bankers
National Westminster Bank plc
City of London Office
PO Box 12264
1 Princes Street
London EC2R 8BP

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

Solicitors
Shakespeare Martineau LLP
No 1 Colmore Square
Birmingham B4 6AA

UNICORN AIM VCT PLC
(Registered in England and Wales No. 04266437)

Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN that the twenty-third Annual General Meeting of Unicorn AIM VCT plc (the "Company") will be held at 11:30 am on Wednesday, 12 February 2025 at The Great Chamber, The Charterhouse, Charterhouse Square, London EC1M 6AN for the purposes of considering the following resolutions of which resolutions 1 to 10 will be proposed as ordinary resolutions and resolutions 11 to 13 will be proposed as special resolutions. The rationale for the election/re-election of each Director is given on pages 37 to 39.

All resolutions will be decided on by a Poll and Shareholders are encouraged to vote using their proxy card or online.

Ordinary Resolutions

1. To receive and adopt the audited Annual Report and Accounts of the Company for the year ended 30 September 2024 ("Annual Report"), together with the Directors' Report and Auditor's report thereon.

2. To approve the Directors' Remuneration Report as set out in the Annual Report.

3. To re-appoint Johnston Carmichael of 7-11 Melville Street, Edinburgh EH3 7PE as Auditor to the Company until the conclusion of the next Annual General Meeting.

4. To authorise the Directors to determine Johnston Carmichael's remuneration as Auditor to the Company.

5. To re-elect Tim Woodcock as a Director of the Company.

6. To elect Julian Bartlett as a Director of the Company.

7. To re-elect Charlotta Ginman as a Director of the Company.

8. To re-elect Josephine Tubbs as a Director of the Company.

9. To approve the payment of a final dividend in respect of the year ended 30 September 2024 of 3.5 pence per ordinary share of 1p each, payable on 21 February 2025 to Shareholders on the register on 3 January 2025.

10. That, in substitution for any existing authorities, the Directors of the Company be and hereby are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot ordinary shares of 1p each in the capital of the Company ("Shares") and to grant rights to subscribe for, or convert any security into, Shares ("Rights") up to an aggregate nominal value of £761,748, representing 40% of the issued share capital at the date of this report, provided that the authority conferred by this resolution shall (unless renewed, varied or revoked by the Company in a general meeting) expire on the date falling 15 months after the passing of this resolution or, if earlier, at the conclusion of the Annual General Meeting of the Company to be held in 2026, but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require Shares to be allotted or Rights to be granted after such expiry and the Directors of the Company shall be entitled to allot Shares or grant Rights pursuant to any such offers or agreements as if the authority conferred by this Resolution 10 had not expired.

Special Resolutions

11. That, subject to the passing of Resolution 10 set out in this notice and in substitution for any existing authorities, the Directors of the Company be and hereby are empowered in accordance with sections 570 and 573 of the Act to allot or make offers or agreements to allot equity securities (as defined in section 560 of the Act) for cash, pursuant to the authority conferred upon them by Resolution 10 set out in this notice, or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such sale or allotment, provided that the power conferred by this resolution shall be limited to:

    (i) the allotment and issue of equity securities with an aggregate nominal value of up to, but not exceeding, £380,874, representing 20% of the issued share capital at the date of this report, in connection with offer(s) for subscription;

UNICORN AIM VCT PLC
(Registered in England and Wales No. 04266437)

Notice of the Annual General Meeting (continued)

(ii) the allotment and issue of equity securities with an aggregate nominal value of up to, but not exceeding, 10% of the issued share capital of the Company from time to time pursuant to any dividend re-investment scheme operated by the Company, at a subscription price per share which may be less than the net asset value per share, as may be prescribed by the scheme terms; and

(iii) the allotment, otherwise than pursuant to sub-paragraph (i) and (ii) above, of equity securities with an aggregate nominal value of up to, but not exceeding, 10% of the issued share capital of the Company from time to time,

in each case where the proceeds may be used, in whole or part, to purchase the Company's Shares in the market and provided that this authority shall (unless renewed, varied or revoked by the Company in general meeting) expire on the date falling 15 months after the passing of this resolution or, if earlier, at the conclusion of the Annual General Meeting to be held in 2026, except that the Company may, before the expiry of this authority, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

12. That, in substitution for any existing authorities, the Company be and hereby is authorised pursuant to section 701 of the Act to make one or more market purchases (within the meaning of section 693(4) of the Act) of its own Shares on such terms and in such manner as the Directors of the Company may determine (either for cancellation or for the retention as treasury shares for future re-issue or transfer), provided that:

(iv) the aggregate number of Shares which may be purchased shall not exceed 28,546,510 or, if lower, such number of Shares (rounded down to the nearest whole Share) as shall equal 14.99% of the Shares in issue at the date of passing this resolution;

(v) the minimum price which may be paid for a Share is 1p (the nominal value thereof);

(vi) the maximum price which may be paid for a Share shall be the higher of (a) an amount equal to five per cent above the average of the middle market quotations for a Share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Share is to be purchased and (b) the price stipulated by Article 5(6) of the Market Abuse Regulation (596/2014/EU) (as such Regulation forms part of UK law as amended);

(vii) the authority conferred by this resolution shall (unless previously renewed or revoked in general meeting) expire on the date falling 15 months after the passing of this resolution or, if earlier, at the conclusion of the Annual General Meeting of the Company to be held in 2026; and

(i) the Company may make a contract or contracts to purchase its own Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of its own Shares in pursuance of any such contract.

13. That the Share premium account and the Capital redemption reserve of the Company be cancelled.

By order of the Board

ISCA Administration Services Limited
Company Secretary

Registered Office
ISCA Administration Services Limited
The Office Suite
Den House
Den Promenade
Teignmouth TQ14 8SY

5 December 2024

UNICORN AIM VCT PLC
(Registered in England and Wales No. 04266437)

Notice of the Annual General Meeting (continued)

Notes

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

(ii) A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent you. 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 the notes on the form of proxy. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chair) and give your instructions directly to them.

(iii) 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, you may copy the proxy form, clearly stating on each copy the shares to which the proxy relates, or to request additional copies of the proxy form contact the Company's Registrar, The City Partnership (UK) Limited, on +44 (0)1484 240 910 (lines are open between 9.00 am and 5.30 pm Monday to Friday, calls are charged at standard geographic rates and will vary by provider). Calls outside the United Kingdom will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and call may be recorded and randomly monitored for security and training purposes. For legal reasons The City Partnership (UK) Limited will be unable to give advice on the merits of the proposals or provide financial, legal, tax or investment advice. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned together in the same envelope.

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

(v) Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the "Act") to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.

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

(vii) A personal reply paid form of proxy is enclosed with this document. To be valid, the enclosed form of proxy for the meeting, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy thereof, must be deposited at the offices of the Company's Registrar, The City Partnership (UK) Limited, The Mending Rooms, Park Valley House, Meltham Road, Huddersfield HD4 7BH, so as to be received not later than 11:30 am on Monday, 10 February 2025 or 48 hours before the time appointed for any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll.

(viii) If you prefer, you may return the proxy form to The City Partnership (UK) Limited in an envelope addressed to The City Partnership (UK) Limited, The Mending Rooms, Park Valley House, Meltham Road, Huddersfield HD4 7BH.

(ix) Please note that you can vote your shares electronically at https://unicorn.city-proxyvoting.uk.

UNICORN AIM VCT PLC
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Notice of the Annual General Meeting (continued)

(x) Appointment of a proxy or CREST proxy instruction, subject to the stated attendance restrictions, will not preclude a member from subsequently attending and voting at the meeting should he or she subsequently decide to do so. You can only appoint a proxy using the procedure set out in these notes and the notes to the form of proxy.

(xi) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

(xii) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must in order to be valid, be transmitted so as to be received by the issuer's agent (ID 8RA57) by 11.30am on Monday, 10 February 2025. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

(xiii) CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(xiv) As at 4 December 2024 (being the last business day prior to the publication of this notice), the Company's issued share capital comprised 190,437,026 ordinary shares of 1p each, all of which carry one vote each. Therefore, the total voting rights in the Company as at 4 December 2024 was 190,437,026.

(xv) The Directors' appointment letters will be available for inspection at the Company's registered office during normal business hours on any weekday (excluding Saturdays, Sunday and public holidays) and shall be available for inspection at the place of the Annual General Meeting for at least fifteen minutes prior to and during the meeting.

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

(xvii) Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the Shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's Auditor no later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.

UNICORN AIM VCT PLC
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Notice of the Annual General Meeting (continued)

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

(xix) Further information, including the information required by section 311A of the Act, regarding the meeting is available on the Company's website: www.unicornaimvct.co.uk.

(xx) Members satisfying the thresholds in section 338A of the Companies Act 2006 may request the Company to include in the business to be dealt with at the Annual General Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Annual General Meeting. A matter may properly be included in the business at the Annual General Meeting unless (i) it is defamatory of any person or (ii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than six weeks before the date of the Annual General Meeting.

(xxi) This notice, together with information about the total number of shares in the Company in respect of which members are entitled to exercise voting rights at the meeting at 4 December 2024 (the business day prior to the approval of this Notice) and, if applicable, any members' statements, members' resolutions or members' matter of business received by the Company after the date of this Notice, will be available on the Company's website: www.unicornaimvct.co.uk.

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Report prepared by Gunn and Cole Limited.

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Investing with conviction