Seneca Growth Capital VCT Plc

Annual Report and Financial Statements

For the year ended 31 December 2020

Company No: 04221489

Contents

Financial Headlines

Ordinary Shares

95.5p	Ordinary share NAV plus cumulative dividends paid at 31 December 2020 ("Total Return")
30.2p	Ordinary share NAV at 31 December 2020
13.0p	Interim capital dividends paid per Ordinary share during year

B Shares

£2.4m	Amount raised during the year from the issue of B shares
£1.36m	Amount invested during the year into six new investee companies by B share pool
97.8p	B share NAV plus cumulative dividends paid at 31 December 2020 ("Total Return")
91.8p	B share NAV at 31 December 2020
3.0p	Interim dividends paid per B share during year

Financial Summary

	Year to 31 December 2020 Ordinary share pool	Year to 31 December 2020 B share pool	Year to 31 December 2019 Ordinary share pool	Year to 31 December 2019 B share pool
Net assets (£'000s)	**2,453**	**8,317**	2,463	5,921
Return on ordinary activities after tax (£'000s)	**1,045**	**252**	(547)	(168)
Earnings per share (p)	**12.8**	**3.5**	(6.7)	(3.2)
Net asset value per share (p)	**30.2**	**91.8**	30.4	93.1
Dividends paid since inception (p)	**65.25**	**6.00**	52.25	3.0
Total return (NAV plus cumulative dividends paid) (p)	**95.45**	**97.8**	82.65	96.1

Financial Calendar

The Company's financial calendar is as follows:

29 March 2021	Annual General Meeting ("AGM") will be a closed meeting as a result of the Covid-19 ("C-19") pandemic and will be held at 14:00 at 9 The Parks, Haydock, WA12 0JQ
July 2021	Half-yearly results to 30 June 2021 published
February 2022	Annual results for the year to 31 December 2021 announced and Annual Report and Financial Statements published

About Seneca Growth Capital VCT Plc

Seneca Growth Capital VCT Plc ("the Company" or "Seneca Growth Capital") is a Venture Capital Trust, launched in 2001, which now aims to generate returns from a diverse portfolio of both unquoted and AIM/AQSE quoted growth capital investments. Until 23 August 2018 the Company was called Hygea vct plc. On 9 May 2018, the Company launched an offer for subscription for a new B share class which closed in April 2019. The Company made an initial allotment of B shares on 23 August 2018, at which point Seneca Partners Limited ("Seneca") was appointed as the Company's Investment Manager.

Further to the success of the Company's B Share offers in the last two years under which the Company has raised £7.2 million a new offer of B shares was launched on 13 October 2020 to raise, in aggregate, up to £10 million with an over-allotment facility of up to a further £10 million (before issue costs) (the "Offer"). The Company had raised a further £1.5 million under the Offer as at 31 December 2020.

The Company is registered as a small UK Alternative Investment Fund Manager (AIFM) with a Board comprising of four non-executive directors, three of whom are independent.

As the Company's Investment Manager, Seneca are responsible for the management of the Company's B share pool investments, whilst responsibility for the management of the Ordinary share pool investments has been delegated to those members of the Board of Directors who served immediately prior to 23 August 2018, namely John Hustler and Richard Roth.

The Company continues to manage both share classes in accordance with its investment policy, having expanded the range of qualifying investments in 2018.

No new investments have been made in the Ordinary share pool during 2020. The Directors continue to seek to return to Ordinary shareholders over time the proceeds from any realisations in the form of dividends or by means of a return of capital. During the year, the Company realised its remaining investment in Omega Diagnostics Group Plc ("Omega") and sold 8% of its holding in Scancell Plc which enabled the payment of a further 13p of dividends per Ordinary share during the year.

The funds raised from the issue of B shares under the Offer and any subsequent fund raisings are not limited to being invested in any specific sector. Instead, the Company's B share pool is targeting well managed businesses with strong leadership that can demonstrate established and proven concepts and are seeking an injection of growth capital to support their continued development. Six new investments were made by the B share pool during the year, details of which are included on pages 14 to 27. The Company intends to distribute a proportion of the net profits it receives from realisations by way of special tax-free dividends. This is intended to provide investors with an attractive income stream whilst also maintaining a relatively stable Net Asset Value ("NAV") per B share, subject to the requirements and best interests of the Company.

Venture Capital Trusts (VCTs)

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

The Company has been approved as a VCT by HM Revenue & Customs (HMRC). In order to maintain its approval, the Company must comply with certain requirements on a continuing basis which are discussed further in the Business Review on pages 39 to 40. The Company has continued its compliance with these requirements during the year, and both share classes in the Company are eligible shares as defined by section 273 ITA 2007.

Strategic Report

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

The following sections form part of the Strategic Report:

- Our Strategy
- Chairman's Statement
- Investment Manager's Report
- Business Review

Our Strategy

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

There has been no change during the year in the way the Ordinary share pool's assets are managed. The Ordinary share pool made two realisations from its AIM quoted investments in the period, one of which was the full realisation of its shares in Omega. The Ordinary share pool's unquoted investment Exosect Limited was dissolved on 24 January 2020. The Directors do not envisage making any new investments from the funds in this share pool (apart from any follow-on investments in existing portfolio companies), and continue to seek to return to Ordinary shareholders over time the proceeds from any realisations in the form of dividends or by means of a return of capital.

The Company's latest Offer for new B shares opened on 13 October 2020 seeking to raise up to £10 million with an over-allotment facility of up to a further £10 million (before issue costs). The funds raised from the issue of B shares will not be limited to being invested in any specific sector. Instead, in line with the Company's investment policy, the Company is targeting well managed businesses with strong leadership that can demonstrate established and proven concepts and are seeking an injection of growth capital to support their continued development.

The Company fosters a culture of innovation, risk mitigation and collaboration supported by policies, practices and behaviours to further our purpose as an investment company seeking to provide growth capital to well managed leading UK SMEs which share our values, in order to deliver on our investment strategy and objective as described below. The Directors will continually monitor and assess the investment process and ensure compliance with both the relevant VCT regulations for qualifying investments, summarised below, and the Company's investment policy, included further below through a set of robust internal controls as discussed in the Business Review on page 40, the Corporate Governance policy on pages 50 to 54 and within the Audit Committee Report on pages 55 to 57.

Qualifying Investments

Compliance with required rules and regulations is considered with all investment decisions made. The Company is further monitored on a continual basis by Philip Hare & Associates LLP to ensure compliance on an ongoing basis. The main criteria to which the company must adhere include:

- At least 80% of investments must be made in qualifying shares or securities;
- At least 70% of qualifying investments must be invested into ordinary shares with no prohibited preferential rights (investments made before 6 April 2018 from funds raised before 6 April 2011 are excluded);
- At least 30% of funds raised after 31 December 2018 must be invested in qualifying investments by the anniversary of the end of the accounting period in which those funds were raised;
- No single investment made can exceed 15% of the total HMRC company value at the time the investment is made.

In respect of VCT shares issued on or after 6 April 2014, VCT status will be withdrawn if a dividend is paid (or other forms of distribution or payments are made to investors) from the capital received by the VCT from that issue within three years of the end of the accounting period in which shares were issued to investors.

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

- have fewer than 250 full time equivalent employees (500 if a knowledge intensive company); and
- have less than £15 million of gross assets at the time of investment and no more than £16 million immediately post investment; and
- its first commercial sale must be less than seven years old (or ten years if a knowledge intensive company) if raising State Aided funds for the first time; and
- have raised no more than £5 million of State Aided funds in the previous 12 months and less than the lifetime limit of £12 million (or £20 million if a knowledge intensive company); and
- produce a business plan to show that its funds are being raised for growth.

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

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

Investment Policy

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

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

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

Qualifying Investments

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

Non-Qualifying Investments

An active approach will be taken to manage any cash held, both prior to its investment in qualifying companies and any remaining cash after all investment qualification targets in the VCT rules have been satisfied. All cash will be invested in accordance with VCT rules for non-qualifying investments. Such non-qualifying investments may include liquid AIFs, UCITS or other money market funds.

Risk Management

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

Key Information Document

New EU PRIIPs regulations came into effect in January 2018. The intent of the regulations is to increase customer protection by improving the functioning of financial markets and in this instance through the Key Information Document (KID) to provide shareholders with more information about the risks, potential returns and charges within VCTs. The regulation requires the Company to publish a KID. Retail investors must now be directed to this before buying shares in the Company. The KID is published on the Company website https://senecavct.co.uk/key-documents/. The KID has been prepared using the methodology prescribed in the PRIIPS regulation. Although well intended, there are widespread concerns about the application of some aspects of the prescribed methodologies to VCTs. Specifically, there are concerns that:

1. the risk score may be understating the level of risk; and
2. investment performance scenarios may indicate future returns for shareholders that are too optimistic.

The Association of Investment Companies (AIC) has engaged on this matter and it is hoped that these issues will be resolved in the future. In the meantime, the Board recommends shareholders continue to classify VCTs as a high-risk investment.

Borrowing

Whilst the Board does not intend that the Company will borrow funds (other than to manage short term cash requirements), the Company is entitled to do so subject to the aggregate principal amount at the time of borrowing not exceeding 25% of the value of the adjusted capital and reserves of the Company (being, in summary, the aggregate of the issued share capital, plus any amount standing to the credit of the Company's reserves, deducting any distributions declared and intangible assets and adjusting for any variations to the above since the date of the relevant balance sheet). The Company did not borrow any funds in 2020.

Changes to the Investment Policy

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

Section 172(1) Statement

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

The Board's decision-making process incorporates, as part of the Company's investment policy and investment objectives as set out on page 4, considerations for supporting the Company's business relationships with the Investment Manager, shareholders, advisers and registrar, independent financial advisers and the impact of the Company's operations on the community and the environment, which by nature of the business, only extends to the holdings in portfolio companies.

Key stakeholders

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

The Company has also introduced regular shareholder presentations in addition to the AGM in order to engage directly with shareholders and to date have successfully completed our first Shareholder Update Presentation in September 2020 following the June 2020 interim results. At the September 2020 Shareholder Update Presentation, we had exceptional attendance from shareholders and had the opportunity to address ten queries put forward by shareholders, the answers to which are available on our website at https://senecavct.co.uk/shareholder-qa/. It was a great opportunity to engage directly with shareholders and have subsequently made some changes to address the minor concerns raised, particularly around shareholder communications. Steps have been taken and changes implemented to improve shareholder communications as a result of the presentation and feedback provided throughout the year from shareholders. These and any other views which may arise are discussed by the Board and factored into any decision-making and disclosed in annual and interim reports as appropriate. The Board uses a number of measures to assess the Company's success in meeting its strategic objectives with regard to shareholder interests as detailed in the Key Performance Indicators on pages 37 to 38.

Investment Manager
The Company's most important business relationship is with the Investment Manager. There is regular contact with the Investment Manager, and all members of the Investment Manager's Growth Capital investment team attend all of the Company's Board meetings. There is also an annual timetable agreed with the Investment Manager and the Company for matters related to the annual timetable which are discussed at each Board Meeting. The Company and Investment Manager also work together to maintain efficient operation of the VCT as detailed in the Key Performance Indicators on pages 37 to 38.

Portfolio Companies
The Company holds minority investments in its portfolio companies and it has appointed the Investment Manager to manage the B share portfolio. While the Board has little direct contact with the B share portfolio,

the Investment Manager provides updates on the B share portfolio at least quarterly. There were six additions to the portfolio in the period and the Company completed four exits as detailed in the Chairman's Statement on pages 8 to 13 and the Investment Manager's Report on pages 14 to 27. The Board and Investment Manager believe that the full realisations and partial realisations from each share pool was in the best interests for all key stakeholders. Responsibility for the management of the Ordinary share pool investments has been delegated to those remaining members of the Board of Directors who served immediately prior to 23 August 2018, namely John Hustler and Richard Roth who also provide updates on the Ordinary Share portfolio at least quarterly.

Environment and Community

The Company seeks to ensure that its business is conducted in a manner that is responsible to the environment as far as is practicable given the nature of the business as an investment company. The management and administration of the Company is undertaken by the Investment Manager, who recognises the importance of its environmental responsibilities, monitors its impact on the environment and implements policies to reduce any damage that might be caused by its activities. Initiatives of the Investment Manager designed to minimise its and the Company's impact on the environment include recycling and reducing energy consumption. More details of the work that the Investment Manager has done in this area are set out on pages 45 to 46.

Chairman's Statement

I am pleased to present the 2020 Annual Report on behalf of the Board to shareholders.

Overview

As shareholders will recall, Seneca have assumed the investment and accounting responsibilities of the Company with effect from August 2018, following which £8.7 million has been raised for the B share pool to 31 December 2020. Since this represents the active investment portfolio, I am reporting on the B share portfolio first and then will give the results of the legacy Ordinary share portfolio.

I am pleased to say that, despite the unprecedented circumstances which we are all facing due to the C-19 global pandemic, I am able to report that both the B share and Ordinary share investment portfolios have stood up well to the challenges that they have faced. The Total Return (NAV per share plus cumulative dividends per share) for each share class increased during the year with the B share increasing by 1.8% to 97.8p and the Ordinary share increasing by 15.5% to 95.5p.

I am also pleased to be able to report that Seneca continued the development of the B share pool during the year both in terms of fundraising and investment activity. In October 2020, the Company launched its third offer for B shares and allotted an additional £1.5 million of shares in December 2020 taking to £8.7 million the total raised by the B share pool from launch in May 2018 to 31 December 2020. I would like to welcome all new shareholders and thank both existing and new shareholders for their support. The share offer will remain open until 28 May 2021 unless it reaches the target of £10 million with an over-allotment facility of £10 million before then.

The Company made six new B share pool investments in the year in addition to achieving one full exit and one partial exit and as a result the Company's B share pool closed the year with ten investments, an increase of five on the prior year.

There were two full, and one partial disposal from the Ordinary share pool. The Ordinary share pool now has just seven investments remaining with AIM quoted Scancell Holdings Plc ("Scancell") (which encouragingly secured £48 million of new investment in the year) accounting for 66% of the Ordinary share pool's NAV at the year end. Recent press coverage regarding Scancell's involvement in a potential C-19 vaccine has led to a significant rise in its share price, which stood at 24.5p at 19 February 2021 compared to our year end value of 13.5p. Further details and an updated unaudited NAV per Ordinary share and B share are included below.

With 54% of the B share pool's NAV as at 31 December 2020 represented by cash and more than 20% of the Ordinary share pool's NAV, the Company has ended the year well placed to face the challenges and opportunities presented by the ongoing C-19 pandemic and to deliver on the key objectives of continuing to build an attractive portfolio of growth capital investments in the Company's B share pool whilst also continuing to realise investments in the Ordinary share pool when the opportunity arises.

I have set out below the progress made by each of the Company's share classes during the year.

B Share Pool

B Shares - Results

The key items to impact the NAV of the B share pool during the year were as follows:

- Two dividends paid during the year totalling 3.0p per B share.
- The full realisation of one B share pool AIM quoted investment generating a 2.1x return.
- The partial exit of one B share pool AIM quoted investment generating a 1.6x return.
- An increase in the valuation of two of the B share pool's remaining three AIM quoted holdings.
- A reduction in fair value of one of the B share pool's seven unquoted company investments as a result of the impact of C-19.
- The Company's running costs.

The net result of the above was an overall increase in the Total Return per B share to 97.8p as at 31 December 2020 (2019: 96.1p), consisting of a modest reduction in the NAV per B share to 91.8p as at 31 December 2020 (2019: 93.1p), a positive capital return of 5.7p per B share (2019: negative 0.7p) and a negative revenue return of 2.2p per B share (2019: negative 2.5p).

Whilst the negative revenue return of 2.2p per B share is principally a result of the impact of the Company's running costs on the B share pool, shareholders will recall that the Company's running expenses are capped at 3% of the B share NAV until July 2021 (thereafter the total running costs will continue to be capped at 3% with general expenses being allocated to the Ordinary share pool and the B share pool pro-rata to their respective NAVs). As a result, Seneca reduced their annual management fee for 2020 from £127k to £41k to ensure the Company's annual running expenses stayed within this 3% limit.

The positive capital return of 5.7p per B share noted above was principally due to increases in the share prices of the B share pool's AIM quoted investments during the year and some harvesting of profit via partial sales of these AIM quoted investments offset by a reduction in the carrying value of one of the B share pool's unquoted company investments. Full details are disclosed in the Investment Manager's Report on pages 14 to 27.

B Shares - Investment Portfolio Review

As at 31 December 2020, the B share portfolio comprised ten companies, three of which are quoted on AIM, at a total net investment cost of £3,794k. As at 31 December 2020 this portfolio was valued at £3,982k.

In January 2021, the Company sold 1,750,000 shares in SkinBioTherapeutics Plc ("SkinBio") which represented 37% of the original holding of 4,677,107 shares, reducing the remaining holding to 2,752,107 shares. These were sold at a net average price of 35.5p per share providing a return in the region of 2.2x on original cost.

B Shares – Update and Outlook

Taking into account further proceeds realised since 31 December 2020 as detailed above and in note 17 on page 97 and an overall increase in AIM quoted investment bid prices, the Company is pleased to announce an updated unaudited NAV per B share of 99.4p per B share at 19 February 2021, an increase of 7.6p per B share from the audited NAV of 91.8p per B share as at 31 December 2020 and an overall increase in the Total Return per B share to 105.4p as at 19 February 2021.

Shareholders will be pleased to know the Board declared an interim B share dividend of 1.5p per B share on 18 February 2021 to be paid on 14 May 2021 to shareholders on the B share register on 30 April 2021, with an ex-dividend date of 29 April 2021.

Seneca continue to work closely with the investee companies in the B share portfolio with the aim of ensuring that the potential impact of C-19 is mitigated and that each investee company has sufficient funds to support their working capital requirements until normal trading and economic conditions return. Seneca remain confident that the portfolio retains its potential to provide attractive returns for B shareholders over the medium term.

The Board is pleased with the progress that Seneca have made since their appointment as Investment Manager in 2018, in terms of funds raised, new investments made and relationships with brokers offering new quoted securities and now, exits achieved.

Seneca expect to increase the funds raised under the current B share Offer and add new growth capital investments to the B share portfolio during the course of 2021 from, inter alia, the investments they currently have in the later stages of due diligence.

Ordinary Share Pool

Ordinary Shares - Results
Whilst the NAV per Ordinary share decreased by 0.2p from 30.4p to 30.2p during the year, this was after the payment of dividends per Ordinary share totalling 13.0p. A better understanding of the underlying performance of the Company's Ordinary share portfolio during the year is therefore provided by considering the NAV movement per Ordinary share during the year before dividends which shows an increase of some 12.8p (a 42% increase compared to 31 December 2019).

This increase was principally driven by the increase in value of the Ordinary share portfolio's two AIM quoted investments during the year. The quoted bid price of Scancell shares increased from 7.0p to 13.5p from the start of the financial year to the financial year end. During this period, it was decided to harvest a modest portion of our shareholding and we now hold 12 million shares. Omega benefited from its involvement in a partnership to develop a C-19 antibody test and the share price rose significantly; the Board, therefore, decided it was appropriate to take advantage of this and we sold our entire holding for £987k, generating a profit over original cost of £659k and over our holding value at 31 December 2019 of £666k.

As a result of the realisations noted above, your Board were very pleased to be able to pay dividends totalling 13p per Ordinary share during the year with no material adverse impact on the Ordinary pool's NAV. The Total Return in relation to the Ordinary shares is now 95.5p comprising cumulative distributions of 65.25p per Ordinary share and a residual NAV per Ordinary share of 30.2p as at 31 December 2020.

As previously reported, the Board remains focused on identifying exit opportunities for the remainder of the Ordinary share pool investment portfolio, and it was particularly pleasing to have been able to distribute 13p per Ordinary share to shareholders this year with no material adverse impact on the Ordinary share pool's NAV. Realisations in the last three years have enabled the payment of a total of 41p per Ordinary share in dividends to Ordinary shareholders, representing 64.3% of the NAV per Ordinary share as at 31 December 2017 and we still retain net assets of 30.2p per Ordinary share as at 31 December 2020. Notwithstanding this success, we remain confident that, overall, there remains the opportunity to realise further value for Ordinary shareholders in due course (particularly in relation to our Scancell holding): indeed as noted below, earlier this month we realised a further portion of our Scancell holding. For the time being, we do not currently consider it appropriate to liquidate any further Scancell shares and do not see any other immediate opportunities for realisations, but we continue to monitor the situation closely.

Ordinary Shares - Investment Portfolio
The remaining Ordinary share portfolio now comprises one AIM quoted holding, Scancell, as referred to above, which has a carrying value of £1,620k as at 31 December 2020, and six unquoted holdings – the carrying value of three of which have been reduced to zero with the combined carrying value of the other three being £521k as at 31 December 2020.

Shareholders will note therefore that Scancell represented more than 75% of the value of the Ordinary share portfolio as at 31 December 2020 and as a result the NAV per Ordinary share now fluctuates largely in line with the movement in the Scancell share price. Whilst the Scancell share price showed volatility during 2020, it is not our policy to update the market following each of these fluctuations unless there are considered to be abnormal events (e.g. sale of a significant holding – see below). Your Board therefore recommends that shareholders or prospective shareholders keep the Scancell share price under review and consider its impact on the Ordinary share NAV per share before taking any action in relation to an existing or prospective holding in the Company's Ordinary shares.

Further details in relation to the Ordinary share pool's investment portfolio are included in the Investment Manager's Report on pages 28 to 35.

Ordinary Shares – Update and Outlook
As referred to above, and following recent press coverage, the share price of Scancell has risen significantly from 13.5p at 31 December 2020 and was 24.5p at 19 February 2021. We are pleased that the market is recognising the continuing developments at Scancell and have taken the opportunity to realise a further modest part of our holding by selling 1 million shares at 21.7p per Scancell share. Our current holding is 11 million shares and we continue to believe that there is further upside in this holding.

This increase in the share price has given rise to a significant rise in the NAV per Ordinary share. Based on the NAV at 31 December 2020, adjusted solely for the uplift in valuation of our Scancell shares , the Ordinary share unaudited NAV per share was 44.0p at 19 February 2021.

The Ordinary share pool retained a cash balance of £527k as at 31 December 2020 in order to make follow-on investments into existing Ordinary share portfolio companies where the Board believes this will protect the Ordinary share pool's existing investment and/or improve the overall prospects of a timely exit from the investee company. This has been increased to £744k following the recent sale of Scancell shares. Despite several of the Ordinary share pool portfolio companies seeking further funds during the year, we did not consider the terms attractive nor likely to improve the overall prospects for a timely realisation from the investee company and therefore no further Ordinary share pool investments were made.

Ordinary shareholders will recall that, following the appointment of Seneca as Investment Manager in August 2018, the Ordinary share pool incurs no running costs until July 2021.

Fund Raising
During the year the Company has allotted 2,701,500 B shares raising gross proceeds of £2,403k in the process. The current B share Offer will remain open until May 2021.

Annual General Meeting
The Company's AGM will be held as a closed meeting at 14.00 on Monday, 29 March 2021 at the Company's registered address 9 The Parks, Haydock, WA12 0JQ in accordance with the provisions of the Corporate Insolvency and Governance Act 2020. In light of the unprecedented restrictions on movement and gatherings due to the C-19 pandemic, shareholders will not be permitted to attend this year's AGM and the meeting will take place with either two Directors who hold shares in the Company or one Director and an investment manager from Seneca Partners, who is also a shareholder, present only, to constitute the minimum quorum for the AGM to take place under the Company's articles of association and company law requirements. Shareholders should note that only the formal business set out in the Notice of AGM will be considered at the AGM.

Although shareholders will not be permitted to attend the AGM this year there will be a shareholder update presentation by the Investment Manager and a question and answer ("Q&A") session at 10:00 on 8 March

2021, further details of which are included below and on https://senecavct.co.uk/march-2021-shareholder-presentation/.

Shareholders wishing to vote on any of the matters of business are urged to do so through completion of a proxy form appointing the Chairman of the AGM, which can be submitted to the Company's Registrar. Proxy forms should be completed and returned in accordance with the instructions thereon and the latest time for the receipt of proxy forms is 14.00 on Saturday, 27 March 2021. Proxy votes can be also be submitted by CREST.

All resolutions will be decided by a poll and therefore it is essential that shareholders wishing to vote submit their proxy forms by 14.00 on Saturday, 27 March 2021.

Shareholders will have the opportunity to ask questions prior to submitting their proxy votes at the shareholder update presentation on 8 March 2021 as detailed below.

The Board has reviewed my performance and has asked me to continue as Chairman. A resolution for my re-election is included in the AGM Notice. Resolutions for the re-election of Alex Clarkson, Richard Manley and Richard Roth are also included in the AGM Notice.

The Notice of the AGM includes resolutions empowering the Directors to issue further B shares following the date of the AGM, which will primarily be used for the issue of B shares under a further Offer which we intend to launch for the 2021/2022 tax year. This requires authorisation for the Directors to be able to allot up to a further 35,000,000 B shares. Including these resolutions in the AGM business will avoid the Company having to produce and send out a separate circular to convene a separate general meeting.

The Notice of the AGM also includes a resolution to adopt amended Articles of Association which are substantially in the same form as the Company's current Articles of Association but will allow, inter alia, the holding of partially virtual AGMs and to increase the total remuneration of the Directors to allow for the recruitment of a new non-executive Director. Further details of the differences between the two sets of Articles are set out in the Directors' Report on pages 48 to 49.

A summary of the resolutions to be proposed by the Company at the AGM is included on pages 48 to 49.

Shareholder Update Presentation
Due to government restrictions impacting shareholders' ability to attend the 2021 AGM as a result of the C-19 pandemic, a virtual shareholder update presentation will take place at 10:00 on Monday, 8 March 2021. Shareholders can register to attend the presentation by visiting:

- https://zoom.us/webinar/register/WN_UyGALLGCQCusM0gYuvud0A.

Further details about the shareholder event can be found on https://senecavct.co.uk/march-2021-shareholder-presentation/.

A Q&A session will take place where shareholders will have the opportunity to submit questions directly which we will seek to answer during the presentation. Questions can be submitted by emailing them to enquiries@senecavct.co.uk. Both the questions and answers will be published on the Company's website following the presentation.

VCT Qualifying Status
Philip Hare & Associates LLP provides the Board with advice on the ongoing compliance with HMRC rules and regulations concerning VCTs; they have confirmed that the Company remains within all the appropriate VCT qualifying regulations as at 31 December 2020. In respect of the 80% Qualifying Holdings test, as at the end

of December 2020 the percentage is 100% by virtue of a disregard of disposal proceeds, of which there have been £1.1m of relevant share sales (exit proceeds that occurred in the prevailing 12-month period are deducted from the total investments balance). Note, these exit proceeds are only deducted to the point that the test reaches 100% but without these the Company was still well above the 80% qualifying requirement. As at 31 December 2020 39% of funds raised in the year to 31 December 2019 had been invested in qualifying investments for the 30% minimum requirement.

Fund Administration
Our administration is conducted by Seneca at the Company's registered address. Neville Registrars Limited ("Neville") continue to maintain the shareholder register. All information in respect of both share classes including Annual Reports and notices of meetings can be found on our website www.senecavct.co.uk. We would remind shareholders who have not opted for electronic communications that this is more efficient and ecologically friendly than receiving paper copies by post and therefore encourage you to contact Neville, whose details are on page 101, to advise them of your wish to switch to electronic communication.

Auditor
UHY Hacker Young LLP have audited the Company's annual results for the year ending 31 December 2020, and shareholders will be asked to reappoint them at the AGM for the audit of the accounts for the year ending 31 December 2021.

Future Prospects
We are pleased that Seneca have continued to develop the portfolio of B share pool investee companies during the year. The B share portfolio includes a mix of both unquoted and AIM quoted investments and whilst progress of these investments to date has been generally positive, the Board and Seneca remain acutely aware of the need to continue to work at close quarters with all B share portfolio companies as they navigate the challenges ahead resulting from the C-19 pandemic.

We also note that Seneca expect to see an increase in the number of businesses seeking investment to support their growth plans over the next 12 months as a result of the C-19 pandemic. With over £4.5 million of cash on the B share pool balance sheet at 31 December 2020. Seneca believe they are very well placed to continue to support the existing B share investment portfolio as well as adding attractive new growth capital investments to the B share portfolio from the strong pipeline of opportunities presented to them. We therefore look forward to the continued development of the B share portfolio in due course.

Your Board continues to view the future of our Company with confidence.

John Hustler
Chairman
22 February 2021

Investment Manager's Report

We are pleased to set out in this section further details in relation to the development of both the B and Ordinary share pools and their respective investee companies during 2020.

The B Share Pool

Fundraising
Our second B share offer was concluded in July 2020, bringing total funds raised to £7.2 million and our fund-raising efforts have since continued under our third B share Offer that was launched in October 2020, with £1.5 million being raised under this third Offer as at 31 December 2020. We were encouraged by the funds raised in the two months immediately following launch and remain focused on increasing the size of the B share pool, which will in turn allow us to increase the number and diversity of new investments that we make.

Performance and Dividends
Despite the unprecedented economic climate and general turmoil of financial markets occasioned by the C-19 pandemic, we are pleased with the development of the B share portfolio, with six additional investments being made in the year. We are also pleased to report an increase in the NAV Total Return per B share, from 96.1p at 31 December 2019 to 97.8p as at 31 December 2020.

This increase in NAV Total Return per B share was the result of a slight reduction in the B share NAV as at 31 December 2020 (which fell to 91.8p per B share (2019: 93.1p)) which was more than explained by the payment of two B share dividends totalling 3.0p during the year.

These two B share dividends paid during the year were in line with the Company's ambition to continue to pay dividends on the B shares and it should be noted that the Company has sufficient distributable reserves to enable the continued declaration of B share dividends over the medium term subject to Board approval, the B share pool investment pipeline and liquidity levels.

AIM Quoted Investments
With the AIM market demonstrating a heightened level of volatility during the year as a result of the impact of C-19, we took the opportunity to realise just over half of the B share pool's shareholding in OptiBiotix plc ("OptiBiotix") (an investment made during the year), selling 400,000 shares and realising a gain of £92k on the disposal (1.6x cash return in just 2 months following the original investment). We also sold our full holding in Genedrive (another investment made in the year) which is the B share pool's first full exit and generated a profit of £136k versus original cost (2.1x cash return).

We were also encouraged that the during the year we saw an increase in the bid price of the two largest B share pool AIM quoted investments: the SkinBio share price increased to 22.0p as at 31 December 2020 (a 57% increase from 14p as at 31 December 2019) and the OptiBiotix share price increased to 57.0p as at 31 December 2020 (a 42.5% increase from the cost price of 40p per share).

Co-investing With Seneca EIS Funds
More generally we continue to develop Seneca's position in the market as an active growth capital investor and as at 31 December 2020, we have raised and deployed c.£100 million of EIS and VCT investment funds into over 50 SME companies, through over 100 funding rounds, since we undertook our first EIS investment in 2012. This includes £8.7 million raised to date by the B share pool.

The ten investments in the B share portfolio had a value of £3,982k as at 31 December 2020 and are co-investments with EIS funds also managed by Seneca. We believe that the opportunity for the Company's B share pool to co-invest with EIS funds that are also managed by Seneca provides the B share pool with a number of advantages including being able to participate in a higher number of investments, of a larger scale, into more established businesses than would be possible for the B share pool on a standalone basis.

Further, as a result of our position in the UK market as an active growth capital investor we maintain a strong pipeline of investment opportunities, particularly in the North of England, with a focus on well managed businesses with strong leadership teams that can demonstrate established and proven concepts in addition to growth potential. We aim to invest in both unquoted and AIM quoted companies and are pleased to have completed three additional AIM quoted investments in the year.

Investee Company Updates

We are very happy with the development of the B share investment portfolio. As noted above, we are delighted to have been able to include some AIM quoted investments in these early investments and are also very happy that by 31 December 2020 we had already been able to exit some of these at a profit so early in the development of those businesses (1 full exit and 2 partial exits). These early profits have supported the performance of the B share pool NAV at the same time as we continue to develop the unquoted company investment portfolio.

We are excited about the potential that lies with the B share investment portfolio and have included updates in relation to all of the B share pool investee companies later in this Investment Manager's Report but wanted to highlight in particular the progress being made by B share pool investee companies SilkFred Limited ("SilkFred") and SkinBio below and also comment on the reduction in fair value introduced against the carrying value of Qudini.

SilkFred

SilkFred is an online marketplace which specialises in independent ladies' fashion brands. The B share pool invested £500k in SilkFred in December 2018 and the business made strong progress throughout the first year of our investment building a strong reputation and brand in the "event driven" fashion space.

As you would expect however, this left the business exposed to the impact of the C-19 pandemic in 2020 which brought about a fall in sales levels as a result of the reduction in the number of celebrations and events which previously drove the company's growth.

Notwithstanding this, SilkFred's recovery from the UK's first lockdown was swift and Gross Marketplace Value (total sales value sold through the SilkFred platform) during the summer months of 2020 actually exceeded that of 2019. The business traded well for the rest of the year, remaining profitable throughout, buoyed by the loyalty shown by the customer base. The management team continue to view their market position positively and are looking to the future with confidence, particularly in anticipation of the return of their core markets as the UK emerges from lockdown. We too, are excited about SilkFred's future.

SkinBio

SkinBio is an AIM quoted life science company focused on skin health and the B share pool invested £750k in February 2019 at 16p per share. The business made excellent progress during 2020 including raising c£4.45m of funds from new and existing investors, successfully accelerating the project timeline for its food supplement programme and gaining commercial interest for its MediBiotix™ and CleanBiotix™ programmes. The SkinBio share price closed on 31 December 2020 at 22p per share.

Having initially invested in SkinBio in February 2019, we sold 175,000 shares in early June 2019 at a profit of c1.5x original cost reducing the remaining holding to 4,502,107 shares. We did not sell any shares in 2020;

however following the 31 December 2020 year end, the positive progress being made by SkinBio translated into further increases in the share price and we are pleased to report that we have taken the opportunity to take some profit from this investment. We sold 1,750,000 shares in January 2021 (37% of the B share pool's original holding of 4,677,107 shares) reducing the remaining holding to 2,752,107 shares. These were sold at a net average price of 35.5p per share providing a return in the region of 2.2x on original cost.

The business is well funded, is targeting a valuable market with unmet cosmetic and clinical needs and we remain confident of SkinBio's long-term prospects of success.

Qudini

Qudini is a UK based market leading provider of queue management software for enterprise brands. It generates the vast majority of its revenue from bricks and mortar retailers. Given the level of uncertainty caused in this core market by C-19, we took the prudent decision to reduce the carrying value of the B share pool's investment in Qudini by 40% as at 30 June 2020. Whilst there has been some improvement in the trading performance of Qudini in H2 2020, some uncertainty remains over the future of its core bricks and mortar retail market. Therefore, we have maintained the 40% reduction in fair value and this investment was held at 60% of cost as at 31 December 2020.

Investments made after the Year End and outlook

Following the year end we also completed an additional unquoted company investment into Solascure Ltd ("Solascure") for £500k. Solascure is an early stage wound care specialist which was originally spun out of (and continues to work alongside) world leading German biotech company BRAIN engaged in the development of a new-to-market wound care product. Solascure is also backed by strategic investor Eva Pharma and the business will commence their first clinical trial in 2021. Solascure's Aurase product is a gel-based product that efficiently and gently cleans wounds, making the healing process much more straightforward.

We look forward to continuing to increase the funds raised for the B share pool under the current Offer and with several new investment opportunities in the later stages of due diligence, we expect to add to the portfolio of B share investee companies in the coming months.

Investment Portfolio – B shares

Unquoted Investments	Equity held %	Investment at cost £'000	Unrealised profit/(loss) £'000	Carrying value at 31 December 2020 £'000	Movement in the year to 31 December 2020 £'000
Fabacus Holdings Limited	2.0	500	63	563	-
Silkfred Limited	<1.0	500	-	500	-
Old St Labs Limited	3.8	500	-	500	-
Ten80 Ltd	7.5	400	-	400	-
Qudini Limited	2.4	500	(200)	300	(200)
Bright Network Ltd	1.7	234	-	234	-
ADC Biotechnology Ltd	<1.0	150	-	150	-
Total unquoted investments		**2,784**	**(137)**	**2,647**	**(200)**

Quoted Investments	Shares held	Investment at cost £'000	Unrealised profit/(loss) £'000	Carrying value at 31 December 2020 £'000	Movement in the year to 31 December 2020 £'000
SkinBioTherapeutics Plc	4,502,107	720	270	990	360
OptiBiotix plc	350,000	140	60	200	60
Abingdon Health plc	156,250	150	(5)	145	(5)
Total quoted investments		**1,010**	**325**	**1,335**	**415**
Total investments		**3,794**	**188**	**3,982**	**215**

Exits for the period	Investment Date	No. of Shares sold	Investment at cost £'000	Sale Proceeds £'000	Realised profit/(loss) £'000	Exit Multiple
OptiBiotix Health Plc*	April 2020	400,000	160	252	92	1.6
Genedrive Plc	May 2020	157,437	126	262	136	2.1
Total			**286**	**514**	**228**	**1.8**

**Partial exit*

B Share Pool – Investment Portfolio – Top Six Unquoted Investments by value as at 31 December 2020

1. Fabacus Holdings Limited

Initial investment date:	February 2019
Cost:	£500,000
Valuation:	£563,000
Equity held:	2.0%
Last statutory accounts:	31 August 2019
Turnover:	Not disclosed
Loss before tax:	Not disclosed
Net assets:	£7.6 million
Valuation method:	Price of last fundraise

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

Currently, there is a fundamentally flawed data capture process between licensors and licensees; and a disconnection from the framework of retail standards that have underpinned and continue to enable the retail value chain. This has resulted in an inability to correctly address known shortcomings in respect to data management and hinder the needed digital transformation of licensors in the digitally evolving retail landscape.

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

Progress made by the company in 2020 includes:

- Continuing to make excellent progress with a number of customers, most notably through its promising relationship with Amazon.
- Onboarding fee-paying licensees to their market leading data platform and starting to generate revenue from their relationship with IMG (#1 global licensing agency).
- Successfully raising c.£1m to fund the working capital requirements of the company and to onboard the growing customer pipeline.
- Collaborating with Amazon to provide a version of the company's technology which has the ability to identify and remove any counterfeit products from online marketplaces. In turn this has driven a significant increase in interest in and demand for Fabacus' platform and ancillary services which has translated into increased commercial activity and revenue in recent months.

2. SilkFred Limited

Initial investment date:	December 2018	SilkFred is an online marketplace for independent ladies' fashion brands. The business was founded in 2011 with the aim of creating an efficient marketplace for emerging fashion designers to bring products to market and establish their brand in the sector. The business now works with c.600 independent brands, selling to over 500k customers. SilkFred acts as a central marketing and sales platform for these brands, charging commission in exchange for these services, and as a result the business itself takes minimal inventory / working capital risk on new brands, lines or products. The business model revolves around a market leading and scalable customer service platform, and as such SilkFred are continually investing in core infrastructure and constantly seeking innovative methods to enhance the customer experience. **Progress made by the company in 2020 includes:** • Bouncing back extremely well from the impact of the first C-19 lockdown which saw the company's primary market of event driven fashion being adversely impacted by the C-19 pandemic. Product mix has changed dramatically in the short term, meaning SilkFred is well positioned for future growth with a more diverse customer base and impacted less by seasonal trends. • Continued expansion of SilkFred's international presence. It is clear that the international potential of the brand is a key driver of value in the business and it is therefore encouraging to see international sales growing by more than 60% in 2020. • Despite the C-19 impact being felt to some extent throughout 2020, SilkFred saw continued growth in its portfolio of brands, increasing to more than 900 and once again selling over 1m units for the year. The company also saw continued improvement in its key performance metrics with average order value, orders to repeat customers and return on marketing spend all increasing during the year.
Cost:	£500,000	
Valuation:	£500,000	
Equity held:	<1%	
Last statutory accounts:	31 December 2019	
Turnover:	£20 million	
Loss before tax:	£3.1 million	
Net assets:	£4.4 million	
Valuation method:	Cost and price of recent investment (reviewed for any fair value adjustment)	

3. Old St Labs Limited

Initial investment date:	March 2019
Cost:	£500,000
Valuation:	£500,000
Equity held:	3.8%
Last statutory accounts:	31 March 2020
Turnover:	Not disclosed
Loss before tax:	Not disclosed
Net assets:	£260,000
Valuation method:	Cost and price of recent investment (reviewed for any fair value adjustment)

Old St Labs is a provider of cloud based, supplier collaboration tools for large, blue chip customers, enabling them to manage key supplier relationships and strategic project work. The core product, Vizibl, seeks to make supplier collaboration much more straight forward, with key focus on compliance, savings / efficiency and driving growth across the business.

Vizibl is the only SaaS workspace that supports collaborative supplier relationships, bringing all points of contact together in one place, providing visibility across the company and eliminating duplication of efforts. Vizibl's real-time reporting speeds up decision making, drawing on and sharing the expertise of the community in the process. The offering taps into a growing trend in supplier collaboration, having moved on from the initial focus on compliance, to an increased emphasis on savings / efficiency, and recent developments highlighting the benefits in terms of wider growth strategy for large customers.

Vizibl provides the infrastructure, governance and reporting capabilities to optimise present supplier performance and acts as a springboard for those collaborative supplier relationships. The product is CRM / ERP agnostic, working alongside all major software providers to ensure the collaboration software is insightful and informative.

Progress made by the company in 2020 includes:

- Engaging with global leaders across a wide range of sectors with keeping annual recurring revenue consistent at just over £1m. In what was initially a slow period for the business with large corporate customers slowing down decision making and pausing project spend upon the onset of C-19, Old St Labs have worked closely with existing customers and have returned to growth in the second half of the year with multiple impressive customer wins.

- Continuing to expand the Vizibl platform and enhancing its capabilities and usability. In the current year, in response to the global pandemic, the team have pushed more of a sustainability angle into the platform, adding features and enhancements to assist both new and existing customers with ensuring that their projects and organisations remain resilient.

- Building on an already impressive customer base by onboarding Unilever and Sanofi. Not only do these types of customers improve the financial profile of the business, but they also further validate the proposition and serve to demonstrate the viability of the Vizibl platform across a wider range of sectors.

- Securing a £2.5m funding from the UK Government-backed Future Fund, providing sufficient headroom to progress through to profitability.

4. Ten80 Group Limited

Initial investment date:	March 2020	Based in Hammersmith, Ten80 Group Limited ("Ten80") was established in early 2019. The company is a SAP focussed on-demand outcome-based delivery solution. SAP is best known for producing enterprise resource planning software which allows organisations to manage business operations across procurement, manufacturing, service, sales, finance, and HR. Ten80's aim is to connect every SAP customer with every SAP consultant globally, delivering outcome-based projects rather than time-driven costs through the contractor or freelancer marketplace. The SAP global consultancy market is estimated to be worth in excess of £300bn. **Progress since our investment:** • Securing its first paying customers, providing further validation that the proposition is of value to large corporations with significant IT project spend. Whilst the global pandemic has slowed down large enterprise decision making, it has also fast-tracked the shift to remote working and flexible resource, something which plays into the hands of the Ten80 proposition. • Successfully adding the required skills to the team scaling it from 5 people at the time of investment to 19 at present. This has added valuable resource across the business, with key focus on the development team, sales personnel and customer success roles. • Further, in January 2021 the business secured a £1m funding round under the UK Government-backed Future Fund. This will in turn provide the business with additional cash headroom as they focus on converting an exciting customer pipeline and expanding the customer base, as well as ramping up usage of the Ten80 platform within existing customers.
Cost:	£400,000	
Valuation:	£400,000	
Equity held:	7.5%	
Last statutory accounts:	31 December 2019	
Turnover:	Not disclosed	
Loss before tax:	Not disclosed	
Net assets:	£30,000	
Valuation method:	At cost (reviewed for any fair value adjustment)	

5. Qudini Limited

Initial investment date:	April 2019
Cost:	£500,000
Valuation:	£300,000
Equity held:	2.4%
Last statutory accounts:	31 December 2019
Turnover:	Not disclosed
Loss before tax:	Not disclosed
Net assets:	£3.1 million
Valuation method:	At cost, less a 40% reduction in fair value to reflect potential impact of C-19 on the company's core UK markets

Founded in 2012, Qudini is a B2B software company that provides customer experience SaaS solutions to organisations in retail, hospitality, the public sector and healthcare.

Qudini provides a software solution for appointment bookings, queue management, event management and task management – enabling businesses to improve shop floor operations by managing staff activity, breaks and performance, and by assigning tasks at store or head office level.

Qudini is aiming to revolutionise digital queue and appointment management. It achieves this through deployment of its data-centric, cloud-based (Amazon Web Services), cross-platform service, which improves a business' ability to manage the flow of customers awaiting service, using algorithms to provide accurate, live data, such as estimated wait times. Through integration with various software platforms and compatible with wide variety of hardware, Qudini enables detailed analytics focused on customer trends, and provides a unique insight into areas such as customer footfall, peak demand times, and wait times.

2020 update:

- Given that the company's main source of income is through the provision of queuing technology for bricks and mortar retailers, the effect of C-19 during the first UK lockdown was expected to be significant. As such, the company took the opportunity to restructure its cost base and reduce FTE's by c.50% to 19 and put a stop to any unnecessary spend in order to preserve cash. Consequently, we applied a 40% reduction in fair value (in March 2020) against the carrying value of the B share pool's investment in Qudini to reflect this uncertainty and have maintained this at 31 December 2020.

- Although a level of uncertainty remains given the company's retail market exposure, the outlook has improved somewhat given the increasing demand for queuing/customer management technologies as retailers look to re-open and trade safely.

- Whilst the environment for new business during the first lockdown had not been ideal, Qudini now has a short window of opportunity to continue to gain market share in H1 2021.

- The demand noted above has driven an increase in Annual Recurring Revenue ("ARR") as at December 2020 to c.£2.5m (December 2019: £1.8m); however, it will be a key focus of the management team over the next 12 months to upsell Qudini's other services in order to help retain the company's new customers post-covid and transition those new customers on to longer term contracts.

6. Bright Network (UK) Limited

Initial investment date:	March 2020
Cost:	£234,000
Valuation:	£234,000
Equity held:	1.7%
Last statutory accounts:	31 March 2020
Turnover:	Not disclosed
Loss before tax:	Not disclosed
Net assets:	£4.9 million
Valuation method:	At cost (reviewed for any fair value adjustment)

Bright Network (UK) Limited ("Bright") is a Human Resources technology platform designed to enable leading employers to reach, identify and recruit high quality graduates and young professionals. At the time of our investment, the platform supported a network of over 255,000 high calibre candidates and has 300+ leading employers within its customer base, including multiple high-quality blue-chip clients. These employers utilise Bright's services to fill annual intern and graduate recruitment scheme places, as well as any bespoke recruitment requirements.

Data analytics and machine learning is utilised to support and continuously improve identification of the best-suited talent to each employer. Bright provides a free service to undergraduates, personalising careers advice and job matches to support their career journey. The database is therefore a growing data-rich asset, processing 30 million pieces of data on a new generation of young professionals.

In March 2020, the VCT invested £234,000, as part of a larger £3.5m fundraise to allow the company to increase the size of its digital and talent solutions' sales and marketing resources, together with improvements to the technical platform to drive additional service revenues.

Progress since our investment:

- Limiting the potential impact of C-19 by cutting its cost base and through the launch of online internships which were extremely well received over the summer. This has resulted in an increase in registered users to over 350,000.

- Trading ahead of expectations. Due to the pandemic the sales season (which typically ends at the end of August) has been extended, and the company continues to be on track to surpass the £2.5M revenue target for the financial year ending 31 March 2021 (FY21).

- Delivering strong top line performance coupled with tight cost control has resulted in the company outperforming FY21 planned gross profit and EBITDA.

- Delivering an improved cash position which is £900k ahead of budget. This outperformance alongside business agility puts the company in a strong position as the UK recovers from the C-19 pandemic. However, whilst more macro-economic uncertainty remains, this investment will continue to be held at cost.

B Share Pool - Investment Portfolio – AIM Quoted Investments as at 31 December 2020

1. SkinBioTherapeutics Plc

Initial investment date:	February 2019
Cost (of the portion of the original investment still held as at 31 December 2020):	£720,000
Valuation:	£990,000
Equity held:	2.9%
Last statutory accounts:	30 June 2020
Turnover:	£nil
Loss before tax:	£1.6 million
Net assets:	£2.5 million
Valuation method:	Bid price of 22p per share

SkinBioTherapeutics is a life science company focused on skin health. The company's proprietary platform technology, SkinBiotix™, is based upon discoveries made by Dr. Cath O'Neill and Professor Andrew McBain.

SkinBioTherapeutics' platform applies research discoveries made on the activities of lysates derived from probiotic bacteria when applied to the skin. The company has shown that the SkinBiotix™ platform can improve the barrier effect of skin models, protect skin models from infection and repair skin models. Proof of principle studies have shown that the SkinBiotix™ platform has beneficial attributes applicable to each of these areas.

The aim of the company is to develop its SkinBiotix™ technology into commercially successful products supported by a strong scientific evidence base. SkinBioTherapeutics' commercial strategy is to engage health and wellbeing and/or pharmaceutical companies in early dialogue to build up relationships and maintain communication on technical progress until one or more commercial deals can be secured.

Progress made by the company in 2020 includes:

- Announcing a 3 year agreement with Winclove to focus on the development of a blend of probiotic bacteria which have been identified as having a positive impact on the psoriasis disease pathway. Under the agreement, SkinBio will identify the specific probiotic strains which Winclove will formulate and manufacture into a consumable product to be branded AxisBiotix. Later in the year the company announced that Winclove had been able to successfully combine and formulate the blend as a probiotic food supplement, to be known as AxisBiotix Ps, several months ahead of schedule. A study is due to commence in February 2021.

- Announcing in July 2020 that the SkinBiotix cosmetic programme had achieved a number of key scientific milestones with its partner Croda. Croda has successfully replicated the lysate manufacturing process and achieved the same performance from the SkinBiotix™ technology as established by the company. Croda is now working to validate scale up of the manufacturing process at different volume levels. The project is progressing in line with the original plan and has not been adversely impacted by C-19.

- Continued progress with live opportunities across its MediBiotix, CleanBiotix and PharmaBiotix divisions, including the development of eczema treatments as well as additional opportunities designed to reduce hospital acquired infections.

- Completion of a £4.5m funding round in October 2020, providing the business with sufficient cash headroom to progress with its exciting pipeline of commercial opportunities, as well as continuing with the development of a number of early stage, pre-clinical opportunities.

2. OptiBiotix Health Plc

Initial investment date:	April 2020
Cost (of the portion of the original investment still held as at 31 December 2020):	£140,000
Valuation:	£200,000
Equity held:	<1.0%
Last statutory accounts:	31 December 2019
Turnover:	£745,000
Loss before tax:	£2.2 million
Net assets:	£5.2 million
Valuation method:	Bid price of 57p per share

OptiBiotix Health PLC is a Life Sciences business operating in one of the most progressive areas of biotechnological research, developing technologies that modulate the human microbiome – the collective genome of the microbes in the body. The business identifies and develops microbial strains, compounds and formulations for use in food ingredients, supplements and active compounds that can impact on human physiology, deriving potential health benefits.

With an established pipeline of microbiome modulators, the OptiBiotix team works today in the prevention and management of chronic lifestyle diseases including obesity, hypercholesterolemia and lipid profiles, and diabetes.

To date, the company has signed in excess of 50 commercial deals globally to supply or licence its suite of products/supplements to manufacturers and retailers and has launched a number of its own brand products. The VCT invested £300,000 into a £1m fundraise in April 2020, with funds being used to launch its award-winning products across Asia and the US, through partners who have an international reputation and significant retail network, as well as further expanding the portfolio of products. Between investment and 31 December 2020 53% of the shares originally acquired have been realised at a 60% profit.

Progress since our investment:

- Announcing positive half year results for the 6 month period to 30 June 2020 including:
  - H1 revenue growth of £745k.
  - a 5x increase in revenues from H1 2019.
  - a 15.5% reduction in other administration costs.
    a 50% reduction in loss compared to the same period in the prior year.

The company is now at a commercial turning point with the business model now proven through growing sales from proven products, established partners in multiple international territories, and reduced administration and R&D costs. We believe the company is therefore well placed to attack the various attractive markets in which they are gaining traction.

Optibiotix's first generation products, SlimBiome™, and LPLDL™, are now established scientifically, clinically, and commercially with products being sold in over 120 countries around the world and a growing brand presence.

As sales and profitability in first generation products continues to improve, there is an expectation this should enhance the company's reach into new application areas and territories, and commercialise next generation products – all of which have the ability to further enhance the scale and growth prospects of the company.

3. Abingdon Health plc

Initial investment date:	December 2020	Abingdon Health is a specialist outsourced Contract Development and Manufacturing Organisation (CDMO) providing a full suite of services to the lateral flow diagnostic market. It is the lead member of the UK's Rapid Test Consortium (UK-RTC) for a point-of-need C-19 antibody test (AbC-19) and is investing in automated manufacturing to significantly increase capacity and attract new customers across a range of sectors. As the lead member of UK-RTC, the company co-ordinated a consortium of four companies (including former Ordinary share portfolio company Omega) and, in under four months, successfully developed and validated a rapid lateral flow test ("AbC-19") for detecting SARS-CoV-2 IgG antibodies. The UK Government has ordered the first 1m devices and provided funding for the components for a further 9m to be delivered in the coming months. There is a mechanism by which Abingdon Health can sell any excess supply externally and it has already had significant interest from a number of third parties. It is also working with a number of partners on rapid antigen tests, leveraging its key lateral flow competencies and offering broad exposure in C-19 diagnostics. The pandemic has driven a material step change in demand for lateral flow tests generally and has catalysed a number of other C-19 and non-C-19 contract development and manufacturing opportunities. Abingdon Health has established relationships with blue chip partners and a strong pipeline of potential new business, including a number of signed and qualified opportunities. It also has an innovative and proprietary mHealth solution, AppDx, a customisable smartphone reader that is capable of quantitative analysis of lateral flow tests and the transfer of real-time data. The investment was completed just before the end of the financial year, so there is no further progress to report from 2020.
Cost:	£150,000	
Valuation:	£145,000	
Equity held:	<1.0%	
Last statutory accounts:	30 June 2019	
Turnover:	£2.3 million	
Loss before tax:	£1.5 million	
Net assets:	£6.2 million	
Valuation method:	Bid price of 93p per share	

B Share Pool – Investment Portfolio – Post-balance sheet Investments as at 22 February 2021

1. Solascure Ltd

Initial investment date:	January 2021
Cost:	£500,000
Valuation:	£500,000
Equity held:	2.8%
Last statutory accounts:	30 June 2019
Turnover:	Not disclosed
Loss before tax:	Not disclosed
Net assets:	£ 6.7 million
Valuation method:	At cost

Solascure is an early stage wound care specialist, originally spun out of and working alongside BRAIN (world leading German biotech company), to develop a new-to-market wound care product. In 2019, the company deconsolidated from BRAIN and brought in additional strategic investment from Eva Pharma (c.£2m) and is now set to commence clinical trials of its wound care product Aurase. Solscure's Aurase is a gel-based product that efficiently and gently cleans wounds, making the healing process much more straightforward. Pre-clinical work has been extremely positive and the clinical trial planning process is now well progressed.

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

SolasCure have an approved protocol for a clinical study in order to reach market authorisation, which is anticipated to commence in early 2021 (with phase 1 anticipated to conclude by the end of the year). Crucially, the product permits the use of the main maggot-derived wound debriding enzyme without the cost or labour input involved with the use of live maggots, but also augments and synergises the body's own wound cleansing processes. The product is expected to demonstrate 3 key benefits: 1) Specific swift destabilisation of fibrin debris; 2) No irritation or damage to healthy tissue; 3) Reducing the time to full debridement without delaying wound healing.

In January 2021, the VCT invested £500,000, alongside £733,000 of Seneca EIS funds as part of a £2.9m fundraise to allow the company to progress and complete the full trial (Phase 1 and 2) by the end of 2022.

The Ordinary Share Pool

Shareholders will recall that whilst Seneca is the Company's Investment Manager, responsibility for the management of the Ordinary share pool investments continues to rest with those remaining members of the Board of Directors who were serving at the point of Seneca's appointment on 23 August 2018, which now includes John Hustler and Richard Roth.

AIM Quoted Investments
The Ordinary share pool's largest investment is AIM quoted Scancell and this represented 37% of the Ordinary share pool's NAV as at 31 December 2019 when the Scancell share price was 7.0p. During the year, the Scancell share price almost doubled and ended the year at 13.5p. In view of this increasing share price, the Company took the opportunity to realise some profit and sold a small portion of our Scancell shares during the year (1,049,730 shares (8%) were sold from a holding at the start of the year of 13,049,730 shares) realising £127k and generating a profit versus original cost of £64k (a 2x return on the original investment) and a profit versus the 31 December 2019 carrying value of £54k. The Ordinary share pool's remaining stake in Scancell of 12,000,000 shares increased by £780k during the year to stand at a value of £1,620k as at 31 December 2020.

The Ordinary share pool's investment in AIM quoted Omega gained significant traction in the year following its involvement in a partnership to develop a C-19 antibody test. The share price rose substantially from its 31 December 2019 price when it was 14p and this allowed the Company to sell the Ordinary share pool's entire holding of 2,293,868 Omega shares in the year for a total of £987k. This generated a profit versus original cost of £659k (a 3x return on the original investment) and similarly a profit of £666k versus its 31 December 2019 value.

Unquoted Investments
With regard to the Ordinary share pool's unquoted investments, the carrying value of OR Productivity Limited ("ORP") and Fuel 3D Technologies Limited ("Fuel 3D") were both reduced as a result of fundraises by these companies in 2020. In the case of ORP, the dilutive impact of the funds raised are such that the Company reduced the carrying value to £nil for the Ordinary share pool's investment in ORP as at 31 December 2020 (31 December 2019 carrying value: £233k) and in the case of Fuel 3D the carrying value has been reduced to bring it in line with the price of their 2020 fundraise. Although the Ordinary share pool has maintained the value of Arecor Ltd at the price of the last fundraising in 2018, it continues to make excellent technical and commercial progress.

Performance and Dividends
As a result of the above AIM quoted investee company realisations, the Ordinary share pool was able to pay dividends totalling 13p per Ordinary share during the period.

The Total Return in relation to the Ordinary shares is now 95.5p comprising cumulative distributions of 65.25p per Ordinary share and a residual NAV per Ordinary share of 30.2p as at 31 December 2020.

As noted in the Chairman's statement, the Company is focussed on realising assets in the Ordinary share pool at the appropriate time with the proceeds then being distributed to Ordinary shareholders as dividends – it is therefore noteworthy that in the 3 years to 31 December 2020 the Company has paid out dividends totalling 41p per Ordinary share (equivalent to 64.3% of the NAV per Ordinary share of 63.8p as at 31 December 2017) and the Ordinary share pool also retains NAV per Ordinary share of 30.2p as at 31 December 2020.

Investment Portfolio – Ordinary shares

Unquoted Investments	Equity held %	Investment at cost £'000	Unrealised profit/(loss) £'000	Carrying value at 31 December 2020 £'000	Movement in the year to 31 December 2020 £'000
Arecor Limited	1.1	142	63	205	-
Fuel 3D Technologies Limited	<1.0	299	(104)	195	(81)
Insense Limited	4.6	509	(388)	121	-
OR Productivity Limited	3.7	765	(765)	-	(232)
Microarray Limited	3.0	132	(132)	-	-
ImmunoBiology Limited	1.2	868	(868)	-	-
Total unquoted investments		**2,715**	**(2,194)**	**521**	**(313)**

Quoted Investments	Shares held	Investment at cost £'000	Unrealised profit/(loss) £'000	Carrying value at 31 December 2020 £'000	Movement in the year to 31 December 2020 £'000
Scancell plc	12,000,000	726	894	1,620	780
Total quoted investments		**726**	**894**	**1,620**	**780**
Total investments		**3,441**	**(1,300)**	**2,141**	**467**

Exits for the period	Investment Date	No. of Shares sold	Investment at cost £'000	Sale Proceeds £'000	Realised profit/(loss) £'000	Exit Multiple
Scancell plc *	December 2003	1,049,730	63	127	64	2.0
Omega Diagnostics plc	August 2007	2,293,868	328	987	659	3.0
Exosect Limited **	January 2010	8,575	270	-	(270)	-
Total			**661**	**1,114**	**453**	**1.7**

**Partial exit*
***Dissolved 24 January 2020*

Ordinary Share Pool – Investment Portfolio – All Six Unquoted Investments by value as at 31 December 2020

1. Arecor Limited

Initial investment date:	January 2008	Arecor was a spin-out from Insense (a Seneca Growth Capital Ordinary share investee company – see below) to commercialise technology developed by Insense for enabling biologics to maintain their integrity without the need for refrigeration - this both reduces cost and also helps supply chain logistics in developing countries where temperature monitored cold storage facilities are in short supply. **Progress made by the company in 2020 includes:** • Announcing in March 2020 that Arecor had extended its multi-product collaboration with a US-based clinical stage biotechnology company. • Announcing in June 2020 positive results of their phase 1 trial on AT247. • Expanding their partnership with Hikma announced 20 October 2020. • Commencing in December 2020 dosing patients in the AT278 clinical study (ultra-concentrated insulin, first in man study) following a £1.9m fund raise: this is a very significant milestone as they continue to build momentum with their differentiated portfolio of superior products. • Announcing in late December 2020 that Arecor's partner, Inhibrx, exercised their option to license a novel formulation of the investigational clinical stage product, INH-101, developed by Arecor. This is the first license under a multi-product collaboration with Inhibrx and further validates the value of the ArestatTM technology platform in developing superior versions of existing therapeutic products.
Cost:	£142,000	
Valuation:	£205,000	
Equity held:	1.1%	
Last statutory accounts:	31 December 2019	
Turnover:	£748,000	
Loss before tax:	£2.7 million	
Net assets:	£4.2 million	
Valuation method:	Price of last fundraise	

2. Fuel 3D Technologies Limited

Initial investment date:	March 2010
Cost:	£299,000
Valuation:	£195,000
Equity held:	< 1%
Last statutory accounts:	31 December 2019
Turnover:	£521,000
Loss before tax:	£4.3 million
Net assets:	£5.4 million
Valuation method:	Price of last fundraise

In 2014 Fuel 3D was formed to acquire the computer 3D imaging IP of Seneca Growth Capital Ordinary share investee company, Eykona. The initial application for this IP targeted by Eykona was measuring the volume of chronic wounds; however this has since developed and the current application focus is on a) measuring tumours in animals used in drug development via a product called BioVolume and b) enabling the manufacture of products to fit a particular individual e.g. masks used to treat certain medical conditions.

BioVolume is Fuel 3D's lead product and improves measurement accuracy, inter-operator consistency, animal welfare, cost efficiencies, compliance and the success of pre-clinical oncology research.

Progress made by the company in 2020 includes:

- The development of BioVolume in conjunction with major pharmaceutical companies but have suffered C-19 related delays: trials with three of the majors are only now coming to an end and the fourth commenced in January 2021. The data to date looks promising and has recently enabled the signing of a contract to sell two units to a specialist research lab.

- The continued development of the technology for FitsYou applications (e.g. sleep apnoea masks and eyewear) has taken longer than expected, partly due to working at the edge of capability of partners' platforms. The app that has been designed for the world's largest manufacturer of sleep apnoea masks (to allow them to scan customers' faces in order to assess best fit) has recently been completed and a three month pilot will start early in the New Year, hopefully resulting in a commercial licensing agreement later in 2021. The same technology is also being used to develop tools targeted at the eyewear industry, developing apps to bring virtual try on and best fit to eyewear retailers and brands. Fuel 3d is exploring the launch of a B2C marketplace and the company has filed a patent application to cover the creation of a 3D model using depth data generated by mobile devices which it expects to form a fundamental part of its technology offering within FitsYou.

- The reduction in cash burn, which is now c.40% lower than this time last year and the raising of £3.8m (at a slightly reduced valuation) means that even in the absence of revenues, the company has sufficient runway to take it through to the end of 2021, although it may seek further investment to accelerate development and commercialisation of FitsYou.

- The board of Fuel3D is also considering separating each business into separate units as the BioVolume and FitsYou businesses are likely to appeal to different buyer audiences.

3. Insense Limited

Initial investment date:	July 2003
Cost:	£509,000
Valuation:	£121,000
Equity held:	4.6%
Last statutory accounts:	31 December 2019
Turnover:	Not Disclosed
Loss before tax:	Not Disclosed
Net liabilities:	£51,000
Valuation method:	Price of last fundraise

Insense is an innovative, biotechnology company and was spun-out from Unilever's R&D laboratory in 2001.

It has since had two successful spinouts, namely Arecor (see above) and Archimed, from which Microarray (see below) was also spun-out. Current Insense development activity is concentrated on dermatology products for both professional and consumer applications.

Progress made by the company in 2020 includes:

- Completing testing of the UV lamp that will be used in a first-in-man trial and continuing preparations for further formulation and stability testing. C-19 has affected progress in 2020, slowing the speed of product and service delivery from Chinese and UK-based partners.

4. OR Productivity Limited

Initial investment date:	March 2011
Cost:	£765,000
Valuation:	£nil
Equity held:	3.7%
Last statutory accounts:	31 March 2020
Turnover:	Not Disclosed
Loss before tax:	Not Disclosed
Net liabilities:	£4.6 million
Valuation method:	Carrying value reduced to £nil

At the end of 2011, Freehand 2010 (a Seneca Growth Capital Ordinary share investee) was acquired by OR Productivity plc (ORP) in exchange for ORP shares.

Freehand 2010 owns the intellectual property to technology incorporated in a product, FreeHand, for robotically controlling the laparoscope (part of the camera system) used in the growing sector that is keyhole surgery. The company sells the system outright and provides consumables although, increasingly, the business model is built upon free placement of the system with recurring revenue then being generated from the subsequent sale of a consumable per operation.

Progress made by the company in 2020 includes:

- An initial fundraising in 2020 which raised £750,000 following which a Crowdcube funding campaign was launched. To date the fundraising has achieved £1.225 million.
- Year over year sales being up in spite of C-19 but pressures on elective surgery have resulted in significant revenue shortfall to budget.
- Spanish distributor MBA continuing to lead the way and has ordered 3 new Panorama robots from the company.
- Announcing a new distribution partnership with Imperial Medical Solutions to support sales in India, Sri Lanka, Malaysia and the Caribbean.

The current fundraising has been through the issue of A Ordinary shares which carry a one times repayment preference. In addition further A Ordinary shares with the same preference have been issued to redeem certain outstanding liabilities. At the present time the Board considers it unlikely that the Ordinary share pool investment in ORP can be valued in excess of the value of the A Ordinary shares issued. The Ordinary share pool does not hold any A Ordinary shares.

5. ImmunoBiology Limited

Initial investment date:	November 2005
Cost:	£868,000
Valuation:	£nil
Equity held:	1.2%
Last statutory accounts:	31 May 2020
Turnover:	£nil
Loss before tax:	£594,000
Net assets:	£262,000
Valuation method:	Carrying value reduced to £nil

ImmunoBiology ("ImmBio") is a biotechnology company that is focused on developing treatments for illnesses such as meningitis, tuberculosis, influenza and hepatitis C. The company's technology is based on the discovery that a group of proteins known as 'heat shock proteins' has a pivotal role in controlling the normal immune response to infections. The focus is currently on a vaccine for Pneumococcal Disease, for which the challenge is that there are >90 strains in circulation but present treatments address only a small proportion. In 2016 a first in human study demonstrated safety in adults.

ImmBio - formally known as ImmunoBiology Ltd has licensed its pneumococcal vaccine to China National Biotech Group. It has completed certain parts of its technology transfer and is now seeking to start a phase 2 study of the same vaccine. Coronavirus has again highlighted the importance of vaccines to the world and in recent years pneumococcal disease has claimed a similar number of deaths as C-19 in 2020. An existing vaccine has reduced the death rate, but the existing vaccines only protect against fewer than 20 of the 90 or so existing strains. As ImmBio's ImmBioVax technology utilises heat shock proteins to activate T-cell responses, it is hoped that it can be used to create vaccines for a wide range of currently poorly served infectious diseases.

ImmBio has a complex equity structure which has impacted the investment valuation. As such, the Board does not believe that the Company's Ordinary share pool's investment currently has any value.

Progress made by the company in 2020 includes:

- Continuing with the technology transfer to a subsidiary company of China National Biotec Group to co-develop ImmBio's proprietary PnuBioVax vaccine against pneumococcal disease and launch the pneumococcal vaccine in the Greater China area upon completion of successful clinical studies but there is also a requirement to start a clinical trial outside China which needs funding.

- Improving the required storage conditions. (hoping to achieve refrigerator storage) via their partnership with CPI (an independent technology innovation centre) to produce a Pneumococcal vaccine which is heat stable, thus avoiding the need (and inherent expense) of the cold chain – ImmBio estimate there to be c.50 million patients annually who could benefit from such a vaccine.

- Commencing discussion with a number of strategic partners and vaccine producers, some of whom have technology to use Immbio's approach; there are regulatory challenges but C-19 may help in this scenario. It has certainly made everyone more receptive to vaccines and with different mutations, universal vaccines become more popular. Existing C-19 vaccine suppliers are also keen to have a second or third approach on their books especially which doesn't need to keep up with changing strains; this may be beneficial to Immbio.

Almost all staff are currently furloughed, whilst further funds can be obtained.

6. Microarray Limited

Initial investment date:	January 2011	Microarray Ltd is a UK-based specialist wound healing company. Founded in 2000, Microarray was de-merged from Archimed, a spin-out from Insense (see above): the company is now privately owned. The company has access to wide ranging expertise in the fields of wound dressing product development, marketing and sales; electrochemistry and diagnostic sensor technologies; biochemistry, oxygen and iodine chemistry; enzymology, immunology and inflammation. Current research and development activities are concentrated on innovative wound care diagnostics. Microarray owns and continues to develop new intellectual property in its specialist fields. It works independently and with expert academic and industrial partners. **Progress made by the company in 2020 includes:** • Designing and gaining the necessary approvals for our next clinical trial looking at chronic wound state biomarkers. C-19 has affected the recruitment of patients for the trial, which is now hoped to start in Q3/2021. • In parallel, the company continues to use machine-learning methods to analyse the clinical data collected to date, and is investigating the commercial potential of these non-biomarker assets. Previously product testing results have not provided the indicators that the company hoped for in terms of assessing whether a wound is infected or not. As a result of this adverse outcome in relation to an area of focus for the company, the carrying value of the investment of the Ordinary share portfolio's investment in Microarray Limited has been reduced to £nil. Notwithstanding the above, the company is continuing to develop its wound diagnostic products as the progress in 2020 indicates.
Cost:	£132,000	
Valuation:	£nil	
Equity held:	3.0%	
Last statutory accounts:	31 December 2019	
Turnover:	Not Disclosed	
Loss before tax:	Not Disclosed	
Net liabilities:	£(4 million)	
Valuation method:	Carrying value reduced to £nil	

Ordinary Share Pool – Investment Portfolio – AIM Quoted Investment as at 31 December 2020

1. Scancell plc

Initial investment date:	December 2003
Cost (of the portion of the original investment still held as at 31 December 2020):	£726,000
Valuation:	£1,620,000
Equity held:	1.5%
Last statutory accounts:	30 April 2019
Turnover:	£nil
Loss before tax:	£6.7 million
Net assets:	£9.3 million
Valuation method:	Bid price of 13.5p per share

Scancell is an AIM listed biotechnology company that is developing a pipeline of therapeutic vaccines to target various types of cancer, with the first target being melanoma.

The Immunobody platform technology, in effect, educates the immune system how to respond – this means that the technology can also be licensed to pharmaceutical companies to assist the development of their own therapeutic vaccines, which is an area of emerging importance for which a number of big pharmas do not have in-house technology. In addition, in 2012 a second platform technology, Moditope, was announced and is based on exploiting the normal immune response to stressed cells and is complementary to the Immunobody platform. The AvidMab platform was established in 2018 which allows direct tumour killing.

Scancell continues to develop its multiple technologies. Progress made by the company in 2020 includes:

- The company received FDA approval in February 2020 to initiate the US arm of the Phase 2 SCIB1 clinical trial although C-19 has delayed patient recruitment. The Modi-1 Phase1/2 trial is progressing for regulatory submission with a planned study start in the UK in the first half of 2021. GMP drug manufacture is advancing and formal regulatory-compliant toxicity studies are complete The new AvidiMab platform has also generated significant interest and further agreements have been signed with different partners to evaluate its potential, which if successful, could translate into important commercial deals.

- In April Scancell announced it had initiated a research project to use its clinical expertise in cancer to produce a simple, safe, cost effective and scalable vaccine which could induce a durable response against the virus that causes C-19. The project is funded by a £2 million Innovate UK grant awarded in August to a consortium between Scancell, University of Nottingham and Nottingham Trent University. Scancell has now selected their C-19 vaccine candidate, SN14, for further development and clinical trials. SN14 is a second generation vaccine which offers several potential advantages over currently approved and late-stage C-19 vaccines. In October, it entered into a collaboration with Cobra Biologics, part of the Cognate BioServices family, to conduct preliminary work leading to the manufacture of SN14 with the goal of starting a Phase 1 COVIDITY clinical trial as soon as possible during 2021.

- During the year, the company completed two successful fund raises totalling £48 million (£46.1 million net proceeds) from the issue of shares and convertible loan notes (CLN): In August, it raised £15 million at a price of 5.5p per share (includes a residual amount of £1.75m held in CLN, and which included a significant new US institutional investor (Redmile Group LLC, "Redmile"). This funding will allow planned trials to continue while partnering discussions are pursued. In October, a further £33m was raised predominately from Redmile: £15.1m in equity at 11p per share and £17.9m in CLN. Redmile now holds just under 30% of the equity and all of the CLN, and Vulpes Life Science Fund 14.5%. These additional funds will extend the utility of the company's ImmunoBody™, Moditope™, and AvidiMab™/tumour-associated glycans ("TaG") antibody products and platforms and to accelerate and broaden its development pipeline of new potential novel therapies and increase the funding available for the company's C-19 vaccine.

As a result of these developments, the Scancell share price has seen much volatility with prices ranging from 4p to 20p during the year. These valuations are based on a bid price of 13.5p per share and the bid price was 24.5p per share at 19 February 2021.

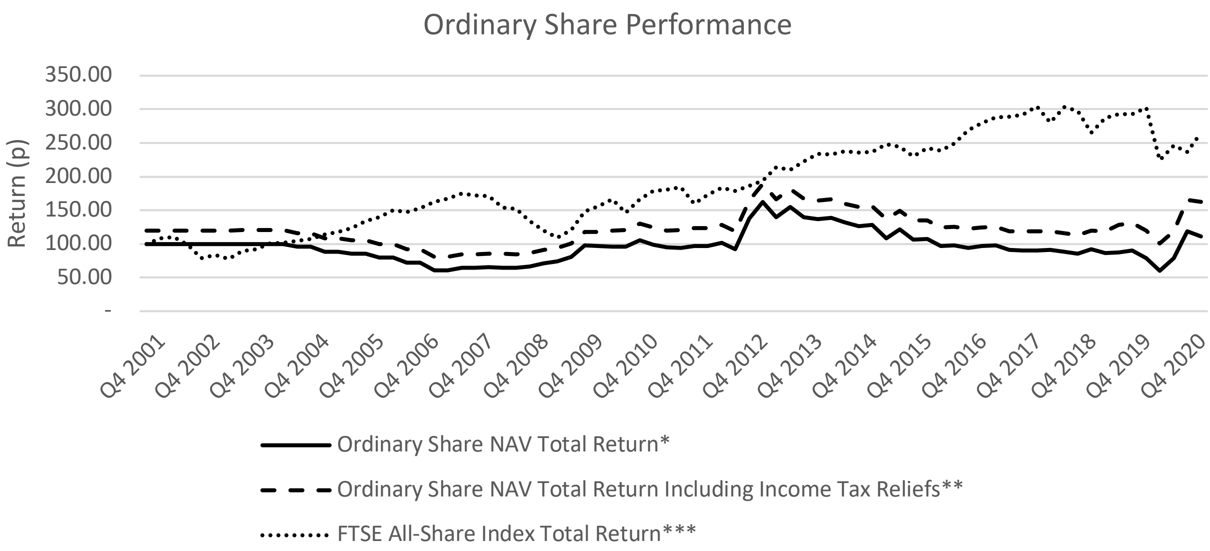
Richard Manley
Seneca Partners Limited
22 February 2021

Business Review

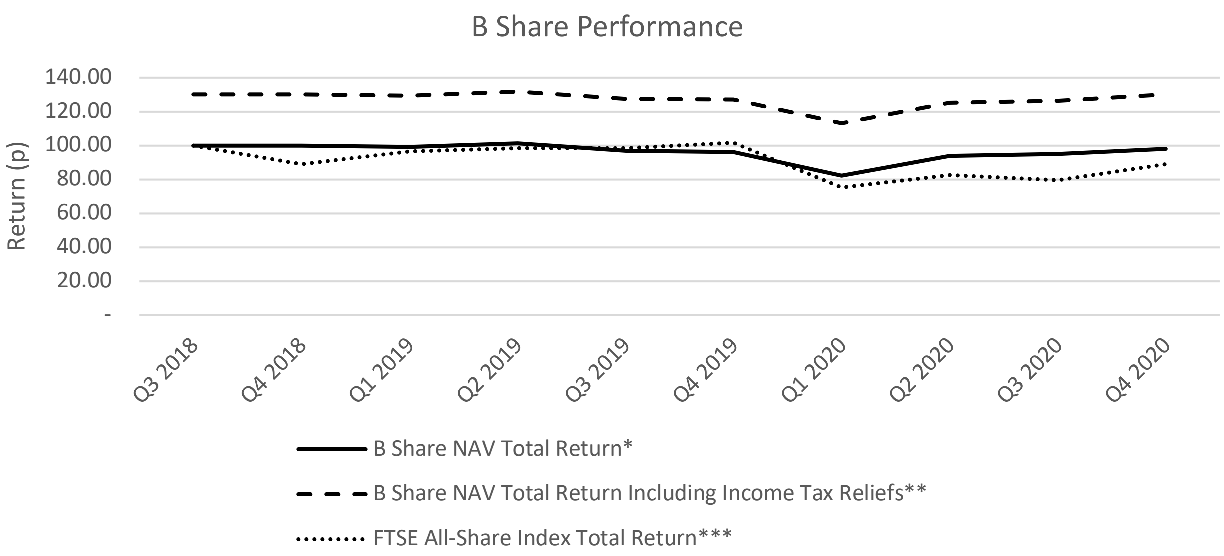
Company Performance

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

The graph below compares the NAV return (rebased to 100) of the Company's Ordinary shares over the period from October 2001 to December 2020 and the B shares from August 2018 to December 2020, with the total return from a notional investment (rebased to 100) in the FTSE All-Share index over the same period. This index is considered to be the most appropriate broad equity market index for comparative purposes. However, the Directors wish to point out that VCTs have very restrictive investment criteria in their observance of the VCT rules.



* Includes Ordinary share dividends reinvested. Rebased to 100p at launch
** Includes Ordinary share dividends reinvested and income tax relief on initial investment and Ordinary share reinvestments. Rebased to 100p at launch
*** Rebased to 100p at launch



* Includes B share dividends reinvested. Rebased to 100p at launch
** Includes B share dividends reinvested and income tax relief on initial investment and B share reinvestments. Rebased to 100p at launch
*** Rebased to 100p at launch

AIC methodology: The NAV Total Return to the investor, including the original amount invested (rebased to 100p) from launch, assuming the dividends paid were re-invested at the NAV of the Company at the time the shares were quoted.

Results - Return on ordinary activities as per Income Statement

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Net return attributable to Ordinary shareholders	**1,045**	(547)
Net return attributable to B shareholders	**252**	(168)
Total	**1,297**	(715)

Key Performance Indicators (KPIs)

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

KPI	**Objective**
Total Return (Net Asset Value plus cumulative dividends paid) per share for both share classes	To provide shareholders with an attractive income and capital return by investing its funds in a portfolio of both unquoted and AIM/AQSE quoted UK companies which meet the relevant criteria under the VCT rules.
The total expenses of the Company as a proportion of shareholders' funds	To maintain efficient operation of the VCT whilst minimising running costs.

The Total Return for the Ordinary shares and B shares is included in the Financial Summary on page 1 and the change in the Total Return is explained in the Chairman's Statement on pages 8 to 9. The Total Return for each share class increased during the year with the B share Total Return increasing 1.8% to 97.8p and the Ordinary share Total Return increasing 15.5% to 95.5p.

The increase in the Ordinary share Total Return is principally as a result of the increase in the share prices of the Ordinary share pool's AIM quoted investee companies and the subsequent realisations of these AIM quoted investments during the year as detailed in the Investment Manager's report on page 28.

Whilst the NAV per Ordinary share decreased by 0.2p from 30.4p to 30.2p during the year, this was after the payment of dividends per Ordinary share totalling 13.0p. A better understating of the underlying performance of the Company's Ordinary share portfolio during the year is therefore provided by considering the NAV movement per Ordinary share during the year before dividends which shows an increase of 12.8p (a 42% increase compared to 31 December 2019).

The increase in the B share Total Return in 2020 amounted to 1.7p which was principally due to the increase in the share prices of the B share pool's AIM quoted investee companies, the subsequent full and partial realisations of these AIM quoted investments during the year, offset by the impact of the Company's running costs on the B share pool and a reduction in the fair value of one of the B share pool's seven unquoted company investments as a result of the impact of C-19. Whist the overall NAV dropped by 1.3p, this was more than explained by the dividends of 3.0p per B share, paid in the period.

The Company has also invested £1.36 million into six new companies during the period in the B share pool and has also made four realisations as detailed in the Chairman's Statement on pages 8 to 9 (as well as one further investment from the Ordinary share portfolio being dissolved, that had previously been fully provided for). The new investments made are in line with the Company's expectations for deploying capital raised and indicative of the healthy pipeline of growth capital investment opportunities. The disposals are also in keeping with the Company's strategy on realising investments at an appropriate time.

We have also achieved dividend payments for both share classes.

- An interim capital dividend of 8 pence per Ordinary share for the year to 31 December 2020 was paid on 23 August 2020. A further interim capital dividend of 5 pence per Ordinary share for the year to 31 December 2020 was paid on 30 October 2020.

- An interim dividend of 1.5 pence per B share for the year to 31 December 2020 was paid on 15 May 2020. A second interim dividend of 1.5 pence per B share for the year to 31 December 2020 was paid on 24 December 2020.

The Company was able to maintain efficient operation of the VCT whilst minimising running costs as a proportion of shareholder's funds. For a three-year period with effect from 1 July 2018, expenses of the Company are capped at 3% of the weighted average net asset value of the B shares, including the management fee (but excluding any performance fee). Accordingly, Seneca reduced its management fee by £86,000 in the year to 31 December 2020 (2019: a reduction of £75,000) to keep expenses in line with this cap.

Viability Statement

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

The Board has carried out a robust assessment of the principal risks facing the Company and its current position, including those which may adversely impact its business model, future performance, solvency or liquidity. The principal risks faced by the Company and the procedures in place to monitor and mitigate them are set out below.

In addition to the above, the Company is also facing risks resulting from the impact of the C-19 pandemic. The Company's Board and Investment Manager are focused on ensuring that investee companies are taking the required actions to minimise the potential impact that the C-19 pandemic could have on them. The Board and Seneca will continue to review risks posed by C-19 and keep those risks under regular review.

The Board has also considered the Company's cash flow projections and found these to be realistic and reasonable. The assets of the Company consist mainly of securities, four of which are AIM quoted, relatively liquid and readily accessible, as well as more than £5 million of cash as at 31 December 2020 (47% of net assets). Since 31 December 2020, an additional unquoted investment has been made of £500k, but the Company has also realised a further £914k from these AIM quoted investments, further strengthening the Company's liquidity.

Based on the above assessment the Board confirms that it has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period to 31 December 2023.

Principal risks, risk management and regulatory environment

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

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

The Board keeps the Company's VCT qualifying status under regular review. The Board has also engaged Philip Hare & Associates LLP as VCT Status advisor.

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

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

- The Company's income in the period has been derived wholly or mainly (70% plus) from shares or securities.
- The Company has not retained more than 15% of its income from shares and securities.
- At least 80% by value of the Company's investments has been represented throughout the period by shares or securities comprised in qualifying holdings of the company. New funds raised are included in this requirement from the beginning of the accounting period in which the third anniversary of the share issue date falls. By virtue of a disregard of disposal proceeds, of which there have been £1.1m of relevant share sales (exit proceeds that occurred in the prevailing 12-month period are deducted from the total investments balance), as at the end of December 2020 the percentage is 100% in respect of the 80% Qualifying Holdings test. Note, these exit proceeds are only deducted to the point that the test reaches 100% but without these the Company was still well above the 80% qualifying requirement.
- At least 70% by value of the Company's qualifying holdings has been represented throughout the period by holdings of eligible shares (investments made before 6 April 2018 from funds raised before 6 April 2011 are excluded).
- At least 30% of funds raised after 31 December 2018 must be invested in qualifying investments by the anniversary of the accounting period in which those funds were raised. This was the first year of this new test, and as at 31 December 2020, 39% of funds raised in the year to 31 December 2019 had been invested in qualifying investments.

- No holding in any company has at any time in the period represented more than 15% by value of the Company's investments at the time of investment or when the holding is added to.
- The Company's ordinary capital has throughout the period been listed on a regulated European market.
- No investment made by the VCT has caused the investee company to receive more than £5m (or £10m for knowledge intensive companies) of State Aid investment in the year ended on the date of the VCT's investment, nor more than the lifetime limit of £12m (or £20m for knowledge intensive companies). Furthermore, the use of funds has not been contrary to the EU State Aid guidelines.

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

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

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

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

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

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

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

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

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

Gender and Diversity

The Board consists of four Directors comprising three Independent Directors, two of whom were appointed prior to the appointment of Seneca, with a further Independent Director appointed in December 2019. The fourth Director is the CEO of Seneca. The Board considers diversity when reviewing Board composition and has made a commitment to consider diversity when making future appointments. The Board will always appoint the best person for the job. It will not discriminate on the grounds of gender, race, ethnicity, religion, sexual orientation, age or physical ability. However, the Board fully supports the aims of the Hampton Alexander Report and the renewed focus and emphasis on diversity in the AIC Code of Corporate Governance (the "2019 AIC Code") and in due course will strive to comply with these recommendations.

Details of Directors

John Hustler (Non-Executive Chairman)
John joined Peat Marwick, now KPMG, in 1965 and became a Partner in 1983. Since leaving KPMG in 1993 to form Hustler Venture Partners Limited, he has advised and been a director of a number of growing companies. He is presently Chairman of Octopus Titan VCT plc. He was also a member of the Council of The Institute of Chartered Accountants in England and Wales and Chairman of its Corporate Finance Faculty from 1997-2000, and was a member of the Council of the British Venture Capital Association from 1989-1991. John has been a Director of the Company since inception and has extensive historic knowledge of the Ordinary share pool investments and the recent development of the Company's B share pool. His knowledge remains highly relevant to the ongoing success of the Company.

John has a beneficial interest in Scancell.

Richard Roth (Non-Executive Director and Chairman of the Audit Committee)
Richard is a director of all the Oxford Technology Venture Capital Trusts and Chairman of Oxford Technology 2 Venture Capital Trust Plc. He is a Chartered Management Accountant and worked in the airline industry for a number of companies including easyJet and was CFO of RoyalJet. He has subsequently had a number of consulting assignments, in particular helping companies determine their strategy, and implementing business improvements. He has invested in a number of small (mainly unquoted) companies and has also advised several potential start-up businesses – mainly travel-related. Richard has been a VCT investor for 20 years and this, combined with his multiple VCT directorships, provides the Company with valuable and detailed knowledge regarding the successful ongoing operation of a VCT.

Richard has a beneficial interest in Scancell, and Fuel3D.

Richard Manley (Non-Executive Director)
Richard is CEO of Seneca Partners Limited. He qualified as a chartered accountant with KPMG in 2004, joined NM Rothschild's Leveraged Finance team in Manchester in 2007 before joining Cenkos Fund Managers in 2008.

Richard joined Seneca on launch in 2010 and has been involved in the development of all areas of Seneca's business and played a key role in its journey from start up to managing more than £100m by 2020. He has been a continuous member of Seneca's investment and credit committees and has been involved in all of Seneca's EIS and VCT growth capital investments to date. Richard became Managing Partner of Seneca Partners Limited in 2016 and CEO in 2017. As CEO of the Investment Manager, Richard is well placed to provide the Company with timely and accurate updates in relation to the development of the B share portfolio, ongoing fundraise progress, upcoming investments and the continuing administration of the Company.

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

Alex has a beneficial interest in Scancell.

Directors' Report

The Directors present their Report and the audited Financial Statements for the year ended 31 December 2020.

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

Review of Business Activities

The Directors are required by section 417 of the Companies Act 2006 to include a Business Review to shareholders. This is set out on page 36 and forms part of the Strategic Report. The purpose of the Business Review is to inform members of the Company and help them assess how the Directors have performed their duty under section 172 of the Companies Act 2006 (duty to promote the success of the Company). The Company's section 172 Statement on page 6, the Chairman's Statement on page 8 to 13, and the Investment Manager's Report on pages 14 to 35 also form part of the Strategic Report.

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

Directors' Shareholdings – Ordinary shares

The Directors of the Company during the period and their interests (in respect of which transactions are notifiable under Disclosure and Transparency Rule 3.1.2R) in the issued Ordinary shares of 1p are shown in the table below:

	31 December 2020 Number of Shares	31 December 2019 Number of Shares
John Hustler	**190,000**	190,000
Alex Clarkson	**-**	-
Richard Manley	**-**	-
Richard Roth	**209,612**	209,612

All of the Directors' shares were held beneficially. There have been no changes in the Directors' Ordinary share interests between 31 December 2020 and the date of this report.

Directors' Shareholdings – B Shares

The Directors of the Company during the period and their interests (in respect of which transactions are notifiable under Disclosure and Transparency Rule 3.1.2R) in the issued B shares of 1p are shown in the table below:

	31 December 2020 Number of Shares	31 December 2019 Number of Shares
John Hustler	**-**	-
Alex Clarkson	**-**	-
Richard Manley	**62,071**	51,010
Richard Roth	**15,000**	15,000

All of the Directors' B shares were held beneficially. There have been no changes in the Directors' B share interests between 31 December 2020 and the date of this report.

Directors' and Officers' Liability Insurance

The Company has maintained directors' and officers' liability insurance cover on behalf of the Directors, Company Secretary and Investment Manager.

Whistleblowing

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

Bribery Act

The Board has approved an Anti-Bribery Policy to ensure full compliance with the Bribery Act 2010 and to ensure that the highest standards of professional and ethical conduct are maintained.

Management

Seneca as the Company's Investment Manager is responsible for the management of the Company's B share pool investments. Responsibility for the management of the Ordinary share pool investments has been delegated to those members of the current Board of Directors who served immediately prior to 23 August 2018, namely John Hustler and Richard Roth.

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

Corporate Governance Statement

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

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

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

- The Company does not have a Chief Executive Officer or a Senior Independent Director. The Board does not consider this necessary as it does not have any executive directors.
- New Directors do not receive a formal induction on joining the Board, though they do receive one tailored to them on an individual basis.
- The Company conducts a formal review as to whether there is a need for an internal audit function. However, the Directors do not consider that an internal audit would be an appropriate control for this VCT at this time.
- The Company does not have a Remuneration Committee as it does not have any executive directors.
- The Company does not have a Nomination Committee as these matters are dealt with by the Board.

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

Directors

Biographical details of the Directors are shown on page 42.

In accordance with the Articles of Association and good governance, all four Directors will retire and offer themselves for re-election at the forthcoming AGM.

The Board is satisfied that, following individual performance appraisals, the Directors who are retiring continue to be effective and demonstrate commitment to their roles and therefore offer themselves for re-election with the support of the Board. Further details regarding the Company's succession planning are set out in the Corporate Governance policy on pages 51 to 52.

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

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

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

International Financial Reporting Standards

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

Environmental, Social and Governance ("ESG") Practices

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

Given the size and nature of the Company's activities and the fact that it has no employees and only four non-executive Directors, the Board considers there is limited scope to develop and implement environmental, social and community policies, but recognises the importance of including consideration for such matters in investment decisions. The Board has taken into account the requirement of section 172(1) of the Companies Act 2006 and the importance of ESG matters when making decisions which could impact shareholders, stakeholders and the wider community. The Company's Section 172(1) statement has been provided in the Strategic Report on page 6, where the Directors consider the information to be of strategic importance to the Company.

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

The Investment Manager recognises that managing investments on behalf of clients involves taking into account a wide set of responsibilities in addition to seeking to maximise financial returns for investors. Industry practice in this area has been evolving rapidly and the Company seeks to be an active participant by working to define and strengthen its principles accordingly. This involves both integrating ESG considerations into the Investment Manager's investment decision-making process as a matter of course, and also signing up to major external bodies who are leading influencers in the formation of industry best practice. The following is an outline of the kinds of ESG considerations that the Investment Manager is taking into account as part of its investment process.

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

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

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

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

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

All of the Company's activities are outsourced to third parties. The Company therefore has no greenhouse gas emissions to report from its operations, nor does it have direct responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. For the same reasons as set out above, the Company considers itself to be a low energy user under the SECR regulations and therefore is not required to disclose energy and carbon information. A low energy user is defined as an organisation that uses 40 MWh or less during the reporting period.

Going Concern

The Company's business activities and the factors likely to affect its future performance and financial position are set out in the Chairman's Statement and Investment Manager's Report on pages 8 to 13 and pages 14 to 35. Further details on the management of the principal risks are set out on pages 39 to 40 and financial risks may be found in note 16 to the Financial Statements.

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

The assets of the Company consist mainly of securities, four of which are AIM quoted, relatively liquid and readily accessible, as well as more than £5 million of cash as at 31 December 2020 (47% of net assets). After reviewing the Company's forecasts and expectations, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its Financial Statements.

The Company is also facing risks resulting from the impact of the C-19 pandemic. The Company's Board and Investment Manager are focused on ensuring that investee companies are taking the required actions to minimise the potential impact that the C-19 pandemic could have on them. The Board and Seneca will continue to review risks posed by C-19 and keep those risks under regular review but do not consider the pandemic to have any impact on the Company's own ability to continue as a going concern.

Share Capital

As disclosed on page 99 the Board has authority to make market purchases of the Company's own B shares. No shares were purchased by the Company during the year (2019: nil).

At the last AGM held on 28 April 2020, the Board received authority to allot up to 35,000,000 B shares in connection with any offer(s) for subscription (and any subsequent top up offer of B shares) and up to 405,800 Ordinary shares (for any miscellaneous offers of such shares), which represented approximately 479% of the Company's issued B share capital and approximately 5% of its issued Ordinary share capital as at 28 April 2020.

During the year, the Company did not issue any Ordinary shares (2019: nil). During the year, the Company issued 2,701,500 B shares raising £2.4 million before expenses (2019: 2,325,078 shares and £2.3 million) No further shares have been issued between 31 December 2020 and the date of this report.

The Company's issued Ordinary share capital as at 31 December 2020 was 8,115,376 Ordinary shares of 1p each (31 December 2019: 8,115,376 Ordinary shares of 1p each) and 9,062,948 B shares of 1p each (31 December 2019: 6,361,448 B shares of 1p each).

The total number of shares in issue for both the Ordinary shares and B shares of 1p each as at 31 December 2020 and 19 February 2021 was 17,178,324 (31 December 2019: 14,476,824) with each share having one vote.

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

- The Company's capital structure and voting rights are summarised above, and there are no restrictions on voting rights nor any agreement between holders of securities that result in restrictions on the transfer of securities or on voting rights;
- There exist no securities carrying special rights with regard to the control of the Company;
- The rules concerning the appointment and replacement of directors, amendment of the Articles of Association and powers to issue or buy back of the Company's shares are contained in the Articles of Association of the Company and the Companies Act 2006;
- The Company does not have an employee share scheme;
- There are no agreements to which the Company is party that may affect its control following a takeover bid; and
- There are no agreements between the Company and its Directors providing for compensation for loss of office that may occur following a takeover bid or for any other reason, apart from their normal notice period and any fees potentially due under the performance fee arrangements set out on page 58 and note 6.

Substantial Shareholdings

At 31 December 2020 and at the date of this report, there was one holding of 3% and over of the Company's ordinary share capital. This holding related to Share Nominees Ltd and amounted to 3.34%.

Annual General Meeting

The Notice convening the 2021 AGM of the Company is set out at the end of this document (and a form of proxy in relation to the meeting is enclosed separately). Part of the business of the AGM will be to consider resolutions in relation to the following matters:

Resolutions 3 to 6 will seek the re-election of the existing four members of the Board as non-executive Directors of the Company.

Resolution 7 will seek the re-appointment of UHY Hacker Young LLP as Independent Auditor to the Company.

Resolution 8 will seek authorisation to determine the auditor's remuneration.

Resolution 9 will authorise the Directors to allot further B shares and Ordinary shares. This will enable the Directors until the next AGM to allot up to 35,000,000 B shares in connection with any offer(s) for subscription (and any subsequent top up offer of B shares) and up to 405,800 Ordinary shares (for any miscellaneous offers of such shares), representing approximately 386% of the Company's issued B share capital and approximately 5% of its issued Ordinary share capital as at 19 February 2021.

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

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

Resolution 12 will adopt amended Articles of Association which are substantially in the same form as the Company's current Articles of Association save that:

(i) existing Clause 146 regarding Unclaimed Dividends has been deleted and replaced with a new Clause 146 which provides the authorisation for all dividends, interest or other sum payable and unclaimed for 12 months after having become payable to be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of six years after having been declared or become due for payment shall (if the Board so resolves) be forfeited and shall cease to remain owing by the Company; and

(ii) existing Clauses 53 to 56 (including the insertion of new Clauses 55A and 56A) have been amended to include the ability for the Company to hold partially virtual general meetings.

(iii) Existing Clause 102 will be amended to authorise an increase in the total remuneration payable to the Directors to £100,000 to allow for the appointment of a new non-executive Director.

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

Copies of the Articles of Association of the Company (including a mark-up of the new articles of association proposed to be adopted pursuant to resolution 12) will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturday and Public Holidays excluded) from the date of this notice, until the end of the Annual General Meeting and at the place of the Annual General Meeting for at least 15 minutes prior to and during the meeting. However, given that shareholders will be unable to attend the AGM this year, the Articles of Association will also be available on the Company's website at https://senecavct.co.uk/reports-documents/.

Recommendation

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

By Order of the Board

Craig Hunter
Company Secretary
22 February 2021

Corporate Governance

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

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

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

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

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

Board of Directors

The Company has a Board of four non-executive Directors, details of each can be found on page 42. They meet on a regular basis to review the investment performance and monitor compliance with the investment policy laid down by the Board as set out in the Strategic Report on page 3.

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

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

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

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

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

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

	Board meetings attended (9 held in year)	Audit Committee meetings attended (2 held in year)
John Hustler	9	2
Alex Clarkson	9	2
Richard Manley	9	2
Richard Roth	9	2

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

Independence of Directors

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

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

Directors are appointed with the expectation that they will serve for a period of at least three years and all Directors will retire at the first general meeting after election and will be subject to annual re-election thereafter in line with practices recommended in the 2019 AIC Code. It is the Company's policy of tenure to review individual appointments every year, with increased scrutiny after nine years of service to consider whether the Director is still independent and still fulfils the role. However, in accordance with the principles of the 2019 AIC Code, we do not consider it necessary to mandatorily replace a Director, including the Chairman, after a predetermined period of tenure. A more flexible approach to Chairman tenure will help the Company manage succession planning in the context of the business needs of the Company, whilst at the same time still addressing the need for regular refreshment and diversity. The Company's report on Gender and Diversity is on page 41.

Given that the Chairman has now served as a Director for nearly 20 years, the Board and Chairman have had a number of conversations over the last 12 months with regard to his ongoing tenure and the process for identifying his potential successor. Whilst the Board has determined that John Hustler, 74, is capable of carrying out his duties effectively, given the policies outlined above, plans are now being made for his succession.

Remuneration in addition to the Directors' fees is potentially payable to those Directors serving prior to 23 August 2018 subject to certain conditions as set out in the Directors' Remuneration Report and Policy on pages 58 to 59. Having regard for the historic nature and circumstances under which the performance incentive fees were agreed, the Board does not believe that the performance incentive fees in any way impact or hinder the Directors' independence or present a conflict of interest which could compromise or override independent judgment of the Directors.

Performance Evaluation

In accordance with the 2019 AIC Code, each year a formal performance evaluation is undertaken of the Board as a whole, its Committees and the Directors in the form of one-to-one meetings or telephone calls between the Chairman and each Director. The Directors were made aware of the annual performance evaluation on their appointment. The Board considers the size of the Company, the number of independent non-executive Directors on the Board and the robustness of the reviews to be such that an external Board evaluation is unnecessary. Annual evaluations of the Board consider its composition, diversity, succession planning and how effectively members work together to achieve objectives as well as individual contributions. The Chairman provides a summary of the findings to the Board, which are discussed at the next meeting and an action plan agreed. The performance of the Chairman is evaluated by the other Directors. The Board has not appointed a Senior Independent Director, as it does not believe that such an appointment is necessary when the Board is comprised solely of non-executive Directors. As suggested in the 2019 AIC Code, this role can be, and in this instance is, fulfilled by the Chairman of the Audit Committee, Richard Roth.

The Board sets out the assessment of its members and explains why its members are and continue to be of importance to the long-term sustainable success of the business on page 45.

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

Board Committees

The Board does not have a separate remuneration committee, as the Company has no employees or executive directors. Detailed information relating to the remuneration of Directors is given in the Directors' Remuneration Report and Policy on pages 58 to 59.

The Board as a whole considers the selection and appointment of Directors and reviews Directors' remuneration on an annual basis. The Board considers the Company's size to be such that it is unnecessary to form a separate committee for the purposes of nomination. When making an appointment, the Board draws on its members' extensive business experience and range of contacts to identify suitable candidates. To date the use of formal advertisements and external search consultants have not been used. However, the Board would consider their use as and when appropriate. The Board speaks regularly about Board composition and succession planning in order to identify and address any issues that may arise.

The Board has appointed an Audit Committee to make recommendations to the Board in line with its terms of reference. The committee is chaired by Richard Roth and consists of all four Directors. The Audit Committee believes Richard Roth possesses appropriate and relevant financial experience as per the requirements of the 2019 AIC Code. The Board considers that the members of the Committee have collectively the skills and experience required to discharge their duties effectively.

The Audit Committee's terms of reference, and how it discharges its duties are listed on pages 55 to 57.

Internal Control

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

City Partnership are the custodian of the documents of title relating to the Company's unquoted investments.

Seneca are also the Administration Manager in addition to their role as the Investment Manager.

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

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

Financial Risk Management Objectives and Policies

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

Relations with Shareholders

Shareholders have the opportunity to meet the Board at the AGM. In addition, shareholders have the opportunity to engage directly with the Board as part of the regular shareholder update presentations as detailed in the Strategic Report on page 6 and the Board is available to answer any questions a shareholder may have and is happy to respond to written queries made by shareholders during the course of the year. The Board can be contacted at the Company's registered office: 9 The Parks, Haydock, WA12 0JQ.

There was no resolution proposed at the last AGM which received 20% or more of votes cast against it for the purposes of disclosure under Provision 4 of the UK Code.

Compliance Statement

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

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

- The Company does not have a Chief Executive Officer or a Senior Independent Director. The Board does not consider this necessary as it does not have any executive directors.
- New Directors do not receive a formal induction on joining the Board, though they do receive one tailored to them on an individual basis.
- The Company conducts a formal review as to whether there is a need for an internal audit function. However, the Directors do not consider that an internal audit would be an appropriate control for this VCT at this time.
- The Company does not have a Remuneration Committee as it does not have any executive directors.
- The Company does not have a Nomination Committee as these matters are dealt with by the Board.

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

By Order of the Board

Craig Hunter
Company Secretary
22 February 2021

Audit Committee Report

This report is submitted in accordance with the 2019 AIC Code in respect of the year ended 31 December 2020 and describes the work of the Audit Committee in discharging its responsibilities.

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

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

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

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

The Committee reviews its terms of reference and its effectiveness periodically and recommends to the Board any changes required as a result of the review. The terms of reference are available on request from the Company Secretary. The Committee meets at least twice each year and on an ad hoc basis as necessary. It has direct access to the Company's external auditor. The Committee is happy to recommend UHY Hacker Young LLP for reappointment at the AGM in relation to the audit for the year ending 31 December 2021. UHY Hacker Young LLP do not provide any non-audit services and as such, the Committee does not believe there is any risk that any non-audit services can influence their independence or objectivity due to any associated fee. When considering whether to recommend the reappointment of the external auditor the Committee takes into account the quality of service, tenure of the current auditor in addition to comparing the fees charged by similar sized audit firms. Once the Committee has made a recommendation to the Board in relation to the appointment of the external auditor, this is then ratified at the AGM through an Ordinary Resolution.

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

The Company does not have an independent internal audit function as it is not deemed appropriate given the size of the Company and the nature of the Company's business. However, the Committee considers annually whether there is a need for such a function and if so would recommend this to the Board.

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

During the year ended 31 December 2020, the Audit Committee discharged its responsibilities by:

- reviewing and approving the external auditor's terms of engagement and remuneration;
- reviewing the external auditor's plan for the audit of the Company's Financial Statements, including identification of key risks and confirmation of auditor independence;
- reviewing Seneca's statement of internal controls in relation to the Company's business and assessing the effectiveness of those controls in minimising the impact of key risks;
- reviewing the appropriateness of the Company's accounting policies;
- reviewing the Company's draft Annual Financial and Interim results statements prior to Board approval;
- reviewing the Company's going concern status as referred to on pages 47 and 82; and
- reviewing the external auditor's Report to the Audit Committee on the annual Financial Statements.

The Committee has considered the Report and Financial Statements for the year ended 31 December 2020 and has reported to the Board that it considers them to be fair, balanced and understandable and providing the information necessary for shareholders to assess the Company's performance, business model and strategy.

Significant Risks

The Audit Committee is responsible for considering and reporting on any significant risks that arise in relation to the audit of the Financial Statements. The Committee and the Auditors have identified the most significant risks for the Company as:

- Valuation and ownership of investment portfolio: The Auditors give special audit consideration to the valuation and ownership of investments and the supporting data provided by Seneca and the Board of Seneca Growth Capital. The impact of this risk could be a large movement in the Company's net asset value. Guidelines, discussions, reviewing and challenging the basis and reasonableness of assumptions made in conjunction with available supporting information goes into the valuation process. The valuations are supported by investee company Financial Statements and/or third-party evidence where possible. Otherwise, valuations are supported by the share price of the most recent fundraising and/or management information. These give comfort to the Audit Committee.
- Management override of financial controls: The Auditors specifically review all significant accounting estimates that form part of the Financial Statements and consider any material judgements applied by the Board or Investment Manager during the preparation of the Financial Statements.
- Compliance with HMRC conditions for maintenance of approved VCT status: Philip Hare & Associates LLP provide the Company with advice on the on-going compliance with the HMRC rules and regulations concerning VCTs and the Investment Manager and the Board review the advice.
- Recognition of revenue from investments: Revenue is recognised when the Company's right to the return is established in accordance with the Statement of Recommended Practice. The Company had no revenue in 2020, and Seneca has confirmed this to the Audit Committee.
- Performance Fees: The Auditors give special audit consideration to the performance fees as these are directly linked to the NAV which is dependent upon investment valuations. The Audit Committee gives

due consideration to the valuation methodology as referenced above and maintains controls around performance fees to mitigate any risks to the Company's costs.

These issues were discussed with Seneca, the Board of Seneca Growth Capital and the Auditors at the conclusion of the audit of the Financial Statements.

The Audit Committee is also responsible for considering and reporting on any significant issues that arise in relation to the audit of the Financial Statements. The Audit Committee can confirm that there were no significant issues to report to the shareholders in respect of the audit of the Financial Statements for the year ended 31 December 2020.

Richard Roth
Audit Committee Chairman
22 February 2021

Directors’ Remuneration Report and Policy

Introduction

This report is submitted in accordance with the requirements of s420-422 of the Companies Act 2006, in respect of the year ended 31 December 2020. A resolution to approve the Directors’ Remuneration Report will be proposed at the Annual General Meeting on 29 March 2021. The statement of Directors’ Remuneration Policy was last approved by shareholders at the Annual General Meeting on 10 June 2019. The Directors’ Remuneration Report was last approved at the Annual General Meeting on 28 April 2020.

The Company’s independent auditor, UHY Hacker Young LLP, is required to give its opinion on certain information included in this report as indicated below. Their report on these and other matters is set out on pages 61 to 69.

Consideration by the Directors of Matters Relating to Directors’ Remuneration

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

Statement of the Company’s policy on Directors’ Remuneration

The Board manages the Company and consists of four Directors, who meet formally as a Board at least four times a year and on other occasions as necessary, to deal with the important aspects of the Company’s affairs. Seneca is the Company’s Investment Manager and are responsible for the management of the investments made from the B share pool, although management of the investments in the Company’s Ordinary share pool has been delegated to the remaining members of the Board of the Company serving immediately prior to the appointment of Seneca (the Commercial Advisory Committee or “CAC”), which now consists of John Hustler and Richard Roth. Directors are appointed with the expectation that they will serve for a period of at least three years. All Directors retire at the first general meeting after election and thereafter will be subject to re-election on an annual basis in line with practices recommended in the 2019 AIC Code. Re-election will be recommended by the Board but is dependent upon a shareholder vote.

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

Each Director’s annual fee is currently £15,000 per annum inclusive of all expenses, with the exception of Richard Roth whose fee was increased from £15,000 per annum to £20,000 per annum inclusive of all expenses with effect from 1 October 2020. As part of the Board’s regular review of Directors’ fees, it was determined that Richard Roth’s Director’s fee would increase to reflect the work performed by him in respect of his role as Chairman of the Audit Committee. It was also decided that Richard Roth would receive a one-off payment of £2,500 in respect of the work he performed as part of this role for the period prior to 1 October 2020.

The performance incentive fees relevant to those Directors serving up to 7 October 2015 were revised under an agreement dated 7 October 2015 (the “Accrued Performance Incentive Fee”). The new arrangements froze the sum due to those Directors serving up to 7 October 2015 at £702,000 (the accrued liability as disclosed in the 2014 audited Financial Statements) which will only start to become payable once a further 14.75p of dividends have been paid in respect of each Ordinary share (such that original subscribing shareholders will have received 80p per share in dividends). As no liability is payable to any relevant Director more than five years after his resignation from the Company, James Otter is no longer entitled to any such fee: as explained in Note 6, his potential share of any liability has been extinguished and the remaining total potential liability under the Accrued Performance Incentive Fee has been reduced to £468,000. This liability will then be paid at the rate of 16.67% of subsequent dividends until a liability of £468,000 has been discharged; this is in keeping with the original approved arrangement. Following the payment of this liability, any further performance fee in the future will be payable at the reduced rate of 10% of total distributions above the audited total return at 31 December 2014, with the outstanding balance subject to a hurdle rate of 6% per annum, and will be split between the members of the CAC based on a formula driven by relative length of service starting from 7 October 2015 ("Further Performance Incentive Fee"). Further details of the revised arrangements are set out in note 6 to the Financial Statements.

The Company entered into an agreement with Charles Breese following his resignation on 10 June 2019 that he will be entitled to a pro rata proportion of performance fees as set out in note 6 to the Financial Statements.

Company Performance

The Board is responsible for the Company's investment strategy and performance. The performance table on page 36 shows the performance of the Company.

Directors' Emoluments (Information Subject to Audit)

Amount of each Director's emoluments:

Directors' fees	**Year ended 31 December 2020 £**	**Year ended 31 December 2019 £**
John Hustler (Chairman)	**15,000**	**12,897**
Charles Breese	**-**	**6,375**
Richard Roth	**18,750**	**12,897**
Alex Clarkson	**15,000**	**981**
Richard Manley	**-**	**-**
Total	**48,750**	**33,150**

Richard Manley, a director of the Investment Manager, has elected to waive his Director's fee until the operating costs are less than the expenses cost cap.

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

By order of the Board
Craig Hunter
Company Secretary
22 February 2021

Directors' Responsibilities Statement

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

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

In preparing these Financial Statements, the Directors are required to:

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

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

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

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

- there is no relevant audit information of which the Company's auditor is unaware;
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information;
- the Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Investment Manager's Report, Business Review and Directors' Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board

John Hustler
Chairman
22 February 2021

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

Opinion

We have audited the Financial Statements of Seneca Growth Capital VCT Plc for the year ended 31 December 2020, which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Statement of Cash Flows and the related notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of the Company's return 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.

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 statement is appropriate. Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

Evaluation of management assessment	Key observations
We evaluated the Directors' going concern assessment and performed the following procedures: • We assessed the appropriateness of the cash flow forecasts in the context of the Company's 2020 financial performance and evaluated the Directors' sensitivities performed against this forecast. • We evaluated the key assumptions in the forecast, which were consistent with our knowledge of the business and considered	At 31 December 2020, the Company held cash of £5,056,000 at bank. The Company's cash flow forecasts to 1 March 2022 ('the going concern period') have been approved by the Board. These are prepared based on certain key assumptions, against which plausible sensitivities have been applied. These included considering further investments being made, no further shares to be issued and no further investments to be realised over the forecast period.

whether these were supported by the evidence we obtained. • We compared the prior year forecast against current year actual performance to assess management's ability to forecast accurately. We factored in to our assessment the previous expectation of the B share fund raise expectations in light of C-19 and accordingly the investments made in 2020. • We examined and confirmed the Directors' assessment of the liquidity of the AIM listed shares. • We also reviewed the disclosures relating to going concern basis of preparation and found that these provided an explanation of the Directors' assessment that was consistent with the evidence we obtained.	The forecast shows that the Company has at all times available cash and liquidity to meets its liabilities as they fall due. Based on the audit procedures performed we concluded that the Company has appropriately adopted the going concern basis of preparation. Further, we did not identify any material disclosures that should be included regarding any material uncertainty in respect of the going concern basis of preparation.

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 reporting on how they have applied the AIC Code of Corporate Governance (the "2019 AIC 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.

Our approach to the audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the Financial Statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the Financial Statements as a whole, taking into account an understanding of the structure of the Company, their activities, the accounting processes and controls, and the industry in which it operates. Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement.

The audit team met and communicated regularly throughout the audit with the Audit Committee and the Investment Manager in order to ensure we had a good knowledge of the business of the Company. During the audit, we reassessed and re-evaluated audit risks and tailored our approach accordingly.

The audit testing included substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls and the management of specific risks.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identified during the audit.

Key audit matters

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

These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified during our audit. Going concern is a significant key audit matter and is described above. In arriving at our audit opinion above, the other key audit matters were as follows:

Key risks	**Approach taken for the assessed risks**
Valuation of Investments and recognition of realised gains and losses The investment portfolio and associated realised and unrealised gains and losses are the key driver to the financial performance of the Company. Due to the nature of the Company's business, there is an inherent risk that if incorrectly valued this will have the greatest impact on both the Income Statement and Balance Sheet. The investment portfolio at the year-end had a carrying value of £6,123,584.	Our audit work included, but was not restricted to: • For quoted shares, we tested the value of the investments by reference to market price information at the year-end. • The unquoted investment valuations include significant assumptions and judgement by management and there is inherent estimation uncertainty. We obtained an understanding of how the valuations were performed considered whether the method chosen was in accordance with published guidance and reviewed and challenged the assumptions applied to the valuation inputs. We verified and benchmarked key inputs and estimates to independent information from our own research and against metrics from the investments. Where appropriate, we have performed sensitivity analysis on the valuation calculations. Alternative valuations methods were considered and discussed with

	management to provide alternative views on the value of the investments. Further, we also considered the economic environment in which the investments operate in to identify factors that could impact the investment valuation. • We agreed the purchase and sale of investments to supporting evidence of the transaction and cash movements on a sample basis and recalculated the realised gains and losses on the sale of investments for both the individual transactions on a sample basis and for the total portfolio. • Checking the movement in unrealised gains and losses for arithmetical accuracy and validated by reviewing the opening costs to prior year balances on a sample basis. The Company's accounting policy on fixed asset investments held at fair value through profit or loss is shown on page 83 to the Financial Statements and related disclosures are included in note 10. **Key observations** Our testing did not identify any material misstatements in the valuation of the Company's investment portfolio as at the year end.
Compliance with the VCT rules Compliance with the VCT rules is necessary to maintain the VCT status and associated tax benefits.	Our audit work included, but was not restricted to: • Review of the design and implementation of controls around the ongoing internal assessment and monitoring of VCT compliance. We obtained an understanding of the processes adopted and evidenced the work completed by the Investment Manager on documenting compliance with the key VCT rules and management's review of this on a regular basis. Further, an external VCT Adviser is employed to complete a six monthly assessment of the Company's compliance with the VCT Rules that is reviewed by management, copies of which we reviewed.

	• Testing the eleven conditions for maintaining approval as a VCT as set out by HMRC. Each of the conditions was reviewed in turn in order to assess whether it had been met as at the year-end. **Key observations** We reviewed the documentation maintained, that confirmed the Company was in compliance with the VCT rules during the period and at the year end. Further our own testing of compliance with the individual VCT rules did not identify any breaches.

Our application of materiality

The scope and focus of our audit was influenced by our assessment and application of materiality. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the Financial Statements.

We define financial statement materiality as the magnitude by which misstatements, including omissions, could reasonably be expected to influence the economic decisions taken on the basis of the Financial Statements by reasonable users.

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

Materiality Measure	**Company**
Overall materiality	We determined materiality for the Financial Statements as a whole to be £223,000.
How we determine it	Based on a benchmark of 2% of gross assets.
Rationale for benchmarks applied	We believe 2% of gross assets to be the most appropriate benchmark, as it primarily comprises the Company's investment portfolio, which is considered to be the key driver of the Company's total return performance and forms part of the net asset value calculation being the performance measure investors use to assess the Company's performance.
Performance materiality	On the basis of our risk assessment, together with our assessment of the Company's control environment, our judgement is that performance materiality for the Financial Statements should be 75% of materiality, and was set at £167,250.

Specific materiality	We also determine a lower level of specific materiality for certain areas such as Director's remuneration. Area materiality for the disclosure of the cash element of Director's remuneration has been set at £2,000 and performance materiality of £1,000.
Reporting threshold	We agreed with the Audit Committee that we would report to them all misstatements over £11,150 (5% of overall materiality) identified during the audit, as well as differences below that threshold that, in our view, warrant reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the Financial Statements.

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 Company's 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, 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.

Corporate Governance Statement

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

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

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 47;
- Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 38;
- Directors' statement on fair, balanced and understandable set out on page 43;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 39;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 53; and
- The section describing the work of the Audit Committee set out on page 55 to 57.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 60, 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.

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:

Based on our understanding of the Company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the Company which were contrary to applicable laws and regulations including fraud and we considered the extent to which non-compliance might have a material effect on the Financial Statements. We also considered those laws and regulations that have a direct impact on the preparation of the Financial Statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the Financial Statements (including the risk of override of controls), and determined that the principal risks were related to inflated investment valuations and profit.

Audit procedures performed included: review of the Financial Statement disclosures to underlying supporting documentation, review of correspondence with legal advisors, and enquiries of management in so far as they related to the Financial Statements, and testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

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. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Other matters which we are required to address

Following the recommendation of the Audit Committee, we were appointed by Seneca Growth Capital VCT Plc to audit the Financial Statements for the year ending 31 December 2018 and subsequent financial periods. Our ongoing appointment is confirmed by shareholders annually. The period of total uninterrupted engagement is 3 years, covering the years ending 31 December 2018 to 31 December 2020.

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.

Daniel Hutson (Senior Statutory Auditor)
For and on behalf of
UHY Hacker Young
Chartered Accountants
Statutory Auditors

Quadrant House
4 Thomas More Square
London, E1W 1YW

22 February 2021

Combined Income Statement

		Combined Year to 31 December 2020			Combined Year to 31 December 2019		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gain on disposal of fixed asset investments		**-**	**948**	**948**	-	52	52
Gain/(loss) on valuation of fixed asset investments		**-**	**682**	**682**	-	(752)	(752)
Income	2	**-**	**-**	**-**	-	-	-
Performance fee	6	**-**	**(140)**	**(140)**	-	136	136
Investment management fee net of cost cap	3	**(10)**	**(31)**	**(41)**	(7)	(21)	(28)
Other expenses	4	**(150)**	**(2)**	**(152)**	(123)	-	(123)
Return on ordinary activities before tax		**(160)**	**1,457**	**1,297**	(130)	(585)	(715)
Taxation on return on ordinary activities	7	**-**	**-**	**-**	-	-	-
Return on ordinary activities after tax		**(160)**	**1,457**	**1,297**	(130)	(585)	(715)
Return on ordinary activities after tax attributable to:							
Owners of the fund		**(160)**	**1,457**	**1,297**	(130)	(585)	(715)

There was no other Comprehensive Income recognised during the year

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

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

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

Ordinary Share Income Statement (non-statutory analysis)

		Ordinary shares Year to 31 December 2020			Ordinary shares Year to 31 December 2019		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gain on disposal of fixed asset investments		**-**	**720**	**720**	-	38	38
Gain/(loss) on valuation of fixed asset investments	10	**-**	**467**	**467**	-	(725)	(725)
Income	2	**-**	**-**	**-**	-	-	-
Performance fee	6	**-**	**(140)**	**(140)**	-	136	136
Investment management fee	3	**-**	**-**	**-**	-	-	-
Other expenses	4	**-**	**(2)**	**(2)**	4	-	4
Return on ordinary activities before tax		**-**	**1,045**	**1,045**	4	(551)	(547)
Taxation on return on ordinary activities	7	**-**	**-**	**-**	-	-	-
Return on ordinary activities after tax		**-**	**1,045**	**1,045**	4	(551)	(547)
Return on ordinary activities after tax attributable to:							
Ordinary shareholders		**-**	**1,045**	**1,045**	4	(551)	(547)
Earnings per share – basic and diluted	8	**0.0p**	**12.8p**	**12.8p**	0.0p	(6.7)p	(6.7)p

B Share Income Statement (non-statutory analysis)

		B shares Year to 31 December 2020			B shares Year to 31 December 2019		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gain on disposal of fixed asset investments		**-**	**228**	**228**	-	14	14
Gain/(loss) on valuation of fixed asset investments	10	**-**	**215**	**215**	-	(27)	(27)
Income	2	**-**	**-**	**-**	-	-	-
Performance fee	6	**-**	**-**	**-**	-	-	-
Investment management fee net of cost cap	3	**(10)**	**(31)**	**(41)**	(7)	(21)	(28)
Other expenses	4	**(150)**	**-**	**(150)**	(127)	-	(127)
Return on ordinary activities before tax		**(160)**	**412**	**252**	(134)	(34)	(168)
Taxation on return on ordinary activities	7	**-**	**-**	**-**	-	-	-
Return on ordinary activities after tax		**(160)**	**412**	**252**	(134)	(34)	(168)
Return on ordinary activities after tax attributable to:							
B shareholders		**(160)**	**412**	**252**	(134)	(34)	(168)
Earnings per share – basic and diluted	8	**(2.2)p**	**5.7p**	**3.5p**	(2.5)p	(0.7)p	(3.2)p

Combined Statement of Changes in Equity

	Share capital £'000	Share premium £'000	Special distributable reserve £'000	Capital reserve realised gains/ (losses) £'000	Capital reserve holding gains/ (losses) £'000	Revenue reserve £'000	Total £'000
Balance as at 1 January 2019	**121**	**568**	**10,839**	**1,029**	**(1,309)**	**(1,967)**	**9,281**
B share issue	24	2,238	-	-	-	-	2,262
Revenue return on ordinary activities after tax	-	-	-	-	-	(130)	(130)
Expenses charged to capital	-	-	-	(21)	-	-	(21)
Performance fee allocated as capital expenditure	-	-	-	136	-	-	136
Dividends paid	-	-	(2,444)	-	-	-	(2,444)
Current period gains on disposal	-	-	-	52	-	-	52
Current period losses on fair value of investments	-	-	-	-	(752)	-	(752)
Balance as at 31 December 2019	**145**	**2,806**	**8,395**	**1,196**	**(2,061)**	**(2,097)**	**8,384**
B share issue	27	2,363	-	-	-	-	2,390
Revenue return on ordinary activities after tax	-	-	-	-	-	(160)	(160)
Expenses charged to capital	-	-	-	(33)	-	-	(33)
Performance fee allocated as capital expenditure	-	-	-	(140)	-	-	(140)
Dividends paid	-	-	(1,301)	-	-	-	(1,301)
Current period gains on disposal	-	-	-	948	-	-	948
Current period gains on fair value of investments	-	-	-	-	682	-	682
Prior years' unrealised losses now realised	-	-	-	(267)	267	-	-
Balance as at 31 December 2020	**172**	**5,169**	**7,094**	**1,704**	**(1,112)**	**(2,257)**	**10,770**

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

Ordinary Shares - Statement of Changes in Equity

	Share capital £'000	Share premium £'000	Special distributable reserve £'000	Capital reserve realised gains/ (losses) £'000	Capital reserve holding gains/ (losses) £'000	Revenue reserve £'000	Total £'000
Balance as at 1 January 2019	**81**	**-**	**7,412**	**1,047**	**(1,309)**	**(1,949)**	**5,282**
Revenue return on ordinary activities after tax	-	-	-	-	-	4	4
Performance fee allocated as capital expenditure	-	-	-	136	-	-	136
Dividends paid	-	-	(2,272)	-	-	-	(2,272)
Current period gains on disposal	-	-	-	38	-	-	38
Current period losses on fair value of investments	-	-	-	-	(725)	-	(725)
Balance as at 31 December 2019	**81**	**-**	**5,140**	**1,221**	**(2,034)**	**(1,945)**	**2,463**
Revenue return on ordinary activities after tax	-	-	-	-	-	-	-
Expenses charged to capital	-	-	-	(2)	-	-	(2)
Performance fee allocated as capital expenditure	-	-	-	(140)	-	-	(140)
Dividends paid	-	-	(1,055)	-	-	-	(1,055)
Current period gains on disposal	-	-	-	720	-	-	720
Current period gains on fair value of investments	-	-	-	-	467	-	467
Prior years' unrealised losses now realised	-	-	-	(267)	267	-	-
Balance as at 31 December 2020	**81**	**-**	**4,085**	**1,532**	**(1,300)**	**(1,945)**	**2,453**

B Shares - Statement of Changes in Equity

	Share capital £'000	Share premium £'000	Special distributable reserve £'000	Capital reserve realised gains/ (losses) £'000	Capital reserve holding gains/ (losses) £'000	Revenue reserve £'000	Total £'000
Balance as at 1 January 2019	**40**	**568**	**3,427**	**(18)**	**-**	**(18)**	**3,999**
B share issue	24	2,238	-	-	-	-	2,262
Revenue return on ordinary activities after tax	-	-	-	-	-	(134)	(134)
Expenses charged to capital	-	-	-	(21)	-	-	(21)
Dividends paid	-	-	(172)	-	-	-	(172)
Current period gains on disposal	-	-	-	14	-	-	14
Current period losses on fair value of investments	-	-	-	-	(27)	-	(27)
Balance as at 31 December 2019	**64**	**2,806**	**3,255**	**(25)**	**(27)**	**(152)**	**5,921**
B share issue	27	2,363	-	-	-	-	2,390
Revenue return on ordinary activities after tax	-	-	-	-	-	(160)	(160)
Expenses charged to capital	-	-	-	(31)	-	-	(31)
Dividends paid	-	-	(246)	-	-	-	(246)
Current period gains on disposal	-	-	-	228	-	-	228
Current period gains on fair value of investments	-	-	-	-	215	-	215
Balance as at 31 December 2020	**91**	**5,169**	**3,009**	**172**	**188**	**(312)**	**8,317**

Combined Balance Sheet

	Note	Combined as at 31 December 2020 £'000	Combined as at 31 December 2020 £'000	Combined as at 31 December 2019 £'000	Combined as at 31 December 2019 £'000
Fixed asset investments*	10	**-**	**6,123**		4,761
Current assets:					
Debtors	11	**7**	**-**	3	
Cash at bank and in hand		**5,056**		3,909	
Creditors: amounts falling due within one year	12	**(223)**	**-**	(236)	
Net current assets			**4,840**		3,676
Creditors: amounts falling due after more than one year	12	**(193)**		(53)	
Net assets			**10,770**		8,384
Called up equity share capital	13		**172**		145
Share premium	14		**5,169**		2,806
Special distributable reserve	14		**7,094**		8,395
Capital reserve – realised gains and losses	14		**1,704**		1,196
– holding gains and losses	14		**(1,112)**		(2,061)
Revenue reserve	14		**(2,257)**		(2,097)
Total equity shareholders' funds			**10,770**		8,384

*At fair value through profit and loss

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

The statements were approved by the Directors and authorised for issue on 22 February 2021 and are signed on their behalf by:

John Hustler
Chairman
Company No: 04221489

Ordinary Share Balance Sheet (non-statutory analysis)

	Note	Ordinary shares as at 31 December 2020 £'000	£'000	Ordinary shares as at 31 December 2019 £'000	£'000
Fixed asset investments*	10		**2,141**		2,068
Current assets:					
Debtors		**-**		-	
Cash at bank and in hand		**527**		470	
Creditors: amounts falling due within one year		**(22)**		(22)	
Net current assets			**505**		448
Creditors: amounts falling due after more than one year	12	**(193)**		(53)	
Net assets			**2,453**		2,463
Called up equity share capital	13		**81**		81
Share premium			**-**		-
Special distributable reserve			**4,085**		5,140
Capital reserve – realised gains and losses			**1,532**		1,221
– holding gains and losses			**(1,300)**		(2,034)
Revenue reserve			**(1,945)**		(1,945)
Total equity shareholders' funds			**2,453**		2,463
Net asset value per share	9		**30.2p**		30.4p

*At fair value through profit and loss

B Share Balance Sheet (non-statutory analysis)

	Note	B shares as at 31 December 2020 £'000	B shares as at 31 December 2020 £'000	B shares as at 31 December 2019 £'000	B shares as at 31 December 2019 £'000
Fixed asset investments*	10		**3,982**		2,693
Current assets:					
Debtors		**7**		3	
Cash at bank and in hand		**4,529**		3,439	
Creditors: amounts falling due within one year		**(201)**		(214)	
Net current assets			**4,335**		3,228
Creditors: amounts falling due after more than one year	12	**-**		-	
Net assets			**8,317**		5,921
Called up equity share capital	13		**91**		64
Share premium			**5,169**		2,806
Special distributable reserve			**3,009**		3,255
Capital reserve – realised gains and losses			**172**		(25)
– holding gains and losses			**188**		(27)
Revenue reserve			**(312)**		(152)
Total equity shareholders' funds			**8,317**		5,921
Net asset value per share	9		**91.8p**		93.1p

*At fair value through profit and loss

Combined Statement of Cash Flows

	Note	Combined Year to 31 December 2020 £'000	Combined Year to 31 December 2019 £'000
Cash flows from operating activities			
Return on ordinary activities before tax		**1,297**	(715)
Adjustments for:			
(Increase)/decrease in debtors	11	**(4)**	20
Increase/(decrease) in creditors	12	**143**	(143)
Gain on disposal of fixed asset investments		**(948)**	(52)
(Gain)/loss on valuation of fixed asset investments		**(682)**	752
Cash from operations		**(194)**	(138)
Income taxes paid	7	**-**	-
Net cash used in operating activities		**(194)**	(138)
Cash flows from investing activities			
Purchase of fixed asset investments	10	**(1,360)**	(2,248)
Sale of fixed asset investments	10	**1,628**	80
Total cash inflow/(outflow) from investing activities		**268**	(2,168)
Cash flows from financing activities			
Dividend paid		**(1,301)**	(2,444)
Issue of B shares		**2,390**	2,262
Awaiting B share issue	12	**(16)**	(49)
Total cash inflow/(outflow) from financing activities		**1,073**	(231)
Increase/(decrease) in cash and cash equivalents		**1,147**	(2,537)
Opening cash and cash equivalents		**3,909**	6,446
Closing cash and cash equivalents		**5,056**	3,909

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

Ordinary Shares Statement of Cash Flows (non-statutory analysis)

	Note	Ordinary shares Year to 31 December 2020 £'000	Ordinary shares Year to 31 December 2019 £'000
Cash flows from operating activities			
Return on ordinary activities before tax		**1,045**	(547)
Adjustments for:			
(Increase)/decrease in debtors		**-**	-
Increase/(decrease) in creditors		**140**	(174)
Gain on disposal of fixed asset investments		**(720)**	(38)
(Gain)/loss on valuation of fixed asset investments	10	**(467)**	725
Cash from operations		**(2)**	(34)
Income taxes paid	7	**-**	-
Net cash used in operating activities		**(2)**	(34)
Cash flows from investing activities			
Sale of fixed asset investments	10	**1,114**	38
Total cash inflow from investing activities		**1,114**	38
Cash flows from financing activities			
Dividend paid		**(1,055)**	(2,272)
Total cash outflow from financing activities		**(1,055)**	(2,272)
Increase/(decrease) in cash and cash equivalents		**57**	(2,268)
Opening cash and cash equivalents		**470**	2,738
Closing cash and cash equivalents		**527**	470

B Shares Statement of Cash Flows (non-statutory analysis)

	Note	B shares Year to 31 December 2020 £'000	B shares Year to 31 December 2019 £'000
Cash flows from operating activities			
Return on ordinary activities before tax		**252**	(168)
Adjustments for:			
(Increase)/decrease in debtors		**(4)**	20
Increase in creditors		**3**	31
Gain on disposal of fixed asset investments		**(228)**	(14)
(Gain)/loss on valuation of fixed asset investments	10	**(215)**	27
Cash from operations		**(192)**	(104)
Income taxes paid	7	**-**	-
Net cash used in operating activities		**(192)**	(104)
Cash flows from investing activities			
Purchase of fixed asset investments	10	**(1,360)**	(2,248)
Sale of fixed asset investments	10	**514**	42
Total cash outflow from investing activities		**(846)**	(2,206)
Cash flows from financing activities			
Dividend paid		**(246)**	(172)
Issue of B shares		**2,390**	2,262
Awaiting B share issue	12	**(16)**	(49)
Total cash inflow from financing activities		**2,128**	2,041
Increase/(decrease) in cash and cash equivalents		**1,090**	(269)
Opening cash and cash equivalents		**3,439**	3,708
Closing cash and cash equivalents		**4,529**	3,439

Notes to the Financial Statements

1. Principal Accounting Policies

Basis of preparation
The Financial Statements have been prepared under the historical cost convention, except for the measurement at fair value of certain financial instruments, and in accordance with UK Generally Accepted Accounting Practice ("GAAP"), including FRS 102 and with the Companies Act 2006 and the Statement of Recommended Practice (SORP) 'Financial Statements of Investment Trust Companies and Venture Capital Trusts (revised 2019)'.

The principal accounting policies have remained materially unchanged from those set out in the Company's 2019 Annual Report and Financial Statements. A summary of the principal accounting policies is set out below.

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

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

Going Concern
The assets of the Company consist mainly of securities, four of which are AIM quoted, quite liquid and readily accessible, as well as cash. As at 31 December 2020, 47% of net assets was cash. After reviewing the Company's forecasts and expectations, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its Financial Statements.

In addition to the above, the Company is also facing risks resulting from the impact of the C-19 pandemic. The Company's Board and Investment Manager are focused on ensuring that investee companies are taking the required actions to minimise the potential impact that the C-19 pandemic could have on them. The Board and Seneca will continue to review risks posed by C-19 and keep those risks under regular review.

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

Investments are regularly reviewed to ensure that the fair values are appropriately stated. Unquoted investments are valued in accordance with current International Private Equity and Venture Capital Valuation (IPEV) guidelines, which can be found on their website at www.privateequityvaluation.com, although this does rely on subjective estimates such as appropriate sector earnings or revenue multiples, forecast results of investee companies, asset values of investee companies and liquidity or marketability of the investments held. The material factors affecting the returns and net assets attributable to shareholders of the different share classes are the valuations of the Ordinary and B share pools and ongoing general expenses.

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

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

Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

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

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

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

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

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

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

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

For quoted investments:

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

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

For investments not quoted in an active market:
Level 3: the fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable data (eg: the price of recent transactions, earnings/revenue multiple, discounted cash flows and/or net assets) where it is available and rely as little as possible on entity specific estimates.

There have been no transfers between these classifications in the year (2019: none). The change in fair value for the current and previous year is recognised through the profit and loss account.

Current asset investments
No current asset investments were held at 31 December 2020 or 31 December 2019. Should current assets be held, gains and losses arising from changes in fair value of investments are recognised as part of the capital return within the Income Statement and allocated to the capital reserve - gains/(losses) on disposal.

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

The Company has not generated any income in 2020 (2019: £nil).

Expenses
All expenses are accounted for on an accruals basis. Expenses are charged wholly to revenue with the exception of the performance and management fee. The performance fee is charged 100% to the capital reserve and the investment management fee charged to the B shares has been split 25% revenue and 75% capital, in line with industry practice and to reflect the Board's estimated split of investment returns which will be achieved by the Company's B shares over the long term. Expenses and liabilities not specific to a share class are allocated to the B share pool for a period of three years from 1 July 2018 in line with the Articles of Association.

Revenue and capital
The revenue column of the Income Statement includes all income and revenue expenses of the Company. The capital column includes gains and losses on disposal and holding gains and losses on investments, as well as those expenses that have been charged as capital costs. Gains and losses arising from changes in fair value of investments are recognised as part of the capital return within the Income

Statement and allocated to the appropriate capital reserve on the basis of whether they are realised or unrealised at the Balance Sheet date.

Taxation

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

Deferred tax is recognised on an undiscounted basis in respect of all timing differences that have originated but not reversed at the balance sheet date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Financial instruments

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

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

The Company does not have any externally imposed capital requirements.

Reserves

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

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

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

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

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

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

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

2. Income Investment Management Investment Management

	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
Dividends received	-	-
Loan note interest receivable	-	-
	-	-

Investment income includes interest earned on bank balances and dividends.

The Company has not generated any income in the period and as such we have not included any segmental reporting. In the event the Company had generated income, we would disclose information about the Company's operating segments and the geographical areas in which they operate, which is currently in the United Kingdom.

3. Investment Management Fees for B shares

	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
Gross Investment management fee	127	103
Cost cap refund from Seneca	(86)	(75)
Investment management fee net of cost cap	41	28

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

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

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

For the avoidance of doubt, no Performance Incentive Fee will be payable to the extent that the shareholder proceeds paid by the Company to the holders of the B shares have been justified by reference to distributable reserves otherwise attributable to the Ordinary share pool (as permitted in accordance with the Articles).

For a three-year period with effect from 1 July 2018, expenses of the Company are capped at 3% of the weighted average net asset value of the B shares, including the management fee (but excluding any performance fee). Following this initial period, expenses are capped at 3% across both the Ordinary share pool and the B share pool pro-rata to their respective net asset values.

The Investment Manager will indemnify the Company for any excess over the cost cap, with an amount equal to such excess either being paid by Seneca to the Company or refunded by way of a reduction to its fees. Accordingly, Seneca reduced its management fee by £86,000 in the year to 31 December 2020 (2019: reduced by £75,000).

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

4. Other Expenses

	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
Directors' remuneration	**50**	33
Fees payable to the Company's auditor for the audit of the Financial Statements	**22**	15
Legal and professional expenses	**59**	49
Accounting and administration services	**7**	12
Other expenses (revenue)	**12**	14
Other expenses (capital)	**2**	-
	152	123

All expenses were charged to the Ordinary shares for the period to 30 June 2018. In line with the offer for subscription for B shares, and following the initial allotment of B shares on 23 August 2018, all the Company's general expenses are chargeable to the B share pool for a period of three years from 1 July 2018 (subject to the cost cap discussed in note 3). Any expenditure related specifically to assets in one pool is chargeable to that pool. It should be noted that the only items specifically relating to the Ordinary share pool relate to a £2k legal fee (2019: £4k credit of released accruals for advisory fees).

5. Directors' Remuneration

	Year to 31 December 2020 £	Year to 31 December 2019 £
Directors' emoluments:		
John Hustler (Chairman)	**15,339**	12,897
Charles Breese	**-**	6,375
Richard Roth	**19,608**	12,897
Alex Clarkson	**15,339**	981
Richard Manley	**-**	-
	50,286	33,150

Richard Manley, a director of the Investment Manager, has elected to waive his Director's fee, until the Company's operating costs are less than the expenses cost cap.

As part of the Board's regular review of Directors' fees, it was determined that Richard Roth's Director's fee would increase to £20,000 per annum inclusive of all expenses with effect from 1 October 2020 to reflect the work performed by him in respect of his role as Chairman of the Audit Committee. It was also decided that Richard Roth would receive a one-off payment of £2,500 in respect of the work he performed as part of this role for the period prior to 1 October 2020. Apart from this, none of the Directors received any other remuneration from the Company during the year.

Directors' emoluments include remuneration and employers' National Insurance contributions.

Certain Directors may become entitled to receive a share of the performance incentive fee related to the Ordinary share pool as detailed in the Directors' Remuneration Report on page 58 and in note 6.

The Company has no employees other than non-executive Directors. The average number of non-executive Directors in the year was four (2019: four).

6. Performance Fees for Ordinary shares

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

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

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

The liability to pay James Otter his share of any potential Accrued Performance Incentive Fee was extinguished on 7 October 2020 - the fifth anniversary of his ceasing to be a member of the CAC. No payment has, or will be paid, to James Otter under these schemes as the required shareholder distributions had not been made in time. The fee of £17,667 that had been accrued at 31 December 2019 for his potential benefit has been credited back to the Company, with the total potential liability for the Company now reduced from £702,000 to £468,000.

As a result of the reduction in the Accrued Performance Incentive Fee by one third, the amount of the Accrued Performance Incentive Fee shall be 16.67% of any dividends and capital distributions returned to shareholders, which in total exceed the sum of 80p per Ordinary share (the "Hurdle"). This includes dividends paid to date on the Ordinary shares, being 65.25p per share. As a result of this, for every £1 potentially distributable in excess of the Hurdle, 80p shall be distributed to shareholders and 13.33p shall be paid as the Accrued Performance Incentive Fee, with 6.67p (being one third of the original 20p) retainable by the Company up until an amount of 114.65p per Ordinary share has been distributed to Ordinary shareholders, after which no further payment is payable in respect of the Accrued Performance Incentive Fee or otherwise under the terms of the 2007 Agreement (as amended). The Accrued

Performance Incentive Fee shall be paid at the same time as payments are made to the Ordinary shareholders. All distributions by way of dividends and capital distributions in relation to the Ordinary share class shall count towards the Accrued Performance Incentive Fee and where non-cash dividends are declared, the Company's auditors shall assess their value by reference to a distribution per share. Following payment in full of the Accrued Performance Incentive Fee, a further performance incentive fee may become payable to the CAC in relation to the period after 7 October 2015 (the, “Further Performance Incentive Fee”).

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

As at 31 December 2020, the Total Gross Return in respect of the Ordinary shares is 97.85p, and so 3.57p per Ordinary share, totalling £290,000 would have accrued, though only two thirds of the Accrued Performance Incentive Fee, 2.38p per Ordinary share totalling £193,000, has been accrued as part of this liability as a result of James Otter’s liability being extinguished as detailed above, resulting in the remainder being retainable by the Company (31 December 2019: 83.25, 0.65p and £53,000).

Assuming no dividends are paid on the Ordinary shares in 2021, the Total Gross Return would need to exceed 163.3p at 31 December 2021 before any Further Performance Incentive Fee could be due, and at that time, it would be 10% of any dividends or capital distributions made above this threshold. If the Further Performance Incentive Fee is not triggered (as it has not been in this financial year) the Further Hurdle, net of dividends paid, increments by a compound annual growth rate of 6%, applied quarterly as described above.

If the CAC consider it necessary to engage external advisors in support of managing its portfolio, the costs of this will be borne by the Ordinary share pool. The Further Performance Incentive Fee shall be divided among such members of the CAC (past, present and future) who have been members of that committee since the 7 October 2015, on a pro rata basis, linked to the relative amount of time since the date of the 7 October 2015 agreement for which each individual has been a member of the CAC. An individual will not be entitled to payment of any of Further Performance Incentive Fee if he ceased to be a member of the CAC in certain conditions, or ceased to be a member of the CAC more than five years before the payment of any amount of Further Performance Incentive Fee becomes due and any such fees will be credited back to the Company. For the purposes of the Further Performance Incentive Fee, the method of determining distributions will follow that used in calculating the Accrued Performance Incentive Fee.

7. Tax on Ordinary Activities

The corporation tax charge for the period was £nil (2019: £nil).
The tax charge is calculated on return on ordinary activities before taxation at the applicable rate of 19.0% (2019: 19.0%)

Current tax reconciliation:	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
Return on Ordinary activities before tax	**1,297**	(715)
Current tax at 19% (2019: 19%)	**246**	(136)
Gains/losses not subject to tax	**(310)**	133
Performance fee accrual not tax deductible	**37**	-
Excess management expenses carried forward	**27**	3
Total current tax charge and tax on results of ordinary activities	**-**	-

The company has excess management expenses of £2,896,000 (2019: £2,755,000) to carry forward to offset against future taxable profits.

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

8. Earnings per Share

The earnings per Ordinary share is based on 8,115,376 (31 December 2019: 8,115,376) shares, being the weighted average number of Ordinary shares in issue during the year, and a return for the year totalling £1,045,000 (31 December 2019: (£547,000)).

The earnings per B share is based on 7,248,338 (31 December 2019: 5,269,973) shares, being the weighted average number of B shares in issue during the year, and a return for the year totalling £252,000 (31 December 2019: (£168,000)).

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

9. Net Asset Value per Share

The calculation of NAV per Ordinary share as at 31 December 2020 is based on 8,115,376 Ordinary shares in issue at that date (31 December 2019: 8,115,376).

The calculation of NAV per B share as at 31 December 2020 is based on 9,062,948 B shares in issue at that date (31 December 2019: 6,361,448).

10. Fixed Asset Investments

Ordinary Shares

	Level 1: AIM-quoted investments £'000	Level 3: Unquoted investments £'000	Total investments £'000
Valuation and net book amount:			
Book cost as at 1 January 2020	1,117	2,985	4,102
Cumulative revaluation	117	(2,151)	(2,034)
Valuation at 1 January 2020	**1,234**	**834**	**2,068**
Movement in the year:			
Purchases at cost	-	-	-
Disposals – cost	(391)	(270)	(661)
Disposals – revaluation	(3)	270	267
Revaluation in year	780	(313)	467
Valuation at 31 December 2020	**1,620**	**521**	**2,141**
Book cost at 31 December 2020	726	2,715	3,441
Revaluation to 31 December 2020	894	(2,194)	(1,300)
Valuation at 31 December 2020	**1,620**	**521**	**2,141**

B Shares

	Level 1: AIM-quoted investments £'000	Level 3: Unquoted investments £'000	Total investments £'000
Valuation and net book amount:			
Book cost as at 1 January 2020	720	2,000	2,720
Cumulative revaluation	(90)	63	(27)
Valuation at 1 January 2020	**630**	**2,063**	**2,693**
Movement in the year:			
Purchases at cost	576	784	1,360
Disposals – cost	(286)	-	(286)
Disposals – revaluation	-	-	-
Revaluation in year	415	(200)	215
Valuation at 31 December 2020	**1,335**	**2,647**	**3,982**
Book cost at 31 December 2020	1,010	2,784	3,794
Revaluation to 31 December 2020	325	(137)	188
Valuation at 31 December 2020	**1,335**	**2,647**	**3,982**

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

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

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

The launch of the B Share pool took place relatively recently in August 2018, and all but one of the B Share unquoted investments have taken place in the two years ending 31 December 2020. As these companies are at an early stage of the investment cycle, it is the Board's view that the most appropriate valuation methodology is to hold the B Share unquoted investments at cost or in line with the price of the most recent investment received by the investee company. This is consistent with the approach adopted for the valuation of the Ordinary share pool's unquoted investments.

When using this methodology however, a detailed assessment of the respective value of each portfolio company is also performed in order to gain the necessary comfort as to whether a fair value reduction or uplift is in fact required. This process involves a review of the progress made by each investee company, recent developments in the M&A market and comparisons to listed competitors across all relevant key performance indicators. Further, all of these are considered in the context of the exit equity waterfall structure as detailed in each investee company's articles of association.

FRS 102 requires the Directors to consider the impact of changing one or more of the assumptions used as part of the valuation process to reasonable possible alternative assumptions. As noted above, whilst the methodologies adopted for the 31 December 2020 investee company valuations are not based on revenue or earnings multiples, the Board do consider revenue multiple based valuation methodologies in support of the valuations adopted where relevant.

In view of the FRS 102 requirement, the Board have considered the impact that introducing reasonable alternative assumptions to this revenue multiple based valuation methodology could have on the value of the Company's investment pool as at 31 December 2020.

As a result of this analysis the Board have concluded that such reasonable possible alternative assumptions could result in an increase in the valuation of the B share pool unquoted investments by £81,000 or a decrease in the valuation of B share pool investments by £48,000. It was considered that only one B share portfolio company was relevant for this exercise due to its more mature trading profile. It was not considered that any of the Ordinary share pool portfolio companies were relevant for this exercise.

Throughout this exercise, and in determining the value of the Company's equity investments where trading multiples are considered, multiples used are reviewed and compared to industry peers, based on size, stage of development, revenue generation and growth rate, as well as their wider strategy and market position. These multiples are calculated in the traditional manner, by dividing the enterprise value of the comparable group by its revenue, EBITDA or earnings depending on what is the norm in a particular sector driven by how acquisitions in that sector are typically valued. The trading multiple is then adjusted for considerations such as illiquidity, marketability and other differences, advantages and disadvantages between the portfolio company and the comparable public companies based on company specific facts and circumstances.

11. Debtors

	31 December 2020 £'000	31 December 2019 £'000
Prepayments and accrued income	**7**	3

12. Creditors

	31 December 2020 £'000	31 December 2019 £'000
Amounts falling due within one year		
Trade creditors	**1**	8
PAYE/NIC	**7**	-
Awaiting B share allotment	**154**	170
Other creditors	**23**	22
Accruals	**37**	36
Total amounts falling due within one year	**223**	236
Amounts falling due after one year		
Accruals	**193**	53
Total amounts falling due after one year	**193**	53

The amount falling due after more than one year relates to the potential liability for a performance fee on the Ordinary share portfolio. More details are in note 6. The awaiting B share issue included in the combined and B share cash flow statements shows the movement in cash awaiting B share issue in the year since the prior year end.

13. Share Capital

	31 December 2020 £'000	31 December 2019 £'000
Allotted and fully paid up:		
8,115,376 Ordinary shares of 1p (2019: 8,115,376 shares of 1p)	**81**	81
9,062,948 B shares of 1p (2019 : 6,361,448)	**91**	64
	172	145

The capital of the Company is managed in accordance with its investment policy with a view to the achievement of its investment objective as set on page 4.

During the year, the Company did not issue, nor buy back, any Ordinary shares.

The Company issued a total of 2,701,500 B shares at prices between 79.5 to 94.7p per B share during the year. These were issued pursuant to the offer for subscription for B shares launched on 16 July 2019 and a further offer for subscription for B shares launched on 13 October 2020 to raise, in aggregate, up to £10 million with an over-allotment facility of up to a further £10 million (before issue costs). The Company has not bought back any B shares.

The total proceeds received for the shares issued in the period was £2,390k (net of facilitated fees, gross of Seneca's promoter fee) for the B share pool.

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

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

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

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

14. Movement in Shareholders' Funds

	Year ended 31 December 2020 £'000	**Year ended 31 December 2019 £'000**
Shareholders' funds at start of year	**8,384**	9,281
Return on ordinary activities after tax	**1,297**	(715)
Increase due to issue of B shares	**2,390**	2,262
Dividend paid	**(1,301)**	(2,444)
Shareholders' funds at end of year	**10,770**	8,384

The analysis of changes in equity by the various reserves are shown in the Statement of Changes in Equity on page 73.

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

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

Distributable reserves are represented by the special distributable reserve, the capital reserve gains/(losses) on disposal and the revenue reserve reduced by negative holding reserves (if any) which total £5,429,000 as at 31 December 2020 (2019: £5,433,000). Although the distributable reserves total £5,429,000 as at 31 December 2020, only £2,002,000 is actually able to be distributed as the reserves contain £3,427,000 from the cancellation of the share premium account on the newly issued B shares, which cannot be distributed until the beginning of 2022 without breaching VCT rules.

An interim capital dividend of 8 pence per Ordinary share for the year to 31 December 2020 was paid on 28 August 2020. A further interim capital dividend of 5 pence per Ordinary share for the year to 31 December 2020 was paid on 30 October 2020.

An interim dividend of 1.5 pence per B share for the year to 31 December 2020 was paid on 15 May 2020. A second interim dividend of 1.5 pence per B share for the year to 31 December 2020 was paid on 24 December 2020.

15. Financial Instruments

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

Classification of financial instruments

The Company held the following categories of financial instruments, all of which are included in the balance sheet at fair value, at 31 December 2020 and 31 December 2019:

	31 December 2020 £'000	31 December 2019 £'000
Financial assets at fair value through profit or loss		
Fixed asset investments	**6,123**	4,761
Total	**6,123**	4,761
Financial assets measured at amortised cost		
Cash at bank and in hand	**5,056**	3,909
Total	**5,056**	3,909
Financial liabilities measured at amortised cost		
Creditors	**31**	30
Accruals	**37**	36
Performance fee	**193**	53
Total	**261**	119

Fixed asset investments (see note 10) are valued at fair value. Unquoted investments are carried at fair value as determined by the Directors in accordance with the IPEV guidelines. The fair value of all other financial assets and liabilities is represented by their carrying value in the balance sheet. The Directors believe that the fair value of the assets held at the year-end is equal to their book value.

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

16. Financial Risk Management

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

Market risk
The Company's strategy for managing investment risk is determined with regard to the Company's investment objective, as outlined on page 4. The management of market risk is part of the investment management process. The Company's portfolio is managed with regard to the possible effects of adverse price movements and with the objective of maximising overall returns to shareholders in the medium term. Investments in unquoted companies, by their nature, usually involve a higher degree of risk than investments in companies quoted on a recognised stock exchange, though the risk can be mitigated to a certain extent by diversifying the portfolio across business sectors and asset classes. The overall disposition of the Company's assets is regularly monitored by the Board.

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

29.4% (2019: 34.5%) by value of the Company's net assets comprise investments in unquoted companies held at fair value. The valuation methods used by the Company include the application of a price/earnings ratio derived from listed companies with similar characteristics, and consequently the value of the unquoted element of the portfolio can be indirectly affected by price movements on the London Stock Exchange. A 10% overall increase in the valuation of the unquoted investments at 31 December 2020 would have increased net assets and the total return for the year by £317,000 (2019: £290,000) disregarding the impact of the performance fee; an equivalent change in the opposite direction would have reduced net assets and the total return for the year by the same amount.

27.4% (2019: 22.2%) by value of the Company's net assets comprises equity securities quoted on AIM. A 10% increase in the bid price of these securities as at 31 December 2020 would have increased net assets and the total return for the year by £296,000 (2019: £186,000) disregarding the impact of the performance fee; a corresponding fall would have reduced net assets and the total return for the year by the same amount.

Credit risk
There were no significant concentrations of credit risk to counterparties at 31 December 2020 or 31 December 2019.

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

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

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

17. Events After the Balance Sheet Date

The share price of SkinBio rose substantially since the year end when it was 22p and this allowed the Company to sell a total of 1,750,000 SkinBio shares from the B share pool in January 2021 for a total of £621k and generating a profit versus original cost of £341k (a 2.2x return on the original investment).

In addition the Company was able to realise nearly 50% of its holdings in Abingdon Health Plc ("Abingdon") for a small profit. The Company sold a total of 78,000 shares in Abingdon from the B share pool in January 2021 for a total of £76k at 98 pence per share.

One additional unquoted investment was made in the B share pool in January 2021 into Solascure Ltd. for £500,000.

Following recent press coverage, the share price of Scancell rose significantly from 13.5p at 31 December 2020 and was 24.5p at 19 February 2021 and this allowed the Company to take the opportunity to sell 1,000,000 Scancell shares from the Ordinary share pool in February 2021 at 21.7p per Scancell share.

As a result of the above, the Company is pleased to announce an updated unaudited NAV of 99.4p per B share and 44.0p per Ordinary share at 19 February 2021.

The Company also declared an interim B share dividend of 1.5p per B share on 18 February 2021 to be paid on 14 May 2021 to shareholders on the B share register on 30 April 2021, with an ex-dividend date of 29 April 2021.

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

18. Contingencies, Guarantees and Financial Commitments

There were no contingencies, guarantees or financial commitments as at 31 December 2020 (2019: £nil).

19. Related Party Transactions

The Board acted as the investment manager of the Company until Seneca was appointed on 23 August 2018. Certain Directors are entitled to participate in a performance bonus as detailed in note 6. During the year, Seneca has earnt £127,000 in management fees (2% of the weighted average net assets of the B share portfolio) (2019: £103,000). However, only £41,000 is recoverable by Seneca as a result of the cost cap, as detailed in note 3 and this was paid to Seneca during the year (2019: £28,000).

Seneca as Investment Manager accrued £76,191 (2019: £138,132) transaction fees and directors' fees from investee companies in relation to the arrangement and monitoring of investments. As a related party, we believe that this transaction is disclosable, and the Board ensures it is managed from a conflicts of interest point of view. Seneca may also become entitled to a performance fee. See note 3 to the financial statements for more information on these fees.

As detailed in the offer for subscription document dated 13 October 2020, Seneca (as promoters of the Offer) is entitled to charge the Company up to 5.5% of investors' subscriptions. A total of £6,595 has been paid to Seneca, based on the allotments of £2,396,950 (net of facilitated fees, gross of the promoter fee) as at 31 December 2020 (2019: £20,294).

Shareholder Information and Contact Details

Dividends

Dividends will be paid by the Registrar on behalf of the Company. Shareholders who wish to have dividends paid directly into their bank account rather than by cheque to their registered address should contact the Company's Registrar, Neville, whose details can be found on page 101. Other queries relating to dividends and shareholdings should also be directed to Neville.

Share Price

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

	Ordinary shares	**B shares**
Latest mid-market share price (19 February 2021)	33.5p per share	84.0p per share

Buying and selling shares

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

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

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

Risk Warning - Financial Scams

We have been made aware that a number of existing shareholders and those of other VCTs have been contacted in connection with fraudulent financial scams. In these instances, shareholders have received unsolicited phone calls from persons claiming to work for a corporate finance firm, offering to buy shareholder's VCT shares at an inflated price in connection with a possible take-over of the VCT and asking shareholders to sign a non-disclosure agreement.

The claims made are false and are invariably an attempt to obtain confidential personal information from shareholders with a view to fraudulently extract money from them.

Shareholders are warned to be very suspicious if they receive any similar type of communication and we would recommend that you do not respond with any personal information.

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

Notification of change of address

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

Other information for Shareholders

Previously published Annual Reports and Half-yearly Reports are available for viewing on the Company's website at www.senecavct.co.uk, and in line with current trends all future communications will also be made available there. The Company has introduced e-communication for its shareholders, and we continue to encourage all of our investors to switch to receiving updates from the Company via e-mail and documents in soft copy. This enables you to receive documents more quickly and has the added benefits of being more environmentally friendly and reducing printing and postage costs.

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

Directors and Advisers

Board of Directors
John Hustler (Chairman)
Alex Clarkson
Richard Manley
Richard Roth

Company Number
Registered in England & Wales
No 04221489

Secretary and Registered Office
Craig Hunter
9 The Parks
Haydock
WA12 0JQ

Investment Manager and Administration Manager
Seneca Partners Limited
9 The Parks
Haydock
WA12 0JQ
Tel: 01942 271746

Corporate Broker
Panmure Gordon (UK) Limited
One New Change
London
EC4M 9AF
Tel: 020 7886 2500

Independent Auditor
UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London
E1W 1YW

VCT Adviser
Philip Hare & Associates LLP
1 Temple Avenue
Temple
London
EC4Y 0HA

Bankers
The Royal Bank of Scotland plc
62/63 Threadneedle Street
London
EC2R 8LA

Registrars
Neville Registrars Limited
Neville House
Steelpark Road
Halesowen
B62 8HD
Tel: 0121 585 1131
www.nevilleregistrars.co.uk

Financial Adviser
Beaumont Cornish Limited
Building 3
566 Chiswick High Road
London
W4 5YA

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting ("AGM") of Seneca Growth Capital VCT Plc ("the Company") will be held as a closed meeting at 14:00 on Monday, 29 March 2021 at the Company's registered address 9 The Parks, Haydock, WA12 0JQ in accordance with the provisions of the Corporate Insolvency and Governance Act 2020. In light of the unprecedented restrictions on movement and gatherings due to the Covid-19 pandemic, the meeting will take place with either two Directors who hold shares in the Company or one Director and an investment manager from Seneca Partners Limited, who is also a shareholder, present only, to constitute the minimum quorum for the AGM to take place under the Company's Articles of Association and company law requirements. Shareholders should note that only the formal business set out in the notice of AGM will be considered at the AGM.

Although shareholders will not be permitted to attend the AGM this year there will be a shareholder update presentation and a question and answer ("Q&A") session at 10:00 on 8 March 2021, further details of which can be found on the Company's website at https://senecavct.co.uk/march-2021-shareholder-presentation/.

Shareholders wishing to vote on any of the matters of business are urged to do so through completion of a proxy form appointing the chairman of the AGM, which can be submitted to the Company's Registrar as detailed in the Notes. Proxy forms should be completed and returned in accordance with the instructions thereon and the latest time for the receipt of proxy forms is 14:00 on Saturday, 27 March 2021. Proxy votes can be also be submitted by CREST.

All resolutions will be decided by a poll and therefore it is essential that shareholders wishing to vote submit their proxy forms by 14:00 on Saturday, 27 March 2021.

Shareholders will have the opportunity to ask questions prior to submitting their proxy votes at the shareholder update presentation on 8 March 2021 as detailed above.

Resolutions 1 to 9 (inclusive) will be proposed as Ordinary Resolutions and resolutions 10 to 12 (inclusive) will be proposed as Special Resolutions.

Ordinary Business

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

1. THAT the Directors' Annual Report and Financial Statements and the auditors' report thereon for the year ended 31 December 2020 be received.
2. THAT the Directors' Remuneration Report in respect of the year ended 31 December 2020 be approved.
3. THAT John Hustler be re-elected as a Director of the Company.
4. THAT Richard Manley be re-elected as a Director of the Company.
5. THAT Alex Clarkson be re-elected as a Director of the Company.
6. THAT Richard Roth be re-elected as a Director of the Company.

Biographical details for each Director and their individual contributions to the Company towards its long-term sustainable success can be found on page 42 of the Annual Report.

7. THAT UHY Hacker Young LLP be re-appointed as auditors of the Company until the conclusion of the next Annual General Meeting of the Company at which accounts are laid before the Members.
8. THAT the Directors be authorised to determine the auditor's remuneration.

Special Business

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

9. AUTHORITY TO ALLOT RELEVANT SECURITIES

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

a. B ordinary shares of 1p each in the capital of Company ("B shares") up to an aggregate nominal amount of £350,000 in connection with offer(s) for subscription;
b. B shares for cash and otherwise than pursuant to sub-paragraph a. above, up to an aggregate nominal amount of £80,000; and
c. ordinary shares of 1p each in the capital of Company ("Ordinary Shares") for cash, up to an aggregate nominal amount of £4,058

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

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

10. AUTHORITY TO PURCHASE RELEVANT SECURITIES

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

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

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

11. EMPOWERMENT TO MAKE ALLOTMENTS OF EQUITY SECURITIES

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

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

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

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

12. ALTERATION TO THE ARTICLES OF ASSOCIATION

THAT with effect from the conclusion of the meeting the draft articles of association produced to the meeting and, for the purposes of identification, initialled by the chairman be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the Company's existing Articles of Association.

By order of the Board
Craig Hunter
Company Secretary
22 February 2021

Registered Office:
9 The Parks
Haydock
WA12 0JQ

Notes:

i. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting (and the number of votes that may be cast thereat), will be determined by reference to the Register of Members of the Company at the close of business on the day which is two days before the day of the meeting or of the adjourned meeting. Changes to the Register of Members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting. **Please note that no shareholders or other persons (other than the minimum required to form a quorum as previously explained in this notice) will be permitted to physically attend the meeting or vote in person at the meeting due to the Covid-19 pandemic and, therefore, the Board strongly encourages members to appoint the chairman of the meeting as their proxy to exercise their right to vote at the meeting in accordance with their instructions.**

ii. For legal reasons Neville Registrars Limited will be unable to give advice on the merits of the proposals or provide financial, legal, tax or investment advice. The member will need to indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as proxy.

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

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

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

vi. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) of it by using the procedures described in the CREST Manual (available from https://www.euroclear.com/site/public/EUI). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (**EUI**) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (**CREST ID 7RA11**) by 14:00 on Saturday, 27 March 2021. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. **Given that no shareholders or other persons (other than the minimum required to form a quorum as previously explained in this notice) will be permitted to physically attend the meeting or vote in person at the meeting due to the Covid-19 pandemic, the Board strongly encourages members to appoint the chairman of the meeting, rather than any other person, as their proxy to exercise their right to vote at the meeting in accordance with their instructions.**

vii. A reply-paid Form of Proxy or a reply-paid envelope is enclosed with this document if received by post. To be valid, the enclosed Form of Proxy for the meeting, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy thereof, must be deposited at the offices of the Company's registrar, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD or, due to the current restrictions as a result of Covid-19, may be emailed to info@nevilleregistrars.co.uk so as to be received not later than 14:00 on Saturday, 27 March 2021 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. A member can only appoint a proxy using the procedure set out in these notes and the notes to the Form of Proxy.

ix. As at 19 February 2021 (being the last business day prior to the publication of this notice), the Company's issued share capital comprised 8,115,376 Ordinary shares and 9,062,948 B shares, all of which carry one vote each. Therefore, the total voting rights in the Company as at 19 February 2021 was 17,178,324.

x. Copies of the directors' letters of appointment, the Register of Directors' Interests in shares of the Company and copies of the Articles of Association of the Company (including a mark-up of the new articles of association proposed to be adopted pursuant to resolution 12) will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturday and Public Holidays excluded) from the date of this notice, until the end of the Annual General Meeting and at the place of the Annual General Meeting for at least 15 minutes prior to and during the meeting.

xi. 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. **Given that no shareholders or other persons (other than the minimum required to form a quorum as previously explained in this notice) will be permitted to physically attend the meeting or vote in person at the meeting due to the Covid-19 pandemic, the Board strongly encourages members to appoint the chairman of the meeting, rather than any other person, as their proxy to exercise their right to vote at the meeting in accordance with their instructions and not to appoint a corporate representative.**

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

SENECA
GROWTH CAPITAL VCT

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

www.senecavct.co.uk