

Company No. 05352611

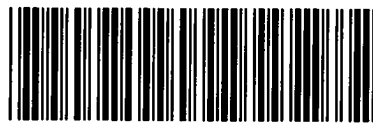
New
Century
AIM VCT
plc

28th February

2018

Report and Accounts for the year
to 28th February 2018

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Financial Summary

| | Year ended 28 February 2018 | Year ended 29 February 2017 |
|--|--|--|
| Revenue return per share (pence) for the year | 0.35 | 0.55 |
| Total return per share (pence) for the year | 7.14 | 13.19 |
| Proposed dividends per share (pence) | 3.40 | 3.30 |
| Net asset value per share (pence) | 88.22 | 84.38 |
| Cumulative value of shareholder investment (net asset value plus cumulative dividends per share) (pence) | 108.64 | 101.50 |
| Shareholders' funds (£'000) | 6,935 | 6,633 |

Chairman's Statement

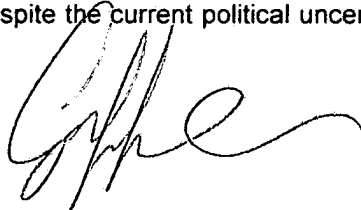
I am pleased to report another positive increase in the value of your fund. The net asset value per share rose from 84.38p to 88.22p per share, a gain of 4.55%, and the net asset value plus cumulative dividends rose from 101.50p to 108.64p per share being a rise of 7.04%. This is compared to an increase in the FTSE All Share AIM index of 14.45%.

This index encompasses all sectors and includes many mining, oil and gas companies that have performed well in the year. Your fund is constrained from investing in these types of businesses as part of the VCT rules.

We realise the importance of income for our shareholders, and have therefore agreed subject to shareholder approval, to increase the dividend to 3.4p per share. We have now raised the dividend for the seventh consecutive year. At the current offer price of 78p the yield is 4.4%.

The level of qualifying investments at 90.68% is still comfortably above the 70% required level. The current year has seen continued volatility across most indices where we have witnessed some sharp falls across most index's and then a recovery. The FTSE All Share AIM index has gained a further 4.65% from the start of the year to 31st May 2018. Your fund's net asset value is published on a monthly basis and as at 31st May 2018 it was 90.51p.

The portfolio is well diversified and comprises a number of established companies that we feel are well placed to prosper despite the current political uncertainties and we are therefore cautiously optimistic for the future.



Geoffrey Gamble

Chairman

28 June 2018

Details of Directors

Michael Barnard (Aged 67)

Michael has been employed in stockbroking since 1971. In 1974 he became a Member of the Stock Exchange. During his career his duties have spanned investment advising, investment research, dealing and company management. In 1988 he started his own stockbroking company, M D Barnard & Company Limited. Based in Laindon, Essex, it has offices in London, Wells, Exeter and Colchester. Since 1995, he has been either managing or advising unit trust, private client and pension company portfolios. Michael has now sold MD Barnard & Company Limited, but remains a director of New Century AIM VCT plc.

Geoffrey Gamble (Aged 59)

Geoffrey started his career with National Westminster Bank plc. He joined Publishing Holdings plc in 1984 and became a director in 1986. He took part in an MBO in 1988, backed by Schroder Ventures (now Permira) to form Charterhouse Communications Group Limited and was instrumental in the satisfactory venture capital exit from that company and its flotation on AIM in 1996. He became managing director of Charterhouse Communications plc in 1999.

Peter William Riley (Aged 73)

Peter is a retired solicitor. He specialised in property law with an emphasis on large commercial properties.

Ian Cameron-Mowat (Aged 67)

Ian has a BSc 1st degree in electronics and was involved in the early development of computers at Burroughs Machines. He is currently a consultant radiologist to the NHS Trust.

Management and Administration

Registered Office & Registered Number

4th Floor,
50 Mark Lane
London EC3R 7QR
Company Number: 05352611

Company Secretary

Tricor Secretaries Limited
4th Floor,
50 Mark Lane
London EC3R 7QR

Registrar

Neville Registrars Limited
Neville House
18 Laurel Lane
Halesowen
West Midlands B63 3DA

Solicitors

Dundas & Wilson
5th Floor, Northwest Wing
Bush House
Aldwych
London WC2B 4EZ

Investment Manager and Broker

M D Barnard & Company Limited
17-21 New Century Road
Laindon,
Essex SS15 6AG

Auditor

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

Directors

Geoffrey Gamble (Chairman)
Michael David Barnard
Peter William Riley
Ian Cameron-Mowat

All directors are non-executive.

Audit Committee:

Geoffrey Gamble (Chairman)
Peter William Riley
Ian Cameron-Mowat

Strategic Report

Activities and status

The principal activity of the company during the year was the making of long-term equity and loan investments in unquoted and AIM traded companies in the United Kingdom. The company has been listed on the London Stock Exchange since 25 March 2005 and has been granted approval by Her Majesty's Customs & Revenue as a Venture Capital Trust. The Chairman's Statement on page 2 and the Investment Manager's Review below give a review of developments during the year and of future prospects.

The directors consider that the company was not at any time up to the date of this report a close company within the meaning of Section 414 of the Act.

Investment Manager's Review

The period under review was a strong one for the AIM index which saw it rise by 14.45%. Although your fund did not match this, it did still increase the net asset value for the sixth consecutive year, increasing by 4.55%. The AIM index benefitted from some strong gains in the oil, mining and gas sector, but due to VCT rules, these types of companies are not deemed qualifying investments.

We made eight qualifying investments, purchasing shares in Anglo African Oil and Gas, Audioboom, Escape Hunt, Fusion Antibodies, Infrastrata, Location Sciences Group, Modern Water and Pelatro.

We top sliced or exited 13 shares.

We remain cautiously optimistic for another good showing in the current year although we will no doubt have more volatility in the months ahead. Political events continue to create headlines whether this be the US and China trade embargo's or the on-going negotiations on the UK's BREXIT terms. These may cause uncertainty in the Markets and could possibly result in companies seeing short term decisions on contracts and capital spend being delayed. We do however have a well-diversified portfolio of shares from many different types of industry, that we feel can still grow.

Investment Objective

New Century AIM VCT PLC is a Venture Capital Trust ("VCT") established under the legislation introduced in the Finance Act 1995. The company's principal objectives as set out in the prospectus are to achieve long term capital growth through investment in a diversified portfolio of Qualifying Companies primarily quoted on AIM.

Principal risks and uncertainties

The company invests its funds primarily in companies traded on AIM, which entail a higher degree of risk than investments in large listed companies. The main risk, therefore, arising from the company's activities is market price risk, representing the uncertain realisable values of the company's investments. Please refer to note 22 to these financial statements which gives a detailed review of the company's risk management.

Environmental matters

Discussion in respect of environmental matters is not considered relevant or material to an understanding of the performance of the company. The company does not consider that Greenhouse Gas Emissions disclosure is relevant to the company on the grounds of immateriality due to it not having its own premises or employees.

Key performance indicators

The financial key performance indicators are set out in the financial summary on page 1.


Michael Barnard
Director

28 June 2018

Investment Portfolio

| Security | Cost | Valuation | % | % |
|-----------------------------------|-----------|----------------|--------|-----------|
| | £ | 28/02/2018 - £ | Cost | Valuation |
| Qualifying Investments | 6,641,658 | 6,400,922 | 90.68 | 91.94 |
| Non-qualifying Investments | 607,793 | 486,953 | 8.30 | 6.99 |
| | 7,249,451 | 6,887,875 | 90.98 | 98.93 |
| Uninvested funds | 74,777 | 74,777 | 1.02 | 1.07 |
| | 7,324,228 | 6,962,652 | 100.00 | 100.00 |

Qualifying Investments

AIM quoted

| | | | | |
|----------------------------------|---------|---------|------|-------|
| Tristel plc | 102,424 | 708,480 | 1.40 | 10.18 |
| PHSC plc | 182,910 | 52,500 | 2.50 | 0.76 |
| DCD Media plc | 562,800 | 3,995 | 7.69 | 0.06 |
| K3 Business Technology Group plc | 90,360 | 171,828 | 1.23 | 2.47 |
| Touchstar plc | 281,400 | 80,000 | 3.84 | 1.15 |
| Progility plc | 624,536 | 3,480 | 8.53 | 0.05 |
| Lighthouse Group plc | 203,513 | 336,000 | 2.78 | 4.83 |
| Vianet Group plc | 40,175 | 42,250 | 0.55 | 0.61 |
| HML Holdings plc | 280,672 | 287,100 | 3.83 | 4.12 |
| Cyanconnode Holdings plc | 376,755 | 75,179 | 5.14 | 1.08 |
| Marechale Capital plc | 133,828 | 26,499 | 1.83 | 0.38 |
| Lombard Risk Mgt plc | 24,120 | 77,100 | 0.33 | 1.11 |
| M.Winkworth plc | 72,360 | 100,800 | 0.99 | 1.45 |
| Bango plc | 7,563 | 32,550 | 0.10 | 0.47 |
| IDE Group Holdings plc | 52,763 | 20,125 | 0.72 | 0.29 |
| Tax Systems plc | 250,020 | 1,335 | 3.41 | 0.02 |
| TP Group plc | 109,278 | 42,040 | 1.49 | 0.60 |
| Brady plc | 41,805 | 40,185 | 0.57 | 0.58 |
| Inspired Energy plc | 51,370 | 329,952 | 0.70 | 4.74 |
| Microsaic Systems plc | 114,163 | 22,197 | 1.56 | 0.32 |
| Venn Life Sciences plc | 115,581 | 45,583 | 1.58 | 0.65 |
| DP Poland plc | 20,113 | 43,355 | 0.28 | 0.62 |
| Modern Water plc | 75,382 | 32,727 | 1.03 | 0.47 |
| Quixant plc | 11,559 | 97,500 | 0.16 | 1.40 |
| Maistro plc | 4,991 | 169 | 0.07 | 0.00 |
| Keywords Studios plc | 24,107 | 304,590 | 0.33 | 4.37 |
| Cloudbuy plc | 58,483 | 6,415 | 0.80 | 0.09 |
| EU Supply plc | 15,333 | 7,087 | 0.21 | 0.10 |
| Plastics Capital plc | 30,153 | 36,000 | 0.41 | 0.52 |
| Sysgroup plc | 99,177 | 55,913 | 1.35 | 0.80 |
| Brighton Pier Group plc | 50,253 | 32,188 | 0.69 | 0.46 |
| Property Franchise Group plc | 100,503 | 137,000 | 1.37 | 1.97 |
| Solid State plc | 40,134 | 64,350 | 0.55 | 0.92 |
| Audioboom Group plc | 103,023 | 164,500 | 1.41 | 2.36 |
| Scholium Group plc | 50,253 | 23,000 | 0.69 | 0.33 |
| Roslyn Data plc | 27,037 | 3,342 | 0.37 | 0.05 |
| Coral Products plc | 118,095 | 87,500 | 1.61 | 1.26 |
| SRT Marine Systems plc | 27,139 | 36,750 | 0.37 | 0.53 |
| ULS Technology plc | 52,261 | 182,000 | 0.71 | 2.61 |
| Collagen Solutions plc | 20,757 | 13,275 | 0.28 | 0.19 |
| Gfinity plc | 43,925 | 46,250 | 0.60 | 0.66 |

Investment Portfolio

| Security | Cost | Valuation | % | |
|---|------------------|------------------|--------------|--------------|
| | £ | 28/02/2018 - £ | Cost | Valuation |
| Ideagen plc | 28,430 | 90,680 | 0.39 | 1.30 |
| Premier Technical Services Group plc | 104,834 | 371,099 | 1.43 | 5.33 |
| Angle plc | 125,880 | 89,602 | 1.72 | 1.29 |
| Bilby plc | 156,673 | 287,583 | 2.14 | 4.13 |
| Hunters Property plc | 251,256 | 275,000 | 3.43 | 3.95 |
| Satellite Solutions Worldwide Group plc | 239,452 | 423,556 | 3.27 | 6.08 |
| Tekcapital plc | 157,671 | 125,375 | 2.15 | 1.80 |
| Falanx Group Ltd | 51,460 | 20,114 | 0.70 | 0.29 |
| Gear4Music Holdings plc | 28,518 | 131,058 | 0.39 | 1.88 |
| Premaitha Health plc | 69,349 | 16,560 | 0.95 | 0.24 |
| Belvoir Lettings plc | 23,320 | 19,400 | 0.32 | 0.28 |
| Photonstar LED group plc | 35,179 | 2,240 | 0.48 | 0.03 |
| Yu Group plc | 27,893 | 172,500 | 0.38 | 2.48 |
| Maxcyte Inc | 25,128 | 87,142 | 0.34 | 1.25 |
| Scancell Holdings plc | 54,877 | 44,965 | 0.75 | 0.65 |
| Medaphor Group plc | 75,373 | 18,331 | 1.03 | 0.26 |
| Imaginatik plc | 40,207 | 19,200 | 0.55 | 0.28 |
| Faron Pharmaceuticals Ltd | 30,153 | 105,000 | 0.41 | 1.51 |
| Cloudcall Group plc | 20,230 | 50,050 | 0.28 | 0.72 |
| Creo Medical Group plc | 37,691 | 39,967 | 0.51 | 0.57 |
| Anglo African Oil & Gas plc | 45,229 | 26,438 | 0.62 | 0.38 |
| Escape Hunt plc | 31,006 | 25,592 | 0.42 | 0.37 |
| Proxama plc | 27,410 | 18,180 | 0.37 | 0.26 |
| Fusion Antibodies plc | 22,114 | 33,001 | 0.30 | 0.47 |
| Pelatro plc | 25,128 | 30,400 | 0.34 | 0.44 |
| Total AIM quoted investments | 6,425,535 | 6,396,122 | 87.73 | 91.87 |

Investment Portfolio

| Security | Cost £ | Valuation 28/02/2018 - £ | % Cost | % Valuation |
|-------------------------------------|------------------|-----------------------------|--------------|----------------|
| Unlisted Investments | | | | |
| Syqic plc | 19,943 | 4,800 | 0.27 | 0.07 |
| Outsourcery plc | 45,027 | 0 | 0.62 | 0.00 |
| Invocas plc | 100,400 | 0 | 1.37 | 0.00 |
| Optare plc | 50,753 | 0 | 0.69 | 0.00 |
| Total Unlisted investments | 216,123 | 4,800 | 2.95 | 0.07 |
| Total Qualifying Investments | 6,641,658 | 6,400,922 | 90.68 | 91.94 |

Non-qualifying Investments

AIM quoted

| | | | | |
|----------------------------------|----------------|----------------|-------------|-------------|
| Sanderson Group plc | 37,008 | 86,000 | 0.51 | 1.23 |
| Rotala plc | 60,796 | 87,450 | 0.83 | 1.26 |
| Tristel plc | 60 | 270 | 0.00 | 0.00 |
| K3 Business Technology Group plc | 131 | 172 | 0.00 | 0.00 |
| Bango plc | 291 | 372 | 0.00 | 0.01 |
| Numis Corp plc | 8,285 | 35,300 | 0.11 | 0.51 |
| Lombard Risk Mgt plc | 131 | 129 | 0.00 | 0.00 |
| Coretx Holdings plc | 218 | 23 | 0.00 | 0.00 |
| Brady plc | 106 | 57 | 0.00 | 0.00 |
| Cyanconnode Holdings plc | 131 | 13 | 0.00 | 0.00 |
| Driver Group plc | 8,992 | 6,800 | 0.12 | 0.10 |
| TLA Worldwide plc | 29,118 | 17,973 | 0.40 | 0.26 |
| Audioboom Group plc | 1,163 | 350 | 0.02 | 0.01 |
| Be Heard Group plc | 18,186 | 11,500 | 0.25 | 0.16 |
| Gateley Holdings plc | 14,627 | 25,200 | 0.20 | 0.36 |
| Yolo Leisure and Tech plc | 22,367 | 5,000 | 0.31 | 0.07 |
| | 201,610 | 276,609 | 2.75 | 3.97 |

UK Listed

| | | | | |
|----------------------------|----------------|----------------|-------------|-------------|
| Investec plc | 202,821 | 114,750 | 2.77 | 1.65 |
| Aviva plc | 22,268 | 25,200 | 0.30 | 0.36 |
| Imperial Brands plc | 23,763 | 26,030 | 0.32 | 0.38 |
| Greene King plc | 9,964 | 6,538 | 0.14 | 0.09 |
| Centrica plc | 10,074 | 4,230 | 0.14 | 0.06 |
| Twentyfour Income Fund Ltd | 9,852 | 9,900 | 0.14 | 0.14 |
| Vodafone Group plc | 20,590 | 18,736 | 0.28 | 0.27 |
| | 299,332 | 205,384 | 4.09 | 2.95 |

Investment Portfolio

| Security | Cost | Valuation | % | % |
|---|----------------|----------------|-------------|-------------|
| | £ | 28/02/2018 - £ | Cost | Valuation |
| Unlisted Investments | | | | |
| China Food Co plc | 65,969 | 2,300 | 0.90 | 0.03 |
| Gable Holdings Inc | 12,112 | 0 | 0.16 | 0.00 |
| Sorbic International plc | 18,717 | 2,660 | 0.26 | 0.04 |
| Progility plc | 0 | 0 | 0.00 | 0.00 |
| Mar City plc | 10,053 | 0 | 0.14 | 0.00 |
| | 106,851 | 4,960 | 1.46 | 0.07 |
| Total non-qualifying investments | 607,793 | 486,953 | 8.30 | 6.99 |

Top Ten Investments

| Security | Cost £ | Valuation 28/02/2018 - £ | % Cost | % Valuation |
|---|-----------|-----------------------------|-----------|----------------|
| Tristel plc | 102,424 | 708,480 | 1.40 | 10.18 |
| Satellite Solutions Worldwide Group plc | 239,452 | 423,556 | 3.27 | 6.08 |
| Premier Technical Services Group plc | 104,834 | 371,099 | 1.43 | 5.33 |
| Lighthouse Group plc | 203,513 | 336,000 | 2.78 | 4.83 |
| Inspired Energy plc | 51,370 | 329,952 | 0.70 | 4.74 |
| Keywords Studios plc | 24,107 | 304,590 | 0.33 | 4.37 |
| Bilby plc | 156,673 | 287,583 | 2.14 | 4.13 |
| HML Holdings plc | 280,672 | 287,100 | 3.83 | 4.12 |
| Hunters Property plc | 251,256 | 275,000 | 3.43 | 3.95 |
| ULS Technology plc | 52,261 | 182,000 | 0.71 | 2.61 |

The investments tabulated above are expressed as a percentage of the company's investment portfolio including uninvested cash.

Directors' Report

The directors present their report and the audited financial statements for the year to 28 February 2018.

Results and dividend

| | 28 February 2018 Revenue £'000 | Year to 28 February 2018 Capital £'000 | 29 February 2017 Revenue £'000 | Year to 29 February 2017 Capital £'000 |
|---|--------------------------------------|---|--------------------------------------|---|
| Return on ordinary activities after taxation | 28 | 533 | 47 | 1,101 |
| Appropriated as follows: | | | | |
| <i>Interim dividend paid</i> | | | | |
| Revenue – nil p | - | - | - | - |
| Capital – nil p | - | - | - | - |
| <i>Final dividend paid in respect of prior period</i> | | | | |
| Revenue – 0.55p (0.525p) per share | (28) | - | (47) | - |
| Capital – 2.75p (2.675p) per share | - | (231) | - | (233) |
| Transfers to reserves | - | 302 | - | 868 |

The directors propose a final revenue dividend of 0.355p per share and a final capital dividend of 3.045p per share for the year ended 28 February 2018 to be paid on 7 September 2018 to shareholders on the register at 10 August 2018.

Directors

The directors of the company who served throughout the year and their interests in the issued ordinary shares of 10p of the company are as follows:

| | Year ended 28 February 2018 | Year ended 29 February 2017 |
|---------------------|--------------------------------|--------------------------------|
| Michael Barnard | 1,877,382 | 1,805,752 |
| Geoffrey Gamble | 61,732 | 61,732 |
| Peter William Riley | 59,185 | 28,023 |
| Ian Cameron-Mowat | 107,904 | 51,225 |

All of the directors' share interests shown above are held beneficially.

Brief biographical notes on the directors are given on page 3. The director, retiring in accordance with the company's Articles of Association, is Mr Riley, who being eligible will offer himself for re-election at the forthcoming annual general meeting. The directors believe his experience in small companies is a great benefit to the Board and recommend his re-election.

None of the directors has a contract of service with the company and, except as mentioned below under the heading "Management", there were no contracts that subsisted during the year in which a director was materially interested and which was significant in relation to the company's business.

Directors' Report

Management

M D Barnard & Company Limited has acted as investment manager to the company since inception. The principal terms of the Investment Management Agreement are set out in Note 6 to the Financial Statements.

Substantial shareholdings

As at 28 February 2018 the company had been notified of the following shareholdings representing 3 per cent or more of the company's issued share capital during the year under review or at the date of this report:

| | Number | Percentage of share capital |
|-------------------|-----------|--------------------------------|
| Michael Barnard | 1,877,382 | 23.88% |
| Geoffrey Williams | 391,570 | 4.98% |
| Nigel Shanks | 364,820 | 4.64% |
| David Trotman | 324,000 | 4.12% |
| John Brice | 290,988 | 3.70% |
| Roger Carey | 241,048 | 3.07% |

Acquisition of own shares

During the year the company did not re-purchase any of its ordinary shares (2017: 873,437 repurchased).

Structure of the company's capital

The company only has one class of ordinary share and each share has attached to them full voting rights, dividends and capital distribution rights (including on a winding up) and do not confer any rights of redemption.

Appointment of Directors

The Directors are subject to re-election with one third of the Directors being re-elected annually at the AGM.

Creditor payment policy

The company's payment policy is to agree terms of payment before business is transacted and to settle accounts in accordance with those terms. The company's principal expenses such as investment management fees and administration fees are paid quarterly in arrears in accordance with the respective agreements. Accordingly the company had no material trade creditors at the year end.

Post balance sheet events

Details of the post balance sheet events are set out in note 27.

Directors' Report

Auditors

In accordance with Section 485 of the Companies Act 2006, a resolution proposing that UHY Hacker Young LLP be reappointed as auditors of the company and that the Directors be authorised to determine their remuneration will be put to the next Annual General Meeting.

Statement of disclosure to auditors

So far as the directors are aware:

1. there is no relevant audit information of which the Company's auditors are unaware; and
2. 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 auditors are aware of that information.

By Order of the Board



Michael Barnard
Director

28 June 2018

Directors' Remuneration Report

The Board has prepared this report in accordance with the requirements of the Companies Act 2006. A resolution to approve this report will be put to the members at the Annual General Meeting to be held on 24th August 2018.

Directors' remuneration policy

The company does not have any executive directors and, as permitted under the Listing Rules, has not, therefore, established a remuneration committee. Directors, with the exception of the chairman, do not receive any remuneration or fees.

The directors shall be paid by the company all travel, hotel and other expenses they may incur in attending meetings of the directors or general meetings or otherwise in connection with the discharge of their duties. Any director who, by request of the directors, performs special services may be paid such extra remuneration as the directors may determine.

Directors' remuneration (audited)

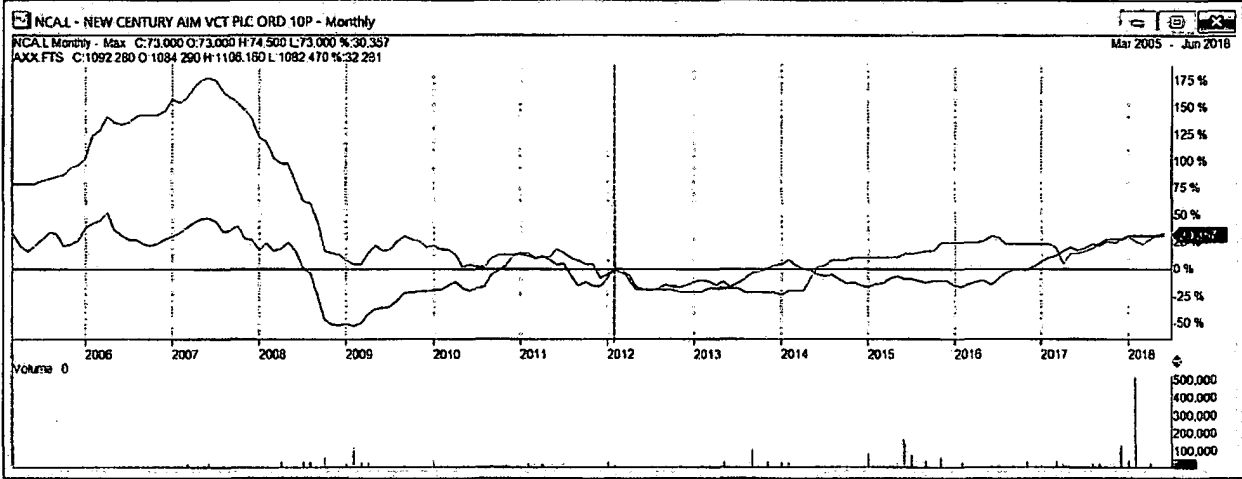
None of the Directors received any remuneration from the company during the year under review, with the exception of the chairman, who received a fee of £5,000 (2017: £1,250). No other emoluments or pension contributions were paid by the company to, or on behalf of, any director. None of the directors has a service contract with the company. It is expected that, with the exception of the chairman, the directors will continue not to receive any remuneration for their services in the forthcoming years.

Performance

The directors consider that the most appropriate measure of the company's performance is its Cumulative Value of Shareholder Investment (net asset value plus cumulative dividends). The company's Cumulative Value of Shareholder Investment at 28 February 2018 and 28 February 2017 are set out in the Financial Summary on page 1.

Directors' Remuneration Report

Total shareholder return



The above graph shows the company's total shareholder return compared to that of the FTSE AIM All Index total return for the period since listing on the London Stock Exchange.

By Order of the Board

Michael Barnard
Director

28 June 2018

Corporate Governance

The directors support the relevant principles of the UK Corporate Governance Code issued in April 2016 by the Financial Reporting Council, being the principles of good governance and the code of best practice as set out in the Main Principles of the Code annexed to the Listing Rules of the Financial Conduct Authority.

The UK Corporate Governance Code ('the UK Code') is available at the following location:
www.frc.org.uk/corporate/ukcgcode.cfm

Going concern

Bearing in mind that the assets of the company consist mainly of marketable securities, the directors are of the opinion that at the time of approving the financial statements, the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The Board

The company is led and controlled by a Board of directors who are all non-executives. The Chairman is Geoffrey Gamble. Biographical details of all Board members are shown on page 3.

One third of the Directors are subject to re-election at each AGM by rotation.

During the year the following were held:

| 1 full board meeting | 2 Audit Committee meetings |
|---|--|
| All directors attended the meeting with the exception of Mr Cameron-Mowat and Mr Riley. | All members attended with the exception of Mr Cameron-Mowat on one occasion. |

Whilst only Mr Gamble had been a director of a quoted company, all directors had relevant experience with quoted companies prior to their appointment and it was therefore not thought necessary to provide further training in respect of their obligations and duties.

The Board has also established procedures whereby directors wishing to do so in the furtherance of their duties may take independent professional advice at the company's expense.

All directors have access to the advice and services of the Company Secretary. The Company Secretary provides the Board with full information on the company's assets and liabilities and other relevant information requested by the Chairman, in advance of each Board meeting.

The Board believes that it presents a balanced and understandable assessment of the company's position and prospects. The Audit Committee meets at least once a year. Under the chairmanship of a non-executive director, its membership comprises all the non-executive directors with the exception of the representative of the investment manager. During the year the Audit Committee was chaired by Mr Gamble. The Audit Committee reviews the financial statements and is reported to by the external auditors. The Audit Committee did not identify or consider any significant issues relating to the financial statements as substantially all the investments are valued by reference to publicly quoted prices. Further, the Audit Committee keeps under review the cost effectiveness, independence and objectivity of the auditors. A formal statement of independence is received from the external auditors each year. The terms of reference of the Audit Committee are available for inspection at the company's registered office.

The investment manager is authorised and regulated by the Financial Conduct Authority and the directors have an opportunity to review their own auditors' review of their financial controls.

Corporate Governance

Relations with shareholders

The Chairman is the company's principal spokesman with investors, fund managers, the press and other interested parties.

Shareholders will have the opportunity to meet the Board at the AGM. The Board is also happy to respond to any written queries made by shareholders during the course of the year, or to meet with major shareholders if so requested.

In addition to the formal business of the AGM, representatives of the management team and the Board are available to answer any shareholder queries.

Separate resolutions are proposed at the AGM on each substantially separate issue. The Registrars collate proxy votes and the results (together with the proxy forms) are forwarded to the Company Secretary immediately prior to the AGM. In order to comply with the UK Code, proxy votes will be announced at the AGM, following each vote on a show of hands, except in the event of a poll being called. The notice of the next AGM and proxy form can be found at the end of these financial statements.

Financial Reporting

The directors' statement of responsibilities for preparing the financial statements is set out on page 19, and a statement by the auditors about their reporting responsibilities is set out in the Auditors' Report on page 23.

Internal control

The directors are responsible for the company's system of internal control. Although no system of internal control can provide absolute assurance against material misstatement or loss, the company's systems are designed to provide the directors with reasonable assurance that problems are identified on a timely basis and dealt with appropriately.

The directors have conducted a review of the effectiveness of the system of internal control for the year covered by the financial statements. This accords with the FRC's guidance on Risk Management, internal control and related Financial and Business reporting.

Although the Board is ultimately responsible for safeguarding the assets of the company, the Board has delegated, through written agreements, the day-to-day operation of the company to M D Barnard & Company Limited.

Compliance statement

The Listing Rules require the Board to report on compliance with the Governance Code provisions throughout the accounting year. The Comply or Explain Section of the UK Code does however acknowledge that some provisions may have less relevance for investment companies. With the exception of the limited items outlined below, the company has complied throughout the accounting year to 28 February 2018 with the provisions set out in Sections A to E of the Governance Code.

1. The Board has not appointed a nominations committee as they consider the Board to be small and it comprises wholly non-executive directors. Appointments of new directors are dealt with by the full Board.
2. New directors do not receive a full, formal and tailored induction on joining the Board. Such matters are addressed on an individual basis as they arise.
3. Due to the size of the Board and the nature of the company's business, a formal performance evaluation of the Board, its committees, the individual directors and the Chairman has not been undertaken. Specific performance issues are dealt with as they arise.

Corporate Governance

4. The company has four independent directors, as defined by the Governance Code issued in April 2016. The Board consider that Messrs. Gamble, Barnard, Riley and Cameron-Mowat are independent in character and judgement and there are no relationships or circumstances which are likely to affect, or could appear to affect the directors' judgement. The Board considers that all directors have sufficient experience to be able to exercise proper judgement within the meaning of the Governance Code.
5. The company does not have a chief executive officer or senior independent director. The Board does not consider this to be necessary for the size of the company.
6. The company does not conduct a formal review as to whether there is a need for an internal audit function. The directors do not consider that an internal audit would be an appropriate control for a venture capital trust.
7. The Audit Committee is chaired by Geoffrey Gamble, Chairman of the Board of directors, whom the Board regard as independent despite recommendations to the contrary in the Governance Code due to his being Chairman of the Board of directors.
8. The non-executive directors do not have service contracts, whereas the recommendation is for fixed term renewable contracts.
9. The company has no major shareholders so shareholders are not given the opportunity to meet any new non-executive directors at a specific meeting other than the AGM.

Statement of directors' responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the revenue of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; 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 ensuring that proper accounting records are kept, which disclose with reasonable accuracy at any time the financial position of the company, enabling them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for the company's system of internal control, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Responsibility statement

The directors confirm that to the best of their knowledge:

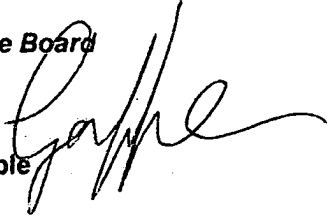
1. the financial statements, prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), give a true and fair view of the assets, liabilities, financial position and profit or loss of the company; and
2. the Directors' report includes a fair review of the development and performance and position of the company, together with a description of the principal risks and uncertainties that it faces.

Corporate Governance

3. the Directors consider that the annual report and financial statements are fair, balanced and understandable, providing appropriate information to shareholders to assess the performance, business model and strategy of the company.

By Order of the Board

Geoffrey Gamble



28 June 2018

Independent Auditors' Report to the members of New Century AIM VCT plc

Opinion

We have audited the financial statements of New Century AIM VCT plc for the year ended 28 February 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 28 February 2018 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, 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 principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation in the annual report that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity;
- the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit;
- the directors' explanation in the annual report as to how they have assessed the prospects of the company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

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.

Independent Auditors' Report to the members of New Century AIM VCT plc

Our assessment of risks of material misstatements

We identified the following risks that we believe have had the greatest impact on our audit strategy and scope:

- The carrying value of the investments and the recognition of realised and unrealised 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 and have the greatest impact on both the income statement and balance sheet.
- Compliance with the VCT rules is necessary to maintain the VCT status and associated tax benefits.

Our 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 influence the economic decisions taken on the basis of the financial statements by reasonable users.

We also determine a level of performance materiality which we use to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

We determined materiality for the financial statements as a whole to be £104,000. In determining this we based our assessment on an average of four key indicators, being the turnover, the return before tax, the net assets and gross assets of the company. 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, being £78,000.

An overview of the scope of our audit

The approach we took to the assessed risks described above was as follows:

- We tested the value of the year-end investments by reference to market price information at the year-end. The purchase and sale of investments were agreed to contract notes and cash movements on a sample basis. The realised gains and losses on the sale of investments were re-calculated for both the individual transactions on a sample basis and for the total portfolio.

The movement in unrealised gains was checked for arithmetical accuracy and validated by reviewing the opening costs to prior year balances and purchases on a sample basis.

The portfolio is maintained by the investment advisor in accordance with the investment management agreement. We agreed the investment portfolio to a signed confirmation provided by the investment advisor detailing each investment, the cost and market price.

- Our work in respect of the compliance with the VCT rules involved testing the eight conditions for maintaining approval as a VCT as set out by HMRC. Each of the conditions was tested in turn in order to assess whether it had been met as at the year-end.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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.

Independent Auditors' Report to the members of New Century AIM VCT plc

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable** – the statement by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit committee reporting** – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or
- **Directors' statement of compliance with the UK Corporate Governance Code** – the parts of the directors' statement required under the Listing Rules relating to the company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinion 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;
- the information given in the Strategic Report and the Directors' Report for the financial year for which the accounts are prepared is consistent with the financial statements.
- the Strategic Report in the Directors' Report has 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:
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities on page 19, 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

Independent Auditors' Report to the members of New Century AIM VCT plc

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi>. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by New Century Aim VCT Plc in 2005 and subsequently re-appointed following a tender process on 27 March 2018. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 14 years.

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 auditors' 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

28 June 2018

**Statement of Comprehensive Income (incorporating the revenue accounts)
for the year to 28 February 2018**

| | | Year ended 28 February 2018 | | | Year ended 28 February 2017 | | |
|--|-------|--------------------------------|------------------|----------------|--------------------------------|------------------|----------------|
| | Notes | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Gains on investments | | | | | | | |
| - realised | | - | 141 | 141 | - | 514 | 514 |
| - unrealised | | - | 446 | 446 | - | 639 | 639 |
| Income | 5 | 97 | - | 97 | 118 | - | 118 |
| Investment management fee | 6 | (18) | (54) | (72) | (17) | (52) | (69) |
| Other expenses | 7 | (51) | - | (51) | (54) | - | (54) |
| Return on ordinary activities before taxation | | <u>28</u> | <u>533</u> | <u>561</u> | <u>47</u> | <u>1,101</u> | <u>1,148</u> |
| Tax credit/ (charge) on ordinary activities | 9 | - | - | - | - | - | - |
| Return on ordinary activities after taxation | | <u>28</u> | <u>533</u> | <u>561</u> | <u>47</u> | <u>1,101</u> | <u>1,148</u> |
| Return per ordinary share (pence) | 11 | <u>0.35</u> | <u>6.78</u> | <u>7.14</u> | <u>0.55</u> | <u>12.64</u> | <u>13.19</u> |

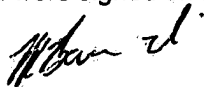
The notes on pages 29 to 38 form an integral part of these financial statements.

All revenue and capital items in the above statement are from continuing operations in the current year. No operations were acquired or discontinued in the current year. Other than as shown above, the company had no recognised gains or losses. Accordingly, the above represents the total comprehensive income for the year.

Balance Sheet at 28 February 2018

| | Note | Year ended 28 February 2018 £'000 | Year ended 28 February 2017 £'000 |
|--|------|---|---|
| Fixed assets | | | |
| Investments | 12 | 6,888 | 6,571 |
| Current assets | | | |
| Debtors | 15 | 75 | 93 |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 16 | (28) | (31) |
| | | <u>6,935</u> | <u>6,633</u> |
| Capital and reserves | | | |
| Called up share capital | 17 | 786 | 786 |
| Share premium | 20 | 682 | 682 |
| Capital reserve – realised | 20 | 469 | 356 |
| Capital reserve – unrealised | 20 | 3,788 | 3,368 |
| Capital Redemption Reserve Fund | 20 | 400 | 400 |
| Revenue reserve | 20 | 810 | 1,041 |
| | | <u>6,935</u> | <u>6,633</u> |
| Total equity shareholders' funds | | <u>6,935</u> | <u>6,633</u> |
| Net asset value per ordinary share | 18 | <u>88p</u> | <u>84p</u> |

The financial statements on pages 25 to 38 were approved by the Board of directors on 28 June 2018 and were signed on its behalf by:



Michael Barnard
Director

The notes on pages 29 to 38 form an integral part of these financial statements.

Company's registered number: 05352611.

Statement of Changes in Equity at 28 February 2018

| | Share capital £'000 | Share premium account £'000 | Capital redemption reserve £'000 | Capital realised £'000 | Capital unrealised £'000 | Revenue reserve £'000 | Total £'000 |
|---|---------------------------|--------------------------------------|---|------------------------------|--------------------------------|-----------------------------|----------------|
| As at 1 March 2017 | 786 | 682 | 400 | 356 | 3,368 | 1,041 | 6,633 |
| Cancellation of shares | - | - | - | - | - | - | - |
| Realised gains on disposals | - | - | - | 141 | - | - | 141 |
| Share issue | - | - | - | - | - | - | - |
| Transfer of unrealised gain to realised on disposal of investment | - | - | - | 26 | (26) | - | - |
| Net revenue before tax | - | - | - | - | - | 28 | 28 |
| Capital element of investment management fee | - | - | - | (54) | - | - | (54) |
| Dividends paid | - | - | - | - | - | (259) | (259) |
| Unrealised gains | - | - | - | - | 446 | - | 445 |
| At 28 February 2018 | <u>786</u> | <u>682</u> | <u>400</u> | <u>469</u> | <u>3,788</u> | <u>810</u> | <u>6,935</u> |

| | Share capital £'000 | Share premium account £'000 | Capital redemption reserve £'000 | Capital realised £'000 | Capital unrealised £'000 | Revenue reserve £'000 | Total £'000 |
|---|---------------------------|--------------------------------------|---|------------------------------|--------------------------------|-----------------------------|----------------|
| As at 1 March 2016 | 863 | 612 | 313 | 1,140 | 1,483 | 1,976 | 6,387 |
| Cancellation of shares | (87) | - | 87 | - | - | (702) | (702) |
| Realised gains on disposals | - | - | - | 514 | - | - | 514 |
| Share issue | 10 | 70 | - | - | - | - | 80 |
| Transfer of unrealised gain to realised on disposal of investment | - | - | - | (1246) | 1,246 | - | - |
| Net revenue before tax | - | - | - | - | - | 47 | 47 |
| Capital element of investment management fee | - | - | - | (52) | - | - | (52) |
| Dividends paid | - | - | - | - | - | (280) | (280) |
| Unrealised gains | - | - | - | - | 639 | - | 639 |
| At 28 February 2017 | <u>786</u> | <u>682</u> | <u>400</u> | <u>356</u> | <u>3,368</u> | <u>1,041</u> | <u>6,633</u> |

Cash Flow Statement at 28 February 2018

| | Note | Year ended 28 February 2018 £'000 | Year ended 28 February 2017 £'000 |
|--|------|---|---|
| Cash flow from operating activities | | | |
| Cash used in operations | 21 | (125) | (118) |
| | | <hr/> | <hr/> |
| Net cash used in operating activities | | (125) | (118) |
| Cash flows from investing activities | | | |
| Investment income | | 97 | 118 |
| | | <hr/> | <hr/> |
| Net cash from investing activities | | 97 | 118 |
| Cash flows from financing activities | | | |
| Sale of investments | | 551 | 1,140 |
| Purchase of investments | | (282) | (588) |
| Share issue | | - | 80 |
| Dividends paid | | (259) | (280) |
| Share cancellation | | - | (702) |
| | | <hr/> | <hr/> |
| Net cash generated from/ (used in) financing activities | | 10 | (350) |
| Net decrease in cash and cash equivalents | | (18) | (350) |
| Cash and cash equivalents at the beginning of the year | | 93 | 443 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents at the end of year | | <u>75</u> | <u>93</u> |

Notes to the Financial Statements for the year to 28 February 2018

1. Company information

New Century AIM VCT PLC is a UK incorporated company whose registered office is:

4th Floor
50 Mark Lane
London EC3R 7QR

New Century AIM VCT PLC is a Venture Capital Trust established under the legislation introduced in the Finance Act 1995. The company's principal objective is to achieve long term capital growth through investment in a diversified portfolio of qualifying companies primarily quoted on AIM.
Investments

2. Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards and with the Financial Reporting Council's Financial Reporting Standard FRS 102 and with the Statement of Recommended Practice for Investment Companies re-issued by the Association of Investment Companies in November 2014 and updated in January 2017.

Going Concern basis – on the basis that the assets of the company consist mainly of marketable securities, the directors are of the opinion that at the time of approving the accounts, the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

The financial statements are presented in Sterling.

It is not the company's policy to exercise controlling or significant influence over investee companies, although it may hold a significant interest in some companies. Accordingly, the results of these companies are not incorporated into the revenue account except to the extent of any income earned or received.

3. Significant estimates and judgements

As the company's investment holdings, which comprise over 99% of its total assets, are stated at market bid value based on the closing prices of the London Stock Exchange, the directors do not believe that there is any inherent uncertainty in their presentation of these amounts, and that in their judgement, market value and fair value may be regarded as identical for the purpose of these accounts.

4. Accounting policies

Investments

Listed or AIM traded investments are stated at market value, which is based upon market bid prices at the balance sheet date. In the event that the shares held by the company are subject to certain restrictions, or the holding is significant in relation to the traded issued share capital of the investee company then the directors may apply a discount to the relevant market price.

Investments in unquoted companies are valued by the directors in accordance with British Venture Capital Association ("BVCA") guidelines.

Notes to the Financial Statements for the year to 28 February 2018

4. Accounting policies (continued)

Investments (continued)

Realised surpluses or deficits on the disposal of investments and permanent impairments in the value of investments are taken to realised capital reserves. Unrealised surpluses and deficits on the revaluation of investments are taken to unrealised capital reserves. Costs incurred relating to acquisitions and disposals are charged to capital reserves as a deduction from proceeds or an addition to costs.

It is not the company's policy to exercise controlling or significant influence over investee companies, although it may hold a significant interest in some companies. Accordingly, the results of these companies are not incorporated into the revenue account except to the extent of any income earned or received.

Income

Dividend income receivable from quoted securities is recognised on the ex-dividend date. Income from unquoted equity and non-equity securities is recognised on an accruals basis except that a full provision is made until the receipt of the income is certain.

Interest from cash and deposits and fixed returns on debt securities are recognised on an accruals basis.

Expenses

All expenses are accounted for on an accruals basis. One quarter of the investment management fee is charged to the revenue account and the remaining three quarters is charged to capital reserves, net of corporation tax relief, and inclusive of any irrecoverable value added tax. The allocation of the management fee reflects the directors' estimate of the source of the long-term returns in the portfolio from revenue and capital.

Taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Notes to the Financial Statements for the year to 28 February 2018

5. Income

| | Year ended 28 February 2018 £'000 | Year ended 28 February 2017 £'000 |
|----------------------------------|--|--|
| Interest receivable | | |
| - bank deposits and liquid funds | - | - |
| Dividends receivable | 97 | 118 |
| Investment income | <u>97</u> | <u>118</u> |

6. Investment management fees

| | Year ended 28 February 2018 | | Year ended 28 February 2017 | |
|----------------------------|-----------------------------------|------------------|-----------------------------------|------------------|
| | Revenue £'000 | Capital £'000 | Revenue £'000 | Capital £'000 |
| Investment management fees | <u>18</u> | <u>54</u> | <u>17</u> | <u>52</u> |

M D Barnard & Company Limited ("MDB") provides investment management services to the company in respect of the company's portfolio of venture capital investments under an investment management agreement dated 10 March 2005, supported by a deed of amendment dated 4 September 2017.

Under the terms of the investment management agreement, MDB is entitled to a fee (exclusive of VAT) equal to 1% per annum of the net assets of the company. The fee is calculated quarterly in arrears based on the net assets at 28 February, 31 May, 31 August and 30 November. No performance fee is payable.

The investment management agreement is for a minimum period of three years from 1 September 2017, subject to a trade-off clause that if Simon Like ceases to manage the company's investments, the company may terminate the agreement with MDB in a mirror time frame of 12 months' notice period.

7. Other expenses

| | Year ended 28 February 2018 £'000 | Year ended 28 February 2017 £'000 |
|---|--|--|
| Administrative and secretarial services | 24 | 24 |
| Auditors' remuneration | | |
| - for audit services | 10 | 11 |
| - for tax services | - | - |
| Regulatory fees | 14 | 12 |
| Miscellaneous | 3 | 7 |
| | <u>51</u> | <u>54</u> |

Notes to the Financial Statements for the year to 28 February 2018

8. Directors' remuneration

The chairman received £5,000 (2017: £1,250) remuneration in the year. No other remuneration has been paid or is payable for the year to 28 February 2018 or in respect of the prior year.

9. Tax charge/(credit) on ordinary activities

| | Year ended 28 February 2018 | | Year ended 28 February 2017 | |
|---|-----------------------------------|------------------|-----------------------------------|------------------|
| | Revenue £'000 | Capital £'000 | Revenue £'000 | Capital £'000 |
| United Kingdom tax based on the taxable return for the year | - | - | - | - |
| Factors affecting tax charge/(credit) for the year | | | | |
| Return on ordinary activities before taxation | 28 | 533 | 47 | 1,101 |
| Tax on above at the small company rate of 19% (2017: 20%) | 5 | 101 | 9 | 220 |
| UK dividends not subject to corporation tax | (18) | - | (24) | - |
| Capital loss on investment | - | (112) | - | (231) |
| Non allowable expenses | - | - | 1 | - |
| Unutilised losses | 13 | 11 | 14 | 11 |
| Current tax charge/(credit) for the year | - | - | - | - |

The company has unrelieved losses amounting to approximately £1,737,000 (2017: £1,611,000) which are available to carry forward for tax purposes which it can set off against future profits. No deferred tax asset has been recognised in respect of these losses in view of the company's history of losses.

Notes to the Financial Statements for the year to 28 February 2018

10. Dividends

| | Year ended 28 February 2018 £'000 | Year ended 28 February 2017 £'000 |
|---|---|---|
| Interim dividend paid | - | - |
| Final dividend paid in respect of previous year | 259 | 280 |
| | <u>259</u> | <u>280</u> |

The directors propose a final revenue dividend of 0.355p per share and a final capital dividend of 3.045p per share for the year ended 28 February 2018 to be paid on 7 September 2018 to shareholders on the register at 10 August 2018.

11. Return per ordinary share

The revenue return, per ordinary share, is based on the net revenue on ordinary activities after taxation of £27,905 (2017: £47,487) and on 7,860,937 (2017: 8,699,558) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

The capital return per ordinary share is based on a net realised and unrealised capital return of £532,992 (2017: £1,099,958) and on 7,860,937 (2017: 8,699,558) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

12. Fixed asset investments

| | Year ended 28 February 2018 £'000 | Year ended 28 February 2017 £'000 |
|-----------|---|---|
| UK Listed | 205 | 240 |
| AIM | 6,673 | 6,323 |
| Unlisted | 10 | 8 |
| | <u>6,888</u> | <u>6,571</u> |

Movements in investments, including realised and unrealised gains and losses, during the year are summarised as follows:

| | Year ended 28 February 2018 | | | | |
|-------------------------------|-----------------------------|--------------------|--------------|-------------------|----------------|
| | Unlisted £'000 | UK listed £'000 | AIM £'000 | NEX Mkts £'000 | Total £'000 |
| Valuation at 1 March 2017 | 8 | 240 | 6,323 | - | 6,571 |
| Purchases at cost | - | - | 281 | - | 282 |
| Transfers | 12 | - | (12) | - | - |
| Sales proceeds | (2) | (26) | (523) | - | (551) |
| Realised gains/(losses) | (3) | 3 | 141 | - | 141 |
| Unrealised gains/(losses) | (5) | (12) | 463 | - | 446 |
| Valuation at 28 February 2018 | <u>10</u> | <u>205</u> | <u>6,673</u> | <u>-</u> | <u>6,888</u> |
| Cost at 1 March 2017 | 343 | 321 | 6,689 | - | 7,353 |
| Purchases | - | - | 282 | - | 282 |
| Transfers | 108 | - | (108) | - | - |
| Sales proceeds | (2) | (26) | (523) | - | (551) |
| Realised gains/(losses) | (125) | 4 | 287 | - | 166 |
| Cost at 28 February 2018 | <u>324</u> | <u>299</u> | <u>6,627</u> | <u>-</u> | <u>7,250</u> |

Notes to the Financial Statements for the year to 28 February 2018

12. Fixed asset investments (continued)

| | Year ended 28 February 2017 | | | | |
|-------------------------------|-----------------------------|--------------------|--------------|-------------------|----------------|
| | Unlisted £'000 | UK listed £'000 | AIM £'000 | NEX Mkts £'000 | Total £'000 |
| Valuation at 1 March 2016 | 11 | 290 | 5,670 | - | 5,971 |
| Purchases at cost | - | - | 587 | - | 587 |
| Transfers | 18 | - | (18) | - | - |
| Sales proceeds | (2) | (64) | (1,074) | - | (1,140) |
| Realised gains/(losses) | (5) | | 519 | - | 514 |
| Unrealised gains/(losses) | (14) | 14 | 639 | - | 639 |
| Valuation at 28 February 2017 | 8 | 240 | 6,323 | - | 6,571 |
| Cost at 1 March 2016 | 76 | 375 | 8,187 | - | 8,638 |
| Purchases | - | - | 587 | - | 587 |
| Transfers | 317 | - | (317) | - | - |
| Sales proceeds | (2) | (64) | (1,074) | - | (1,140) |
| Realised gains/(losses) | (48) | 10 | (694) | - | (732) |
| Cost at 28 February 2017 | 343 | 321 | 6,689 | - | 7,353 |

The overall gain on investments for the years shown are in the Income Statement is analysed as follows:

| | Year ended 28 February 2018 £'000 | Year ended 29 February 2017 £'000 |
|-------------------------------------|--|--|
| Net realised gain on disposal | 141 | 514 |
| Increase in unrealised appreciation | 446 | 639 |
| | <u>587</u> | <u>1,153</u> |

13. Venture capital investments

A full list of investments held is disclosed under Investment Portfolio.

14. Significant interests

The company did not hold more than 10% of the allotted equity share capital of any class of any investee company.

15. Debtors

| | Year ended 28 February 2018 £'000 | Year ended 28 February 2017 £'000 |
|--|--|--|
| Uninvested funds with broker: M D Barnard & Company Limited | <u>75</u> | <u>93</u> |

Notes to the Financial Statements for the year to 28 February 2018

16. Creditors: amounts falling due within one year

| | Year ended 28 February 2018 £'000 | Year ended 28 February 2017 £'000 |
|------------------------------|--|--|
| Trade creditors and accruals | 28 | 31 |
| | <u>28</u> | <u>31</u> |

17. Share capital

| | Year ended 28 February 2018 £'000 | Year ended 28 February 2017 £'000 |
|--|---|---|
| Authorised 15,000,000 ordinary shares of 10p each | 1,500 | 1,500 |
| Allotted, called up and fully paid 7,860,937 (2017: 7,860,937) ordinary shares of 10p | 786 | 786 |

18. Net asset value per share

Net asset value per share is based on net assets at 28 February 2018 of £6,934,635 (28 February 2017 of £6,633,148) and on 7,860,937 ordinary shares (2017: 7,860,937 ordinary shares) in issue at those dates.

19. Performance incentive arrangements

The Investment Manager is not entitled to any performance incentive arrangements.

20. Reserves

Called up 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.

Capital redemption reserve relates to capital repurchased.

Capital reserve – realised represents surpluses or deficits on the disposal of investments and permanent impairment in the value of investments.

Capital reserve – unrealised represents surpluses and deficits on the revaluation of investments

Revenue reserve includes all current and prior period retained profits and losses.

Notes to the Financial Statements for the year to 28 February 2018

21. Notes to the cash flow statement

| | Year ended 28 February 2018 £'000 | Year ended 28 February 2017 £'000 |
|--|--|--|
| Operating activity | | |
| Operating return | 561 | 1,148 |
| Gain on sale of investments | (141) | (514) |
| Investment income (note 5) | (97) | (118) |
| Unrealised profits on investments | (446) | (639) |
| (Decrease)/increase in creditors (note 16) | (3) | 4 |
| | (125) | (119) |
| | (125) | (119) |

Cash and cash equivalents

Cash and cash equivalents comprise £74,377 (2016: £93,232) of uninvested funds, held in a bank account with the investment manager.

22. Risk management and financial instruments

A statement of the company's principal objectives is given within the Strategic Report on page 6. In order to achieve these objectives the company invests its funds primarily in qualifying holdings in unlisted companies and companies traded on AIM, which by their nature may entail a higher degree of risk than investments in large listed companies. The company has not entered into any derivative transactions, and does not expect to do so in the foreseeable future. As a Venture Capital Trust, the company invests in securities for the long term, and it is the company's policy that no trading in investments or other financial instruments shall be undertaken.

Market price risk

The main risks arising from the company's investing activities are market price risk, representing the uncertain realisable values of the company's investments. The directors aim to limit the risk attaching to the portfolio as a whole by careful selection of investments and by maintaining a wide spread of investments in terms of financing stage, industry sector and geographical location.

The assets of the company are held for the most part as listed investments which carry market risk in the form of a single risk variable - market price movement. The directors do not consider that a risk analysis of that single risk variable will produce any useful information beyond the obvious that downward movement in share prices will result in a downward movement in the share values and vice versa. For this reason, the directors do not consider it appropriate to prepare a sensitivity analysis to market price movement.

Interest rate risk

The company finances its activities through retained profits including realisable capital profits, and through the issue of equity shares. It has not entered into any borrowings. The company's investment portfolio includes investments in interest bearing securities in investee companies and in other fixed interest securities. Details of interest bearing assets are given below under financial assets.

Notes to the Financial Statements for the year to 28 February 2018

22. Risk management and financial instruments (continued)

Liquidity risk

There is liquidity risk associated with unquoted investments, which are not readily realisable.

Credit risk

Credit risk is the risk of a borrower defaulting on either an interest payment or the capital sum of a loan. The exposure is limited to uninvested funds held with the investment manager and the fixed interest loan notes.

Currency risk

The company's assets and liabilities are denominated in sterling.

Capital

The company's capital is provided in its entirety by its shareholders in the form of ordinary shares.

The company's purpose and objective is the investment of its capital funds in listed investments, primarily those quoted on AIM with a view to securing capital appreciation over the long term.

There were no externally imposed capital requirements with which the company had to comply during the year to 28 February 2018.

Financial assets

The interest rate profile of the company's financial assets is set out below:

| | Year ended 28 February 2018 £'000 | Year ended 28 February 2017 £'000 |
|------------------------------------|--|--|
| Floating rate | 75 | 93 |
| Fixed rate | - | - |
| Non-interest bearing | - | 5 |
| | <u>75</u> | <u>98</u> |
| | Year ended 28 February 2018 | Year ended 28 February 2017 |
| Fixed rate assets | | |
| Weighted average interest rate | - | - |
| Weighted average years to maturity | - | - |

Floating rate financial assets comprise cash held on deposit and investments in liquidity funds. The benchmark rate for these investments is the UK bank base rate.

Non-interest bearing financial assets comprises equity share and non-equity share investments in investee companies, cash held on non-interest bearing deposit and debtors.

Notes to the Financial Statements for the year to 28 February 2018

22. Risk management and financial instruments (continued)

Fair values

The investments of the company are valued by the directors in accordance with the guidelines issued by the British Venture Capital Association, and the carrying values are considered to approximate the fair value of the investments. The fair values have also been determined in line with the fair value hierarchy as set out in FRS 102 11.27.

23. Financial assets and liabilities

| | Year ended 28 February 2018 £'000 | Year ended 28 February 2017 £'000 |
|--|---|---|
| Financial assets measured at fair value | 6,888 | 6,571 |
| Financial assets measured at amortised cost | 75 | 93 |
| Financial liabilities measured at amortised cost | (28) | (33) |

24. Related party transactions

New Century AIM VCT plc is managed by M D Barnard & Company Limited. Details of the relationship and transactions with the related party are included in note 6.

One amount was payable to key management personnel during the year of £5,000 (2017: £1,250).

25. Capital commitments

There were no investments which were approved at the year-end but which had not completed.

26. Control

New Century AIM VCT plc is not under the control of any one party or individual.

27. Post balance sheet events

On 24 June 2018 the directors proposed a dividend in respect of the year ended 28 February 2018 of £267,272 representing 3.40p per ordinary share.

Shareholder Information for the year to 28 February 2018

The Company

New Century AIM VCT PLC was incorporated on 4 February 2005 in England & Wales. In March 2005, the company obtained a listing on the London Stock Exchange. A total of £8.465 million was raised (before expenses) through an offer for subscription of new ordinary shares at 100p.

The Investment Manager

New Century AIM VCT PLC is managed by M D Barnard & Company. Limited, an independent fund management company based in Laindon, Essex. M D Barnard & Company. Limited currently manages or advises investment trust, unit trust and venture capital funds totalling approximately £25 million including New Century AIM VCT PLC.

Venture Capital Trusts

Venture Capital Trusts (VCTs) were introduced in the Finance Act 1995 and are intended to provide a means whereby individual investors can invest in small unquoted trading companies in the UK, with incentives in the form of a number of tax benefits. Investors subscribing for new shares in a VCT are currently entitled to claim Income Tax relief of 30% on their investment, irrespective of their marginal rate (up to a maximum of £200,000 per tax year). The tax relief cannot exceed the amount which reduces an investor's Income Tax liability to nil. In addition, all dividends paid by VCTs are tax free and disposals of VCT shares are not subject to Capital Gains Tax. Conversely, losses on VCT shares are not allowable to offset against taxable gains.

New Century AIM VCT has been approved as a VCT by HM Revenue and Customs. In order to maintain its approval the company must comply with certain requirements on a continuing basis; in particular, within three years from the date of provisional approval at least 70% by value of the company's investments must comprise "qualifying holdings", of which at least 30% by value must be in eligible ordinary shares. A "qualifying holding" consists of up to £1 million invested in any one year in new shares or securities in an unquoted company which is carrying on a qualifying trade and whose gross assets do not exceed £15 million at the time of investment. For the purposes of these criteria, unquoted companies include companies whose shares are traded on the Alternative Investment Market ("AIM").

As with investment trusts, capital gains accruing to VCTs are not chargeable gains for UK Corporation Tax purposes.

Financial calendar

| | |
|--|----------------|
| Annual General Meeting 2018 | 24 August 2018 |
| Interim report for six months to 31 August 2018 published | October 2018 |
| Preliminary announcement of results for the year to 28 February 2019 | June 2019 |
| Annual General Meeting 2019 | August 2019 |

Share price

The mid-market price of shares in New Century AIM VCT PLC is available daily on the London Stock Exchange website (www.londonstockexchange.com).