

Baronsmead



Baronsmead Second Venture Trust plc
Half-yearly report for the
six months ended
31 March 2021

About Baronsmead Second Venture Trust plc

Our investment objective

Baronsmead Second Venture Trust plc is a tax efficient listed company which aims to achieve long-term investment returns for private investors, including tax free dividends.

Investment policy

- To invest primarily in a diverse portfolio of UK growth businesses, whether unquoted or traded on AIM.
- Investments are made selectively across a range of sectors in companies that have the potential to grow and enhance their value.

Dividend policy

- The Board will, where possible, seek to pay two dividends to Shareholders in each calendar year, typically an interim dividend in September and a final dividend following the Annual General Meeting in February/March;
- The Board will use, as a guide, when setting the dividends for a financial year, a sum representing 7 per cent of the opening NAV of that financial year.

Key elements of the business model

Access to an attractive, diverse portfolio

Baronsmead Second Venture Trust plc gives shareholders access to a diverse portfolio of growth businesses.

The Company will make investments in growth businesses, whether unquoted or traded on AIM, which are substantially based in the UK in accordance with the prevailing VCT legislation. Investments are made selectively across a range of sectors.

The Manager's approach to investing

The Manager endeavours to select the best opportunities and applies a distinctive selection criteria based on:

- Primarily investing in parts of the economy which are experiencing long-term structural growth.
- Businesses that demonstrate, or have the potential for, market leadership in their niche.
- Management teams that can develop and deliver profitable and sustainable growth.
- Companies with the potential to become an attractive asset appealing to a range of buyers at the appropriate time to sell.

In order to ensure a strong pipeline of opportunities, the Manager invests in building deep sector knowledge and networks and undertakes significant proactive marketing to interesting target companies in preferred sectors. This approach generates a network of potentially suitable businesses with which the Manager maintains a relationship ahead of possible investment opportunities.

The Manager as an influential shareholder

The Manager is an engaged and supportive shareholder (on behalf of the Company) in both unquoted and significant quoted investments. For unquoted investments, representatives of the Manager often join the investee board. The role of the Manager, with investees is to ensure that strategy is clear, the business plan can be implemented and that the management resources are in place to deliver profitable growth. The intention is to build on the business model and grow the company into an attractive target able to be either sold or potentially floated in the medium term.

Contents

Strategic report

Financial highlights	2
Performance summary	3
Chairman's statement	5
Investments in the period	8
Realisations in the period	8

Statement of Directors' responsibilities	9
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Financial statements

Condensed income statement	10
Condensed statement of changes in equity	11
Condensed balance sheet	12
Condensed statement of cash flows	13
Notes to the financial statements	14

Appendices

Cash returned to shareholders	18
Full investment portfolio	19
Glossary	21

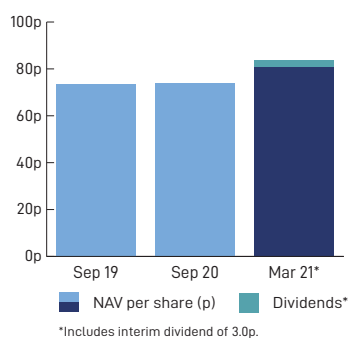
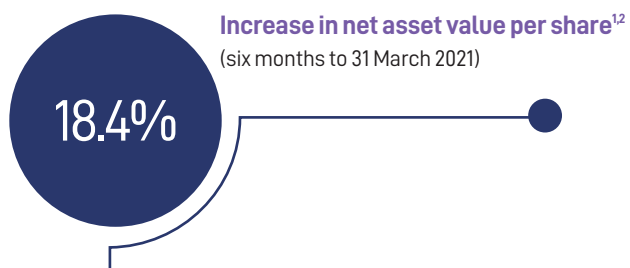
Information

Shareholder information and contact details	22
Corporate information	25

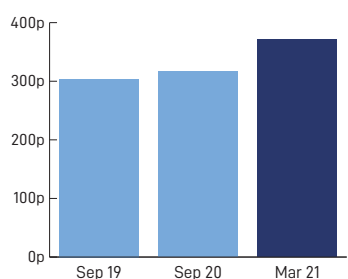
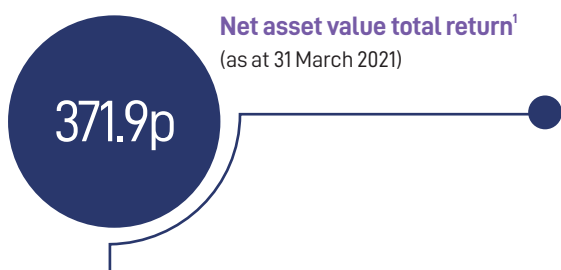
If you have sold or otherwise transferred all of your shares in Baronsmead Second Venture Trust plc, please forward this document and the accompanying form of proxy as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was, or is being, effected, for delivery to the purchaser or transferee.

Strategic report

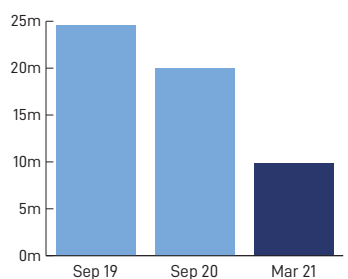
Financial highlights



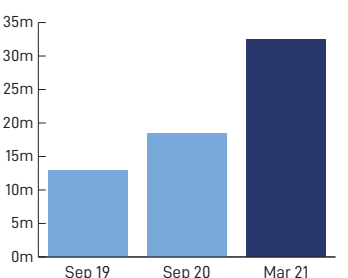
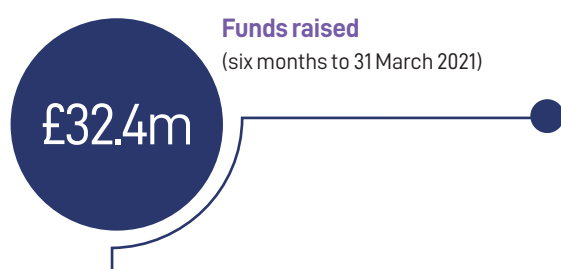
Net Asset Value (NAV) per share increased 18.4 per cent. to 83.1p in the six months to 31 March 2021, before deduction of dividends.



NAV total return to shareholders for every 100.0p invested at launch (January 2001).



£9.9m realised proceeds in the period, returning 3.0x cost.

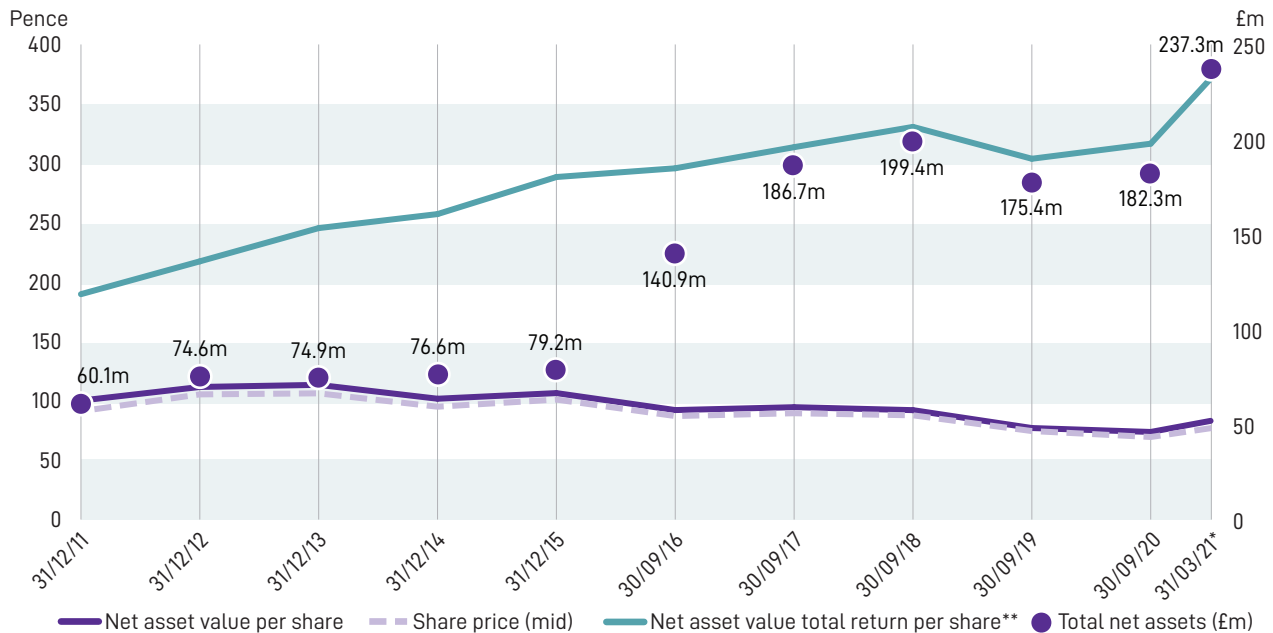


£32.4m raised in the period (before costs).

1. Alternative Performance Measures ("APM")/Key Performance Indicators ("KPIs") – please refer to glossary on page 21 for definitions.
2. Please refer to table on page 5 for breakdown of NAV per share movement.

Performance summary

Ten-year performance record

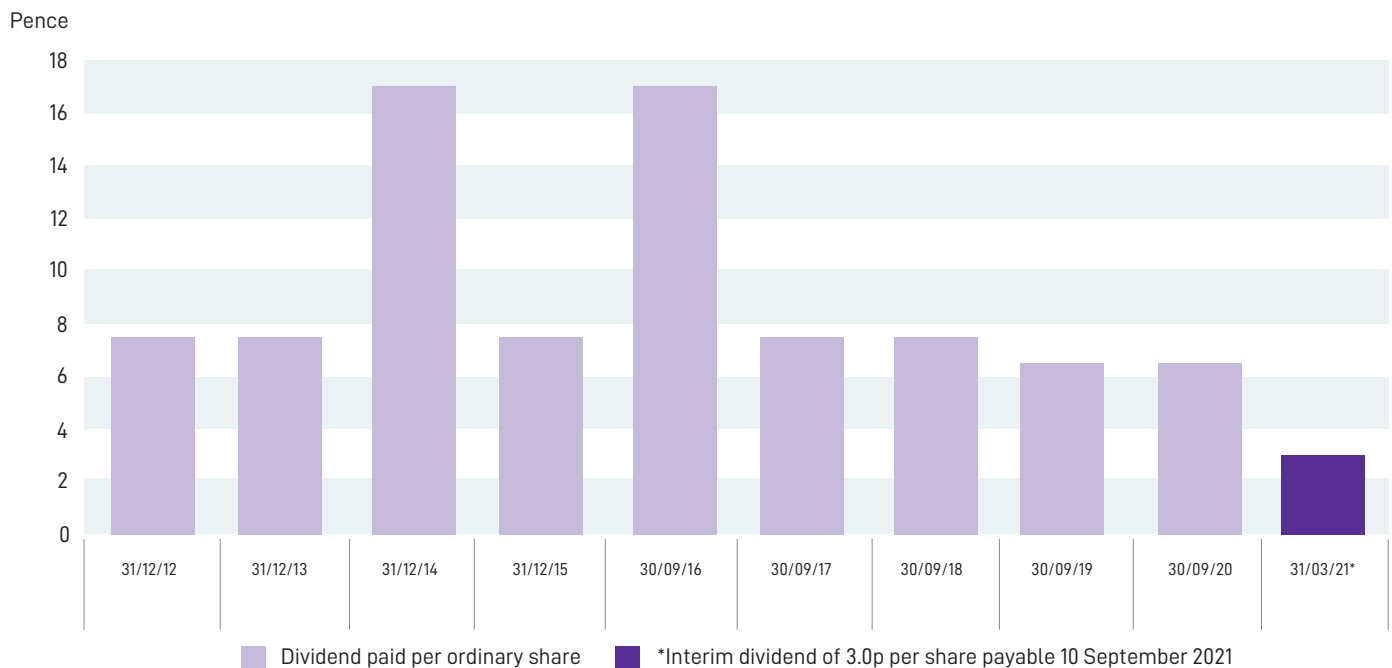


*Six months to 31/03/21.

Source: Gresham House Asset Management Ltd

**Net asset value total return (gross dividends reinvested) rebased to 100p.

Dividend history over the last ten years



Strategic report

Performance summary

Cash returned to shareholders by date of investment

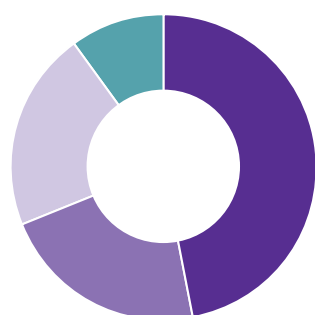
Cash returned to shareholders based on the subscription price and the income tax reclaimed on subscription.



* Includes interim dividend of 3.0p per share payable 10 September 2021.

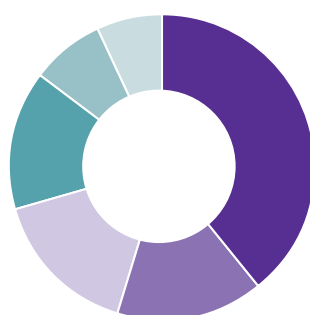
Investment diversification at 31 March 2021 by value

Sector



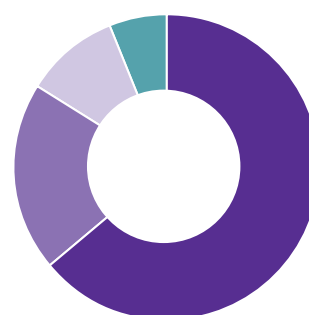
- Technology, media & telecommunications ("TMT") 47%
- Business services 22%
- Healthcare & education 21%
- Consumer markets 10%

Total assets



- AIM and LSE quoted 40%
- Collective investment vehicles 16%
- Unquoted - equity 16%
- Net current assets 15%
- Cash liquidity funds 7%
- Unquoted - loan notes 6%

Length of time investments held



- Greater than 5 years 64%
- Between 1 and 3 years 20%
- Between 3 and 5 years 10%
- Less than 1 year 6%

Chairman's statement



Sarah Fromson

Chairman

The six months to 31 March 2021 saw strong performance from our AIM-traded investments, which provided a 31.0 per cent. return in the period. There was also positive progress from our unquoted investments, including the successful realisation of Ten10.

I am delighted to report that, during the period, the Company successfully raised £32.4m, before costs, through its largest offer for subscription in the history of the fund.

The Board is also pleased to declare an interim dividend of 3.0p to be paid on 10 September 2021. The dividend will be paid from realised capital profits generated from the sale of portfolio companies.

Results

During the six months to 31 March 2021, the Company's NAV per share increased 18.4 per cent. from 70.2p to 83.1p after the payment of a final dividend of 3.5p per share on 5 March 2021. The table to the

right shows this increase in NAV, which was due to a combination of a strong performance across the unquoted investments, AIM-traded investments and equity funds.

	Pence per ordinary share
NAV as at 1 October 2020 (after deducting the final dividend of 3.5p)	70.2
Valuation increase (18.4 per cent.)	12.9
NAV as at 31 March 2021	83.1

The 30 April 2021 NAV was 87.8p, a 5.7 per cent. increase driven by further uplifts in the value of the quoted portfolio during the month.

Portfolio review

The table below provides a summary of each asset class and the returns generated during the period under review.

Asset class	NAV (£m)	% of NAV*	Number of investees**	% return in the period***
Unquoted	52	22	35	12
AIM and LSE traded companies	94	40	42	31
LF Gresham House UK Micro Cap Fund	31	13	48	32
LF Gresham House UK Multi Cap Income Fund	4	2	47	15
LF Gresham House UK Smaller Companies Fund	4	2	48	40
Liquid assets [#]	52	21	–	–
Total	237	100	–	–

* By value at 31 March 2021.

** Includes investee companies with holdings by more than one fund. Total number of individual companies held is 178.

*** Return includes interest received on unquoted realisations during the period.

[#] Represents cash, OEICs and net current assets.

The value of the unquoted portfolio increased 12.4 per cent. in the six months to 31 March 2021. Continued trading momentum in software and e-commerce investments, together with a bounce back in demand within several businesses initially impacted by COVID-19, drove the portfolio performance. The gains recognised in these assets were partially offset by write downs in investments operating in the consumer, travel, or housing markets, which are still being negatively impacted by lockdown and travel restrictions.

Strategic report

The Chairman's statement forms part of the strategic report.

Chairman's statement continued

Public markets have continued to recover from lows 12 months ago, driven by the speed of the vaccination rollout, growth in economic activity and further Government support and investment programmes. Healthcare, education and technology investments were the key contributors to the strong performance of the direct AIM investments and the Equity Fund portfolios over the period. The AIM portfolio recorded growth of 31.0 per cent. in the period, outperforming relevant comparable indices, while the Micro Cap Fund, Multi Cap Income Fund and Smaller Companies Fund grew in value by 32.2, 15.0 and 40.1 per cent. over the period respectively.

Investment and Divestments

The Company's investments and divestments during the period are set out in the tables on page 8.

Investments

I am pleased to report that the Company made four new investments totalling £5.6m and three follow-on investments with a combined value of £1.7m in the six months to 31 March 2021. Below are descriptions of the new investments made:

- **eConsult** (unquoted) develops and operates a digital consultation platform used in both GP surgeries and hospitals.
- **RevLifter** (unquoted) provides software that helps e-commerce companies optimise website conversion by offering tailored promotions to customers by using advanced behavioural analytics.
- **Counting Up** (unquoted) is the leading UK provider of unified banking and accounting software to micro-businesses. Counting Up develops and operates the software which provides an all-in-one financial tool for small business users.

- **Mettrion Biosciences** (unquoted) is a UK-based Contract Research Organisation focused on delivering a range of high-quality ion channel drug discovery services.

Following the period end, a new quoted investment of £0.7m was made into Crimson Tide, a workforce management software-as-a-service provider.

The Investment Manager performs an assessment of environmental, social and governance ("ESG") factors and stewardship responsibilities in the selection of new investments and continues to monitor ESG considerations in its existing portfolio.

Realisations

Proceeds of £2.6m were received during the period from sales of quoted investments, including:

- Cerillion plc – we reduced the position size by £1.9m, realising 4.2x the original sum invested.
- Collagen Solutions plc – a full exit through a takeover offer for the company. The portfolio received £0.7m from the exit, realising 1.3x the original sum invested.

There continues to be good levels of liquidity in public markets and the Investment Manager has made a select number of divestments within the quoted portfolio where share prices have rallied strongly since the initial decline in markets, following the first national lockdown in March last year.

From the unquoted portfolio, the sale of the investment in Ten10 successfully completed in October 2020. The sale returned total proceeds of £7.3m resulting in a total money multiple of 3.7x original investment cost.

Following the end of the financial period there has been a takeover of Wey Education, resulting in the full realisation of the Company's investment, returning 13.6x cost and delivering proceeds of £7.1m.

COVID-19 impact

COVID-19 has had a material impact on UK businesses over the last year and has caused significant volatility and disruption to the global economy. The pandemic presented operational risks for the Company, but these have been well managed and the Board continues to be pleased by the response and resilience of key service providers during this difficult time.

Although there are now several approved vaccines in circulation, there is still the risk of another wave of infections, which could lead to a further period of uncertainty and volatility in markets. We are encouraged by the Manager's ongoing engagement with portfolio companies and the focus on investing in businesses with strong fundamental characteristics which should continue to grow consistently through the economic cycle.

Dividends

The Board is pleased to declare an interim dividend of 3.0p per share for the year to 30 September 2021. This will be paid on 10 September 2021 to shareholders on the register as of 13 August 2021.

I must of course remind shareholders that the payment date and the amount of future dividends depends on the level and timing of profitable realisations and cannot be guaranteed.

Fundraising

During the period, the Company successfully raised £32.4m (before costs) through an offer for subscription which became fully subscribed in March 2021. The Directors are pleased to welcome the 1,000 new shareholders who invested for the first time and to thank the 940 existing shareholders who continue to support the Company.

The Board will consider whether to raise new funds in the 2021/22 tax year which will be determined by the Company's

cashflow and its anticipated requirements to fund new investments over the next two years. The Board appreciates that shareholders would like as much notice as possible of its fundraising intentions and will ensure that shareholders are informed as soon as possible.

Change of auditor

The audit and risk committee has considered the external audit arrangements and has held an audit tender process in early 2021. Following the conclusion of this process, the audit committee has appointed BDO LLP as the Company's auditor and KPMG LLP will retire with effect from 28 May 2021. KPMG's resignation letter will be sent to the Company's shareholders alongside this half-yearly report.

Director changes

We are pleased to have appointed Graham McDonald as a new independent Non-Executive Director at the Company's Annual General Meeting in February 2021. Graham was the former Global Head of Private Equity and Venture Capital at Aberdeen Standard Investments and we believe that his extensive private equity experience and

market knowledge will be invaluable to our Company.

Shareholder scam warning

We are aware that some of our shareholders have received unsolicited phone calls or correspondence concerning their investment in the Company.

Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers for free company reports.

Please note that none of the Investment Manager, Company or the Company's Registrar, Computershare, would make unsolicited telephone calls to shareholders. Any calls made would relate only to official documentation already circulated to shareholders and never in respect of investment "advice".

If you are in any doubt about the veracity of an unsolicited phone call, please call either the Company or the Registrar at the numbers provided on page 25.

Outlook

The economic outlook in the UK continues to improve as COVID-19 restrictions ease and consumer

confidence recovers. The March Budget also included an extension of Government support and investment in infrastructure and the technology sector to help rebuild the UK economy. While most economic commentators expect the economy to rebound strongly over the next two quarters, the longer-term impact of the pandemic remains uncertain. Any additional wave of the virus could lead to the reintroduction of restrictions and the possibility of further volatility in both public markets and revenues within some portfolio companies. However, the Board continues to believe that the portfolio is well positioned to deliver robust investment performance over the long-term and the Company remains well capitalised to actively support the high growth, entrepreneurial businesses which will be key in driving a sustainable economic recovery.

Sarah Fromson
Chairman

27 May 2021

Strategic report

Investments in the period

Company	Location	Sector	Activity	Book cost £'000
Unquoted investments				
New				
eConsult Ltd	Surrey	Healthcare & Education	Online consultation provider used by GP practices and hospitals	2,599
Metrion Biosciences Ltd	Cambridge	Healthcare & Education	Ion channel drug discovery and safety assessment services provider	1,192
Counting Ltd	London	Business Services	Banking and accounting software for small businesses	1,059
RevLifter Ltd	London	TMT	A-I platform using advanced behavioural analytics to deliver tailored promotions to users	779
Follow on				
Glisser Ltd	London	Business Services	Audience engagement software	794
Equipsme (Holdings) Ltd	London	Business Services	SME health insurance plans provider	238
Total unquoted investments				6,661
AIM-traded investments				
Follow on				
CloudCall Group plc	Leicester	TMT	Cloud software and integrated communications	606
Total AIM-traded investments				606
Total investments in the period				7,267

Realisations in the period

Company		First investment date	Original book cost† £'000	Proceeds‡ £'000	Overall multiple return
Unquoted realisations					
Ten10 Group Ltd	Full trade sale	Feb 15	2,331	7,254	3.7*
Total unquoted realisations			2,331	7,254	3.7*
AIM-traded realisations					
Cerillion plc	Market sale	Nov 15	460	1,924	4.2
Collagen Solutions plc	Takeover	Mar 17	551	716	1.3
Total AIM-traded realisations			1,011	2,640	2.6
Total realisations in the period			3,342	9,894	3.0

† Residual book cost at realisation date.

‡ Proceeds at time of realisation including interest.

* Includes interest/dividends received, loan note redemptions and partial realisations accounted for in prior periods.

Responsibility statement of the Directors in respect of the half-yearly financial report

Half-yearly report

The important events that have occurred during the period under review, the key factors influencing the financial statements and the principal uncertainties for the remaining six months of the financial year are set out in the Chairman's Statement and the Strategic Report.

The principal risks facing the Company are substantially unchanged since the date of the Company's Annual Report for the financial year ended 30 September 2020 and continue to be as set out in that Report on pages 18 and 19.

Risks faced by the Company include but are not limited to; loss of approval as a Venture Capital Trust, investment performance risk, legislative risk, regulatory and compliance risk, operational risk, and economic and political risk. The Board considers the COVID-19 pandemic and Brexit to be factors which permeate these risks, and

their impact is considered within the relevant risk within the Annual Report.

Responsibility statement

Each director confirms that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with FRS 104 Interim Financial Reporting Standards and gives a true and fair view of the assets, liabilities, financial position and profit and loss of the Company.
- This half-yearly report includes a fair review of the information required by:
 - a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description

of the principal risks and uncertainties for the remaining six months of the year; and

- b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

The half-yearly report was approved by the Board of Directors on 27 May 2021 and was signed on its behalf by Ms Sarah Fromson, Chairman.

Sarah Fromson
Chairman
27 May 2021



Condensed income statement

For the six months to 31 March 2021 (Unaudited)

	Notes	Six months to 31 March 2021			Six months to 31 March 2020			Year to 30 September 2020		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments	5	-	37,141	37,141	-	(15,852)	(15,852)	-	8,680	8,680
Income		566	-	566	519	-	519	4,008	-	4,008
Investment management fee		(661)	(1,983)	(2,644)	(529)	(1,586)	(2,115)	(1,078)	(3,235)	(4,313)
Other expenses		(377)	-	(377)	(362)	-	(362)	(674)	-	(674)
(Loss)/profit before taxation		(472)	35,158	34,686	(372)	(17,438)	(17,810)	2,256	5,445	7,701
Taxation on ordinary activities		-	-	-	-	-	-	(275)	275	-
(Loss)/profit for the period, being the total comprehensive income for the period after taxation		(472)	35,158	34,686	(372)	(17,438)	(17,810)	1,981	5,720	7,701
Return per ordinary share:										
Basic and Diluted	2	(0.18p)	13.23p	13.05p	(0.16p)	(7.35p)	(7.51p)	0.82p	2.36p	3.18p

All items in the above statement derive from continuing operations.

There are no recognised gains and losses other than those disclosed in the Income Statement.

The revenue column of the Income Statement includes all income and expenses. The capital column accounts for the realised and unrealised profit or loss on investments and the proportion of the management fee charged to capital.

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

Condensed statement of changes in equity

For the six months to 31 March 2021 (Unaudited)

Notes	Non-distributable reserves			Distributable Reserves		Total £'000
	Called-up share capital £'000	Share premium £'000	Revaluation reserve £'000	Capital reserve £'000	Revenue reserve £'000	
At 1 October 2020	27,146	46,775	30,890	75,290	2,216	182,317
Profit/(loss) after taxation	-	-	31,462	3,696	(472)	34,686
Net proceeds of share issues, share buybacks & sale of shares from treasury	3 4,060	27,459	-	(1,608)	-	29,911
Dividends paid	4 -	-	-	(8,354)	(1,232)	(9,586)
At 31 March 2021	31,206	74,234	62,352	69,024	512	237,328

For the six months to 31 March 2020 (Unaudited)

Notes	Non-distributable reserves			Distributable Reserves		Total £'000
	Called-up share capital £'000	Share premium £'000	Revaluation reserve £'000	Capital reserve £'000	Revenue reserve £'000	
At 1 October 2019	24,802	31,191	25,492	92,316	1,575	175,376
Loss after taxation	-	-	(13,985)	(3,453)	(372)	(17,810)
Net proceeds of share issues & share buybacks	2,345	15,584	-	(1,911)	-	16,018
Dividends paid	-	-	-	(7,407)	(1,093)	(8,500)
At 31 March 2020	27,147	46,775	11,507	79,545	110	165,084

For the year ended 30 September 2020 (Audited)

Notes	Non-distributable reserves			Distributable Reserves		Total £'000
	Called-up share capital £'000	Share premium £'000	Revaluation reserve £'000	Capital reserve £'000	Revenue reserve £'000	
At 1 October 2019	24,802	31,191	25,492	92,316	1,575	175,376
Profit after taxation	-	-	5,398	322	1,981	7,701
Net proceeds of share issues, share buybacks & sale of shares from treasury	2,344	15,584	-	(2,782)	-	15,146
Other costs charged to capital	-	-	-	(1)	-	(1)
Dividends paid	-	-	-	(14,565)	(1,340)	(15,905)
At 30 September 2020	27,146	46,775	30,890	75,290	2,216	182,317

Condensed balance sheet

As at 31 March 2021 (Unaudited)

	Notes	As at 31 March 2021 £'000	As at 31 March 2020 £'000	As at 30 September 2020 £'000
Fixed assets				
Unquoted investments	5	52,113	45,107	46,442
Traded on AIM	5	94,364	61,218	74,081
Collective investment vehicles	5	54,503	46,317	59,367
Listed on LSE	5	36	–	42
Investments	5	201,016	152,642	179,932
Current assets				
Debtors		110	2,258	571
Cash at bank		37,767	11,543	3,108
		37,877	13,801	3,679
Creditors (amounts falling due within one year)		(1,565)	(1,359)	(1,294)
Net current assets		36,312	12,442	2,385
Net assets		237,328	165,084	182,317
Capital and reserves				
Called-up share capital		31,206	27,147	27,146
Share premium		74,234	46,775	46,775
Capital reserve		69,024	79,545	75,290
Revaluation reserve	5	62,352	11,507	30,890
Revenue reserve		512	110	2,216
Equity shareholders' funds		237,328	165,084	182,317
Net asset value per share		83.07p	66.44p	73.74p
Number of ordinary shares in circulation		285,692,452	248,485,874	247,251,570

Condensed statement of cash flows

For the six months to 31 March 2021 (Unaudited)

	Six months to 31 March 2021 £'000	Six months to 31 March 2020 £'000	Year to 30 September 2020 £'000
Net cash outflow from operating activities	(1,670)	(1,919)	(1,339)
Net cash inflow/(outflow) from investing activities	16,050	(3,127)	(6,023)
Equity dividends paid	(9,586)	(8,500)	(15,905)
Net cash inflow/(outflow) before financing activities	4,794	(13,546)	(23,267)
Net cash inflow from financing activities	29,865	14,097	15,383
Increase/(decrease) in cash	34,659	551	(7,884)
Reconciliation of net cash flow to movement in net cash			
Increase/(decrease) in cash	34,659	551	(7,884)
Opening cash at bank and on deposit	3,108	10,992	10,992
Closing cash at bank and on deposit	37,767	11,543	3,108
Reconciliation of profit/(loss) before taxation to net cash outflow from operating activities			
Profit/(loss) before taxation	34,686	(17,810)	7,701
(Gains)/losses on investments	(37,141)	15,852	(8,680)
Changes in working capital and other non-cash items	785	39	(360)
Net cash outflow from operating activities	(1,670)	(1,919)	(1,339)

Notes to the financial statements

For the six months to 31 March 2021 (Unaudited)

1 Basis of preparation

The condensed financial statements for the six months to 31 March 2021 comprise the unaudited financial statements set out on pages 10 to 13 together with the related notes on pages 14 to 17. The Company applies FRS 102 and the AIC's Statement of Recommended Practice ('the SORP') for its annual Financial Statements. The condensed financial statements for the six months to 31 March 2021 have therefore been prepared in accordance with FRS 104 'Interim Financial Reporting' and the principles of the SORP. They have also been prepared on a going concern basis. The financial statements have been prepared on the same basis as the accounting policies set out in the Company's Annual Report and Financial Statements for the year ended 30 September 2020.

The financial information contained in this half-yearly financial report does not constitute statutory accounts as defined in sections 434 – 436 of the Companies Act 2006. The half-yearly financial report for the six months ended 31 March 2021 and for the six months ended 31 March 2020 have been neither audited nor reviewed by the Company's auditors. The information for the year to 30 September 2020 has been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies. The report of the auditor for the audited financial statements for the year to 30 September 2020 was: (i) unqualified; (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report; and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. No statutory accounts in respect of any period after 30 September 2020 have been reported on by the Company's auditors or delivered to the Registrar of Companies.

Copies of the half-yearly financial report have been made available to shareholders and are available from Gresham House, Octagon Point, 5 Cheapside, London EC2V 6AA.

2 Performance and shareholder returns

Return per share is based on a weighted average of 265,723,554 ordinary shares in issue (31 March 2020 – 237,173,550 ordinary shares; 30 September 2020 – 242,461,220 ordinary shares).

Earnings for the first six months to 31 March 2021 should not be taken as a guide to the results of the full financial year to 30 September 2021.

3 Called-up share capital

The below table details the movement in called-up share capital during the period.

Allotted, called-up and fully paid:

Ordinary shares	£'000
271,466,654 ordinary shares of 10p each listed at 30 September 2020	27,146
40,593,158 ordinary shares of 10p each issued during the period	4,060
312,059,812 ordinary shares of 10p each listed at 31 March 2021	31,206
24,215,084 ordinary shares of 10p each held in treasury at 30 September 2020	(2,421)
2,672,276 ordinary shares of 10p each repurchased during the period and held in treasury	(268)
520,000 ordinary shares of 10p each sold from treasury during the period	52
26,367,360 ordinary shares of 10p each held in treasury at 31 March 2021	(2,637)
285,692,452 ordinary shares of 10p each in circulation* at 31 March 2021	28,569

* Carrying one vote each

During the six months to 31 March 2021 the Company issued 40,593,158 shares at net proceeds of £31,515,000 (after costs). During the same period, the Company purchased 2,672,276 shares to be held in treasury at a cost of £2,005,000 (including costs). The Company also sold 520,000 shares from treasury for proceeds of £401,000. At 31 March 2021, the Company held 26,367,360 ordinary shares in treasury. Shares may be sold out of treasury below Net Asset Value as long as the discount at issue is narrower than the average discount at which the shares were bought into treasury.

Excluding treasury shares, there were 285,692,452 ordinary shares in circulation at 31 March 2021 (31 March 2020 – 248,485,874 ordinary shares; 30 September 2020 – 247,251,570 ordinary shares).

4 Dividends

The final dividend for the year ended 30 September 2020 of 3.5p per share (3.05p capital, 0.45p revenue) was paid on 5 March 2021 to shareholders on the register on 5 February 2021. The ex-dividend date was 4 February 2021.

During the year to 30 September 2020, the Company paid an interim dividend on 11 September 2020 of 3.0p per share (2.9p capital, 0.1p revenue).

5 Investments

All investments are initially recognised and subsequently measured at fair value. Changes in fair value are recognised in the Income Statement.

The methods of fair value measurement are classified into a hierarchy based on reliability of the information used to determine the valuation.

- Level 1 – Fair value is measured based on quoted prices in an active market.
- Level 2 – Fair value is measured based on directly observable current market prices or indirectly being derived from market prices.
- Level 3 – Fair value is measured using a valuation technique that is not based on data from an observable market.

The valuation of unquoted investments contained within level 3 of the Fair Value hierarchy involves key assumptions dependent upon the valuation methodology used. The primary methodologies applied are:

- Rebased Cost
- Earnings Multiple
- Offer Less 10 per cent.

The earnings multiple approach involves more subjective inputs than the Rebased Cost and Offer approaches and therefore presents a greater risk of over or under estimation. Key assumptions for the earnings multiple approach are the selection of comparable companies and the use of either historic or forecast revenue or earnings, as considered most appropriate. Other assumptions include the appropriateness of the discount magnitude applied for reduced liquidity and other qualitative factors. These assumptions are described in more detail in note 2.3 in the Company's Report and Financial Statements for the year to 30 September 2020. The techniques used in the valuation of unquoted investments have not changed materially since the date of that report.

	Level 1		Level 2		Level 3	
	Traded on AIM £'000	Traded on AIM £'000	Listed on LSE £'000	Collective investment vehicles £'000	Unquoted £'000	Total £'000
Opening book cost	54,095	6,513	3,429	45,418	39,587	149,042
Opening unrealised appreciation/(depreciation)	17,433	(3,960)	(3,387)	13,949	6,855	30,890
Opening fair value	71,528	2,553	42	59,367	46,442	179,932
Movements in the period:						
Transfer between levels	6,513	(6,513)	–	–	–	–
Purchases at cost	606	–	–	1,500	6,661	8,767
Sale - proceeds	(2,640)	–	–	(15,453)	(6,731)	(24,824)
- realised gains/(losses) on sales	100	–	–	–	(2)	98
Unrealised gains realised during the year	1,481	–	–	–	4,100	5,581
Increase/(decrease) in unrealised appreciation/(depreciation)	16,776	3,960	(6)	9,089	1,643	31,462
Closing fair value	94,364	–	36	54,503	52,113	201,016
Closing book cost	60,155	–	3,429	31,465	43,615	138,664
Closing unrealised appreciation/(depreciation)	34,209	–	(3,393)	23,038	8,498	62,352
Closing fair value	94,364	–	36	54,503	52,113	201,016
Equity shares	94,364	–	36	–	30,452	124,852
Preference shares	–	–	–	–	7,864	7,864
Loan notes	–	–	–	–	13,797	13,797
Collective investment vehicles	–	–	–	54,503	–	54,503
Closing fair value	94,364	–	36	54,503	52,113	201,016

The AIM traded investments held in Level 2 as at 30 September 2020 have been transferred to Level 1 after recent trading activity in the period.

Notes to the financial statements

6 Other required disclosures

6.1 Segmental reporting

The Company has one reportable segment being investing in primarily a portfolio of UK growth businesses, whether unquoted or traded on AIM.

6.2 Principal risks and uncertainties

The Company's assets consist of equity and fixed interest investments, shares in collective investment schemes, cash and liquid resources. Its principal risks are therefore market risk, price risk, credit risk and liquidity risk. Other risks faced by the Company include loss of approval as a Venture Capital Trust, legislative, investment performance, economic, political and other external factors, regulatory and compliance and operational risks. These risks, and the way in which they are managed, are described in more detail in the Principal Risks and Uncertainties table within the Strategic Report section in the Company's Annual Report and Accounts for the year ended 30 September 2020. The Board continues to regularly review the risk environment in which the Company operates.

The COVID-19 pandemic has presented the Company with immediate risks in respect of the performance and valuation of portfolio companies and operational risks such as the resilience of third party providers. These risks are discussed further in the Chairman's statement.

6.3 Related parties

Gresham House Asset Management Ltd ('the Manager') manages the investments of the Company. The Manager also provides or procures the provision of secretarial, accounting, administrative and custodian services to the Company. Under the management agreement, the Manager receives a fee of 2.5 per cent. per annum of the net assets of the Company. This is described in more detail under the heading 'The Investment Management Agreement' within the Strategic Report in the Company's Annual Report and Accounts for the year ended 30 September 2020. During the period the Company has incurred management fees of £2,644,000 (31 March 2020 – £2,115,000; 30 September 2020 – £4,313,000) and secretarial and accounting fees of £71,000 (31 March 2020 – £87,000; 30 September 2020 – £175,000) payable to the Manager. No performance fee has been accrued at 31 March 2021 (31 March 2020 – £nil; 30 September 2020 – £nil). This is described in more detail under the heading 'Performance fees' within the Strategic Report in the Company's Annual Report and Financial Statements for the year to 30 September 2020.

A related party relationship exists between Baronsmead Second Venture Trust and Happy Days Consultancy Limited, owing to the significant influence deemed to be held over the operations of the company. As at 31 March 2021, the loan balance stood at £6,617,000, including £2,855,000 of capitalised interest, as provided for in the Agreement with the company.

A related party relationship exists between Baronsmead Second Venture Trust and Storyshare Holdings Limited, owing to the significant influence held over the operations of the company.

6.4 Investment in associates

The Company has made the presumption that the following holdings are investments in associates, owing to the proportion of equity held and representation on the board representing significant influence over the operations of the company. The investments held are held as part of an investment portfolio, and are therefore measured at fair value through profit and loss, as detailed in note 7 rather than using the equity method, as permitted by Section 14 of FRS 102:

Name	Location	Class of Shares held	% of Equity	Profit (£m)	Net Assets (£m)	Results for year ended
Happy Days Consultancy	UK	A Ordinary	30.8	(1.3)	(9.7)	31 December 2019 ¹

¹ Latest published set of financial statements available at Companies House.

6 Other required disclosures (continued)

6.5 Going Concern

The Board has considered a detailed assessment of the company's ability to meet its liabilities as they fall due, including stress and liquidity tests which modelled the effects of substantial falls in markets and significant reductions in market liquidity (including further stressing the current economic conditions caused by the COVID-19 pandemic) on the Company's assets and liabilities. In light of the results of these tests, the Company's cash balances, the liquidity of the Company's investments and the absence of any gearing, the Directors are satisfied that the Company has adequate financial resources to continue in operation for at least the next 12 months and that, accordingly, it is appropriate to adopt the going concern basis in preparing the financial statements.

6.6 Post balance sheet events

The following events occurred between the balance sheet date and the signing of these financial statements:

- The 30 April 2021 NAV of 87.8p was announced on 7 May 2021. At the date of publishing this report, the Board is unaware of any matter that will have caused the NAV per share to have changed significantly since the latest NAV.
- Full realisation: a takeover of Wey Education completed on 25 May 2021, realising proceeds of £7.1m and returning 13.6x invested cost.



Appendices

Cash returned to shareholders

The table below shows the cash returned to shareholders that invested in **Baronsmead Second Venture Trust plc** dependent on their subscription cost, including the income tax available to be reclaimed on the subscription.

Year subscribed	Cash invested (p)	Income tax reclaim (p)	Net cash invested (p)	Cumulative dividends paid [#] (p)	Return on cash invested [#] (%)
2001 (January)	100.0	20.0	80.0	150.8	170.8
2005 (March) – C share*	100.0	40.0	60.0	107.6	147.6
2010 (March)	103.1	30.9	72.2	102.5	129.4
2012 (December)	117.4	35.2	82.2	84.5	102.0
2014 (March)	112.4	33.7	78.7	64.5	87.4
2016 (February)	107.2	32.2	75.0	48.0	74.8
2017 (October)	97.5	29.2	68.2	28.0	58.7
2019 (February)	85.3	25.6	59.7	20.5	54.0
2019 (November)	78.9	23.7	55.2	13.0	46.5
2020 (January)	84.8	25.4	59.4	13.0	45.3
2020 (February)	82.5	24.8	57.7	9.5	41.6
2020 (March)	64.3	19.3	45.0	9.5	44.8
2020 (November)	77.9	23.4	54.5	6.5	38.4
2020 (December)	80.9	24.3	56.6	6.5	38.1
2021 (January)	84.4	25.3	59.1	6.5	37.7
2021 (February)	82.2	24.7	57.5	3.0	33.7
2021 (March)	84.9	25.5	59.4	3.0	33.6

The total return could be higher for those shareholders who were able to defer a capital gain on subscription and the net sum invested may be less.

* Dividends paid to C shareholders post conversion have been adjusted by the conversion ratio (0.85642528).

Includes interim dividend of 3.0p per share payable 10 September 2021.

Full investment portfolio

Company	Sector	Original Book cost† £'000	Accounting Book cost† £'000	31 March 2021 fair value £'000	30 September 2020 fair value £'000	% of net assets	% of Equity held by Baronsmead Second Venture Trust plc	% of Equity held by all funds#
Unquoted								
Carousel Logistics Ltd	Business Services	2,336	2,967	9,225	7,930	3.9	14.7	26.7
Custom Materials Ltd	TMT	2,437	2,437	5,317	4,593	2.2	7.7	14.1
Pho Holdings Ltd	Consumer Markets	2,413	3,427	4,725	4,016	2.0	15.8	28.6
Happy Days Consultancy Ltd	Healthcare & Education	4,180	4,482	3,435	3,326	1.4	30.8	55.9
eConsult Ltd	Healthcare & Education	2,599	2,599	3,181	–	1.3	5.6	12.2
IWP Holdings Ltd	Business Services	1,587	1,587	3,138	1,640	1.3	4.2	9.0
Clarilis Ltd	TMT	1,819	1,819	2,723	1,819	1.2	7.6	16.7
Yappy Ltd	Consumer Markets	954	954	2,209	2,049	0.9	11.5	24.7
Glisser Ltd	Business Services	1,457	1,457	2,046	662	0.9	7.6	16.2
Rezatec Ltd	TMT	1,620	1,620	1,828	1,735	0.8	0.0	0.0
SecureCloud+ Ltd	TMT	789	789	1,632	1,533	0.7	8.8	16.6
Tribe Digital Holdings Pty Ltd	TMT	1,067	1,067	1,303	945	0.6	3.5	6.7
SilkFred Ltd	Consumer Markets	966	966	1,292	966	0.5	2.7	4.9
Metrion Biosciences Ltd	Healthcare & Education	1,192	1,192	1,192	–	0.5	13.2	28.2
Counting Ltd	Business Services	1,059	1,059	1,059	–	0.4	2.5	5.3
Pointr Ltd	TMT	526	526	903	813	0.4	2.8	5.3
Your Welcome Ltd	TMT	1,030	1,030	832	1,031	0.4	8.3	15.6
Equipsme (Holdings) Ltd	Business Services	817	817	817	579	0.3	6.3	11.8
Cisiv Ltd	TMT	789	789	812	759	0.3	9.3	17.5
RevLifter Ltd	TMT	779	779	791	–	0.3	4.7	10.2
Vinoteca Ltd	Consumer Markets	1,054	1,054	708	708	0.3	6.7	14.3
Munnypot Ltd	TMT	546	546	516	515	0.2	1.5	2.7
Funding Xchange Ltd	Business Services	795	795	397	795	0.2	3.7	8.0
Samuel Knight International Ltd	Business Services	795	795	397	–	0.2	7.0	15.0
Rainbird Technologies Ltd	TMT	789	789	395	395	0.2	3.3	6.3
Rockfish Group Ltd	Consumer Markets	789	789	395	395	0.2	6.6	12.5
Key Travel Ltd	Business Services	255	255	320	309	0.1	0.0	0.0
Storyshare Holdings Ltd	TMT	1,135	1,135	265	832	0.1	26.5	53.2
Panthera Biopartners Ltd	Healthcare & Education	260	260	260	260	0.1	4.0	8.8
Armstrong Craven Ltd	Business Services	664	1,335	–	–	0.0	10.3	18.7
CMME Group Ltd	Consumer Markets	1,136	1,204	–	904	0.0	2.3	4.2
TravelLocal Ltd	Consumer Markets	795	795	–	199	0.0	4.5	9.5
		39,429	42,115	52,113		21.9		
Delisted (previously AIM)								
InterQuest Group plc	Business Services	620	726	–	–	0.0	2.2	4.3
Mi-Pay Group plc	Business Services	800	474	–	–	0.0	1.4	2.8
MXC Capital Ltd	Business Services	270	300	–	–	0.0	0.3	0.6
		1,690	1,500	–		0.0		
Total unquoted		41,119	43,615	52,113		21.9		
AIM								
Cerillion plc	TMT	1,740	1,924	10,304	8,858	4.3	7.8	14.1
Netcall plc	TMT	2,616	5,983	9,319	5,473	3.9	10.0	24.0
Ideagen plc	TMT	720	1,063	7,272	5,133	3.1	1.1	1.9
IDOX plc	TMT	1,028	2,972	6,948	5,024	2.9	2.5	4.9
Anpario plc	Healthcare & Education	662	2,239	5,273	3,739	2.2	4.1	6.0
Bioventix plc	Healthcare & Education	309	940	4,829	4,711	2.0	2.3	4.8
Wey Education plc	Healthcare & Education	523	516	4,777	3,732	2.0	10.7	19.4
Inspired Energy plc	Business Services	861	2,682	4,379	3,832	1.8	2.8	19.8
PCI-PAL plc	TMT	1,345	1,345	4,051	1,534	1.7	6.6	12.0
CloudCall Group plc	TMT	3,214	3,084	2,509	2,450	1.1	7.4	13.5
Open Orphan plc	Healthcare & Education	1,496	1,488	2,410	1,381	1.1	1.1	2.0
Access Intelligence plc	Business Services	716	716	2,356	1,336	1.0	2.1	7.4
The Panoply Holdings plc	TMT	660	660	2,318	981	1.0	1.1	2.1
Eden Research plc	Business Services	1,375	1,380	2,297	1,072	1.0	4.0	7.3

Appendices

Company	Sector	Original Book cost† £'000	Accounting Book cost† £'000	31 March 2021 fair value £'000	30 September 2020 fair value £'000	% of net assets	% of Equity held by Baronsmead Second Venture Trust plc	% of Equity held by all funds#
AIM (continued)								
Diaceutics plc	Healthcare & Education	1,590	1,590	2,092	2,322	0.9	2.5	11.2
IXICO plc	Healthcare & Education	825	825	2,004	2,740	0.9	6.1	11.2
Property Franchise Group plc	Consumer Markets	838	1,032	1,778	1,593	0.7	2.7	7.4
Rosslyn Data Technologies plc	TMT	1,407	1,407	1,758	1,758	0.7	8.6	28.3
Everyman Media Group plc	Consumer Markets	956	1,010	1,637	842	0.7	1.3	4.0
Belvoir Lettings plc	Consumer Markets	919	826	1,488	1,101	0.6	2.2	8.2
Vianet Group plc	Business Services	2,092	1,724	1,459	1,493	0.6	5.7	16.8
Driver Group plc	Business Services	1,529	1,747	1,437	1,378	0.6	5.6	20.3
Begbies Traynor Group plc	Business Services	545	513	1,398	1,018	0.6	0.8	3.7
SEEEEN plc	TMT	1,590	1,590	1,237	671	0.5	7.1	13.3
Fusion Antibodies plc	Healthcare & Education	660	660	1,189	1,229	0.5	3.1	5.7
Fulcrum Utility Services Ltd	Business Services	438	1,650	1,187	1,331	0.5	1.6	4.1
Dods (Group) plc	TMT	3,268	4,253	1,151	1,439	0.5	7.1	11.7
Beeks Financial Cloud Group plc	TMT	413	413	974	743	0.4	1.6	2.9
SysGroup plc	TMT	1,579	1,578	962	785	0.4	5.2	28.3
One Media iP Group plc	TMT	1,008	912	922	856	0.4	5.9	10.8
LoopUp Group plc	TMT	616	640	511	1,232	0.2	1.1	2.0
Gresham House plc*	Business Services	137	145	376	357	0.2	0.1	0.3
Science In Sport plc	Consumer Markets	352	330	357	214	0.2	0.4	0.8
Scholium Group plc	Consumer Markets	1,100	682	330	330	0.1	8.1	14.7
Tasty plc	Consumer Markets	2,033	6,085	275	95	0.1	3.5	14.2
KRM22 plc	TMT	550	550	253	198	0.1	2.1	3.7
Gama Aviation plc	Business Services	1,004	1,171	199	181	0.1	0.9	1.7
Totally plc	Healthcare & Education	86	197	149	88	0.1	0.3	0.5
Zoo Digital Group plc	TMT	817	586	109	61	0.1	0.1	0.3
I-nexus Global plc	TMT	688	688	48	44	0.0	2.9	5.4
CloudCoco Group plc	TMT	535	359	42	37	0.0	0.7	1.2
Total AIM		44,840	60,155	94,364		39.8		
Listed								
Hawkwing plc	Business Services	2,136	3,429	36	42	0.0	1.1	28.3
Total listed		2,136	3,429	36		0.0		
Collective investment vehicles								
LF Gresham House UK Micro Cap Fund		6,189	10,335	31,211	23,617	13.2		
BlackRock Sterling Liquidity Fund		8,065	8,065	8,065	15,042	3.4		
JPMorgan Sterling Liquidity Fund		8,065	8,065	8,065	15,042	3.4		
LF Gresham House UK Smaller Companies Fund		2,500	2,500	3,617	2,582	1.5		
LF Gresham House UK Multi Cap Income Fund		2,500	2,500	3,545	3,084	1.5		
Total collective investment vehicles		27,319	31,465	54,503		23.0		
Total investments		115,414	138,664	201,016		84.7		
Net current assets				36,312		15.3		
Net assets				237,328		100.0		

† The original cost column provides the combined cost of investments made by BVCT3, BVCT4 and BVCT5 prior to the merger of the three VCT's to become BSVT. This is included for information purposes for shareholders reviewing the portfolio.

The accounting cost column ties into the investment note on page 15 of these accounts. For Investments owned before the assets of BVCT 4 and BVCT 5 were acquired by BVCT 3 the accounting book cost is a sum of the original cost of the investments held in BVCT 3 and the market value of the investment in BVCT 4 and BVCT 5 at the date of each of the mergers.

All funds managed by the same investment manager, Gresham House Asset Management Ltd.

* Acquired November 2014, pre change of Investment Manager on 30 November 2018.

Glossary

AIM	The Alternative Investment Market, a sub-market of the London Stock Exchange, designed to help smaller companies access capital from the public market.
Annual Dividend Yield	The ratio of dividend paid/declared for financial year divided by opening net asset value per share.
Book Cost (Original)	Total acquisition value, including transaction costs, less the value of any disposals or capitalised distributions allocated on a weighted average cost basis.
Book Cost (Accounting)	The original book cost of an asset, rebased to the value at which it was used in a subsequent transaction, such as a transfer between entities.
Collective Investment Vehicle	An entity which allows investors to pool their money, investing the pooled funds on their behalf.
Discount/Premium	If the share price is lower than the NAV per share it is said to be trading at a discount. The size of the Company's discount is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, this situation is called a premium.
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation – a proxy for the cash flow generated by a business, most commonly used for businesses that do not (yet) generate operating or shareholder profits.
IFA	Independent Financial Advisors, professionals who offer independent advice to their clients and recommend suitable financial products.
Key Performance Indicators (“KPIs”)	A measurable value that demonstrates how effectively the Company is achieving core business objectives.
NAV	The total value of all the Company's assets, at current market value, having deducted all liabilities at their carrying value.
NAV per share	Total Net Asset Value divided by the number of shares.
NAV total return	A measure showing how the Net Asset Value has performed over a period of time, taking into account both capital returns and dividends paid to shareholders.
Return on Cash Invested to shareholders	The amount of cash returned to shareholders through income tax reclaimed, and cumulative dividends paid, expressed as a percentage of the initial investment.
Shares Held in Treasury	Shares in the Company repurchased by itself, reducing the number of freely traded shares.
SME	Small and medium-sized entities. These are independent companies which meet two of the three recognition criteria for small or medium companies according to UK Legislation.
TMT	Technology, Media and Telecommunications.
Total Assets	All assets, both current and non-current. An asset is an economic resource owned by an entity that can lead to an increase in economic value.
VCT Value	The value of an investment when acquired, rebased if the holding is added to or any payment is made which causes an increase or decrease in its value.
80 per cent. test	Ensuring that the Company meets the requirement to hold 80 per cent. of its investments in qualifying holdings.

Shareholder information and contact details

Shareholder account queries

The Registrar for **Baronsmead Second Venture Trust plc** is Computershare Investor Services PLC ("Computershare").

The Registrar will deal with all of your queries with regard to your shareholder account, such as:

- Change of address
- Latest share price
- Your current shareholding balance
- Your payment history including any outstanding payments
- Your payment options (cheque, direct payment to your bank/building society account, reinvestment)
- Paper or electronic communications
- Request replacement cheques or share certificates (for which there may be additional administrative and other charges)

You can contact Computershare with your queries in several ways:

Telephone:	0800 923 1534	<ul style="list-style-type: none">● This is an automated self-service system● It is available 24 hours a day, 7 days a week● You should have your Shareholder Reference Number ("SRN") to hand, which is available on your share certificate and dividend tax voucher and which you should always keep confidential for security reasons● Press '0' if you wish to speak to someone● The Contact Centre in Bristol is available on UK business days between 8.30am – 5.00pm Monday to Friday
On-line:	Investor Centre www.investorcentre.co.uk	<ul style="list-style-type: none">● Computershare's secure website, Investor Centre, allows you to manage your own shareholding online● You will need to register to use this service on the Investor Centre web site● You should have your SRN to hand, which is available on your share certificate and dividend tax voucher and which you should always keep confidential for security reasons
Email:	web.queries@computershare.co.uk	
Post:	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6ZZ	

Share price

The Company's shares are listed on the London Stock Exchange. The mid-price of the Company's shares is given daily in the Financial Times in the Investment Companies section of the London Share Service. Share price information can also be obtained from the link on the Company's website and many financial websites.

Financial calendar

August 2021 – Quarterly factsheet to 30 June 2021

November/December 2021 – Announcement of final results for the period to 30 September 2021

February 2022 – Annual General Meeting

Additional information

The information provided in this report has been produced in order for shareholders to be informed of the activities of the Company during the period it covers. Gresham House Asset Management Ltd does not give investment advice and the naming of companies in this report is not a recommendation to deal in them.

Baronsmead Second Venture Trust plc is managed by Gresham House Asset Management Ltd which is Authorised and regulated by the FCA. Past performance is not necessarily a guide to future performance. Stock market and currency movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount they originally invested. Where investments are made in unquoted securities and smaller companies, their potential volatility may increase the risk to the value of, and the income from, the investment.

Secondary market in the shares of Baronsmead Second Venture Trust plc

The existing shares of the Company are listed on the London Stock Exchange and can be bought and sold using a stockbroker in the same way as shares of any other listed company.

The market makers in the shares of Baronsmead Second Venture Trust plc are:

Panmure Gordon & Co. 020 7886 2500 (the Company's broker)

Winterflood 020 3400 0251

Qualifying investors* who invest in the existing shares of the Company can benefit from:

- Tax free dividends;
- Realised gains are not subject to capital gains tax (although any realised losses are not allowable);
- No minimum holding period; and
- No need to include VCT dividends in annual tax returns.

The UK tax treatment of VCTs is on a first in first out basis and therefore tax advice should be obtained before shareholders dispose of their shares and also if they deferred a capital gain in respect of new shares acquired prior to 6 April 2004.

** UK income tax payers, aged 18 or over, who acquire no more than £200,000 worth of VCT shares in a tax year.*

Shareholder information and contact details

Warning to shareholders

It is possible that shareholders in the Company may be targeted by fraudsters. Information for shareholders concerning share fraud is set out below.

Share fraud includes scams where investors are called out of the blue and offered shares that often turn out to be worthless or non-existent, or an inflated price for shares they own or are otherwise told to transfer their shares. These calls come from fraudsters operating in 'boiler rooms' that are mostly based abroad.

While high profits are promised, those who buy or sell shares in this way usually lose their money.

Protect yourself

If you are offered unsolicited investment advice, discounted shares, a premium price for shares you own, or free company or research reports, you should take these steps before handing over any money or share certificates:

1. Get the name of the person and organisation contacting you.
2. Check the FCA Register at www.fca.org.uk/register to ensure they are authorised (or www.fca.org.uk/publication/systems-information/aifmd-small-register.pdf).
3. Use the details on the FCA Register to contact the firm.
4. Call the FCA Consumer Helpline on **0800 111 6768** (freephone) from 8.00am to 6.00pm, Monday to Friday (except public holidays) and 9.00am to 1.00pm, Saturday (from abroad call **+44 20 7066 1000**) if there are no contact details on the Register or you are told they are out of date.
5. Search the FCA's list of unauthorised firms and individuals to avoid doing business with.
6. **REMEMBER: if it sounds too good to be true, it probably is!**

If you use an unauthorised firm to buy or sell shares or other investments, you will not have access to the Financial Ombudsman Service (<https://www.financial-ombudsman.org.uk/>) or Financial Services Compensation Scheme (<https://www.fscs.org.uk/>) if things go wrong.

Report a scam

If you are approached about a share scam you should tell the FCA using the Share Fraud Reporting Form (www.fca.org.uk/consumers/report-scam-unauthorised-firm), where you can find out about the latest investment scams. You can also call the FCA Consumer Helpline on **0800 111 6768**.

If you have already paid money (or otherwise dealt with share fraudsters) you should contact ActionFraud on 0300 123 2040 or use the ActionFraud (<https://www.actionfraudalert.co.uk/>) Online Reporting Tool.

More detailed information on this or similar activity can be found on the FCA web site.

Corporate information

Directors

Sarah Fromson (Chair)†
Malcolm Groat*
Graham McDonald
Tim Farazmand#

Secretary

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Investment Manager

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Registered Number

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Auditor

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London W1U 7EU

Solicitors

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VCT Status Adviser

PricewaterhouseCoopers LLP
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Website

www.baronsmeadvcts.co.uk

† *Chairman of the Nomination Committee.*

* *Senior Independent Director and Chairman of the Audit Committee.*

Chairman of the Management Engagement and Remuneration Committee.

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