Sure Ventures plc

Annual Report and Audited Financial Statements

For the year ended 31 March 2020

Company Number: 10829500

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1 Investment Objective, Policy and Performance Summary

Investment Objective

The investment objective of the Company is to achieve capital growth for investors.

Investment Policy

The Company's Investment Policy can be found at page 68 of this Annual Report.

Performance Summary

	31 March 2020	31 March 2019
Number of ordinary shares in issue	4,869,956	4,564,748
Market capitalisation		
- Ordinary shares (in sterling)	5,120,000	4,818,763
Net asset value ("NAV") attributable to ordinary shareholders		
- Ordinary shares	£4,509,919	£3,790,088
NAV per share attributable to ordinary shareholders		
- Ordinary shares (in sterling)	92.61p	83.03p
Ordinary share price (bid price) in sterling	105.13p	105.56p
Ordinary share price premium to NAV in sterling	13.52%	26.02%
Investments held at fair value through profit and loss	£3,078,560	£1,700,900
Cash and cash equivalents	£1,700,601	£2,139,842

Dividend History

There were no dividends paid during the period (2019 – None).

Listing Information

The Company's shares are admitted to trading on the Specialist Fund Segment (SFS) of the London Stock Exchange.

The ISIN number for the GBP shares is GB00BYWYZ460, Ticker: SURE.

Website

The Company's website address is http://www.sureventuresplc.com.

2 Chairman's Statement

Chairman's Statement

Dear Shareholders.

On behalf of my fellow directors, I am delighted to present the annual results of Sure Ventures plc (the 'Company') for the year ended 31 March 2020.

FINANCIAL PERFORMANCE

The Company's performance for the year produced a healthy net asset value ('NAV') total return per share of +11.54% (31 March 2019 -9.87%), its best return since launch. Given the circumstances of the global stock market collapse during March, this is a pleasing result. While the return since inception is -7.40%, it should be remembered that figure includes not only the March market falls but also the Company's initial formation costs incurred at incorporation. During the year the Company's NAV attributable to shareholders grew steadily by £720k to £4.5m as at the year end.

The Company's share price continues to trade at or around its last published NAV, which the Company believes supports the continued growth potential of its investments and demonstrates an understanding among shareholders of the investment rationale and horizon.

PORTFOLIO UPDATE

The Company's holdings comprise its 25.9% investment in Sure Valley Ventures Sub-Fund of Suir Valley Fund ICAV (the 'Fund') to which the Company has made a total commitment of €7m (increasing its initial commitment from €4.5m in September 2019), as well as investments the Company holds directly - in Immotion Group plc ('Immotion'), a listed immersive virtual reality ('VR") entertainment group and VividQ Limited, a privately owned deep technology company pioneering the application of holography in augmented reality ('AR') and VR. The Fund portfolio includes one listed entity, VR Education Holdings plc ('VR Education') a developer of VR software and immersive experiences with a specific focus on education, and as at the year end, a further nine privately held companies in the AR, VR, internet of things ('IoT') and artificial intelligence ('AI') space.

During the year the Fund announced the following additional investments:

- VividQ Limited (April 2019), alongside the Company's own direct investment, thus increasing the Company's exposure to this 3D holography specialist
- Ambisense (May 2019), a company that has developed an environmental risk assessment platform encompassing IoT and AI solutions
- Getvisibility (March 2020) an AI security data software development company providing visibility over unstructured data.

Each of these investments brings its own unique qualities and adds to the diverse and well-balanced composition of the Fund's portfolio of investee companies. Shortly after the year end the Fund announced an investment in Buymie, an AI app-based home grocery delivery service, adding another exciting and relevant portfolio company who have just teamed up with Co-op stores to provide deliveries to over 200,000 households across Bristol.

The year also featured a Series A follow-on investment led by Force Over Mass Capital for Admix, the advertising platform for AR/VR developers. The funding round closed in March 2020 and provided the Company with a substantial uplift from its original investment.

Well ahead of schedule, given the Company's long-term investment horizon, the Fund's first successful exit was announced during the year. In December 2019 Artomatix, which provides an AI platform automating the creation of 3D content was sold to Unity Technologies at a multiple of approximately 5x the initial investment, providing the Company with a significant cash return, ensuring an important buffer for future investments.

As COVID-19 continues to negatively impact public markets, March 2020 witnessed one of the most volatile months in financial markets history and so predictably the two listed investments, Immotion and VR Education, came under selling pressure into the year end. Share prices of both companies hit all-time lows during March which more than offset the unrealized gains from the Admix uplift. However, since trading at these lows, whilst Immotion's recovery is expected to be more gradual, VR Education's share price has been given a huge boost by a €3m investment announced in May 2020 from HTC Corporation off the back of hosting HTC's annual conference utilizing VR Education's ENGAGE platform. At the time of writing, share price of VRE Education has rallied to 13p, while Immotion is trading at 1.85p, in line with its year end mark.

Further information on the investment portfolio is provided in the report of the Investment Manager which follows this statement.

COMMITMENTS AND FUNDING

As mentioned above, on 2 September 2019 the Company announced an increase in subscription to the Fund of €2.5m taking its total commitment to €7m, thereby increasing its share in the Fund from 21.6% to 25.9%. This commitment was made shortly before the Fund closed to new subscribers validating the Company's belief that the Fund portfolio is now at a mature stage and, with a number of investee companies preparing for further funding rounds, there is demonstrable potential for further uplifts to occur from initial valuations.

The Company believes that it will have sufficient access to funding to meet its commitments to the Fund over the term of the Fund's investment cycle, through a combination of available cash, anticipated subscriptions and access to undrawn facilities.

INVESTMENT ENVIRONMENT

COVID-19 will continue to have a lasting impact on global economies and the investment environment is likely to be challenging for public and private markets investors alike. The Company is confident that the Investment Manager will continue to identify new businesses in which to invest within the Company's chosen verticals of AR, VR, IoT and AI, and whilst COVID-19 has had little effect on the majority of the portfolio companies, the Company and Investment Manager remain vigilant of risks associated with the pandemic on the portfolio companies.

DIVIDEND

During the year to 31 March 2020, the Company has not declared a dividend (31 March 2019: £nil). Pursuant to the Company's dividend policy the directors intend to manage the Company's affairs to achieve shareholder returns through capital growth rather than income. During the current financial year, the Company received income following a distribution from Sure Valley Ventures; the Board considered that the working capital requirements and anticipated draw down cycle of their current commitments did not allow for sufficient excess liquidity as to declare a special dividend.

The Company does not expect to receive a material amount of dividends or other income from its direct or indirect investments. It should not be expected that the Company will pay a significant annual dividend, if any.

GEARING

The Company may deploy gearing of up to 20% of net asset value (calculated at the time of borrowing) to seek to enhance returns and for the purposes of capital flexibility and efficient portfolio management. The Company's gearing is expected to primarily comprise bank borrowings but may include the use of derivative instruments and such other methods as the Board may determine. During the period to 31 March 2020 the Company did not employ any borrowing (31 March 2019: £nil).

The Board will continue to review the Company's borrowing, in conjunction with the Company's Investment Manager on a regular basis pursuant with the Company's overall cash management and investment strategy.

OUTLOOK

Several investee companies are at different stages of Series A fundraising and upon completion the Company anticipates further positive announcements to this effect within the next one-two quarters. The investment pipeline remains strong and, as well as Buymie, the Company anticipates news in the near term of further portfolio additions, subject to the completion of the Investment Manager's rigorous filter process and satisfactory due diligence.

COVID-19 has forced structural changes in the way that we now address everyday tasks in the workplace, in education and in entertainment, with "virtual" being increasingly applied to a greater variety of operations. With enforced physical restrictions comes the need to develop technology to counter these measures and the Company believes that its investment portfolio and investment strategy is well placed to benefit from the adoption of these technologies.

On 7 June 2019, the Company announced a placing of 305,208 ordinary shares, followed by a further placing of 250,000 on 19 March 2020 (ultimately allotted on 1 April 2020). As of 31 March 2020, other liabilities comprise of £250,000 of cash and in-species subscriptions received in advance, which was issued by the Company on 1 April 2020 post year-end. Refer note 11. The ordinary shares were admitted to trading on the Specialist Fund Segment of the London Stock Exchange on 10 June 2019, under the existing ISIN: GB00BYWYZ460, taking the total shares in admission as at 31 March 2020 to 4,869,956 (excluding 250,000 allotted 1 April 2020).

The Investment Manager's Report following this Statement gives further detail on the affairs of the Company. The Board is confident of the long-term prospects for the Company in pursuit of its investment objectives.

BOARD

I am pleased that St. John Agnew was able to join the Board on 15 June 2019. He is a qualified solicitor and an investment manager with more than 25 years of financial markets experience within the asset management industry. He brings to the Board a wealth of knowledge in investment funds and his legal background provides an excellent addition of skill sets to the Company.

Perry Wilson
Chairman
30 July 2020

3 Investment Manager's Report

Investment Manager's Report

THE COMPANY

Sure Ventures plc (the "Company") was established to enable investors to gain access to early stage technology companies in the three exciting and expansive market verticals of augmented reality and virtual reality (AR/VR), artificial intelligence (AI) and the internet of things (IoT).

The Company gains access to deal flow ordinarily reserved for venture capital funds and ultra-high net worth angel investors, establishing a diversified software-centric portfolio with a clear strategy. Listing the fund on the London Stock Exchange offers investors:

- Relative liquidity
- A quoted share price
- A high level of corporate governance.

It is often too expensive, too risky and too labour intensive for investors to build a portfolio of this nature themselves. We are leveraging the diverse skillsets of an experienced management team who have the industry network to gain access to quality deal flow, the expertise to complete extensive due diligence in target markets and the entrepreneurial skills to help these companies to mature successfully. Those investing in the Company will get exposure to Sure Valley Ventures which in turn makes direct investments in the above sectors in the UK & Ireland.

Augmented Reality & Virtual Reality

The AR/VR market is evolving at a rapid pace. The market is expected to grow into a US$298 billion industry by 2023, growing at a CAGR of over 60% during the forecast time frame [1]. Significant investment in hardware capability and headset development has been made by major industry players such as Facebook (through its Oculus division), Microsoft, Sony (through its PlayStation division), HTC, Samsung and others. This investment has ignited a new and exciting industry within the technology sector. Hardware manufacturers and AR/VR users are now searching for software capabilities/support and content, and we believe that exposure to this industry via the Fund and direct investment into software companies in the space will offer significant upside potential for investors. Through our network of technology accelerators, angel investor partners and industry contacts in the AR/VR space, we expect to have a strong chance of discovering the industry leaders of tomorrow.

Internet of Things

The Internet of Things (IoT) as a segment of the market is a broad investment area; it is defined as the interconnection, via the internet, of computing devices embedded in everyday objects, enabling them to send and receive data. The market was estimated to be worth US$212 billion dollars by the end of 2019 and is predicted to reach a size of US$1.6 trillion by 2025[2]. The global growth and advancement of internet coverage, the increased speed and capability of connectivity and the mass market penetration of smartphones/tablet sales has created significant opportunities for software companies. Businesses from many industries are embracing the efficiencies, cost savings and the "direct to consumer" penetration this technological advancement has offered. We see continued growth in this area and believe that investor returns will benefit from exposure to the space.

Artificial Intelligence

According to the market research firm Tractica, the global artificial intelligence software market is expected to experience massive growth in the coming years, with revenues increasing from around US$9.5 billion in 2018 to an expected US$118.6 billion by 2025[3]. The overall AI market includes a wide array of applications such as natural language processing, robotic process automation, and machine learning. McKinsey did an analysis comparing the value created by advanced analytics versus AI and machine learning across common enterprise use cases. McKinsey found that 82% of enterprises adopting machine learning and AI have gained a financial return from their investments. For companies across all industries, the median return on investment from cognitive technologies is 17%. AI and machine learning have the potential to create an additional US$2.6 trillion in value by 2020 in Marketing and Sales, and up to US$2.0 trillion in manufacturing and supply chain planning.

[[1] ARC market research Sep 2019
[2] Statista 2019
[3] Tractica 2019

PORTFOLIO BREAKDOWN

On 6 February 2018 the Company entered into a €4.5m commitment to Sure Valley Ventures (the "Fund"), the sole sub-fund of Suir Valley Funds ICAV and its investment was equalised into the Fund at that date. On 31 August 2019 a further €2.5m was committed to the Fund, taking the total investment in Sure Valley Ventures to €7m. The first drawdown was made on 5 March 2018 and as at 31 March 2020, a total of €3,123,357 had been drawn down against this commitment.

On 26 April 2019 the Company made a direct investment of £500,000 into VividQ Limited, a deep tech start up with world leading expertise in 3D holography. This investment represents the second direct investment of the Company, alongside Immotion Group PLC, which was announced on 24th April 2018. As detailed in the Statement of Position included in the following financial statements, these two investments alongside the Fund investment represent the entire portfolio of Sure Ventures plc as at 31 March 2020.

On 7 June 2019, the Company announced a placing of 305,208 ordinary shares, followed by a further placing of 250,000 on 19 March 2020 (allotted 1 April 2020). As of 31 March 2020, other liabilities comprise of £250,000 of cash and in-species subscriptions received in advance, which was issued by the Company on 1 April 2020 post year-end. The ordinary shares were admitted to trading on the Specialist Fund Segment of the London Stock Exchange on 10 June 2019, under the existing ISIN: GB00BYWYZ460, taking the total shares in admission as at 31 March 2020 to 4,869,956 (excluding 250,000 allotted 1 April 2020).

SUIR VALLEY FUNDS ICAV

Suir Valley Funds ICAV (the ''ICAV'') is a close-ended Irish collective asset-management vehicle with segregated liability between sub-funds incorporated in Ireland pursuant to the Irish Collective Asset-management Vehicles Act 2015 and constituted as an umbrella fund insofar as the share capital of the ICAV is divided into different series with each series representing a portfolio of assets comprising a separate sub-fund.

The ICAV was registered on 18 October 2016 and authorised by the Central Bank of Ireland as a qualifying investor alternative investment fund ("QIAIF") on 10 January 2017. The initial sub-fund of the ICAV is Sure Valley Ventures, or the Fund, which had an initial closing date of 1 March 2017. The Fund invests in a broad range of software companies with a focus on companies in the AR/VR, AI and IoT sectors.

As at 31 March 2020 the Fund had commitments totalling €27m and had made eleven direct investments into companies spanning the AR/VR, AI and IoT sectors. One of these investments was sold in the year, giving the Fund its first realised gain on exit of around 5X return on investment. On 12 March 2018, Immersive VR Education Limited, the Fund's first investment, completed a flotation on the London Stock Exchange (AIM) and the Dublin Stock Exchange (ESM). The public company is now called VR Education Holdings PLC – ticker VRE. VRE was the first software company to list on the ESM since that market's inception.

PERFORMANCE

In the year to 31 March 2020 the Company's performance was broadly in line with expectations, returning a net asset value of £0.93 per unit, which is an increase of £0.10 from the 31 March 2019 audited year end figure. This can largely be explained by the positive performance in Sure Valley Ventures Fund. The NAV has been impacted by the share price in Immotion Group PLC, closing the year at 1.85p (2019: 5.1p) which has suffered as a result of the recent Covid-19 pandemic.

FUTURE INVESTMENT OUTLOOK

The Fund has achieved one very positive realised gain as well as a number of unrealised gains across the portfolio and continues to have access to quality deals in our chosen high growth sectors. The portfolio of current investments is now beginning to mature and approach series A funding rounds, which if successful, will begin to provide the NAV growth that was set out to achieve from inception.

The progress made by Sure Valley Ventures and the pipeline outlined to the board, prompted the Company to make a further commitment to the Fund of €2.5 million. This was announced to the market on the 2nd September 2019 reaffirming that the board remain positive about the potential value that can be created for its investors. We also remain confident in the future outlook of the Company in the forthcoming financial year and in line with the prospectus, reserve the right to make further direct investments provided there is sufficient working capital to do so.

Shard Capital AIFM LLP

Investment Manager

27 May 2020

4 Strategic Report

Business Review

The strategic report on pages 10 to 16 has been prepared to help shareholders assess how the Company operates and how it has performed. The strategic report has been prepared in accordance with the requirements of Section 414 A-D of the Companies Act 2006 (the "Act") and best practice. The business review section of the strategic report discloses the Company's risks and uncertainties as identified by the board, the key performance indicators used by the board to measure the Company's performance, the strategies used to implement the Company's objectives, the Company's environmental, social and ethical policy and the Company's future developments.

PRINCIPAL ACTIVITY

The Company carries on business as an investment trust and its principal activity is to invest in companies in accordance with the Company's investment policy with a view to achieving its investment objective.

STRATEGIC AND INVESTMENT POLICY

Investment Policy

The Company's Investment Policy can be found at page 68 of this Annual Report.

FUTURE DEVELOPMENTS

While the future performance of the Company is dependent, to a large degree, on the performance of the Fund which, in turn, is subject to many external factors, the board's intention is that the Company will continue to pursue its stated investment objective as outlined on page 2. The Company's future developments and outlook are discussed in more detail in the Chairman's Statement on page 4 and the Investment Manager's Report on page 7 - 9.

PREMIUM/DISCOUNT MANAGEMENT

The board closely monitors the premium or discount at which the Company's ordinary shares trade in relation to the Company's underlying net asset value and takes action accordingly. Throughout the period under review the Company's ordinary shares traded at a premium to its underlying net asset value. The board is of the view that an increase of the Company's ordinary shares in issue provides benefits to shareholders, including a reduction in the Company's administrative expenses on a per share basis and increased liquidity in the Company's shares.

The board believes that it is in shareholders' best interests to prevent the Company's shares trading at a discount to net asset value because shareholders will be unable to realise the full value of their investments.

As the Company's shares traded at a premium to net asset value throughout the period under review, no repurchases were undertaken.

CORPORATE AND OPERATIONAL STRUCTURE

Operational and portfolio management

The Company has outsourced its operations and portfolio management to various service providers as detailed below:

- Shard Capital AIFM LLP is appointed as the Company's manager (the "Manager") and Alternative Investment Fund Manager ("AIFM") for the purposes of the Alternative Investment Fund Managers Directive ("AIFMD");
- Apex Fund Services (Ireland) Limited is appointed to act as the Company's company secretary and administrator;
- Indos Financial Limited is appointed to act as the Company's depositary;

- Computershare Investor Services plc is appointed as the Company's share registrar;
- Shard Capital Partners LLP is appointed to act as the Company's placing agent; and
- PKF Littlejohn LLP is appointed to act as the Company's auditors.

Alternative Investment Fund Managers Directive

In accordance with the AIFMD, the Company has appointed Shard Capital AIFM LLP to act as the Company's AIFM for the purposes of the AIFMD. The AIFM ensures that the Company's assets are valued appropriately in accordance with the relevant regulations and guidance. In addition, the Company has appointed Indos Financial Limited as depositary, to provide depositary services to the Company as required by the AIFMD.

Donations

The Company made no political or charitable donations during the period under review to organisations either within or outside the EU (2019 – none).

Environment, human rights, employee, social and community issues

The Company is required by law to provide details of environmental matters (including impact of the Company's business on the environment), employee, human rights, social and community issues (including information about any policies it has in relation to these matters and the effectiveness of those policies). The Company does not have any employees and the board comprises non-executive directors. As an investment trust, its activities do not have any direct impact on the environment. The Company aims to minimise any detrimental effect that its actions may have by adhering to applicable social legislation, and as a result does not maintain specific policies in relation to these matters.

The Company has no operations and therefore no greenhouse gas emissions to report nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and directors' Reports) Regulations 2013, including those within its underlying investment portfolio. However, the Company believes that high standards of corporate social responsibility such as the recycling of paper waste will support its strategy and make good business sense.

In carrying out its investment activities and in relationships with suppliers, the Company aims to conduct itself responsibly, ethically and fairly.

Modern slavery

Due to the nature of the Company's business, the board does not consider the Company to be directly within the scope of modern slavery regulations. The board considers the Company's supply chains, being with professional service providers within the UK or the EU to be low risk in relation to this matter.

Anti-bribery and corruption

It is the Company's policy to conduct its business in an ethical manner. The Company takes a zero tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in its business dealings.

Principal Risks and Uncertainties

The board has carried out a robust assessment of its risks and controls as detailed below. The day-to-day risk management functions of the Company have been delegated to Shard Capital AIFM LLP, which reports to the board.

OPERATIONAL RISKS

Third Party Service Providers

The Company has no employees and the directors have all been appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third-party service providers for its executive function. In particular, the manager, depositary, administrator and registrar amongst others, will be performing services which are integral to the day-to-day operation, including IT, of the Company.

The termination of service provision by any service provider, or failure by any service provider to carry out its obligations to the Company, or to carry out its obligations to the Company in accordance with the terms of its appointment, could have a material adverse effect on the Company's operations and its ability to meet its investment objective.

Mitigation

Day-to-day oversight of third-party service providers is exercised by the Manager and reported to the board on a quarterly basis. As appropriate to the function being undertaken, each of the service providers is subject to regular performance and compliance monitoring. The performance of Shard Capital AIFM LLP (the 'Manager') in its duties to the Company is subject to ongoing review by the board on a quarterly basis as well as formal annual review by the Company's management engagement committee.

The appointment of each service provider is governed by agreements which contain the ability to terminate each of these counterparties with limited notice should they continually or materially breach any of their obligations to the Company.

Reliance on key individuals

The Company will rely on key individuals at the Manager to identify and select investment opportunities and to manage the day-to-day affairs of the Company. There can be no assurance as to the continued service of these key individuals at the Manager. The departure of key individuals from the Manager without adequate replacement may have a material adverse effect on the Company's business prospects and results of operations. Accordingly, the ability of the Company to achieve its investment objective depends heavily on the experience of the Manager's team, and more generally on the ability of the Manager to attract and retain suitable staff.

Mitigation

The interests of the Manager are closely aligned with the performance of the Company through the management and performance fee structures in place and direct investment by certain key individuals of the Manager. Furthermore, investment decisions are made by a team of professionals, mitigating the impact loss of any single key professional within the Manager's organisation. The performance of the Manager in its duties to the Company is subject to ongoing review by the board as well as formal annual review by the management engagement committee.

Fluctuations in the market price of Issue Shares

The market price of the issued shares may fluctuate widely in response to different factors and there can be no assurance that the issued shares will be repurchased by the Company even if they trade materially below their net asset value. Similarly, the shares may trade at a premium to net asset value whereby the shares can trade on the open market at a price that is higher than the value of the underlying assets. There can be no assurance, express or implied, that shareholders will receive back the amount of their investment in the issued shares.

Mitigation

The Manager and the board closely monitor the level of discount or premium at which the shares trade on the open market. The Company may purchase the shares in the market with the intention of enhancing the net asset value per ordinary share, however there can be no assurance that any purchases will take place or that any purchases will have the effect of narrowing any discount to net asset value at which the ordinary shares may trade. When the shares trade at a premium the Company may issue shares to reduce the premium at which shares trade. As at 31 March 2020 the shares were trading at a premium to net asset value.

INVESTMENTS

Achievement of the Investment Objective

There can be no assurance that the Manager will continue to be successful in implementing the Company's investment objective.

Mitigation

The Company's investment decisions are delegated to the Manager. Performance of the Company against its investment objectives is closely monitored on an ongoing basis by the Manager and the board and is reviewed in detail at each board meeting. Any action required to mitigate underperformance is taken as deemed appropriate by the Manager.

Borrowing

The Company may use borrowings in connection with its investment activities including, where the Manager believes that it is in the interests of shareholders to do so, for the purposes of seeking to enhance investment returns. Such borrowings may subject the Company to interest rate risk and additional losses if the value of its investments falls. Whilst the use of borrowings should enhance the net asset value of the issued shares when the value of the Company's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling. In addition, in the event that the Company's income falls for whatever reason, the use of borrowings will increase the impact of such a fall on the Company's return and accordingly will have an adverse effect on the Company's ability to pay dividends to shareholders.

Mitigation

The Manager and the board closely monitor the level of gearing of the Company. The Company has a maximum limitation on borrowings of 20% of net asset value (calculated at the time of borrowing) which the Manager may affect at its discretion. As at the date of this report, the Company had no current borrowings outstanding.

Liquidity of Investments

The Company expects to have a material level of exposure to unquoted companies that are aligned with the Company's strategy and that present opportunities to enhance the Company's return on its investments. Such investments, by their nature, involve a higher degree of valuation and performance uncertainties and liquidity risks than investments in listed and quoted securities and they may be more difficult to realise. The illiquidity of such investments may make it difficult for the Company to sell them if the need arises and may result in the Company realising significantly less than the value at which it had previously recorded such investments. Investments in unlisted equity securities, by their nature, involve a higher degree of valuation and performance uncertainties and liquidity risks than investments in listed securities and therefore may be more difficult to realise.

Mitigation

The Company has established investment restrictions on the extent to which it can invest up to 15% of net asset value in a single investment. However, this restriction does not apply to investments in the Fund or any Further Funds or collective investment vehicles managed by third parties. Compliance with these restrictions is monitored by the Manager and by the board on an ongoing basis.

REGULATIONS

Tax

Any changes in the Company's tax status or in taxation legislation could affect the value of investments held by the Company, affect the Company's ability to provide returns to shareholders and affect the tax treatment for shareholders of their investments in the Company.

Mitigation

The Company intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of Chapter 4 of Part 24 of the Corporation Tax Act 2010. Both the board and the Manager are aware of the requirements which are to be fulfilled in any accounting period for the Company to maintain its investment trust status. Adherence to the conditions required to satisfy the investment trust criteria are monitored by the compliance function of the Manager and performance of the same is reported to the board on a regular basis.

Breach of applicable legislative obligations

The Company and its third-party service providers are subject to various legislation and regulations, including, but not limited to the Data Protection Act 2018 and the General Data Protection Regulation. Any breach of applicable legislative obligations could have a negative impact on the Company and impact returns to shareholders.

Mitigation

The Company engages only with third party service providers which hold the appropriate regulatory approvals for the function they are to perform, and can demonstrate that they can adhere to the regulatory standards required of them. Each appointment is governed by agreements which contain the ability to terminate each of these counterparties with limited notice should they continually or materially breach any of their legislative obligations, or their obligations to the Company more broadly. Additionally, each of the counterparties is subject to regular performance and compliance monitoring by the Manager, as appropriate to their function, to ensure that they are acting in accordance with applicable regulations and are aware of any upcoming regulatory changes which may affect the Company. Performance of third party service providers is reported to the board on a quarterly basis, whilst the performance of the Manager in its duties to the Company is subject to ongoing review by the board on a quarterly basis as well as formal annual review by the management engagement committee.

KEY PERFORMANCE INDICATORS

The board monitors success in implementing the Company's strategy against a range of key performance indicators ("KPIs"), which are viewed as significant measures of success over the longer term. Although performance relative to the KPIs is also monitored over shorter periods, it is success over the long term that is viewed as more important, given the inherent volatility of short-term investment returns. The principal KPIs are set out below:

KPI	**Performance**	
	Year ended 31 March 2020	**Period from launch of the Company to year ended 31 March 2020**
Movement in net asset value per ordinary share	Increased by 11.54%	Decreased by 7.39%
Premium/discount (after deducting borrowings at fair value	Traded at a premium of 13.52%	Traded at an average year-end premium of 16.77%
Movement in the share price	Decreased by 0.41%	Increased by 5.13%

The Company does not currently follow any benchmark. Similarly, Sure Valley Ventures does not follow any benchmark. Accordingly, the portfolio of investments held by the Company and Sure Valley Ventures will not mirror the stocks and weightings that constitute any particular index or indices, which may lead to the Company's shares failing to follow either the direction or extent of any moves in the financial markets generally (which may or may not be to the advantage of shareholders).

PROMOTING THE SUCCESS OF THE COMPANY

Under Section 172 of the Companies Act 2006, the board has a duty to promote the long-term success of the Company for the benefit of its shareholders as a whole and, in doing so, have regard to the likely consequences of its decisions in the long-term upon the Company's other stakeholders and the environment.

The Company's objective is to achieve capital growth for investors through exposure to early stage technology companies, with a focus on software-centric businesses in its chosen target markets.

The board believes that the values of integrity, accountability and transparency form the basis of the Company's corporate culture and promote good standards of governance.

The board has identified the Company's main stakeholders to be its shareholders, investment manager and other key service providers. The board seeks to understand the priorities of its stakeholders and engages with them through the communication and governance processes that it has put in place.

Shareholders

The board believes that transparent communication with shareholders is important. In addition to the Annual Report and the Half-yearly Report, the Company publishes quarterly portfolio updates which are available on the Company's website together with other information that the board believes shareholders will find useful. The board welcomes feedback from shareholders and the Investment Manager provides such feedback to the board on a regular basis.

During the year, the Company issued 305,208 new ordinary shares in response to investor demand. The board believes that share issues are in the interests of shareholders as a whole as they provide additional finance for investment opportunities, enable the Company's fixed costs to be spread over a wider base and provide a source of liquidity in the Company's shares.

Investment Manager

The Investment Manager has a fundamental role in promoting the long-term success. The board regular reviews the performance of the investment portfolio at quarterly board meetings and performs a formal annual evaluation of the performance of the Investment Manager. This contact enables constructive regular dialogue between the Investment Manager and the board.

Other key service providers

The board believes that strong relationships with its other key service providers (Company Secretary, Administrator, Depositary and Registrar) are also important for the long-term success of the Company. There is regular contact between the board and the Company's other key service providers. The board performs an annual review of the services provided by the Company Secretary, Administrator, Depositary and Registrar to ensure that these are in line with the Company's requirements.

Environmental, Social and Governance ("ESG")

The board and the Investment Manager recognise the importance of the impact of the Company's decisions and ESG factors are integrated in the investment process.

APPROVAL

The Strategic Report was approved by the board of directors on 30 July 2020 and signed on its behalf by:

Perry Wilson
Chairman

5 Directors' Report

Board of Directors

PERRY WILSON

Chairman of the board and the management engagement committee and a member of the audit committee

Perry Wilson (Chairman) (independent)

Perry Wilson is a financial services professional with over 25 years' experience in investment banking and fund management, responsible for running portfolio risk positions in global markets. He started his career in accountancy before joining the asset trading group at Lazard in 1987, focusing on illiquid credit and structured products and going on to become a director of the bank.

In 2003 Mr Wilson joined Argo Capital as executive director, an AIM listed alternative investment fund management firm and was part of a small team of portfolio managers that oversaw the group's fiftyfold AUM growth to US$1.3bn at it's height. After leaving Argo in 2010 Mr Wilson joined Integra Capital to implement a liquid credit strategy before setting up a fixed income sales and trading operation for a Central Asian investment bank, Visor Capital in 2013.

Since 2015 Mr Wilson has been on the board of a number of UK and offshore financial services firms and investment funds, as independent non-executive director, and also acts as chair of trustees for a UK pension plan, providing corporate governance and oversight utilising his extensive financial markets background and experience.

ST JOHN AGNEW

St John Agnew

St.John trained as a solicitor and was an in-house Commercial and Banking Counsel for TSB Bank. His responsibilities included drafting and negotiating legal documentation in relation to all Bank lending and commercial arrangements. This included many types of commercial contracts and involved a close working relationship with the technology team who required advise on a steady flow of technology contracts.

He became a Investment Manager in 2000 and set up a fund in the Cayman Islands in 2004 based on Technical Analysis which he successfully operated and closed in late 2007. He continues to advise on investment and is currently an Investment Manager registered with Credo Capital with his own private clients.

St.John has also served as Trustee on a Pension fund for a Charity and, using his legal and investment knowledge, he helped to restructure the Board to allow it to recognise and meet its extensive ongoing Pension obligations. He is also currently a Non-Executive Director of a food company, The Big Prawn Company, where uses his knowledge and experience to help guide this company.

GARETH BURCHELL

Gareth Burchell

Gareth Burchell began his career in the insurance industry and spent three years at RBS Insurance prior to beginning his career in investment advice and management. Mr. Burchell is currently Head of Shard Capital Stockbrokers and chairs an investment committee that specialises in providing funding for both listed and unlisted small companies. Mr Burchell has had a focus on the small cap arena for 15 years and he and his team have provided £90 million of funding across 221 companies. He has an in-depth knowledge of the UK listing process of various small cap exchanges.

(1) (Chris Boody resigned 14 June 2019, replaced by St. John Agnew on same day)

Statutory information

BOARD MEMBERS, AND DIRECTORS' AND OFFICERS' INSURANCE

The names and biographical details of the board members who served on the board as at the year end can be found on page 18.

During the year under review the Company purchased and maintained directors' and officers' liability insurance for its directors and officers as permitted by section 233 of the Companies Act 2006.

STATUS OF THE COMPANY

The Company is an investment company within the meaning of section 833 of the Companies Act 2006.

The Company operates as an investment trust in accordance with Chapter 4 of Part 24 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. The Company has obtained its initial approval as an investment trust from HM Revenue & Customs. In the opinion of the directors, the Company has conducted its affairs since its initial approval as an investment trust so that it is able to maintain its status as an investment trust.

The Company is an externally managed closed-ended investment company with an unlimited life and has no employees.

INTERNAL CONTROLS AND RISK MANAGEMENT

Details of the Company's principal risks and uncertainties can be found in the Strategic Report on pages 13 to 15 inclusive of details of the Company's internal controls. Details of the Company's hedging policies are set out in the Strategic Report on page 10.

SHARE CAPITAL – VOTING AND DIVIDEND

As at 31 March 2020, the Company had 4,869,956 (2019: 4,564,748) ordinary shares in issue. There are no other classes of shares in issue and no shares are held in treasury. As at 31 March 2020, the Company had ordinary shares in issue excluding a further placing of 250,000 ordinary shares received in advance on 13 March 2020, which was issued by the Company on 1 April 2020 post year-end.

At the Company's last Annual General Meeting held on 30 September 2019, the board was granted authorities to issue up to 48,000,000 ordinary shares and to disapply pre-emption rights when allotting those shares. The directors will be seeking to renew these authorities which will otherwise expire at the forthcoming AGM.

The maximum number of shares which can be admitted to trading on the LSE without the publication of a prospectus is 20% of the ordinary shares in issue on a rolling 12 month basis at the time of admission of the shares.

The price of any Ordinary Shares issued to Shard Capital Ltd ("SCL") under the SCL Agreement will be not less than the NAV per Ordinary Share at the time of issue plus a premium to cover the expenses of such issue.

During the year under review a total of 305,208 (2019: 1,254,748) ordinary shares were issued as detailed below:

	Shares issued	Price paid per share (pence)	Premium to net asset value (%) (1)
18 June 2019	305,208	96.00	16.22%

(1) Last published NAV at time of issue

As at 31 March 2020 there were 4,869,956 ordinary shares of 1p in issue. Since the year end a further 480,769 ordinary shares of 1p have been issued.

The ordinary shares carry the right to receive dividends and have one voting right per ordinary share. There are no shares which carry specific rights with regard to the control of the Company. The shares are freely transferable. There are no restrictions or agreements between shareholders on the voting rights of any of the ordinary shares or the transfer of shares.

The Company has been incorporated with an unlimited life.

On a winding up or a return of capital by the Company, the ordinary shareholders are entitled to the capital of the Company.

No final dividend is being recommended. The Company's policy is to pay dividends, if any, on annual basis, as set out in the Company's prospectus dated 17 November 2017 and the supplementary prospectus dated 2 January 2018 (the "Prospectus"). There were no dividends paid in respect of the year ended 31 March 2020 (2019 – None).

The Company will pay out such dividends as are required for it to maintain its investment trust status.

SUBSTANTIAL SHARE INTERESTS

The Company has received no notifications in accordance with the Disclosure and Transparency Rule 5.1.2R of interests in 3% or more of the voting rights attaching to the Company's issued share capital.

INDEPENDENT AUDITOR

The Company's independent auditor, PKF Littlejohn LLP ("PKF"), was appointed in the prior year and has expressed its willingness to continue to act as the Company's auditor for the forthcoming financial year. The audit committee has carefully considered the auditor's appointment, as required in accordance with its terms of reference, and, having regard to its effectiveness and the services it has provided the Company during the period under review, has recommended to the board that the independent auditor be appointed at the forthcoming AGM. At the AGM resolutions will be proposed for the appointment of the independent auditor and to authorise the directors to agree its remuneration for the forthcoming financial year. In reaching its decision, the audit committee considered the points detailed on pages 31 to 33 of the Audit Committee's report.

AUDIT INFORMATION

As required by section 418 of the Companies Act 2006, the directors who held office at the date of this report each confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware and each director has taken all the steps required of a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

ARTICLES OF ASSOCIATION

Any amendments to the Company's articles of association must be made by special resolution.

BREXIT

Following the exit of the UK from the EU in January 2020, the UK is currently subject to a transition period which is due to end in December 2020. If a new trade agreement is not agreed with the EU before the end of the transition period, the UK may be subject to World Trade Organisation rules. The extent of the impact on the Company is therefore unknown at the present time.

COVID 19 PANDEMIC

In the first quarter of 2020, the World Health Organization declared a global health pandemic due to the spread of the "COVID-19" virus. The effects of COVID-19 are causing significant market volatility and have had an effect on the Company through price volatility of the Company's investments. The on-going economic and broader impacts of COVID-19 will have an effect on the financial statements and operations in the future, though it is not possible to quantify likely impacts at this stage.

Management are closely monitoring the current developments of these geo-economic events on a regular basis and have invoked internal controls and risk management procedures to mitigate any related risk that may arise. Management believe that the operational viability and going concern status of the Company remains intact and will continue for the next financial 12 months ahead and foreseeable future. The board has no concerns in regards to the ongoing existence of the entity.

GOING CONCERN

The directors have reviewed the financial projections of the Company from the date of this report, which shows that the Company will be able to generate sufficient cash flows in order to meet its liabilities as they fall due. Accordingly, the directors are satisfied that the going concern basis remains appropriate for the preparation of the financial statements. The Company also has detailed policies and processes for managing the risks, set out in the Investment Policy on pages 68 to 69.

VIABILITY STATEMENT

In accordance with revised Association of Investment Companies Code of Corporate Governance published in February 2019 and revised UK Corporate Governance Code, published by the Financial Reporting Council in July 2018, the directors have assessed the prospects of the Company over a three-year period ending March 2023. The board believes this period to be appropriate taking into account the current trading position and the potential impact of the principal risks that could affect the viability of the Company. At 31 March 2020, the Company had cash balances of £1,412,739 (£2,089,188) in excess of all liabilities, there are therefore limited risks to the viability of the Company.

Analysis to assess viability has focused on the risks in delivery of the growth of the business and a series of projections have been considered changing funding levels and the performance of the assets acquired.

The analysis demonstrates that, the Company would be able to withstand the impact of the risks identified. Based on the robust assessment of the principal risks, prospects and viability of the Company, the board confirms that they have reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period ending March 2023.

MANAGEMENT AND ADMINISTRATION

Company Secretary

Apex Fund Services (Ireland) Ltd (the “Company Secretary”) is the company secretary of the Company. Under the terms of the administration agreement, the fee for the provisions of the Company Secretary’s services is £25,000 per annum (exclusive of VAT).

Administrator

Apex Fund Services (Ireland) Ltd (the ‘Administrator’), is the administrator of the Company. The Administrator provides the day-to-day administration of the Company. The Administrator is also responsible for the Company’s general administrative functions, such as the calculation of the net asset value and maintenance of the Company’s accounting records.

Under the terms of the administration agreement, the Administrator is entitled to an annual administration fee equal to the greater of: (i) €28,000 per annum; and (ii) an amount equal to 0.08% of the portion of NAV up to and including €100 million, 0.06% of the portion of NAV between €100 million and €200 million and 0.05% of the portion of NAV above €200 million (exclusive of VAT and out of pocket expenses). The Administrator is also entitled to reimbursement of all reasonable out of pocket expenses incurred by it in connection with the performance of its duties. The administration agreement can be terminated by either party by providing 90 days’ written notice.

Manager

Shard Capital AIFM LLP (the ‘Manager’), a UK-based company authorised and regulated by the Financial Conduct Authority, is the Company’s manager and alternative investment fund manager (“AIFM”) for the purposes of the Alternative Investment Fund Managers Directive (“AIFMD”). The Manager is responsible for the discretionary management of the Company’s assets and ensures that these are valued appropriately in accordance with the relevant regulations and guidance.

Under the terms of the management agreement, the Manager is entitled to a management fee and a performance fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties. From the period from first admission, the management fee payable was based on 1.25% of the net asset value. The Manager is also entitled to receive a performance fee equal to 15% of any excess returns over a high watermark, subject to achieving a hurdle rate of 8% in respect of each performance period. Further details on the management fee and the performance fee can be found in Note 4 to the financial statements. The management agreement can be terminated by either party providing twelve months’ written notice.

Depositary

The Company's depositary is Indos Financial Limited (the "Depositary"), a company authorised and regulated by the Financial Conduct Authority. Under the terms of the depositary services agreement the Depositary is entitled to a monthly depositary fee equal to the greater of: (i) £2,000 and £2,917 per month (depending on the activity of the Company); and (ii) an amount equal to 1/12 of 0.03% of NAV (exclusive of VAT and out of pocket expenses). The depositary services agreement can be terminated by either party by providing 90 days' written notice.

Change of control

There are no agreements which the Company is party to that might be affected by a change of control of the Company.

SUBSEQUENT EVENTS

Sure Valley Ventures Fund participated in two new investments post year-end. Investments of €300,000 and €750,000 were made in Buymie Technologies Limited and Volograms Limited, respectively.

Since the year end a further 480,769 ordinary shares of 1p have been issued.

There have been no other subsequent events for the year ended 31 March 2020.

FUTURE DEVELOPMENTS

Indications of likely future developments in the business of the Company are set out in the Strategic Report on pages 10-16.

REGULATORY DISCLOSURES

The disclosures below are made in compliance with the requirements of Listing Rule 9.8.4.

Listing Rule	
9.8.4 (1) – capitalised interest	The Company has not capitalised any interest in the year under review.
9.8.4(2) – unaudited financial information	The Company has not published any unaudited financial information in either a class 1 circular or a prospectus or in respect of any profit forecast or profit estimate in accordance with listing rule 9.2.18.
9.8.4 (3) – deleted	This provision has been deleted.
9.8.4 (4) – incentive schemes	The Company has no long-term incentive schemes in operation.
9.8.4 (5) and (6) - waiver	No director of the Company has waived or agreed to waive any current or future emoluments from the Company.
9.8.4 (7), (8) and (9)	During the year under review, the Company issued a total of 305,208 (2019: 1,254,728) ordinary shares with a nominal value of £0.01 and an average price of 96.00 pence per share for a total consideration of £293,000 (2019: £1,278,480) excluding commission and issue costs. Further details can be found on page 47.
9.8.4 (8) and 9.8.4 (9) – relate to companies that are part of a group of companies	The Company is not part of a group of companies. These Listing Rules therefore, do not apply.

9.8.4 (10) – contract of significance	**During the year under review, there were no contracts of significance subsisting to which the Company is a party and in which a director of the Company is or was materially interested or between the Company and a controlling shareholder.**
9.8.4 (11)	The Company is not party to any contracts for the provision of services to the Company by a controlling shareholder.
9.8.4 (12) and (13) – waiving dividends	During the year under review, there were no arrangements under which a shareholder has waived or agreed to waive any dividends or future dividends.
9.8.4 (14)	As set out in the prospectus dated 17 November 2017, the Company has not voluntarily adopted Listing Rule 9.8.4(14).

By order of the board

Apex Fund Services (Ireland) Ltd

Company Secretary

Date: 30 July 2020

Corporate governance statement

The corporate governance statement explains how the board has sought to protect shareholders' interests by protecting and enhancing shareholder value. Since the Company's listing, the Financial Reporting Council's UK Corporate Governance Code (the "UK Code") has been followed by the Company. The directors are ultimately responsible for the stewardship of the Company and this section explains how they have fulfilled their corporate governance responsibilities. This corporate governance statement forms part of the directors' report.

As set out in the Prospectus, the Company has adopted certain key provisions of the UK Listing Rules in accordance with the London Stock Exchange (LSE) listings. Pursuant to the Listing Rules as voluntarily adopted by the Company, the Company must "comply or explain" against each of the provisions of the UK Code. The board is committed to high standards of corporate governance. The Listing Rules and the Disclosure Guidance and Transparency Rules ("DTR") require the board to disclose how it has applied the principles and provisions of the UK Code, published by the Financial Reporting Council ("FRC"). A copy of the UK Code is available from the website of the Financial Reporting Council at https://www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code.

The Association of Investment Companies ("AIC") has published its own Code on Corporate Governance (the "AIC Code"). The FRC has confirmed that AIC member companies who report against the AIC Code will be meeting their obligations in relation to the UK Code and the associated disclosure requirements of the DTR. The AIC Code is available from the AIC's website at www.theaic.co.uk.

The board has considered the principles and provisions of the AIC Code. The AIC Code addresses the principles and provisions set out in the UK Code, as well as setting out additional principles and provisions on issues that are of specific relevance to the Company.

The board considers that voluntarily reporting against the principles and provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to shareholders.

STATEMENT OF COMPLIANCE

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

The UK Code includes provisions relating to:

- The role of the chief executive;
- Executive directors' remuneration;
- The appointment of a senior independent director; and
- The need for an internal audit function.

The board considers these provisions are not relevant to the Company, being an externally managed investment company with no executive directors. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

In addition, the board does not, at present, consider that separate nomination and remuneration committees would be appropriate given the board's size, being three members in total. Currently, decisions concerning the board's remuneration, nomination and board appraisals are undertaken by the board as a whole. However, the need for separate nomination and remuneration committees and an internal audit function will be kept under review.

THE BOARD OF DIRECTORS

The board consists of three directors, all of whom are non-executive directors. Biographies of the directors are shown on page 18 and demonstrate the wide range of skills and experience that they bring to the board. The directors possess business and financial expertise relevant to the direction of the Company and consider themselves to be committing sufficient time to the Company's affairs.

None of the directors has a service contract with the Company, nor are any such contracts proposed. Each director has been appointed pursuant to a letter of appointment entered into with the Company. The directors' appointment can be terminated in accordance with the articles of association and without compensation. There are no agreements between the Company and any director which provide for compensation for loss of office in the event that there is a change of control of the Company.

Copies of the letters of appointment will be available at the AGM.

The Chairman, Perry Wilson, is independent and considers himself to have sufficient time to commit to the Company's affairs. The Chairman's other commitments are detailed in his biography on page 18.

The directors have determined that the size of the Company's board does not warrant the appointment of a senior independent Director at this time. All of the directors are available to address shareholder queries or engage in consultation as required.

THE OPERATION OF THE BOARD

The board of directors meets at least four times a year and more often if required.

The table below sets out the directors' attendance at board and audit committee meetings held in the financial year ended 31 March 2020, against the number of meetings each board or audit committee member was eligible to attend.

Director	Board	Audit Committee
Perry Wilson	6/6	1/1
Gareth Burchell	6/6	1/1
St John Agnew	5/6	N/A

No individuals other than the committee or board members are entitled to attend the relevant meetings unless they have been invited to attend by the board or relevant committee.

Directors are provided with a comprehensive set of papers for each board or committee meeting, which equips them with sufficient information to prepare for the meetings.

The board has a formal schedule of matters specifically reserved to it for decision to ensure effective control of strategic, financial, operational and compliance issues, which includes:

- The Company's structure including share issues and setting a discount/premium management programme;
- Risk management
- Appointing the Manager and other service providers and setting their fees;
- Approving board changes including the audit committee and management engagement committee;
- Considering and authorising board conflicts of interest;
- Approving the Company's annual accounts and half yearly accounts including accounting policies;
- Approving the Company's level of gearing;
- The approval of terms of reference and membership of board committees; and
- Approving liability insurance.

There is a procedure in place for the directors to take independent professional advice at the expense of the Company. No such professional advice has been taken by the directors during the period under review.

The Company has taken out directors' and officers' liability insurance, such cover to be maintained for the full term of each director's appointment.

Division of Responsibilities

The Chairman leads the board and is responsible for its overall effectiveness in directing the Company. He ensures that the directors' views are taken into consideration as part of the board's decision making process. The Chairman promotes a culture of openness and debate at the Company's board meetings and ensures that an appropriate amount of time is devoted to each matter on the agenda for the board's consideration. He ensures that the board receives accurate, timely and clear information in order for the directors to discharge their duties. The Chairman is also available to facilitate the board's relations with shareholders and the Company's other stakeholders.

The Company has established audit and management engagement committees which deal with matters determined by terms of reference issued by the board.

The board ensures that an appropriate amount of time is spent on board matters. The board receives papers ahead of board meeting, which are reviewed by the directors to enable them to participate effectively and efficiently at meetings. Other information is received by the board between meetings and input is provided by board members as required.

Independence of Directors

Each of Perry Wilson and St John Agnew were considered, on appointment, to be independent of Shard Capital AIFM LLP and free from any business or other relationship that could materially interfere with the exercise of his independent judgement and remained so throughout the financial year under review.

Gareth Burchell is a member of the Shard Capital AIFM LLP investment committee and is therefore not considered to be independent. Mr. Burchell is also currently Head of Shard Capital Stockbrokers and chairs an investment committee that specialises in providing funding for both listed and unlisted small companies. [The board believes that having Mr. Burchell on the board is beneficial to the board as it provides the board with added insight on the Company's investment portfolio. Mr. Burchell does not participate in discussions on, or vote on, matters where there would be a conflict or potential conflict of investment, including but not limited, the evaluation of the Investment Manager.

There are no other relationships or circumstances relating to the Company that are likely to affect the judgement of any of the directors.

Composition

The board believes that during the year ended 31 March 2020, its composition was appropriate for an investment company of the Company's nature and size. Care will be taken at all times to ensure that the board is composed of members who, as a whole, have the required knowledge, abilities and experience to properly fulfil their role and are sufficiently independent.

Directors' interests

No director holds shares in the Company.

Board evaluation

The most recent board evaluation was completed in July 2020. The results of the evaluation were reviewed by the Chairman and discussed with the board. The conclusions from the board evaluation demonstrated that the directors showed the necessary commitment for effective fulfilment of their duties.

Board training and induction

The Company Secretary, the board or the Manager upon request of the board or any director individually, will offer induction training to new directors about the Company, its key service providers, the directors' duties and obligations and other matters as may be relevant from time to time.

The board members are encouraged to keep up to date and attend training courses on matters which are directly relevant to their involvement with the Company.

Board appointment, election and tenure

The rules concerning the appointment and replacement of directors are contained in the Company's articles of association and the Companies Act 2006.

The board takes into account the requirements of the AIC Code with regards to tenure. The board recognises the benefits to the Company of having longer serving directors together with progressive refreshment of the Board. None of the directors consider length of service as an impediment to independence or good judgement but, if they felt that this had become the case, the relevant director would stand down. The Company was incorporated on January 2017, therefore no director has served for more than nine years. The board is currently developing a succession plan.

The Directors of the Company and their biographies are set out on page 18. At the forthcoming AGM, in accordance with the AIC Code, all members of the board will put themselves forward for re-election.

The board considers that all of the current directors contribute effectively to the operation of the board and the strategy of the Company. The board has considered each board member's independence of the Company and Manager. As such the board believes that it is in the best interests of shareholders that each of the directors be re-elected.

Board diversity

Consideration is given to the recommendations of the AIC Code on diversity. The board seeks to appoint new directors on the basis of merit as a primary consideration, with the aim of bringing an appropriate range of skills, diversity and experience together.

Management agreement and continuing appointment

Details of the Manager's agreement and fees are set out in note 4 to the financial statements.

The board keeps the performance of the Manager under continual review through the Company's management engagement committee. The most recent evaluation of the Manager was completed in July 2020, following which the board has concluded that due to its specialist knowledge of the sectors in which the Company invests and the Company's performance to date, the continuing appointment of the Manager is in the best interests of shareholders as whole.

CONFLICTS OF INTEREST

The articles of association provide that the directors may authorise any actual or potential conflict of interest that a director may have, with or without imposing any conditions that they consider appropriate on the director. Directors are not able to vote in respect of any contract, arrangement or transaction in which they have a material interest, and, in such circumstances, they are not counted in the quorum at the relevant board meeting. A process has been developed to identify any of the directors' potential or actual conflicts of interest. This includes declaring any potential new conflicts before the start of each board meeting.

Audit Committee

The board has delegated certain responsibilities to its audit committee. The committee comprises two or more independent directors. The Chairman of the board may be a member of the committee but may not act as chairman of the committee. The board has established formal terms of reference for the audit committee which are available from the Company Secretary upon request. An outline of the remit of the audit committee and its activities during the year are set out below.

The audit committee is chaired by Perry Wilson and meets at least twice a year. It is responsible for ensuring that the financial performance of the Company is properly reported and monitored and provides a forum through which the Company's external auditor may report to the board. The audit committee reviews and recommends to the board the annual and half-yearly reports and financial statements, financial announcements, internal control systems, risk metrics, decisions requiring a significant element of judgement and procedures and accounting policies of the Company.

Further details on the work of the audit committee can be found in the report of the audit committee on page 31 - 33.

Management Engagement Committee

The Chairman of the Company acts as chairman of the management engagement committee. The management engagement committee meets once a year. Its principal duties are to formally review the actions and judgements of the Manager, the terms of its management agreement and to review the performance and services of the Company's other key service providers. The committee reports to the board on its proceedings after each meeting.

The most recent evaluation of the Manager and other key service providers was completed in July 2020.

The terms of reference of the committee are available from the Company Secretary.

COMPANY SECRETARY

The board has direct access to the advice and services of the Company Secretary, which is responsible for ensuring that the board and Committee procedures are followed, and that applicable rules and regulations are complied with. The Company Secretary is also responsible for ensuring good information flows between all parties.

REVIEW OF SHAREHOLDER PROFILE

The board reviews reports provided by qualified independent industry consultants and Shard Capital Partners LLP on the Company's shareholder base and its underlying beneficial owners. The Manager and Shard Capital Partners LLP disclose any concerns raised by shareholders to the board.

STEWARDSHIP RESPONSIBILITIES AND THE USE OF VOTING RIGHTS

The Financial Reporting Council (FRC) introduced a Stewardship Code which sets out the responsibilities of institutional shareholders in respect of investee companies. Under the Stewardship Code, managers should:

- Publicly disclose their policy on how they will discharge their stewardship responsibilities to their clients;
- Disclose their policy on managing conflicts of interest;
- Monitor their investee companies;
- Establish clear guidelines on how they escalate Evaluation;
- Be willing to act collectively with other investors where appropriate;
- Have a clear policy on proxy voting and disclose their voting record; and
- Report to clients.

The Company recognises that with respect to its equity assets one of the important obligations that it has as a shareholder is the right to vote on issues submitted to shareholders. These issues may include the election of directors and other important matters that affect the structure of the investee company. The Manager acts on behalf of the Company in these matters and will exercise its voting rights, supported by independent providers, if considered appropriate, ahead of voting.

RELATIONS WITH SHAREHOLDERS

All shareholders have the opportunity to attend and vote, in person or by proxy, at the AGM. However, given the current restrictions as a result of COVID-19, it is recommended that shareholders vote by proxy as attendance at the AGM may not be possible.

The notice of Annual General Meeting ("AGM") will be sent out separately in due course. The notice of the AGM, which is sent out at least 21 clear days in advance of the AGM, sets out the business of the meeting and any item not of an entirely routine nature is explained in the directors' report. Separate resolutions are proposed in respect of each substantive issue.

Any questions that shareholders wish to raise at the AGM can be emailed to info@sureventuresplc.com and the board and/or the Manager will respond as appropriate.

Proxy voting figures will be published on the Company's website following the AGM.

The Manager holds regular discussions with major shareholders, the feedback from which is provided to and greatly valued by the board. The directors are available to enter into dialogue and correspondence with shareholders regarding the progress and performance of the Company. Further information about the Company can be found on the Company's website http://www.sureventuresplc.com.

INTERNAL CONTROL REVIEW

The board has elected not to have an internal audit function as the Company delegates its operations to third-party service providers and does not employ any staff. Instead it has been agreed that the Company will rely on the internal controls which exist within its third-party providers.

The administrator, depositary and manager have established internal control frameworks to provide reasonable assurance on the effectiveness of the internal controls operated on behalf of their clients. The manager, the administrator, the depositary and the Company Secretary will report on any breaches of law or regulation, if and when they arise, periodically in scheduled board reports. The audit committee considers annually whether there is any need for an internal audit function, and it has agreed that it is appropriate for the Company to rely on the internal audit controls which exist within its third-party providers.

The board keeps under review the effectiveness of the Administrator and the Manager's systems of internal control and risk management. During the period under review, the board has not identified any significant failings or weaknesses in the internal control systems of its service providers. Details of the Company's risks can be found on pages 13 to 15 of the Strategic Report, together with an explanation of the controls that have been established to manage each risk. The risk matrix provides a basis for the audit committee and the board to regularly monitor the effective operation of the controls and to update the matrix when new risks are identified.

The system of internal control and risk management is designed to meet the Company's particular needs and the risks to which it is exposed. The board recognises that these control systems can only be designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss.

ALTERNATIVE INVESTMENT FUND MANAGEMENT DIRECTIVE DISCLOSURE

Quantitative remuneration disclosure

In accordance with 3.3.5 (5) of the Financial Conduct Authority's Investment Funds Sourcebook ("FUND") and in accordance with the Financial Conduct Authority's Finalised guidance – General guidance on the AIFM Remuneration Code (SYSC 19B) ('the Guidelines'), dated January 2014, the total amount of remuneration paid by or paid to Shard Capital AIFM LLP, for the financial period to the 31 March 2020 in respect of the Company was £55,495. For the financial period to the 31 March 2020, the Company incurred rebate income from Shard Capital AIFM LLP £55,495. There was no performance fee payable in respect of the year ended 31 March 2020. Shard Capital AIFM LLP does not consider that any individual member of staff or partner of Shard Capital AIFM LLP has the ability to materially impact the risk profile of the Company.

Other disclosures

The AIFMD requires that Shard Capital AIFM LLP ensures that certain other matters are actioned and or reported to investors. Each of these is set out below.

- Provision and content of an annual report (FUND 3.3.2 and 3.3.5). The publication of the annual report and accounts of the Company satisfies these requirements.
- Material change of information. The AIFMD requires certain information to be made available to investors in the Company before they invest and requires that material changes to this information be disclosed in the annual report.

Periodic disclosure (FUND 3.2.5 and 3.2.6)

There are no assets subject to special arrangements due to their illiquid nature and no new arrangements for the managing of the liquidity of the Company.

There is no change to the arrangements, as set out in the Prospectus, for managing the Company's liquidity.

The current risk profile of the Company is set out in the Strategic Report: Principal Risks and Uncertainties on pages 13 to 15 and in note 15 of the Financial Statements, 'Financial Risk Management'.

The Company is permitted to be leveraged and the table below sets out the current maximum permitted and actual leverage.

As a percentage of net asset value	Gross method	Commitment method
Maximum level of leverage	100%	150%
Leverage as at 31 March 2020	68%	106%

There have been no breaches of the permitted leverage limits within the reporting period and no changes to maximum level of leverage employed by the Company.

Other matters

Shard Capital AIFM LLP has confirmed that all required reporting to the Financial Conduct Authority has been undertaken in accordance with FUND 3.4.

Approval

This Report was approved by the board of directors on 30 July 2020.

On behalf of the board
Perry Wilson
Chairman

Report of the Audit Committee

As chairman of the audit committee I am pleased to present the audit committee report for the year ended 31 March 2020.

MEMBERSHIP OF THE AUDIT COMMITTEE

As the board is small with only three members, St John Agnew and Perry Wilson are both appointed members of the audit committee. As chairman of the audit committee, I can confirm that I have relevant financial experience to fulfil my obligations in this capacity.

THE ROLE OF THE AUDIT COMMITTEE

The role of the audit committee is defined in its terms of reference, which can be obtained from the Company Secretary.

In summary, the role of the audit committee includes the following:

- To monitor the financial reporting process;
- To review and monitor the integrity of the half-year and annual financial statements and review and challenge where necessary the accounting policies and judgements of the manager and administrator;
- To review the adequacy and effectiveness of the Company's internal financial and internal control and risk management systems;
- To make recommendations to the board on the re-appointment or removal of the external auditor and to approve its remuneration and terms of engagement; and
- To review and monitor the external auditor's independence and objectivity.
- To review and consider on an annual basis the need for an internal audit function.

Matters considered during the year

The audit committee has met once during the year under review and considered the following items:

- The Company's audit plan with the external auditor;
- The policy on non-audit services;
- The dividend policy; and
- The whistleblowing policy.

The Audit Committee also reviewed the following items:

- Whether there was a requirement for an internal audit function;
- Company's risk matrix and the internal controls implemented to manage those risks; and
- The appropriateness of the Company's accounting policies and whether appropriate estimates and judgements have been made.

UK non-audit services

In relation to non-audit services, the audit committee has reviewed and implemented a policy on the engagement of the auditor to supply non-audit services and this will be reviewed on an annual basis. All requests or applications for other services to be provided by the auditor are submitted to the audit committee and will include a description of the services to be rendered and an anticipated cost. The Company's policy follows the requirements of the Financial Reporting Council's Ethical Standard for Auditors published in September 2015 and which implemented the European Union's revised Statutory Audit Directive (the revised Ethical Standard became effective for periods commencing on or after 17 June 2016). The policy specifies a number of prohibited services which it is not permitted for the auditor to provide under the revised Ethical Standard.

Previously the auditor provided reporting accountant services on the prospectus published on 17 November 2017. These non-audit fees amounted to £14,400 and were payable by the Manager. No non-audit services were provided by the auditor in the year to 31 March 2020 (2019 – None).

The audit committee reviewed the level of non-audit services and were satisfied that the auditors maintained their independence.

SIGNIFICANT ACCOUNTING MATTERS

The audit committee met on 27 July 2020 to review the report and accounts for the year to 31 March 2020. The audit committee considered the following significant issues, including principal risks and uncertainties in light of the Company's activities and issues communicated by the auditors during their review, all of which were satisfactorily addressed:

Issues considered	How the issue was addressed
Retention of investment trust status	The audit committee received assurance from the Company's Investment Manager that the Company has remained compliant with the requirements to maintain its investment trust status. The directors regularly review the investments and their mix to ensure they remain diversified, its retained income levels to ensure sufficient distributions are made and the Company's shareholdings to determine if the Company has become a close company. The Company has obtained this approval from HM Revenue & Customs.
Risk of misappropriation of assets and ownership of investments	The audit committee reviews reports from its service providers on key controls over the assets of the Company. Any significant issues are reported to the board by the manager and/ or the Company's depositary. The Manager has put in place procedures to ensure that investments can only be made to the extent that the appropriate contractual and legal arrangements are in place to protect the Company's assets. The Company's depositary issues a quarterly report on the status of the assets to the directors for review.
The risk that income is overstated, incomplete or inaccurate through failure to recognise proper income entitlements or to apply the appropriate accounting treatment for recognition of income.	The board regularly reviews income forecasts. The external audit includes checks on the completeness and accuracy of income and also checks that this has been recognised in accordance with stated accounting policies.
The risk that valuation of the Investments held may be not be correct.	The audit committee receives assurance from the Company's administrators and manager that the Company's valuation policy is followed at all times.

External auditor

The Company's external auditor, PKF Littlejohn LLP ("PKF"), was appointed pursuant to the engagement letter dated 17 June 2020. The audit committee intends to re-tender within the timeframe set by the Financial Reporting Council

The individual at PKF who acts as the Company's appointed audit partner is Ian Cowan, whose appointment is reviewed annually. In accordance with UK legislation, the audit partner must rotate at least every five years. As this is Ian Cowan's third year as audit partner, he will be due to rotate out of this role following the completion of the audit for the year ended 31 March 2022.

The audit fees for the period under review can be found in note 5 to the financial statements on page 54.

The audit committee monitors the auditor's objectivity and independence on an ongoing basis. In determining PKF's independence, the audit committee has assessed all relationships with PKF and received confirmation from PKF that it is independent and that no issues of conflicts arose during the period. The audit committee is therefore satisfied that PKF is independent.

The audit committee monitors and reviews the effectiveness of the external audit process on an annual basis and makes recommendations to the board on its re-appointment, remuneration and terms of engagement of the auditor. The audit committee has met with the audit partner and assessed PKF's performance to date and to discuss the Company's audit and other matters concerning the Company. I can confirm that Ian Cowan did not raise any issues of concern during our meeting. The review has involved an examination of the auditor's remuneration, the quality of its work including the quality of the audit report, the quality of the audit partner and audit team, the expertise of the audit firm and the resources available to it, the identification of audit risk, the planning and execution of the audit and the terms of engagement.

The audit committee has direct access to the Company's auditor and provides a forum through which the auditor reports to the board. Representatives of PKF attend the audit committee meetings at least twice annually.

Internal audit

The audit committee believes that the Company does not require an internal audit function, principally because the Company delegates its day-to-day operations to third parties, which are monitored by the audit committee, and which provide control reports on their operations at least annually.

This report was approved by the audit committee on 30 July 2020

Perry Wilson
Chairman of the Audit Committee

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report, the directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.

Applicable law requires the directors to prepare financial statements for each financial year. As such the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors consider that the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess a company's performance, business model and strategy.

Each of the directors, whose names and functions are listed in the directors' Report, confirms that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces;
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors’ Remuneration Report

STATEMENT FROM THE CHAIRMAN

I am pleased to present the directors’ remuneration report for the year ended 31 March 2020, prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and the Companies Act 2006. The Company’s auditor is required to verify certain information within this report subject to statutory audit by the Companies Act 2006. Where information set out below has been audited it is indicated as such.

We are required to seek shareholder approval of the directors’ remuneration policy at least every third year and the remuneration report annually. Any changes to the directors’ remuneration policy will require shareholder approval. It is proposed that an ordinary resolution to approve the directors’ remuneration policy will be proposed as set out below at the Company’s forthcoming AGM. An ordinary resolution to approve the directors’ remuneration policy will be put to shareholders at least once every three years. At the AGM, shareholders will also be asked to consider an advisory resolution on the contents of the directors’ remuneration report.

As at 31 March 2020, the board comprised three non-executive directors, two of whom are independent of the manager.

Given the size of the board, and as the Company has no employees, it is not considered appropriate for the Company to establish separate remuneration and nomination committees. It is, therefore, the Company’s practice for the board to consider and approve directors’ remuneration. Prior to the Company’s incorporation, directors’ fees were set at the rate of £24,000 per director per annum for Perry Wilson, Sean Nicolson and Chris Boody. Gareth Burchell has agreed to waive his director’s fee.

As the board’s fees were considered prior to its listing as an investment company, the appointment of external remuneration consultants was not considered necessary. Furthermore, the board took the decision not to revise the board’s fees because they did not feel it was appropriate, given the Company’s short existence. Many parts of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 do not apply to the Company as the board is comprised entirely of non-executive directors and the Company has no employees.

DIRECTORS’ REMUNERATION POLICY – PROPOSED CHANGE TO POLICY

The remuneration policy was approved at the Company’s Annual General Meeting held on 30 September 2019, with all shareholders present voting in favour of the resolution on a show of hands.

The current policy states fees for the board as a whole are limited to £300,000 (plus relevant employer’s National Insurance contributions) per annum divided between the relevant directors as detailed above. The maximum fees for the board as a whole are limited by the Company’s Articles of Association to £300,000 per annum. The policy should have reflected the limit per the Articles of Association and the board proposes that the remuneration policy is amended to reflect the limit per the Articles of Association and that this limit is ratified retrospectively in respect of directors’ remuneration previous years. No other changes are proposed to the remuneration policy. The wording of the proposed amended policy is set out in full below. A resolution to adopt the proposed Directors’ Remuneration Policy will be put forward at the forthcoming AGM. In the event that the proposed policy is not approved by shareholders, the current policy will continue to apply.

DIRECTORS’ REMUNERATION POLICY – PROPOSED POLICY

The maximum fees for the board as a whole are limited by the Company’s Articles of Association to £300,000 per annum. Subject to this limit, the board’s policy is that remuneration of non-executive directors should reflect the experience of the board member and the time commitment required by board members to carry out their duties, and is determined with reference to the appointment of directors of similar investment companies. The level of remuneration has been set with the aim of promoting the future success of the Company. With this in mind the board considers remuneration in order to attract individuals of a calibre appropriate to promote the long-term success of the Company and to reflect the specific circumstances of the Company and its field of investment, the duties and responsibilities of the directors and the value and amount of time commitment required of directors to the Company’s affairs.

Due regard is taken of the board's requirement to attract and retain individuals with suitable knowledge and experience and the role that individual directors fulfil. There are no specific performance-related conditions attached to the remuneration of the board and the board members are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other non-cash benefits or taxable expenses. No other payments are made to directors other than reasonable out-of-pocket expenses which have been incurred as a result of attending to the affairs of the Company.

In addition to the board's remuneration, board members are entitled to such fees as they may determine in respect of any extra or special services performed by them, having been called upon to do so. Such fees would only be incurred in exceptional circumstances. An example of such a circumstance would be if the Company was to undertake a corporate action, which would require the board to dedicate additional time to review associated documents and to attend additional meetings. Such fees would be determined at the board's absolute discretion and would be set at a similar rate to other comparable investment companies who have undertaken equivalent activities. The fees would be set with the Company's long-term success in mind and the interests of the Company's members as a whole would be considered prior to the setting of such fees.

The directors are entitled to be paid all expenses properly incurred by them in attending meetings with shareholders or other directors or otherwise in connection with the discharge of their duties as directors. Shareholders have the opportunity to express their views in respect of directors' remuneration at the Company's AGM. The Company has not sought shareholder views on its remuneration policy. Any comment volunteered by shareholders on the remuneration policy will be carefully considered and appropriate action taken. No communications have been received from shareholders on the Company's remuneration policy.

The Company's remuneration policy and its implementation are reviewed by the board as a whole on an annual basis. Directors do not vote on their own fees. Reviews are based on third parties' information on the fees of other similar investment trusts.

None of the directors has a service contract with the Company, nor are any such contracts proposed. Instead, directors are appointed pursuant to a letter of appointment entered into with the Company. There is no notice period specified in the letters of appointment or articles of association for the removal of directors. Directors are not appointed for a specific term. Copies of the directors' letters of appointment are available at each of the Company's AGMs.

The directors are not entitled to exit payments and are not provided with any compensation for loss of office.

As with most investment trusts there is no chief executive officer and no employees. The Company's remuneration policy will apply to new board members, who will be paid the equivalent amount of fees as current board members holding similar roles.

VOTING AT ANNUAL GENERAL MEETING

As stated above an ordinary resolution for the approval of the proposed directors' remuneration policy will be put to a binding shareholder vote at the forthcoming AGM. A binding vote means that if it is not successful, the board proposed remuneration policy will not apply and the current remuneration policy will remain in place.

The directors' remuneration report, including the implementation of the directors' remuneration policy, is subject to an annual advisory vote via an ordinary resolution. An advisory vote is a non-binding resolution. At the last Annual General Meeting of the Company held on 30 September 2019, the vote to approve the Directors' Remuneration Report was passed with all shareholders presented voted in favour of the relation by a show of hand and the resolution was passed.

Directors' fees (audited)

Single total aggregate directors' remuneration for the year under review was £55,609 (2019 £67,324). The directors who served during the year under review received the following emoluments:

Director	Fees paid during the year under review (1 April 2019 to 31 March 2020)	Taxable benefits	Non-taxable benefits	Total year to 31 March 2020
Chris Boody (1)	£8,315	£-	£-	£8,315
John St Agnew (1)	£21,173	£-	£-	£21,173
Perry Wilson (Chair)	£26,121	£-	£-	£26,121
Total	**£55,609**	**£-**	**£-**	**£55,609**

Director	Fees paid during the year under review (1 April 2018 to 31 March 2019)	Taxable benefits	Non-taxable benefits	Total year to 31 March 2019
Sean Nicolson [(1)]	£32,062	£-	£-	£32,062
Gareth Burchell [(1)]	£-	£-	£-	£-
Chris Boody [(1)]	£26,150	£-	£-	£ 26,150
Perry Wilson (Chair)	£9,112	£-	£-	£9,112
Total	**£67,324**	£-	£-	**£67,324**

(1) Sean Nicolson, Gareth Burchell and Chris Boody were appointed to the board on 8 September 2017. Chris Boody resigned on 14 June 2019. John St Agnew appointed on 14 June 2019.

(2) Perry Wilson was appointed on 20 December 2018 and Sean Nicolson resigned on 20 December 2018.

No payments were made to past directors for loss of office. In the absence of further major increases in the workload and responsibility involved, the board does not expect fees to increase significantly over the next three years. The overall remuneration of each director will continue to be monitored by the board, taking into account those matters referred to in the annual statement above. The Company did not pay any other benefits including bonuses, pension benefits, share options, long-term incentive schemes or other non-cash benefits or taxable benefits.

The Company has not made any loans to the directors, nor has it ever provided any guarantees for the benefit of any director or the directors collectively nor does it intend to.

Company Performance

The board is responsible for the Company's investment strategy and performance, although day-to-day management of the Company's affairs, including the management of the Company's portfolio, has been delegated to third-party service providers. An explanation of the performance of the Company is given in the Chairman's statement and the Investment Manager's report on pages 4 and 9.

EXPENDITURE BY THE COMPANY ON DIRECTORS' REMUNERATION COMPARED WITH DISTRIBUTIONS TO SHAREHOLDERS

The following table is provided in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 which sets out the relative importance of spend on pay in respect of the year ended 31 March 2020. The table shows the remuneration paid to directors for the period under review, compared to the distribution payments to shareholders.

	Year from 1 April 2019 to 31 March 2020
Total remuneration paid to Directors	£55,609
Shareholder distribution – dividends or share buybacks	£-

	Year from 1 April 2018 to 31 March 2019
Total remuneration paid to Directors	£67,324
Shareholder distribution – dividends or share buybacks	£-

DIRECTORS' INTERESTS (AUDITED)

The Company does not have any requirement for any director to own shares in the Company.

As at 31 March 2020, the directors do not hold shares in the Company.

There have been no changes to any holdings between 31 March 2020 and the date of this report.

APPROVAL OF THE ANNUAL REPORT ON REMUNERATION AND THE DIRECTORS' REMUNERATION POLICY

The Annual Report on remuneration was approved by the board on 30 July 2020 and signed on its behalf by:

Perry Wilson
Chairman

6 Independent Auditors' Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SURE VENTURES PLC

Opinion

We have audited the financial statements of Sure Ventures PLC (the 'company') for the year ended 31 March 2020 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to principal risks and going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the disclosures in the annual report set out on pages 13 to 15 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation set out on page 21 in the annual report that they have carried out a robust assessment of the principal risks facing the company, including those that would have threaten its business model, future performance, solvency or liquidity;
- the directors' statement on page 21 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 the approval of the financial statements;
- the directors' explanation set out on pages 19 to 23 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 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.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. For planning, we consider materiality to be the magnitude by which misstatements, including omissions, either individually or in aggregate, could reasonably be expected to influence the economic decisions of users that are taken on the basis of the financial statements. Importantly, misstatements below this level will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstance of their occurrence, when evaluating their effect on the financial statements. The application of these key considerations gives rise to two levels of materiality, the quantum and purpose of which are tabulated below.

Materiality measure	Purpose	Amount	Key considerations and benchmarks
Overall financial statement materiality- Based on 1.5% of net assets	Assessing whether the financial statements, as a whole present a true and fair view.	£67,600 (2019: £56,900)	We used net assets as benchmark given the nature of the business, which is asset focused, particularly on the following below: • The value of the invested assets • The level of judgment inherent in the valuation • The range of reasonable alternative valuations

We also determine a level of performance materiality which we use to assess 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. Performance materiality was set at £47,400, being 70% of materiality for the financial statements as a whole.

There were also no revisions in materiality in the course of the audit.

We have agreed with the audit committee that we would report to the committee as individual audit differences in excess of £3,400 (2019: £2,800) as well as differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

Our audit approach was developed by obtaining an understanding of the Company's activities, the key functions undertaken on behalf of the Board by specialist outsourced service providers and the overall control environment. Based on this understanding we assessed those aspects of the company's transactions and balances which were most likely to give rise to a material misstatement and were most susceptible to irregularities including fraud or error. We looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud. We identified what we considered to be key audit matters and planned our audit approach accordingly.

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.

Key Audit Matter	How the scope of our audit responded to the key audit matter
The valuation of investments held at fair value through profit or loss. (Note 8). **The valuation of investments at 31 March 2020 was £3,078,560 (2019 - £1,700,900) consisting of a portfolio of listed, unlisted and fund investments.** **The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value. Incorrect investment valuations could materially affect the overall investment portfolio valuation and subsequently the return generated for the shareholders**	We considered the design and implementation of controls in place over the valuation of investments and also reviewed the assumptions and underlying evidence supporting the year end valuations to ensure that they are in line with IFRS. We obtained an understanding of the valuation process applied by the company. We agreed the value of the company's investment in the Sure Valley Ventures Fund to the Fund's audited financial statements for the year ended 31 March 2020.

The investments valued at fair value through profit or loss in the Company's Non-Current assets at the period end, are largely driven by the audited Net Asset Value ("NAV") of the investee Fund's portfolio. **The Investee Fund has holdings in private equity companies being Level 3 investments that are valued according to a specific investment methodology.** **As the investments are material to the overall performance of the Company and significant judgement is applied in valuing these, there is a risk that the underlying investments are inappropriately valued.**	We reviewed the valuation methodology applied for each investment to consider whether it was appropriate based on the investment's individual circumstances and not inconsistent with observed industry best practice and the provisions of the International Private Equity and Venture Capital Valuation Guidelines. We agreed the inputs which drive the overall valuation to source documentation. We considered the appropriateness and relevance of disclosures in accordance with relevant accounting standards. We concluded that the valuations attributed to the Company's investments were appropriate.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 in 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.

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 given 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 disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements;
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA rules), is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements; and
- information about the Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees comply with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA rules.

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; or
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given, in compliance with rules 7.2.5 and 7.2.6 of the FCA rules.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made;
- a corporate governance statement has not been prepared by the company; 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Other matters which we are required to address

We were appointed by *the members* on 16 April 2018 to audit the financial statements for the period ending 31 March 2018 and subsequent financial periods. Our total uninterrupted period of engagement is three years covering the periods ending 31 March 2018 to 31 March 2020.

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors. We have identified the requirements of the Disclosure Guidance and Transparency Rules, the UK Corporate Governance Code and the Companies Act 2008 to be significant in the context of this entity. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements items.

We communicated laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

As with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Cowan (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

30 July 2020

7 Financial Statements

Income Statement

For the year ended 31 March 2020

		2020			2019		
	Notes	**Revenue** £	**Capital** £	**Total** £	**Revenue** £	**Capital** £	**Total** £
Income							
Other net changes in fair value on financial assets at fair value through profit or loss		-	(237,271)	(237,271)	-	(188,802)	(188,802)
Distribution income		946,817	-	946,817	-	-	-
Interest income		-	-	-	3,174	-	3,174
Rebate management fee		55,495	-	55,495	50,960	-	50,960
Total net income		**1,002,312**	**(237,271)**	**765,041**	**54,134**	**(188,802)**	**(134,668)**
Expenses							
Management fee	4	(13,452)	(42,043)	(55,495)	(11,197)	(34,996)	(46,193)
Custodian, secretarial and administration fees		(94,785)	-	(94,785)	(84,603)	-	(84,603)
Other expenses	5	(169,280)	-	(169,280)	(208,467)	-	(208,467)
Total operating expenses		**(277,517)**	**(42,043)**	**(319,560)**	**(304,267)**	**(34,996)**	**(339,263)**
Profit / (loss) before Taxation and after finance costs		**724,795**	**(279,314)**	**445,481**	**(250,133)**	**(223,798)**	**(473,931)**
Taxation	6	-	-	-	-	-	-
Profit / (loss) after taxation		**724,795**	**(279,314)**	**445,481**	**(250,133)**	**(223,798)**	**(473,931)**
Earnings per share	7	**14.88**	**(5.73)**	**9.15**	**(5.48)p**	**(4.90)p**	**(10.38)p**

The total column of this statement represents the Income statement prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The supplementary revenue return and capital return columns are both prepared under guidance issued by the Association of Investment Companies. All items in the above statement derive from continuing operations.

The Company does not have any income or expense that is not included in net loss for the year. Accordingly, the net profit / (loss) for the year is also the Total Comprehensive Income for the year, as defined in IAS1 (revised).

The notes on pages 50 to 63 form an integral part of the financial statements.

Statement of Financial Position

As at 31 March 2020 **Company No. 10829500**

	Notes	31 March 2020 £	31 March 2019 £
Non-current assets			
Investments held at fair value through profit or loss	8	3,078,560	1,700,900
		3,078,560	**1,700,900**
Current assets			
Receivables	9	18,620	-
Cash and cash equivalents		1,700,601	2,139,842
		1,719,221	**2,139,842**
Total assets		**4,797,781**	**3,840,742**
Current liabilities			
Other payables	10	(287,862)	(50,654)
		(287,862)	**(50,654)**
Total assets less current liabilities		**4,509,919**	**3,790,088**
Total net assets		**4,509,919**	**3,790,088**
Shareholders' funds			
Ordinary share capital	11	48,699	45,647
Share premium	11	4,699,588	4,428,290
Revenue reserves		223,375	(501,420)
Capital reserves		(461,743)	(182,429)
Total shareholders' funds		**4,509,919**	**3,790,088**
Net asset value per share	12	**92.61p**	**83.03p**

The notes on pages 50 to 63 form an integral part of the financial statements.

The financial statements on pages 50 to 63 were approved by the board of directors and authorised for issue on 30 July 2020. They were signed on its behalf by:

Perry Wilson, Chairman

Statement of Changes in Equity

For the year ended 31 March 2020

	Ordinary Share Capital £	Share Premium £	Revenue Reserves £	Capital Reserves £	Total Reserves £	Total Equity £
Balance at 1 April 2019	**45,647**	**4,428,290**	**(501,420)**	**(182,429)**	**(683,849)**	**3,790,088**
Ordinary shares issued	3,052	289,948	-	-	-	293,000
Ordinary shares issue costs	-	(18,650)	-	-	-	(18,650)
Profit/(loss) after taxation	-	-	724,795	(279,314)	445,481	445,481
Dividends paid in the year	-	-	-	-	-	-
Balance at 31 March 2020	**48,699**	**4,699,588**	**223,375**	**(461,743)**	**(238,368)**	**4,509,919**

For the year ended 31 March 2019

	Ordinary Share Capital £	Share Premium £	Revenue Reserves £	Capital Reserves £	Total Reserves £	Total Equity £
Balance at 1 April 2018	**33,100**	**3,225,978**	**(251,287)**	**41,369**	**(209,918)**	**3,049,160**
Ordinary shares issued	12,547	1,265,933	-	-	-	1,278,480
Ordinary shares issue costs	-	(63,621)	-	-	-	(63,621)
(Loss) after taxation	-	-	(250,133)	(223,798)	(473,931)	(473,931)
Dividends paid in the period	-	-	-	-	-	-
Balance at 31 March 2019	**45,647**	**4,428,290**	**(501,420)**	**(182,429)**	**(683,849)**	**3,790,088**

As at 31 March 2020 the Company had distributable reserves of £nil (2019: £nil) for the payment of future dividends. The distributable reserves are the revenue reserves £nil (2019: £nil), realised capital reserves (£nil) (2018: (£nil)) and the special distributable reserves (£nil) (2019: (£nil)).

The notes on pages 50 to 63 form an integral part of the financial statements.

Statement of Cash Flows

For the year ended 31 March 2020

	Notes	For the year ended 31 March 2020 £	For the year ended 31 March 2019 £
Cash flows from operating activities:			
Gain/(loss) after taxation		445,481	(473,931)
Adjustments for:			
Gain on sale on investment		(946,817)	-
(Increase)/decrease in receivables		(18,620)	689,713
Increase in payables	10	237,208	7,338
Unrealised (gain)/loss on foreign exchange	8	(76,430)	26,593
Net changes in fair value on financial assets at fair value through profit or loss	8	313,482	162,209
Net cash (outflow)/inflow from operating activities		**(45,696)**	**411,922**
Cash flows from investing activities:			
Purchase of investments	8	(1,894,014)	(2,650,429)
Sales of investments	8	1,226,119	1,499,985
Net cash (outflow) investing activities		**(667,895)**	**(1,150,444)**
Cash flows from financing activities*:			
Proceeds from issue of ordinary shares		293,000	1,278,480
Share issue costs		(18,650)	(63,621)
Net cash inflow from financing activities		**274,350**	**1,214,859**
Net change in cash and cash equivalents		**(439,241)**	**476,337**
Cash and cash equivalents at the beginning of the year		2,139,842	1,663,505
Net cash and cash equivalents		**1,700,601**	**2,139,842**

*The Company has no borrowings or liabilities from financing activities.

The notes on pages 50 to 63 form an integral part of the financial statements.

Notes to the Financial Statements

1) PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

The financial statements of Sure Ventures plc (the "Company") have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations (IFRS IC) as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS.

The principal accounting policies adopted by the Company are set out below. Where presentational guidance set out in the Statement of Recommended Practice ('SORP') for investment trusts issued by the Association of Investment Companies ('AIC') in October 2019 is consistent with the requirements of IFRS, the directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

All values are rounded to the nearest pound unless otherwise indicated.

Foreign Currency

The presentation currency of the Company is pounds sterling, the financial statements are prepared in this currency in accordance with the Company's prospectus. The Company is required to nominate a functional currency, being the currency in which the Company predominantly operates. The board has determined that sterling is the Company's functional currency.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the income statement within 'other net changes in fair value on financial assets and financial liabilities at fair value through profit or loss'.

Presentation of Income statement

In order to better to reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the of Income statement between items of a revenue and capital nature has been presented alongside the Income statement.

Income

Dividend income from investments is recognised when the Company's right to receive payment has been established, normally the ex-dividend date.

Interest income in profit or loss in the Income statement includes bank interest. Interest income is recognised on an accruals basis.

Capital income, all changes in fair value are recognised in profit or loss in the Income statement as net gain on investment at fair value through profit or loss.

Expenses

All expenses are accounted for on the accruals basis. In respect of the analysis between revenue and capital items presented within the Income statement, all expenses have been presented as revenue items except as follows:

Transaction costs which are incurred on the purchases or sales of investments designated as fair value through profit or loss are expensed to capital in the Income statement.

Expenses are split and presented partly as capital items where a connection with the maintenance or enhancement of the value of the investments held can be demonstrated and, accordingly, the management fee for the financial year has been allocated 24.24% (2019: 24.24%) to revenue and 75.76% (2019: 75.76%) to capital (Investment held at fair value through profit or loss to the net asset value of the Company), in order to reflect the directors' long term view of the nature of the expected investment returns of the Company.

Capital Reserves

Increases and decreases in the valuation of investments and realised/unrealised foreign exchange gain/(loss) held at the year end are accounted for in the capital reserves.

Taxation

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the Income statement income is the ‘marginal basis’. Under this basis, if taxable income is capable of being entirely offset by expenses in the revenue column of the Income statement, then no tax relief is transferred to the capital return column.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Statement of Financial Position liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the revenue return column of the Income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Investment trusts which have approval under Part 24, Chapter 4 of the Corporation Tax Act 2010 are not liable for taxation on capital gains.

Classification

Financial assets and financial liabilities

In accordance with IFRS, the Company has designated its investments as financial assets at fair value through profit or loss.

i) Financial assets at fair value through profit or loss

The Company has designated all of its investments upon initial recognition as “financial assets at fair value through profit or loss”. Their performance is evaluated on a fair value basis, in accordance with the risk management and investment strategies of the Fund, as set out in the Company’s supplement to the Prospectus.

ii) Financial assets at amortised cost

Financial assets that are classified as “financial assets at amortised cost” include cash and cash equivalents and receivables.

iii) Financial liabilities at fair value through profit or loss

Financial liabilities that are not at fair value through profit or loss include other payables.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the group has transferred substantially all risks and rewards of ownership. If substantially all the risks and rewards have been neither retained nor transferred and the group has retained control, the assets continue to be recognised to the extent of the group's continuing involvement. Financial liabilities are derecognised when they are extinguished.

Investments

All investments held by the Company have been designated at fair value through profit or loss (‘FVPL’) but are also described in these financial statements as investments held at fair value, and are valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines (‘IPEVCV’) issued in December 2018 as endorsed by the British Private Equity and Venture Capital Association.

Purchases and sales of unlisted investments are recognised when the contract for acquisition or sale becomes unconditional.

Receivables

Receivables do not carry any interest and are short term in nature. They are initially stated at their nominal value and reduced by appropriate allowances for estimated irrecoverable amounts (if any).

Cash and cash equivalents

Cash and cash equivalents (which are presented as a single class of asset on the Statement of Financial Position) comprise cash at bank and in hand and deposits with an original maturity of three months or less. The carrying value of these assets approximates their fair value.

Payables

Payables are non-interest bearing.

Dividends

Interim dividends are recognised in the year in which they are paid. Final dividends are recognised when they have been approved by shareholders.

New standards, amendments and interpretations effective from 1 January 2019

The following standards, amendments and interpretations, which became effective in January 2019, are relevant to the Company.

IFRS 16, 'Leases'

IFRS 16 affects primarily the accounting by lessees and results in the recognition of almost all leases on statement of financial position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short term and low value leases. IFRS 16 is effective for annual periods starting on or after 1 January 2019.

An assessment has been performed on the effects of applying the new standard on the Company's financial statements and given the Company does not transact in leases, no material impacts have been identified.

IFRIC 23, 'Uncertainty over Income Tax Treatments'

The Company is tax-exempt and is only subject to withholding tax on certain dividend and interest income in some countries. If a fund is subject to income tax, including withholding taxes, then it is required to provide specific disclosures under IAS 12 and IAS 1. Additionally, if the Company is subject to income taxes in the scope of IAS 12, including withholding taxes, then the ICAV should consider if there are any uncertain tax treatments. IFRIC 23 Uncertainty over Income Tax Treatments is effective from 1 January 2019; earlier application is permitted.

The application of IFRIC 23 has had no material impact on the financial statements.

There are no other standards, interpretations or amendments to existing standards that are effective for the financial year beginning on 1 January 2019 that have had a material impact on the Company.

Adoption of New and Revised Standards

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on or after 1 January 2020 that are expected to have a material effect on the financial statements of the Company.

CAPITAL STRUCTURE

Share Capital

Ordinary shares are classed as equity. The ordinary shares in issue have a nominal value of one penny and carry one vote each.

Share Premium

This reserve represents the difference between the issue price of shares and the nominal value of shares at the date of issue, net of related issue costs.

Capital Reserve

Unrealised gains and losses on investments held at the year end arising from movements in fair value are taken to the capital reserve.

Revenue Reserve

Net revenue profits and losses of the Company

2) SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS as adopted in the EU requires the Company to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting year. Although these estimates are based on the directors' best knowledge of the amount, actual results may differ ultimately from those estimates.

The areas requiring a higher degree of judgement or complexity and areas where assumptions and estimates are significant to the financial statements are in relation to investments at fair value through profit or loss described below.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Equity Investments

The unquoted equity assets are valued on periodic basis using techniques including a market approach, costs approach and/or income approach. The valuation process is collaborative, involving the finance and investment functions within the manager with the final valuations being reviewed by the manager's valuation committee.

Shareholders should note that increases or decreases in any of the inputs in isolation may result in higher or lower fair value measurements. Changes in fair value of all investments held at fair value are recognised in the Income statement as a capital item. On disposal, realised gains and losses are also recognised in the Income statement IFRS 9 was adopted but did not have a material impact on the Company.

3) SEGMENTAL REPORTING

The Company's board and the Investment Manager consider investment activity in selected Equity Assets as the single operating segment of the Company, being the sole purpose for its existence. No other activities are performed.

The directors are of the opinion that the Company is engaged in a single segment of business and operations of the Company are wholly in the United Kingdom.

4) MANAGEMENT AND PERFORMANCE FEE

Management Fee

The management fee is payable quarterly in advance at a rate equal to 1/4 of 1.25% per month of net asset value (the ''Management Fee''). The aggregate fee payable on this basis must not exceed 1.25% of the net assets of the Company in any year.

During the year the Company incurred £55,495 (2019: £46,193) of fees and at 31 March 2020, there was £nil (2019: £nil) payable to the Manager.

Performance Fee

The Manager is entitled to a performance fee, which is calculated in respect of each twelve month period starting on 1 April and ending on 31 March in each calendar year (‘Calculation Period’), and the final Calculation Period shall end on the day on which the management agreement is terminated or, if earlier, the business day immediately preceding the day on which the Company goes into liquidation.

The Manager is entitled to receive a performance fee equal to 15% of any excess returns over a high watermark, subject to achieving a hurdle rate of 8% in respect of each performance period. There is no performance fee charged during the year ended 31 March 2020. (2019: £nil)

5) OTHER EXPENSES

	For the year ended 31 March 2020 £	For the year ended 31 March 2019 £
Auditor’s remuneration – audit fees	29,940	20,000
Directors’ fees	55,609	67,324
VAT Expense	12,285	22,283
Legal and other professional	7,270	48,362
Listing fees	24,433	39,719
Service Fee Expense	8,879	6,846
Other expenses	30,864	3,933
Total Other expenses	**169,280**	**208,467**

All expenses are inclusive of VAT where applicable. Further details on directors’ fees can be found in the directors’ remuneration report on page 36.

6) TAXATION

As an investment trust the Company is exempt from corporation tax on capital gains. The Company's revenue income is subject to tax, but offset by any interest distribution paid, which has the effect of reducing that corporation tax to nil (2019: nil). This means the interest distribution may be taxable in the hands of the Company's shareholders.

Any change in the Company's tax status or in taxation legislation generally could affect the value of investments held by the Company, affect the Company's ability to provide returns to shareholders, lead the Company to lose its exemption from UK Corporation tax on chargeable gains or alter the post-tax returns to shareholders. It is not possible to guarantee that the Company will remain a non-close company, which is a requirement to maintain status as an investment trust, as the ordinary shares are freely transferable. The Company, in the event that it becomes aware that it is a close company, or otherwise fails to meet the criteria for maintaining investment trust status, will as soon as reasonably practicable, notify shareholders of this fact.

The Company has obtained this approval from HM Revenue & Customs.

Factors affecting taxation charge for the year

The taxation charge for the year is lower than the standard rate of UK corporation tax of 19.00% (2019: 19.00%). A reconciliation of the taxation charge based on the standard rate of UK corporation tax to the actual taxation charge is shown below.

31 March 2020	Revenue £	Capital £	Total £
Return on ordinary activities before taxation	724,794	(279,314)	445,480
Return on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of **19%**	137,711	(53,070)	84,641
Effects of:			
Excess management expenses (utilised)/ not utilised	(137,711)	53,070	(84,641)
Interest distributions paid in respect of the year	-	-	-
Total tax charge in income statement	-	-	-

31 March 2019	Revenue £	Capital £	Total £
Return on ordinary activities before taxation	(250,133)	(223,798)	(473,931)
Return on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 19%	(47,525)	(42,522)	(90,047)
Effects of:			
Excess management expenses not utilised	47,525	42,522	90,047
Interest distributions paid in respect of the year	-	-	-
Total tax charge in income statement	-	-	-

Overseas taxation

The Company may be subject to taxation under the tax rules of the jurisdictions in which it invests, including by way of withholding of tax from interest and other income receipts. Although the Company will endeavour to minimise any such taxes this may affect the level of returns to shareholders.

7) EARNINGS PER SHARE

For the financial year ended 31 from March 2020	Revenue pence	Capital pence	Total pence
Earnings per ordinary share	14.88p	(5.74)p	9.15p

The calculation of the above is based on revenue returns of £724,795 capital returns of (£279,314) and total returns of £445,481 and the weighted average number of ordinary shares of 4,869,956 as at 31 March 2020.

For the financial period ended 31 from March 2019	Revenue pence	Capital pence	Total pence
Earnings per ordinary share	(5.48)p	(4.90)p	(10.38)p

The calculation of the above is based on revenue returns of (£250,133) capital returns of (£223,798) and total returns of (£473,931) and the weighted average (including pending issuances) number of ordinary shares of 4,564,748 as at 31 March 2019.

8) FAIR VALUE MEASUREMENTS

(a) Movements in the year

	As of 31 March 2020 £	As of 31 March 2019 £
Opening cost		
Opening fair value	**1,700,900**	739,258
Purchases at cost	1,894,014	2,740,917
Sale	(279,301)	(1,590,473)
Realised (loss)/gain	(22,136)	3,400
Unrealised (loss)	(291,347)	(165,609)
Unrealised gain/(loss) on foreign exchange	76,430	(26,593)
Closing fair value at 31 March 2020 and 2019	**3,078,560**	**1,700,900**

(b) Accounting classifications and fair values

IFRS 13 requires the Company to classify its financial instruments held at fair value using a hierarchy that reflects the significance of the inputs used in the valuation methodologies. These are as follows:

- Level 1 – quoted prices in active markets for identical investments;
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayments, credit risk, etc.); and
- Level 3 – significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments).

The following sets out the classifications used as at 31 March 2020 in valuing the Company's investments:

	Carrying amount				Fair value			
31 March 2020	**Mandatorily at FVTPL**	**Financial assets at amortised cost**	**Other financial liabilities**	**Total carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
	£	£	£	£	£	£	£	£
Investments in quoted equity assets	148,796	-	-	148,796	148,796	-	-	148,796
Investments in unquoted equity assets	2,929,764	-	-	2,929,764	-	-	2,929,764	2,929,764
	3,078,560	**-**	**-**	**3,078,560**	**148,796**	**-**	**2,929,764**	**3,078,560**
Financial assets not measured at fair value								
Cash and cash equivalents	-	1,700,601	-	1,700,601				
Receivables	-	18,620	-	18,620				
	-	**1,719,221**	**-**	**1,719,221**				
Financial liabilities not measured at fair value								
Other payables	-	-	287,862	287,862				
	-	**-**	**287,862**	**287,862**				

31 March 2019	Mandatorily at FVTPL	Financial assets at amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
	Carrying amount				Fair value			
	£	£	£	£	£	£	£	£
Investments in quoted equity assets	412,204	-	-	412,204	412,204	-	-	412,204
Investments in unquoted equity assets	1,288,696	-	-	1,288,696	-	-	1,288,696	1,288,696
	1,700,900	**-**	**-**	**1,700,900**	**412,204**	**-**	**1,288,696**	**1,700,900**
Financial assets not measured at fair value								
Cash and cash equivalents	**-**	2,139,842	-	2,139,842				
	-	**2,139,842**	**-**	**2,139,842**				
Financial liabilities not measured at fair value								
Other payables	-	-	50,654	50,654				
	-	**-**	**50,654**	**50,654**				

9) RECEIVABLES

	31 March 2020 £	31 March 2019 £
Prepayments	18,620	-
Total receivables	**18,620**	**-**

The above receivables do not carry any interest and are short term in nature. The directors consider that the carrying values of these receivables approximate their fair value.

10) OTHER PAYABLES

	31 March 2020 £	31 March 2019 £
Accruals and deferred income	37,863	50,654
Other creditors	250,000	-
Total other payables	287,863	50,654

Other Creditors represents cash subscriptions received in advance, which were issued as new shares by the company on 1 April 2020.

The above payables do not carry any interest and are short term in nature. The directors consider that the carrying values of these payables approximate their fair value.

11) ORDINARY SHARE CAPITAL

The table below details the issued share capital of the Company as at the date of the Financial Statements.

Issued and allotted	No. of shares 31 March 2020	£	No. of shares 31 March 2019	£
Ordinary shares of 1 penny each	**4,869,956**	**48,699**	**4,564,748**	**45,647**

On incorporation, the issued share capital of the Company was £0.01 represented by one ordinary share of £0.01. Redeemable preference shares of 50,000 were also issued with a nominal value of £1 each, of which 25% was paid. The redeemable shares were issued to enable the Company to obtain a certificate of entitlement to conduct business and to borrow under section 761 of the Companies Act 2006. The redeemable shares were redeemed on listing from the proceeds of the issue of the new ordinary shares upon admission on 19 January 2018.

The following table details the subscription activity for the year ended 31 March 2020.

	31 March 2020	31 March 2019
Balance as at 1 April 2019	**4,564,748**	**3,310,000**
Ordinary shares issued	**305,208**	**1,254,748**
Balance as at 31 March 2020	4,869,956	4,564,748

During the year ended 31 March 2020 and 2019, all proceeds from this issue was received.

12) NET ASSET VALUE PER ORDINARY SHARE

	Year ended 31 March 2020		Year ended 31 March 2019	
Year ended 31 March 2020	**Net asset value per ordinary share Pence**	**Net assets attributable £**	**Net asset value per ordinary share Pence**	**Net assets attributable £**
Ordinary shares of 1 penny each	92.61p	4,509,919	83.03p	3,790,088

The net asset value per ordinary share is based on net assets at the year ended of £4,509,919 (2019: £3,790,088) and on 4,869,956 (2019: 4,564,748) ordinary shares in issue at the year end.

13) CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Company may invest in Sure Valley Ventures or other collective investment vehicles, subscriptions to which are made on a commitment basis. The Company will be expected to make a commitment that may be drawn down, or called, from time to time at the discretion of the manager of the Fund or other collective investment vehicle. The Company will usually be contractually obliged to make such capital call payments and a failure to do so would usually result in the Company being treated as a defaulting investor by the Fund or other collective investment vehicle.

The Company's has to satisfy capital calls on its commitments and will do through a combination of reserves, and where applicable the realisation, of Cash and Cash Equivalents and Liquid Investments (as each expression is defined in the prospectus dated 17 November 2017), anticipated future cash flows to the Company, the use of borrowings and, potentially, further issues of Shares.

As of 31 March 2020, the Company had outstanding commitments in relation to the Fund in the amount of €3.9 million (2019: €2.9 million).

14) RELATED PARTY TRANSACTIONS AND TRANSACTIONS WITH THE MANAGER

Directors – The remuneration of the directors is set out in the directors' Remuneration Report on page 36. There were no contracts subsisting during or at the end of the year in which a director of the Company is or was interested and which are or were significant in relation to the Company's business. There were no other transactions during the year with the directors of the Company. The directors do not hold any ordinary shares of the Company.

At 31 March 2020, there was £1,473 (2019: £1,192) payable to the directors for fees and expenses.

Manager – Shard Capital AIFM LLP (the 'Manager'), a UK-based company authorised and regulated by the Financial Conduct Authority, has been appointed the Company's manager and authorised investment fund manager for the purposes of the Alternative Investment Fund Managers Directive. Details of the services provided by the manager and the fees paid are given in Note 4.

During the year the Company incurred £55,495 (2019: £46,193) of fees and at 31 March 2020, there was £nil (2019: £nil) payable to the Manager.

During the year the Company paid £18,650 (2019: £63,621) of placement fees to Shard Capital Partners LLP.

15) FINANCIAL RISK MANAGEMENT

The Company's investment objective is to achieve capital growth for investors pursuant to the investment policy outlined in the prospectus, this involves certain inherent risks. The main financial risks arising from the Company's financial instruments are market risk, credit risk and liquidity risk. The board reviews and agrees policies for managing each of these risks as summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate. Market risk comprises three types of risk, price risk, interest rate risk and currency risk.

- Price risk - the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk);
- Interest rate risk - the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates; and
- Currency risk - the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The Company's exposure, sensitivity to and management of each of these risks is described below. Management of market risk is fundamental to the Company's investment objective. The investment portfolio is continually monitored to ensure an appropriate balance of risk and reward within the parameters of the investment restrictions outlined in the prospectus.

(a) Price risk

Price risk arises mainly from uncertainty about future prices of financial instruments used in the Company's business. It represents the potential loss the Company might suffer through holding market positions in the face of price movements (other than those arising from interest rate risk or currency risk) specifically in equity investments purchased in pursuit of the Company's investment objective, held at fair value through the profit and loss.

As at 31 March 2020 the Company held two direct private equity investment in the participating shares of Sure Valley Ventures (formerly Suir Valley Ventures), a sub-fund of Suir Valley Funds ICAV and VividQ Limited. (2019: the Company held one direct private equity investment in the participating shares of Sure Valley Ventures (formerly Suir Valley Ventures), a sub-fund of Suir Valley Funds ICAV).

As at 31 March 2020 and 2019 the investment in Sure Valley Ventures (formerly Suir Valley Ventures) is valued at the net asset value of the sub-fund, as calculated by its administrator.

At 31 March 2020, had the fair value of investments strengthened by 10% with all other variables held constant, net assets attributable to holders of participating shares would have increased by £307,856 (2019: £170,090). A 10% weakening of the market value of investments against the above would have resulted in an equal but opposite effect on the above financial statement amounts to the amounts shown above, on the basis that all other variables remain constant. Actual trading results may differ from this sensitivity analysis and the difference may be material.

(b) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The Company's currently employs no borrowings.

The Company finances its operations mainly through its share capital and reserves, including realised gains on investments.

Exposure of the Company's financial assets and liabilities to floating interest rates (giving cash flow interest rate risk when rates are reset) and fixed interest rates (giving fair value risk) as at 31 March 2020 and 31 March 2019 is shown below:

	31 March 2020			31 March 2019		
Financial instrument	Floating Rate £	Fixed or Administered Rate £	Total £	Floating Rate £	Fixed or Administered Rate £	Total £
Cash and cash equivalents	-	1,700,601	1,700,601	-	2,139,842	2,139,842
Total exposure	-	1,700,601	1,700,601	-	2,139,842	2,139,842

An administered rate is not like a floating rate, movements in which are directly linked to LIBOR. The administered rate can be changed at the discretion of the counterparty.

(c) Currency risk

As at 31st March 2020 the Company's largest investment is denominated in euros whereas its functional and presentation currency is pounds sterling. Consequently, the Company is exposed to risks that the exchange rate of its currency relative to euros may change in a manner that has an adverse effect on the fair value of the Company's assets.

At the reporting date the carrying value of the Company's financial assets and liabilities held in individual foreign currencies as a percentage of its net assets were as follows:

Foreign currency exposure as a percentage of net assets	31 March 2020	31 March 2019
Euros	54%	34%

Sensitivity analysis

If the euro exchange rates increased/decreased by 10% against pounds sterling, with all other variables held constant, the increase/decrease in the net asset attributable to the Company arising from a change financial assets at fair value through profit or loss, which are denominated in euros, would have been +/- £242,976 (2019: £128,870).

16) CREDIT RISK

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company's credit risks arise principally through cash deposited with banks, which is subject to risk of bank default.

The Company ensures that it only makes deposits with institutions with appropriate financial standing.

Due to the low credit risk of the financial assets at amortised cost, the Expected credit loss "ECL" was determined to be immaterial and no impairment was recognised on the Fund in the year ended 31 March 2020.

Liquidity risk

Liquidity risk is the risk that the Company will have difficulty in meeting its obligations in respect of financial liabilities as they fall due.

The Company manages its liquid resources to ensure sufficient cash is available to meet its expected contractual commitments. It monitors the level of short-term funding and balances the need for access to short-term funding, with the long-term funding needs of the Company.

Capital Management

The Company's capital is represented by ordinary shares and reserves.

The Company's primary objectives in relation to the management of capital are:

- to maximise the long-term capital growth for its shareholders pursuant to its investment objective;
- to ensure its ability to continue as a going concern.

The Company manages its capital structure and liquidity resources to meet it's obligations as described above.

Borrowing limits

Pursuant to the prospectus dated 17 November 2017 the Company can deploy gearing up to 20% of the net asset value of the Company (calculated at the time of borrowing) to seek to enhance returns and for the purpose of capital flexibility and efficient portfolio management. During the year ended 31st March 2020 and 2019 the Company employed no gearing.

17) ULTIMATE CONTROLLING PARTY

It is the opinion of the directors that there is no ultimate controlling party.

18) EVENTS AFTER THE REPORTING PERIOD

Sure Valley Ventures Fund participated in two new investments post year-end. Investments of €300,000 and €750,000 were made in Buymie Technologies Limited and Volograms Limited, respectively.

Since the year end a further 480,769 ordinary shares of 1p have been issued.

There have been no other subsequent events for the year ended 31 March 2020.

8 Alternative Performance Measures (APMs)

APMS are often used to describe the performance of investment companies although they are not specifically defined under IFRS. Calculations for APMs used by the Company are shown below.

Ongoing charges

A measure expressed as a percentage of average net assets, of the regular, recurring annual costs of running an investment company, calculated in accordance with the AIC methodology.

Year ended 31 March 2020		Page	
Average NAV (£'000)	a	not applicable	£4,404
Recurring costs	b	47	£230,915.10
	b/a		5.24%

Premium

The amount, expressed as a percentage, by which the share price is more than the NAV per share.

As at 31 March 2020		Page	
NAV per ordinary share	a	not applicable	92.61p
Share price	b	not applicable	105.13p
	(b-a)/a		13.52%

Total return

A measure of performance that includes both income and capital returns. This takes into account capital gains and reinvestment of any dividends paid out by the Company, with reinvestment on ex-dividend date

Year ended 31 March 2020		Page	NAV	Share price
Opening as at 1 April 2019 (p)	a	2	83.03	105.56
Closing at 31 March 2020 (p)	b	2	92.61	105.13
Dividend reinvestment factor	c	n/a	1	1
Adjusted closing (d = b x c)	d		92.61	105.13
Total return	(d-a) / a		11.54%	-0.41%

9 Glossary

AIC	Association of Investment Companies
Alternative Investment Fund or “AIF”	An investment vehicle under AIFMD. Under AIFMD (see below) Sure Ventures plc is classified as an AIF.
Alternative Investment Fund Managers Directive or “AIFMD”	A European Union directive which came into force on 22 July 2013 and has been implemented in the UK.
Annual General Meeting or “AGM”	A meeting held once a year which shareholders can attend and where they can vote on resolutions to be put forward at the meeting and ask directors questions about the company in which they are invested.
the Company	Sure Ventures plc
Custodian	An entity that is appointed to safeguard a company’s assets.
Discount	The amount, expressed as a percentage, by which the share price is less than the net asset value per share.
Depositary	Certain AIFs must appoint depositaries under the requirements of AIFMD. A depositary’s duties include, inter alia, safekeeping of a company’s assets and cash monitoring. Under AIFMD the depositary is appointed under a strict liability regime.
Dividend	Income receivable from an investment in shares.
Ex-dividend date	The date from which you are not entitled to receive a dividend which has been declared and is due to be paid to shareholders.
Financial Conduct Authority or “FCA”	The independent body that regulates the financial services industry in the UK.
Gearing effect	The effect of borrowing on a company’s returns.
Index	A basket of stocks which is considered to replicate a particular stock market or sector.
Investment company	A company formed to invest in a diversified portfolio of assets.
Investment Trust	An investment company which is based in the UK and which meets certain tax conditions which enables it to be exempt from UK corporation tax on its capital gains. The Company is an investment trust.
Liquidity	The extent to which investments can be sold at short notice.
Net assets or net asset value (‘NAV’)	An investment company’s assets less its liabilities
NAV per Ordinary Share	Net assets divided by the number of Ordinary Shares in issue (excluding any shares held in treasury)
Ordinary Shares	The Company’s ordinary shares in issue.
Portfolio	A collection of different investments held in order to deliver returns to shareholders and to spread risk.
Relative performance	Measurement of returns relative to an index.
Share buyback	A purchase of a company’s own shares. Shares can either be bought back for cancellation or held in treasury.
Share price	The price of a share as determined by a relevant stock market.
Treasury shares	A company’s own shares which are available to be sold by a company to raise funds.
Volatility	A measure of how much a share moves up and down in price over a period of time.

10 Shareholders' Information

Directors, portfolio manager and advisers

Directors
Perry Wilson
Chris Boody (resigned on 14 June 2019)
Gareth Burchell
John St Agnew (appointed on 14 June 2019)

Administrator and Company Secretary
Apex Fund Services (Ireland) Limited
2nd Floor, Block 5
Irish Life Centre
Abbey Street Lower
Dublin 1
DO1 P767
Ireland

Registered Office
23rd Floor
20 Fenchurch Street
London EC3M 3BY
England

Registrar
Computershare Investor Services PLC
The Pavilions, Bridgewater Road
Bristol BS99 6ZZ
England

Manager and AIFM
Shard Capital AIFM LLP
23rd Floor
20 Fenchurch Street
London EC3M 3BY
England

Depositary
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London EC4N 7AE
United Kingdom

Placing Agent
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23rd Floor
20 Fenchurch Street
London EC3M 3BY
England

Independent Auditor
PKF Littlejohn LLP
15 Westferry Circus
Canary Wharf
London E14 4HD
England

Website
http://www.sureventuresplc.com

Share Identifiers
ISIN: GB00BYWYZ460
Sedol: BYWYZ46
Ticker: SURE

11 Investment Policy

Investment Policy

Asset allocation
The investment policy of the Company is to seek exposure to early stage technology companies, with a focus on software-centric businesses in four chosen target markets:

* Augmented reality and virtual reality (AR/VR)
* Financial technology (FinTech)
* The internet of things (IoT)
* Artificial Intelligence (AI)

The Company may invest directly in investee companies or obtain exposure to such companies through investment in collective investment vehicles, including Sure Valley Ventures (the “Fund”) and any further funds, which have investment policies that are complementary to that of the Company. Investments may be made using such instruments as the Company in conjunction with Shard Capital AIFM LLP (“SCAIFM”) may determine but are expected to predominantly comprise equities and equity-linked securities (including shares, preference shares, convertible debt instruments, payment-in-kind notes, debentures, warrants and other similar securities) and may include derivative instruments, contractual rights and other similar interests that grant the Company rights equivalent or similar to those conferred by equity and equity-linked securities.

The Company may implement its investment policy by investing in class A shares of the Fund and by investing in any further funds and collective investment vehicles managed by third parties. The Company will have discretion as to how to make investments, although it is anticipated that investments in the Fund will represent between 10 and 100%. of the Company’s portfolio at any given time, and that investments in any further funds and collective investment vehicles managed by third parties may similarly constitute a material proportion of the Company’s net asset value subject to the Company’s investment restrictions.

DIVERSIFICATION

The Company will seek to hold a diversified portfolio of investments and, once the assets of the Company, the Fund and any other collective investment vehicles through which the Company invests are each fully invested, expects to have a direct or indirect holding of between 20 and 30 investments. It is intended that the Company would ordinarily acquire a significant interest, consisting generally of between 20% and 50% of an investee company’s equity capital. The Company does not envisage taking management control of a portfolio company other than in exceptional circumstances and on a temporary basis, and only if it is considered that such action would be necessary to secure the interests of the Company. The Company has the option to invest directly in quoted companies. Furthermore, a portfolio company may seek a flotation in which case: (i) the Company may continue to hold such investments without restriction; and (ii) the Company may make follow-on investments in such portfolio companies.

The Company’s investments will not be constrained by geographical limits. However, it is expected that the Company’s portfolio will predominantly be exposed to companies that have their principal operations in the UK, Republic of Ireland or elsewhere in the EEA. In addition, the Company will aim to satisfy the following guideline criteria for its portfolio:

- no more than 15% of the Company's NAV in a single investment no more than 60% of the Company’s NAV invested in a further fund or collective investment vehicle managed by a third party
- invest in a further fund or collective investment vehicle managed by a third party only if such further fund or collective investment vehicle has an investment policy that is consistent with the investment policy of the Company
- no investment in companies whose primary business is acquisition or development of real estate
- no investments in real estate assets
- no more than 15% of the Company's NAV to a counterparty in relation to the utilisation of derivatives (including for investment and hedging purposes)

BORROWING

The Company may borrow (through bank or other facilities) a maximum of 20% of net asset value in aggregate (calculated at the time of borrowing) to seek to enhance returns and for the purpose of capital flexibility and efficient portfolio management. The Company’s gearing is expected to primarily comprise bank borrowings but may include the use of derivative instruments and such other methods as the board may determine. The board will review the Company’s borrowing policy, in conjunction with Shard Capital AIFM LLP, on a regular basis.

HEDGING

Fluctuations in interest rates are influenced by factors outside the Company's control, and can adversely affect the Company's results and profitability in a number of ways. The Company's investment in the Fund will be denominated in euros. The Company may use derivatives, including forward foreign exchange contracts and contracts for difference, to seek to hedge against any currency risk between the currency of the Company's investment in the Fund and sterling, the base currency of the Company. Shareholders should note that there is no guarantee that such hedging arrangements will be utilised or, if so, will be successful.

CASH MANAGEMENT

The Company may hold cash on deposit and may invest in cash equivalent investments, including short-term investments in money market type funds, tradeable debt securities and government bonds and securities (''Cash and Cash Equivalents''). There is no restriction on the amount of Cash and Cash Equivalents that the Company may hold and there may be times when it is appropriate for the Company to have a significant cash or cash equivalent position instead of being fully or near fully invested. In order to efficiently allocate all of the Company's available funds, the Company may make short and medium term investments in relatively liquid assets that are in accordance with the Company's investment policy (''Liquid Investments''). Such Liquid Investments may include shares, bonds and other debt instruments issued by companies as well as shares, units or other interests in collective investment schemes, other investment funds, exchange traded funds and fixed income investments. Prior to the full drawdown of the Company's commitment to the Fund, the cash held by the Company will be utilised in accordance with the Company's stated investment policy and cash management policy. The directors, on advice from the Manager, consider that it is the interests of shareholders for the cash held by the Company in respect of its commitment to the Fund to potentially be available for investment in suitable investment opportunities pending drawdown by the Fund.

Website

The Company's website can be found at http://www.sureventuresplc.com. The site provides visitors with Company information and literature downloads.

The Company's profile is also available on third-party sites such morningstar.co.uk.

Annual report

Copies of the annual report may be obtained from the Company Secretary or by visiting www.sureventuresplc.com.

Share prices and net asset value information

The Company's ordinary shares of 1p each are quoted on the London Stock Exchange:

- SEDOL number: BYWYZ46
- ISIN number: GB00BYWYZ460
- EPIC code: SURE

The codes above may be required to access trading information relating to the Company on the internet.

Electronic communications with the Company

The Company's Annual Report and Accounts, half-yearly reports and other formal communications are available on the Company's website. To reduce costs the Company's half-yearly accounts are not posted to shareholders but are instead made available on the Company's website.

Whistleblowing

As the Company has no employees, the Company does not have a whistleblowing policy. The Audit Committee reviews the whistleblowing procedures of the manager and administrator to ensure that the concerns of their staff may be raised in a confidential manner.

Warning to shareholders – share fraud scams

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment. While high profits are promised, if you buy or sell shares in this way, you will probably lose your money.

How to avoid share fraud

- Keep in mind that firms authorised by the Financial Conduct Authority are unlikely to contact you out of the blue with an offer to buy or sell shares
- Do not get into a conversation, note the name of the person and firm contacting you and then end the call
- Check the Financial Services Register from www.fca.org.uk to see if the person and firm contacting you is authorised by the Financial Conduct Authority
- Beware of fraudsters claiming to be from an authorised firm, copying its website or giving you false contact details
- Use the firm's contact details listed on the register maintained by the Financial Conduct Authority if you want to call it back
- Call the Financial Conduct Authority on 0800 111 6768 if the firm does not have contact details on the register or you are told they are out of date
- Search the list of unauthorised firms to avoid at www.fca.org.uk/scams
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme.
- Think about getting independent financial and professional advice before you hand over any money
- Remember: if it sounds too good to be true, it probably is!

5,000 people contact the Financial Conduct Authority about share fraud each year, with victims losing an average of £20,000.

Report a scam

If you are approached by fraudsters, please tell the FCA using the share fraud reporting form at fca.org.uk /scams, where you can find out more about investment scams.

You can also call the FCA Consumer Helpline on 0800 111 6768.

If you have already paid money to share fraudsters, you should contact Action Fraud on 0300 123 2040.