RENN Universal Growth Investment Trust PLC

Annual Report

for the year ended 31 March 2014

FINDING VALUE / ADDING VALUE / REALISING VALUE

Contents

Registered in England and Wales number 3150876

A MEMBER OF THE ASSOCIATION OF INVESTMENT COMPANIES

Company Information

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Andrew Barker (Chairman)
Steven Bates
Ernest Fenton
Alexandra Mackesy
William Vanderfelt

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Sources of further information
The Company's share price is listed in the Financial Times under "Investment Companies". Copies of the Company's annual and half-yearly reports, stock exchange announcements and further information on corporate governance can be obtained from the Company's website, as detailed above.

Key dates

March	Company year end
June	Annual results
July	Annual General Meeting
November	Half year results
February/September	Interim management statements

Further copies of the Annual Report may be obtained from the Secretary.

Company Summary

Commencement	The Company was incorporated on 19 January 1996 and commenced trading on 29 May 1996.
Investment objective	To conduct an orderly realisation of the assets of the Company, to be effected in a manner that seeks to achieve a balance between returning cash to shareholders promptly and maximising the value of the Company's portfolio. A detailed description of the Company's investment policy is set out in the Strategic Report on page 9.
Total net assets and shareholders' funds	£39,936,000 as at 31 March 2014.
Market capitalisation	£35,901,000 as at 31 March 2014.
Capital structure	As at 31 March 2014 and at the date of this report, the Company had 13,078,541 Ordinary shares of 25p each in issue.
Total voting rights	13,078,541.
ISA status	The Company is fully eligible for inclusion in ISAs.
AIC	The Company is a member of the Association of Investment Companies ("AIC").
Investment Manager	RENN Capital Group, Inc. ("RENN Capital"). See page 5 for further details.
Management fee	The Investment Manager receives a fixed fee of $90,000 per month. A performance fee may also be payable as described in the Strategic Report on pages 10 and 11 and Note 3 to the Financial Statements.
Secretarial and administration fee	The Secretary receives an annual fee of £88,000 in respect of secretarial and administration services. This fee is subject to an annual adjustment based on the UK Retail Price Index.

Summary of Results and Financial Highlights

	Year ended 31 March 2014	Year ended 31 March 2013	% change
Total net assets	**£39,936,000**	£57,252,000	(30.25)
Net asset value ("NAV") per Ordinary share – pence	**305.35**	328.32	(7.00)
– US cents	**509.06**	498.54	2.11
Mid-market price per Ordinary share	**274.50p**	234.50p	17.06
Discount to NAV	**10.10%**	28.58%	18.48
Net revenue return after taxation	**£(1,021,000)**	£(1,145,000)	10.83
Revenue return per Ordinary share	**(5.92)p**	(6.47)p	8.50
Costs of running the Company*			
– Investment Manager's fee	**£677,000**	£746,000	(9.25)
– Other expenses	**£498,000**	£465,000	7.10
– Performance fee (Note 3 on page 39)	**nil‡**	£(175,000)‡	n/a
As a percentage of average net assets*			
– Investment Manager's fee	**1.27%**	1.38%	(0.11)
– Other expenses	**1.18%**	0.86%	0.32
Exchange rate – US Dollar/Sterling	**1.66715**	1.51845	9.79
S&P 500 Index (Total Return)	**3,375.51**	2,770.05	21.86
S&P 500 Index (Total Return) – Sterling adjusted	**2,023.57**	1,823.72	10.96
Russell 2000 Index (Total Return)	**5,477.96**	4,385.95	24.90
Russell 2000 Index (Total Return) – Sterling adjusted	**3,283.95**	2,887.58	13.73

	High	Date	Low	Date
Mid-market price per Ordinary share	274.50p	31/03/14	229.50p	03/06/13
NAV per Ordinary share – pence†	334.29p	30/06/13	290.96p	31/12/13
Discount to NAV†	30.24%	31/05/13	9.92%	07/03/14

* Calculated in accordance with the AIC recommended methodology for the calculation of 'Ongoing Charges' issued in May 2012.

‡ There is no performance fee payable for the year ended 31 March 2014.

† Including current period revenue.

Investment Portfolio

as at 31 March 2014

	Sector	Book cost US$'000	Fair value US$'000	Fair value £'000	% of net assets
Corporate investments					
US unlisted convertible debentures					
PetroHunter Energy	Oil and gas exploration	2,100	166	100	0.25
Total US unlisted convertible debentures		2,100	166	100	0.25
US unlisted convertible preference shares					
AnchorFree	Wireless communications	2,162	27,613	16,563	41.48
iSatori	Personal products	75	2	1	–
Total US unlisted convertible preference shares†		2,237	27,615	16,564	41.48
US listed Chinese equities					
Tiger Media	Advertising	2,422	665	399	1.00
Total US listed Chinese equities		2,422	665	399	1.00
US listed French equities					
Flamel Technologies	Pharmaceuticals	3,774	10,720	6,430	16.10
Total US listed French equities		3,774	10,720	6,430	16.10
US listed equities					
Bovie Medical	Healthcare services	3,767	6,240	3,743	9.37
Charles & Colvard	Clothing and accessories	777	572	343	0.86
Cover–All Technologies	Information technology	5,051	10,938	6,561	16.43
iSatori	Personal products	9,562	5,981	3,587	8.98
PetroHunter Energy	Oil and gas exploration	202	13	8	0.02
Total US listed equities		19,359	23,744	14,242	35.66
Total corporate investments		29,892	62,910	37,735	94.49
Net current assets			4,555	2,732	6.84
Provision for liabilities			(885)	(531)	(1.33)
Net assets			66,580	39,936	100.00

† Unlisted convertible preference shares and warrants convert into unlisted common stocks.

Unlisted warrant investments are valued at fair value using the Black Scholes methodology, which includes a time value which is calculated and added to the intrinsic value to arrive at a total valuation for each warrant.

The Black Scholes methodology requires certain assumptions to be made around the volatility of the underlying shares to which the warrants subscribe.

The valuation of unlisted warrants at 31 March 2014 of £nil is made up of the intrinsic value of £nil and a time value of £nil.

Directors, Investment Manager and Secretary

Directors

All Directors are non-executive and independent of the Investment Manager.

Andrew Barker (Chairman), aged 69, appointed 10 March 2005, has spent his career in investment management after joining F & C Management Limited in 1970. He was responsible for F & C Management Limited's North American investments from 1985 until his retirement in 2000. He was a director of Foreign & Colonial Investment Trust plc and The Bankers Investment Trust plc. He is a former chairman of the AIC. He is chairman of JP Morgan Mid Cap Investment Trust plc.

Steven Bates, aged 56, appointed 27 January 2005, was head of global emerging markets at JP Morgan Fleming until 2002. He is a director of Guardian Capital Limited, an FCA regulated investment business investing in emerging markets, and an investment adviser to Cardiff & Vale of Glamorgan Pension Fund. He is chief investment officer of Salisbury Partners. His non-executive directorships include VinaCapital Vietnam Opportunity Fund Limited, Baring Emerging Europe plc, Magna Umbrella Fund plc, F & C Capital & Income Investment Trust plc and British Empire Securities and General Trust plc.

Ernest Fenton, aged 75, appointed 8 May 1996, is a chartered accountant. He became a partner of W Greenwell & Co in 1972 and was chairman and chief executive of Greenwell Montagu Stockbrokers until 1993. He was director general of the AIC from 1993 to 1997.

Alexandra Mackesy, aged 51, appointed 18 January 2010. She is a non-executive director of Asian Total Return Investment Company plc and The Scottish Oriental Smaller Companies Trust Plc. Since 2000, she has worked as a part-time consultant in Asia. Prior to this, she held posts in Hong Kong with Credit Suisse as director, head of Hong Kong and China Equity Research, JP Morgan as director, Asian Equity Research, and SBC Warburg/ SG Warburg as director, Hong Kong Equity Research.

William Vanderfelt, aged 71, appointed 2 August 1996, was a managing partner of Petercam SA, the largest independent member firm of the Brussels Stock Exchange, until his retirement on 31 December 2001. He is a director of USI Group Holdings AG and Eastern European Media Holdings SA.

Investment Manager

RENN Capital is an investment management company based in Dallas, Texas with a 41-year track record of investing principally in US smaller companies. It was founded in 1973 by Russell Cleveland. The firm concentrates on US smaller companies where it considers that potential earnings growth, attractive valuations and the availability of proportionately larger investment positions provide the opportunity for outperformance.

Company Secretary

Capita Sinclair Henderson Limited provides company secretarial and administrative services to the Company. It provides similar services for a number of other investment trusts. Capita Sinclair Henderson Limited is a subsidiary undertaking of Capita plc.

Strategic Report

The Strategic Report has been prepared in accordance with Section 414A of the Companies Act 2006 (the "Act"). Its purpose is to inform members of the Company and help them to assess how the Directors have performed their legal duty under Section 172 of the Act to promote the success of the Company.

CHAIRMAN'S STATEMENT

Dear Shareholder,

On 10 June 2014, the Company announced that, due to ill health, Ernest Fenton had stepped down as Chairman of your Company and would not be seeking re-election at the forthcoming Annual General Meeting. Since that date, I have assumed the role of Chairman. Ernest has been a Director of the Company since its launch in 1996 and was appointed Chairman in 2004. He has made a great contribution to the successful running of the Company and has worked tirelessly on behalf of shareholders over the years. I would like to thank him on behalf of the Board for his valuable input and advice. We are going to miss his presence on the Board and wish him a full and speedy recovery.

Following the approval of the revised investment policy on 17 April 2013, I want to update you on progress. As you will see from the Investment Manager's Review and the Financial Statements, £12.95 million of capital was returned to the shareholders on 21 March 2014 through a tender offer reducing the number of shares in issue by 4,359,438 to 13,078,541 shares. During the year, the NAV per share fell by 7.0%, while the share price rose by 17.1%.

As expected, the remaining portfolio is concentrated in a smaller number of companies. The Board is fully aware of the implications of this position and is taking advice on the processes required to avoid jeopardising investment trust status and the favourable tax treatment that comes with it. Depending on the circumstances and the degree of portfolio concentration, it is possible that in order to preserve that status, the Company may have to recommend to shareholders that it enter voluntary liquidation at any time during the coming months, and this may need to be done at relatively short notice. As a result of this situation, and in agreement with the Auditor, the Board has decided not to prepare the Financial Statements on a going concern basis. This has no impact on the amounts recognised in the Financial Statements.

There is one significant holding in the portfolio which is not valued using market prices. AnchorFree, Inc. ("AnchorFree"), representing 41.5% of net assets, is being held at a price which reflects a transaction which took place in 2012. The Board recently obtained an independent valuation of the Company's holding in AnchorFree. Having reviewed the valuation report, the Board decided to maintain the US Dollar valuation of the holding which, as at 31 March 2014, remained unchanged since the previous fiscal year end. This valuation was towards the lower end of the valuation range given by the independent valuer. The Company is in the process of changing its business model from one based on advertising to one reliant on subscriptions. The Board sees no justification to change the valuation of this holding at this point, but any change in the future could clearly have a very significant impact, in either direction, on net assets.

During the 12 months ended 31 March 2014, Sterling rose sharply by 9.8%, negatively affecting the Sterling returns for shareholders. As the process of realisation continues, proceeds are translated into Sterling as sales are made, but the underlying Dollar exposure in the remaining holdings is unhedged. In accordance with the Company's investment policy, the realised proceeds, converted into Sterling, are held in UK treasury gilts.

The Board has taken advice on the use of buyback powers during the realisation process and concluded that share buybacks should be suspended to avoid the risk of the Company dealing while in possession of material non-public information on any of its listed holdings. Therefore, the Board is not seeking shareholders' approval to renew the Company's authority to make market purchases of shares.

The Company's portfolio holds five core positions as at the date of this report, and we expect the Investment Manager to continue to make steady progress along the road to realisation, recognising that, given the underlying illiquidity in certain key investments, and the expectation that the portfolio will be liquidated by March 2015, some time and patience will still be required in order to maximise returns to the shareholders.

Andrew Barker
Chairman
23 June 2014

INVESTMENT MANAGER'S REVIEW

Introduction

The establishment of the new investment policy and objective on 17 April 2013 shifted the focus of the Investment Manager towards the realisation of the portfolio by March 2015. Many positions have been sold resulting in the 21 March 2014 tender offer returning £12.95 million to shareholders and leaving a cash balance of £2.4 million at the end of March 2014. We expect to continue building the cash account over the next 12 months in preparation for the realisation of the portfolio by March 2015.

Top five holdings

AnchorFree, Inc. (Private): 41.5% of net assets, Primary Industry Group: Internet Software & Services
AnchorFree is the world's leading advertising and subscription supported virtual private network. Over 200 million people have downloaded AnchorFree's Hotspot Shield to protect their identities. Hotspot Shield encrypts users' internet communications and detects and blocks malware, protecting all internet communication and securing customer and employee data. The company platform accommodates desktop and all forms of mobile devices. In May 2012, Goldman Sachs invested $52 million in AnchorFree. The company continues to make progress through the addition of new partners and new subscription revenues with multiple offerings. AnchorFree continues to benefit from increased demand on the back of rising concerns about internet privacy. AnchorFree is currently ranked 12th on iOS App Store's productivity category in the US.

Cover-All Technologies (AMEX: COVR): 16.4% of net assets, Primary Industry Group: Application Software
Cover-All Technologies provides software solutions for insurance companies, agents and brokers. The company has a suite of software products installed with some of the largest insurance companies in the world. With its deep product line, we believe Cover-All Technologies could be an acquisition candidate. For the year ended 31 December 2013, total revenues were up 26% to $20.5 million as compared to the same period in 2012. Earnings before interest, taxes, depreciation and amortisation for the same period were $2.6 million compared to a loss of $1.1 million in the comparable period of 2012. On 15 May 2014, Cover-All Technologies announced financial results for the first quarter ended 31 March 2014. Operating income was $531,000 compared to $803,000 in the comparable period in 2013. Net income was $434,000 ($0.02 per basic and diluted share) compared to $705,000 ($0.03 per basic and diluted share) in the same period of 2013.

Flamel Technologies Ltd (NASDAQ: FLML): 16.1% of net assets, Primary Industry Group: Pharmaceuticals
Flamel Technologies engages in the development and commercialisation of controlled release therapeutic products. The company is transforming itself into a high margin specialty pharmaceutical company. Earlier the company received an approval for Bloxiverz, the first FDA-approved version of neostigmine sulfate, a drug used to reverse neuromuscular blocking drugs in surgical procedures. The company expects solid revenue growth from Bloxiverz throughout 2014. On 7 March 2014, the company announced a successful completion of a $113.0 million equity financing. For the year ended 31 December 2013, revenues were up 16% to $26.0 million and the net loss decreased to $3.3 million.

Bovie Medical Corporation (AMEX: BVX): 9.4% of net assets, Primary Industry Group: Healthcare Equipment
Bovie Medical engages in the development, manufacture and marketing of electrosurgical generators and disposables. On 13 December 2013, the company announced the completion of a $7.0 million funding by Great Point Partners, a leading health care investment firm. This new funding is earmarked to accelerate the growth of Bovie Medical's innovative signature technology, J-Plasma. On the same date, the board of directors appointed Robert L. Gershon as the company's new chief executive officer. Mr. Gershon has over 25 years of healthcare experience, most recently as a senior sales and marketing executive at Covidien (NYSE: COV) and Henry Schein (NASDAQ: HSIC). For the year ended 31 December 2013, sales totalled $23.6 million resulting in a loss of $4.3 million. For the comparable period in 2012, sales were $27.7 million resulting in a net income of $617,000. 2013 results were negatively impacted by an overall decline in the OEM business, the costs of legal fees and continued investments in J-Plasma. The Investment Manager believes that J-Plasma has great promise and will begin to impact operations in 2014.

Strategic Report

(continued)

iSatori, Inc. (OTCBB: IFIT): 9.0% of net assets, Primary Industry Group: Personal Products

iSatori is a developer and marketer of scientifically engineered nutritional supplements focusing upon specific markets, including weight loss and sports nutrition. This year the company has entered the mass market through major retail outlets including Wal-Mart, Walgreens and Duane Reade. The company also introduced a new category-defining product called Bio-Gro. GNC (NYSE: GNC), America's largest sports supplement retailer, began carrying Bio-Gro in January 2014. The company has a long-term sales target of $25–$50 million. For the year ended 31 December 2013, total revenues increased by 14% to $10.6 million. The net loss for the same period was $959,000 compared to a loss of $1,030,638 for 2012.

Other holdings

As at 31 March 2014, your Company owned a total of eight holdings, with the three holdings outside the top five positions representing 2.1% of net assets in total. These three holdings are in oil and gas exploration (PetroHunter Energy), advertising (Tiger Media) and clothing and accessories (Charles & Colvard).

Conclusion

The Investment Manager has made progress in realising value demonstrated in the recent return of £12.95 million in capital to shareholders. The Investment Manager is working actively towards realising the balance of the portfolio by March 2015.

While some holdings are sufficiently liquid to allow open market sales, others either are not or have other characteristics which will require a structural solution to facilitate their sale. The Investment Manager has experience in liquidating portfolios and is optimistic that the prospects for profitable realisation are good.

Holdings at 31 March 2014 and top ten holdings at 31 March 2013

31 March 2014	% of Net Assets	31 March 2013	% of Net Assets
AnchorFree	41.5	AnchorFree	31.8
Cover-All Technologies	16.4	iSatori	11.5
Flamel Technologies	16.1	Cover-All Technologies	11.1
Bovie Medical	9.4	Points International	7.3
iSatori	9.0	Plures Technologies	7.0
Tiger Media	1.0	Bovie Medical	6.1
Charles & Colvard	0.9	Flamel Technologies	4.0
PetroHunter Energy	0.2	Hollysys Automation Technologies	2.8
		DXP Enterprises	1.8
		Titan Machinery	1.6

Russell Cleveland
RENN Capital
23 June 2014

OTHER STATUTORY INFORMATION

Objective

To conduct an orderly realisation of the assets of the Company, to be effected in a manner that seeks to achieve a balance between returning cash to shareholders promptly and maximising the value of the Company's portfolio.

Strategy and business model

Investment policy

The Company's investments will be realised in an orderly manner in accordance with the investment objective.

The Company may not make any new investments save that (a) subject to Board approval, further investment may be made into existing investments in order to preserve the value of such investments; and (b) realised cash may be invested in liquid cash-equivalent securities, denominated in Sterling, including short-dated corporate bonds, government bonds, cash funds, or bank cash deposits pending its return to shareholders in accordance with the Company's investment objective.

No more than 10% of the Company's total assets may be invested in any single cash equivalent instrument or placed on deposit with any single institution except that this limit does not apply to investment in government bonds, which shall be unconstrained.

The Company may not employ gearing.

The Company will continue to comply with the restrictions imposed by the Listing Rules in force from time to time.

Business and status of the Company

The Company is an investment company in accordance with the provisions of Section 833 of the Act. The Directors expect that the process of realisation will result in a transition to voluntary liquidation in order to preserve the Company's investment trust status. The timing of such a move is uncertain but is unlikely to be later than the end of March 2015.

The principal activity of the Company is to conduct business as an investment trust. The Company has received approval from HM Revenue & Customs ("HMRC") as an authorised investment trust under Sections 1158 and 1159 of the Corporation Tax Act 2010 ("Sections 1158 and 1159"). This approval is subject to there being no subsequent enquiry under corporation tax self-assessment and to there being no subsequent serious breaches of the regulations. The Directors of the Company will endeavour to direct the Company's affairs so as to enable it to continue to qualify for such approval.

The Company's status as an investment trust allows it to obtain an exemption from paying taxes on the profits made from the sale of its investments. Investment trusts offer a number of advantages for investors, including access to investment opportunities that might not be open to private investors and to professional stock selection skills at low cost.

The Company's shares are listed on the premium segment of the Official List of the UK Listing Authority and traded on the Main Market of the London Stock Exchange.

Portfolio analysis

A review of how the Company's assets have been invested is contained in the Investment Manager's Review on pages 7 and 8. A list of the Company's investments is contained in the Investment Portfolio on page 4. The Investment Portfolio sets out the sector and geographical distribution of the Company's holdings. As at 31 March 2014, the Company held eight investments, excluding cash and other net assets. As the Investment Manager continues to realise the Company's investments in accordance with its investment policy, the number of holdings is expected to reduce further.

Results and dividend

The results for the year are set out in the Income Statement on page 32 and Reconciliation of Movements in Shareholders' Funds on page 33. The Directors recommend that no dividend be paid in respect of the year ended 31 March 2014 (2013: nil).

Strategic Report

(continued)

Key performance indicators

The key performance indicator for the Company is progress towards meeting the Company's objective of realising its assets. The Directors also consider the benchmark, which is the Russell 2000 Index. It should be noted though that the relevance of this indicator is diminishing as the Company moves towards its objective. At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objective. The key performance indicators used to measure progress and performance of the Company over time are established industry measures and are as follows:

Progress towards the Company's objective

During the year, £13.62 million of assets were sold and the sum of £12.95 million was returned to shareholders via a tender offer.

Net asset value

In the year to 31 March 2014, the NAV per share decreased by 7.0% from 328.32p to 305.35p. This compares with the total return gain of 13.7% from the Russell 2000 Index, adjusted to Sterling.

Share price

In the year to 31 March 2014, the Company's share price increased by 17.1% from 234.50p to 274.50p.

Share price discount to net asset value

The underlying discount to NAV fell during the year. The discount ranged from a low of 9.92% on 7 March 2014 to a high of 30.24% on 31 May 2013, averaging 23.44% for the year. As at 31 March 2014, the Company's shares traded at a discount of 10.10% compared to 28.58% as at 31 March 2013.

Net asset value total return per Ordinary share

There was a decrease in the loss per share in the year to 31 March 2014 of 8.5% from (6.47)p to (5.92)p.

For the year ended 31 March 2014, the NAV return of the Company, measured in US Dollars, rose by 2.1% compared to a rise of 24.9% for the Russell 2000. The net asset value return of the Company, measured in Sterling, fell by 7.0% compared to a rise of 13.7% for the Russell 2000. Since the inception of the Company in 1996, the Sterling annualised return has been 7.1% against the Russell 2000 annualised return of 8.1%.

Ongoing charges

The ongoing charges ratio was 2.45% (2013: 2.25%) in the year to 31 March 2014.

Events subsequent to the year end

As detailed in the Chairman's Statement on page 6, Mr Barker succeeded Mr Fenton as Chairman of the Company on 10 June 2014.

There have not been any other significant events subsequent to the year end, nor is the Board aware of any potential developments that are likely to have a significant impact on the Company.

Investment Management Agreement

The Company's investments are managed by RENN Capital under an agreement dated 17 May 1996, as amended. Pursuant to the Side Letter to the Investment Management Agreement dated 19 March 2013 and following the approval of the shareholders at the General Meeting held on 17 April 2013, the Investment Manager is paid a fixed monthly fee of $90,000. If the realisation of the Company's assets is ongoing after 19 March 2015, the Board and Investment Manager will review the fixed monthly fee; this fee would also be renegotiated on the appointment of liquidators to the Company.

Under the revised terms, the hurdle for the achievement of any performance fee will be a cash amount which must be returned to shareholders before a performance fee can be earned (the "Cash Hurdle"). The Cash Hurdle will be the audited NAV as at 31 March 2013 plus a notional accrual (the "Accrual"), which will reflect the time value of money between 17 April 2013 and actual returns of cash in excess of the Cash Hurdle. The Investment Manager will be entitled to 10% of any amounts returned to shareholders in excess of the Cash Hurdle (including the Accrual). The Company and the Investment Manager have agreed that the opening Cash Hurdle will be the audited NAV as at 31 March 2013, in Sterling terms, and the Accrual will be 8% per annum (compound) calculated on the opening Cash Hurdle. The total performance fee payable will be capped at an amount equivalent to 10% of the NAV as at 31 March 2013.

The management agreement may be terminated by either party giving to the other not less than 12 months' notice in writing at any time. No additional compensation is payable to the Investment Manager in the event of termination.

Further details of the Investment Manager's fees are given in Note 3 to the Financial Statements.

Appointment of the Investment Manager

Through the Management Engagement Committee, the Directors keep under review the performance of the Investment Manager. In the opinion of the Directors, the continuing appointment of RENN Capital as Investment Manager, on the terms outlined in the Investment Management Agreement dated 17 May 1996, as amended, is in the best interests of shareholders as a whole.

Principal risks and uncertainties associated with the Company

Risks associated with investing in the Company include, but are not limited to, risk associated with non-compliance with Sections 1158 and 1159, valuation risk, concentration risk, liquidity/marketability risk, interest rate risk, foreign currency risk, country risk, market price and discount volatility risk and risks associated with the engagement of third parties.

Compliance with Sections 1158 and 1159

If the Company did not comply with the provisions of Sections 1158 and 1159, it would lose its investment trust status for taxation purposes. There is a risk that the diversification test which needs to be met in order to ensure compliance may be breached by the increasing concentration of the Company's holdings. The Board continues to monitor this risk by taking professional advice on the matter. At each Board meeting, the status of the Company is considered and discussed, so as to ensure compliance with the criteria of Sections 1158 and 1159.

Valuation risk

The Directors take responsibility for the valuation of a number of holdings which are unlisted. The valuations are the result of a range of valuation techniques described in Note 1 to the Financial Statements on pages 36 to 38 and do involve elements of judgement which may mean that the values recognised in the event of a sale might be significantly different from those used in the Financial Statements.

Concentration risk

The portfolio of the company is concentrated in a few investee companies, with the top five investments representing 92.4% of the net assets. Concentration in a small number of holdings can leave the Company more exposed to liquidity problems and market losses. The insolvency or other business failure of any one or more of these main portfolio positions could have a material effect on the Company, its operations and ability to achieve its objectives.

As the Company progresses with its objective to realise its assets in order to return cash to shareholders, the degree of concentration is likely to increase. This could impact the Company's ability to comply with the requirement under Sections 1158 and 1159 to spread investment risk with a diversified portfolio. The Board and the Investment Manager will be monitoring the concentration risk on an ongoing basis.

Liquidity/marketability risk

The Company is exposed to the US equity markets and could therefore be affected by a decline in the US equity markets as a whole. Furthermore, a large proportion of the stocks in which the Company invests are, by their very nature, less readily marketable than, for example, blue-chip UK equities, and the Company may hold significant ownership stakes. The Company's largest position is in a private company with no stock market liquidity. The Investment Manager attempts to manage liquidity risk by monitoring the trading volume of the listed stocks in which the Company invests and by seeking other methods of realising assets. There is a risk that the absence of liquidity may cause delays to the Company in meeting its objective of realising its assets by the end of March 2015. The Board closely monitors the performance of the Company through quarterly meetings and the review of monthly management accounts and pays close attention to the progress of the realisation process. Where possible, the Investment Manager monitors the value of the Company's underlying securities on a daily basis.

Interest rate risk

Bond prices and interest rates are inversely correlated. Thus, when interest rates increase, the price of a bond with a fixed coupon will decline. Alternatively, when interest rates decline, the price of a bond with a fixed coupon will increase. As the assets of the Company are realised, the proceeds are invested in fixed income securities or held as cash. Where fixed income securities are owned, they will normally be UK Government securities of relatively short duration, held in order to control interest rate risk.

Foreign currency risk

The Company invests in US stocks and its assets are therefore subject to fluctuations in the US Dollar/Sterling exchange rate. It is not the Company's policy to hedge the currency risk between the US Dollar and Sterling. The Investment Manager does not actively manage currency risk. As the portfolio is liquidated, the proceeds will be converted to Sterling.

Country risk

The majority of the Company's investments have financial exposure to the US economy and, therefore, will be influenced by its prospects and the performance of the US stock market.

Market price and discount volatility risk

Since the Company invests in financial instruments, market price risk is inherent in these investments. The Company itself, being a closed-end fund, has generally traded at a discount to its NAV. The magnitude of this discount fluctuates daily and can vary significantly. Thus, for a given period of time, it is possible that the market price could decrease despite an increase in the Company's net asset value. The Directors review the Company's discount levels on a weekly basis. The Company seeks to manage discount volatility through active communication with its shareholders and has, from time to time, bought back shares. The Board has taken professional advice on the use of buyback powers and decided that share buybacks should be suspended to avoid the risk of the Company dealing while in the possession of material non-public information. The Directors retain a corporate broker that can be consulted, if necessary.

Risks associated with the engagement of third parties

There are a number of potential operational risks associated with the fact that third parties undertake the Company's administration and custody of assets. Most seriously, there is the risk that third parties could fail to ensure compliance with statutory requirements, such as the Companies Act 2006 and the Listing Rules of the UK Listing Authority.

The Board regularly reviews the performance of the service providers to the Company. As part of the review, the Board considers the regular assurances provided from those service providers that appropriate controls are in place to mitigate risks relating to services undertaken on behalf of the Company.

Further information on risks

Further information on risks facing the Company is included in Note 16 to the Financial Statements: Analysis of financial assets and liabilities. Information regarding the Company's risk review procedures may also be found under 'Internal control review' on page 22.

Main trends and future development

A review of the main features of the year and the outlook for the coming year is to be found in the Chairman's Statement on page 6 and the Investment Manager's Review on pages 7 and 8. As set out in the Chairman's Statement, the Directors believe that the Company's strategy is proving effective and the Company is well placed to progress its realisation process.

Gender diversity

The Board of Directors of the Company comprised four male Directors and one female Director during, and at the end of, the year to 31 March 2014.

Employees, human rights, environmental, social and community issues

The Company has no employees and the Board is comprised entirely of non-executive Directors. Day-to-day management of the Company's business is delegated to the Investment Manager (details of the Investment Management Agreement are set out on pages 10 and 11) and the Company itself has no environmental, human rights or community policies. In carrying out its activities and in relationships with suppliers, the Company aims to conduct itself responsibly, ethically and fairly.

Andrew Barker
Chairman
23 June 2014

Report of the Directors

Directors

The Directors in office during the year and at the date of this report and their biographical details are shown on page 5.

Corporate governance

The Company's corporate governance statement is set out on pages 17 to 23.

Share capital

At the Annual General Meeting held on 30 July 2013, the Company was granted authority to purchase up to 14.99% of the Company's Ordinary shares in issue at that date, being 2,613,953 Ordinary shares. No shares have been bought back under this authority.

At the General Meeting held on 13 March 2014, the Company was granted authority to purchase up to 25% of the Company's issued share capital as at 31 March 2013 amounting to 4,359,494 Ordinary shares. As part of the Company's realisation strategy and in accordance with the above authority, a tender offer took place in March 2014. As a result of the tender offer, 4,359,438 Ordinary shares (with a nominal value of £1,089,859.50), representing 24.99% of the issued share capital at 31 March 2013, were bought back for cancellation at a price of 297.0036p. The total cost of shares purchased, including stamp duty, was £13.0 million. As at 23 June 2014, the Company may purchase up to 56 Ordinary shares under the existing authority. This authority will expire at the 2014 Annual General Meeting.

No shares were issued during the year.

At 31 March 2014, and as at the date of this report, the Company's issued share capital comprised 13,078,541 Ordinary shares of 25p each. No shares were held in treasury at the year end (2013: nil).

At general meetings of the Company, shareholders are entitled to one vote on a show of hands and on a poll, to one vote for every share held. The total voting rights of the Company at 31 March 2014 were 13,078,541.

Substantial shareholdings

The Company has been informed of the following notifiable interests in the voting rights of the Company as at 31 March 2014 and 23 June 2014, the date of this report:

	31 March 2014		**23 June 2014**	
	Number of shares	% of voting rights	Number of shares	% of voting rights
East Riding of Yorkshire Council	1,537,500	11.76	1,537,500	11.76
Ruffer LLP	1,473,750	11.27	1,473,750	11.27
Steven Robert Becker	1,404,618	10.74	1,404,618	10.74
Charles Stanley & Co. Limited	1,112,085	8.50	1,112,085	8.50
Armstrong Investments Limited	949,663	7.26	949,663	7.26
Jupiter Asset Management Limited	896,463	6.85	896,463	6.85
William Vanderfelt	828,195	6.33	828,195	6.33
Cayenne Asset Management	797,982	6.10	797,982	6.10
Henderson Global Investors	736,173	5.63	736,173	5.63
Nicholas John Greenwood	592,667	4.53	592,667	4.53
Apollo Fund plc	429,895	3.29	429,895	3.29
Miton Worldwide Growth Investment Trust PLC	423,300	3.24	423,300	3.24

Information about securities carrying voting rights

The following information is disclosed in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and DTR 7.2.6 of the Financial Conduct Authority's Disclosure and Transparency Rules:

- The Company's capital structure and voting rights and details of the substantial shareholders in the Company are set out on page 14.
- An amendment to the Company's Articles of Association and the giving of powers to issue or buyback the Company's shares requires an appropriate resolution to be passed by shareholders.
- There are no restrictions concerning the transfer of securities in the Company; no restrictions on voting rights; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; and no agreements which the Company is party to that might affect its control following a takeover bid.

Going concern

These Financial Statements are not prepared on a going concern basis because the Directors expect that the Company will enter voluntary liquidation within 12 months in line with its investment policy. This accounting treatment has no material impact on the Financial Statements.

Auditor

The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and each Director has taken all the steps that ought to have been taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

KPMG Audit Plc has expressed its willingness to continue in office as Auditor and resolutions for its re-appointment and to authorise the Board to determine its remuneration will be put to shareholders at the forthcoming Annual General Meeting to be held on 30 July 2014.

Financial risk management

Information about the Company's financial risk management objectives and policies is set out in Note 16 of the Financial Statements on pages 46 to 54.

Global greenhouse gas emissions

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

Annual General Meeting

The notice convening the Annual General Meeting of the Company to be held on 30 July 2014 is set out on pages 56 to 58. Shareholders are being asked to vote on various items of business, being: the receipt and acceptance of the Strategic Report, Directors' Report, Auditor's Report and the audited Financial Statements for the year ended 31 March 2014; the receipt and approval of Directors' Remuneration Report and Director's Remuneration Policy; the re-election of Directors; the re-appointment of KPMG Audit Plc as Auditor; the authorisation of the Directors to determine the remuneration of the Auditor and the holding of general meetings on not less than 14 clear days' notice.

A new directors' remuneration reporting regime came into effect on 1 October 2013. Shareholders will now have an annual advisory vote on the report on Directors' remuneration and a binding vote, to be held every three years, on the remuneration policy of the Directors. Accordingly, shareholders are being requested to vote on the receipt and approval of the Directors' Remuneration Report as set out on pages 24 to 26 and on the Directors' Remuneration Policy as set out on pages 26 and 27.

Resolutions 1 to 7 will be proposed as Ordinary Resolutions and Resolution 8 will be proposed as a Special Resolution.

Special business at the Annual General Meeting

General meetings

Resolution 8, as set out in the notice of the Annual General Meeting, if passed, will renew the approval to convene general meetings of the Company, other than annual general meetings, on a minimum of 14 clear days' notice. The notice period for annual general meetings will remain at 21 clear days. The approval will be effective until the Company's next Annual General Meeting to be held in 2015. The Directors will only call a general meeting on 14 clear days' notice where they consider it to be in the interests of shareholders to do so and the relevant matter requires to be dealt with expediently.

Directors' recommendation

The Directors consider each resolution being proposed at the Annual General Meeting to be in the best interests of the Company and shareholders as a whole and they unanimously recommend that all shareholders vote in favour of them, as they intend to do so in respect of their own beneficial shareholdings.

By order of the Board
Capita Sinclair Henderson Limited
Secretary
23 June 2014

Corporate Governance

Statement of Compliance with the AIC Code of Corporate Governance

The Board has considered the principles and recommendations of the AIC Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide") published in February 2013, both of which can be found on the AIC website at www.theaic.co.uk. The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code ("UK Code") as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Code), will provide better information to shareholders. A copy of the UK Code can be found at www.frc.org.uk.

The Board considers that it has managed its affairs in compliance with the AIC Code and the relevant provisions of the UK Code throughout the year ended 31 March 2014, except where it has concluded that adherence or compliance with any particular principle or recommendation of either of the Codes would not have been appropriate to the Company's circumstances. Similar to the UK Code, the AIC Code specifies a "comply or explain" basis and the Board's report under this section explains any deviation from its recommendations. As set out in the AIC Guide accompanying the AIC Code, the Board considers that the UK Code's recommendations with respect to the role of the chief executive, executive directors' remuneration and the need for an internal audit function are not relevant to the Company's circumstances as an externally managed investment trust. The Company has therefore not reported further in respect of these provisions.

Board of Directors

Under the leadership of the Chairman, the Board is responsible for the effective stewardship of the Company's affairs, including corporate strategy, corporate governance, risk assessment and overall investment policy.

The Board consists of five non-executive Directors. Brief biographical details of the Directors can be found on page 5.

The terms and conditions of the appointment of the non-executive Directors are formalised in letters of appointment, copies of which are available for inspection from the registered office of the Company and will be available at the Annual General Meeting. None of the Directors has a service contract with the Company nor has there been any other contract or arrangement between the Company and any Director at any time during the year. Given the size and nature of the Company and that all Directors are independent, the Board does not consider it necessary to appoint a senior independent director.

The Board has agreed arrangements whereby Directors may take independent professional advice in the furtherance of their duties and the Company has Directors' and Officers' Liability Insurance to cover legal defence costs. Under the Company's Articles of Association, the Directors are provided, subject to the provisions of UK legislation, with an indemnity in respect of liabilities which they may sustain or incur in connection with their appointment. Apart from this, there are no third party indemnity provisions in place.

The Board does not consider it appropriate that Directors be restricted to serving on the Board for a limited number of years and believes that the long-serving Directors of the Company bring extensive knowledge and experience to the Board. Therefore, the Company does not have a formal policy on tenure.

Board balance and independence

Mr Barker, Mr Bates, Mr Fenton and Mr Vanderfelt participated in the Company's tender offer in March 2014. Apart from this, none of the Directors, nor any persons connected with them, had a material interest in any of the Company's transactions, arrangements or agreements during the year.

The independence of the Directors is reviewed as part of the annual evaluation process and each Director is considered to be independent in character and judgement and entirely independent of the Investment Manager. None of the Directors sits on the boards of any of the other companies managed by the Investment Manager. The Board does not consider that length of service necessarily compromises the independence of a Director.

Mr Vanderfelt has a significant shareholding in the Company, which is deemed to align his interests with those of the shareholders and therefore does not compromise his independence.

Corporate Governance

(continued)

Chairman

The Chairman, Mr Barker, is deemed by his fellow Directors to be independent in character and judgement and free of any conflicts of interest. He has no significant commitments other than those disclosed in his biography on page 5.

Re-election and retirement of Directors

In accordance with the Company's Articles of Association, one-third of the Directors eligible to retire by rotation shall retire from office at each annual general meeting. The Board has adopted a policy whereby all Directors will be required to stand for re-election at least every three years. Mr Bates will retire by rotation this year and, being eligible, will offer himself for re-election by shareholders at the forthcoming Annual General Meeting.

In accordance with the AIC Code, Mr Vanderfelt, having served on the Board for over nine years, will offer himself for re-election and continue to do so on an annual basis.

Mr Bates has many years' experience as an investment manager and his present position as a director of Guardian Capital Limited ensures that the Board has access to his current and relevant experience in the sector. Mr Bates makes a valuable and effective contribution to your Company and as the Chairman of the Company's Audit Committee, he takes a close and detailed interest in all aspects of the audit process.

Mr Vanderfelt has a wide experience of investment matters having spent many years with Petercam SA, the largest independent member firm on the Brussels Stock Exchange, until he retired as managing partner in 2001. His detailed knowledge of the investment world internationally is of great benefit to the Board and his support for the Company is also reflected in his substantial investment in its shares.

As detailed in the Chairman's Statement on page 6, Mr Fenton will not be seeking re-election at the forthcoming Annual General Meeting.

The Board strongly recommends the re-election of Mr Bates and Mr Vanderfelt on the basis of their expertise and experience in investment matters, their independence and their continuing effectiveness and commitment to the Company.

Board operation

The Directors have adopted a formal schedule of matters specifically reserved for the Board's approval. These reserved matters include the following:

- Approval of annual and half-yearly reports and financial statements, circulars and other shareholder communications.
- Board appointments and removals
- Changes to Company's objectives and accounting policies
- Appointment and removal of auditor

At the Board meetings, the Directors follow a formal agenda to review the Company's investments and all other important issues to ensure that control is maintained over the Company's affairs.

The Board is responsible for adherence to the investment policy and strategic and operational decisions of the Company. The Company's main functions are delegated to a number of service providers, each engaged under separate legal contracts. The management of the Company's portfolio is delegated to the Investment Manager, which has discretion to manage the assets in accordance with the Company's objectives and policies. A representative of the Investment Manager attends each Board meeting to present written and verbal reports on its activities and portfolio performance.

The Directors meet at regular Board meetings, at least once every quarter, and additional meetings and telephone meetings are arranged as necessary. Mrs Mackesy attended three of the four scheduled Board meetings held during the year. There was full attendance by all other Directors, either in person or by telephone conference, which is considered cost-effective for Directors not resident in the UK. All Directors attended the Annual General Meeting held in July 2013 in person.

Committees of the Board

The Board has appointed a number of Committees, as set out below, to assist its operations. Each Committee's delegated responsibilities are clearly defined in formal terms of reference, which are available from the Company's registered office. Mr Bates chairs the Audit Committee and Valuation Committee, with Mr Fenton having chaired the Remuneration and Nomination Committee and Management Engagement Committee during the year. Mr Barker took over the chairmanship of the Remuneration and Nomination Committee and the Management Engagement Committee with effect from 10 June 2014. Each committee comprises the full Board as all the Directors are independent and non-executive and it is considered that the size of the Board is conducive to including all Directors in the business and operations of the Company.

Audit Committee

The Board has established an Audit Committee to assist with its operations. The Committee meets formally at least twice a year. The Board believes it is appropriate for the Chairman of the Company to be a member of the Audit Committee as he provides a valuable contribution to the Committee and his membership enhances the operation of the Committee and its interaction with the Board. It is considered that there is a range of relevant financial expertise amongst the members of the Committee.

The Committee met twice during the year. Each member of the Committee was present at both meetings with the exception of Mrs Mackesy, who attended one of the meetings.

The Committee provides a forum through which the Company's Auditor reports to the Board of Directors. It makes recommendations to the Board on the remuneration and terms of appointment of the Auditor and monitors the Auditor's independence, objectivity and effectiveness. The Audit Committee considers the appointment of the Company's Auditor on an annual basis prior to the commencement of the annual audit. When considering this appointment, the Committee takes the following factors into account:

- performance of the Auditor during the previous year;
- the level of fees in relation to the previous year and those of comparable investment companies;
- the resources available within the audit team; and
- the technical expertise of the firm in question.

These matters are discussed without the presence of the Auditor and the Committee's recommendations are then communicated to the Board for consideration and, if thought appropriate, ratification.

As KPMG Audit Plc provides tax compliance services to the Company in addition to audit services, the Committee receives an annual assurance from KPMG Audit Plc that its independence as an Auditor is not compromised by the practice of these services.

The Committee has considered the independence and objectivity of the Auditor and has conducted a review of non-audit services which the Auditor has provided. The Auditor does provide some non-audit services primarily in the provision of tax compliance but the Committee is satisfied that its objectivity and independence is not impaired by the performance of these non-audit services and believes that the appointment of a third party unfamiliar with the Company to carry out non-audit services would be of no benefit to shareholders since they would incur unnecessary additional expense. The Committee is satisfied that in these respects, KPMG Audit Plc has fulfilled its obligations to the Company and its shareholders and has recommended their reappointment to the Board.

Corporate Governance

(continued)

Report from the Audit Committee

The primary responsibilities of the Audit Committee are to review the integrity and contents of the Company's financial statements and accounting policies; to monitor the statutory audit of the Company's annual financial statements and the effectiveness of the Company's financial reporting, internal control and risk management policies and procedures; and to consider compliance with regulatory and financial reporting requirements.

The Company does not have an internal audit function as most of its day-to-day operations are delegated to third parties, all of whom have their own internal control procedures. The Audit Committee discussed whether it would be appropriate to establish an internal audit function, and agreed that the existing system of monitoring and reporting by third parties remains appropriate and sufficient. This requirement is annually reviewed by the Audit Committee.

During the year, the Audit Committee reviewed the half-yearly and annual reports and made formal recommendations to the Board. It also reviewed the internal controls which considered risks concerning financial controls, fund accounting, compliance and risk management.

The Audit Committee has reviewed the Company's Financial Statements for the year ended 31 March 2014 and advised the Board accordingly. During the year, the Committee considered the following issues in relation to the Financial Statements:

- The Committee reviewed the performance and monitored the trading volumes of the Company's listed investments during the course of the year. On the basis of this review, the Committee recommended to the Board that these investments should continue to be valued by reference to their share prices on the stock markets.

- An independent valuation of AnchorFree, the largest unlisted holding in the Company's portfolio, was obtained. Following a review of AnchorFree's future growth plans and revenue projections, the Audit Committee agreed that the existing carrying value of the holding continued to be appropriate. The carrying value was towards the lower end of the valuation range provided by the independent valuer. Therefore, the Committee recommended to the Board that the current valuation of AnchorFree be maintained.

- In the next 12 months, it is expected that substantial progress would have been made in the sale of the remaining holdings in the Company's portfolio, including the largest, AnchorFree. Given that it is the intention of the Directors to distribute the remaining proceeds of sales to shareholders as soon as is reasonably possible, it is likely, in these circumstances, that the Company will relinquish its status as a going concern and may enter voluntary liquidation. Therefore, these Financial Statements are not prepared on a going concern basis.

Apart from those mentioned above, there were no significant issues identified in relation to these Financial Statements. The Audit Committee has reviewed the internal controls and risk management systems of the Company and its third party service providers. The Audit Committee reviewed the audit plan and fees presented by KPMG Audit Plc and considered its report on the Financial Statements. The fee for the audit of the Annual Report and Financial Statements for the year ended 31 March 2014 is £33,837 (2013: £33,174). KPMG Audit Plc also provide routine tax compliance services to the Company. The proposed fee for these services for 2014 is £5,000 (2013: £5,000). Details of the fees paid to the Auditor are set out in Note 4 of the Financial Statements on page 40.

KPMG Audit Plc was first appointed as Auditor for the Company upon incorporation in 1996. No tender for the audit of the Company has been undertaken since this date. As the Company is currently in the process of realising its assets and might enter into voluntary liquidation during the forthcoming months, the Board does not consider tendering for an external audit to be prudent in the current circumstances. As part of its review of the continuing appointment of the Auditor, during the year, the Audit Committee considered the feedback from the Administrator, the length of tenure of the audit firm, its fees and independence, along with any matters raised during the audit. The Chairman of the Audit Committee meets with the Auditor outside of the meetings twice a year. The Audit Committee has discussed the Auditor's objectivity and their experience in the investment trust industry, and recommended their continued appointment as external Auditor for the Company to the Board.

Management Engagement Committee
The Management Engagement Committee met once during the year, attended by all members except Mrs Mackesy. The Committee is responsible for reviewing the terms of the Investment Management Agreement and assessing the continuing appointment of the Investment Manager on an annual basis. The Investment Manager's continuing appointment is discussed by the Committee without RENN Capital or any of its representatives being present. The Committee also reviews the performance and continuing appointment of the Company's service providers.

Remuneration and Nomination Committee
The Remuneration and Nomination Committee met once during the year, attended by all members except Mrs Mackesy. In accordance with its terms of reference, the Committee monitors the balance of skills and experience on the Board, considers new appointments with a view to making recommendations to the Board, considers the recommendations for the re-election of Directors and keeps under review the policy for Directors' remuneration. The Company does not have a specific diversity policy, but diversity, including gender, is one of the factors taken into account when considering the composition and effectiveness of the Board.

The Company notes that it is not compliant with Principle 5 of the AIC Code which states that the chairman of the company may not also chair the remuneration committee. The Directors have considered this principle and believe that the Chairman of the Company fulfils the role of the chairman of the Remuneration and Nomination Committee with independence whilst also rigorously applying appropriate best practice industry standards.

Full details of the remuneration arrangements for Directors can be found in the Directors' Remuneration Report on pages 24 to 27.

Valuation Committee
The Valuation Committee met twice during the year. Each member of the Committee was present at both the meetings with the exception of Mr Vanderfelt and Mr Barker, who attended one meeting each. The Committee meets periodically between Board meetings to review the individual valuations of the unquoted and less liquid holdings in the portfolio.

Performance evaluation
An evaluation of the Board, its Committees, individual Directors and the Chairman was undertaken following the year end by verbal consultation. During this process, the following matters were considered:

- independence of the Directors;
- evaluation of the Chairman's and the Board's performance;
- structure, composition and performance of Committees; and
- format and focus of Board and Committee meetings.

It was concluded that each Director continued to contribute effectively and that the Board as a whole continued to demonstrate a suitable balance of skill and experience relevant to the leadership and direction of the Company. This process is carried out on an annual basis. The Board does not consider that the use of external consultants to conduct this evaluation would provide any significant advantage over the process adopted, however, the option of doing so would be regularly reviewed.

Engagement with investee companies
As an externally managed investment company, the Board delegates the majority of its responsibilities in relation to engagement with investee companies to the Investment Manager. However, the Board retains oversight of this process by receiving regular updates from the Investment Manager on its engagement activities and by reviewing the Investment Manager's engagement and voting policies.

Dialogue with shareholders
The Directors are always available to enter into dialogue with shareholders. Communications from shareholders should be sent to the Company's registered office. All shareholders are encouraged to attend and vote at the Annual General Meeting during which the Directors will be available to discuss issues affecting the Company.

Corporate Governance

(continued)

The Board receives regular updates from the Investment Manager and the Company's broker on the news of the Company's major shareholders and arranges direct meetings where appropriate.

The net asset value is released to the London Stock Exchange on a weekly basis and posted on the Company's website at www.renaissanceusgrowth.co.uk.

Conflicts of interest

It is the responsibility of each individual Director to avoid an unauthorised conflict of interest situation arising. He/she must request authorisation from the Board as soon as he/she becomes aware of the possibility of an interest that conflicts or might possibly conflict with the interests of the Company (a "situational conflict"). The Company's Articles of Association authorise the Board to approve such situations, where deemed appropriate.

The Board is responsible for considering Directors' requests for authorisation of situational conflicts and for deciding whether or not the situational conflict should be authorised. The factors to be considered will include: whether the situational conflict could prevent the Director from properly performing his/her duties; whether it has, or could have, any impact on the Company; and whether it could be regarded as likely to affect the judgment and/or actions of the Director in question. When the Board is deciding whether to authorise a conflict or potential conflict, only Directors who have no interest in the matter being considered are able to take the relevant decision, and in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors are able to impose limits or conditions when giving authorisation if they think this is appropriate in the circumstances.

A register of conflicts is maintained by the Secretary and is reviewed at Board meetings, to ensure that any authorised conflicts remain appropriate. Directors are required to confirm at these meetings whether there has been any change to their position.

Internal control review

The Board is responsible for establishing and maintaining the Company's system of internal controls and the reliability of the financial reporting process and for reviewing their effectiveness. An ongoing process, in accordance with the guidance supplied by the Financial Reporting Council on internal controls, has been established for identifying, evaluating and managing the significant risks faced by the Company. This process, together with key procedures established with a view to providing effective financial control over the Company's operations, has been in place throughout the year and up to the date the Financial Statements were approved. This process is reviewed on a regular basis by the whole Board. The process involves reports from the Secretary on risk control and compliance, in conjunction with the Investment Manager's regular reports which cover investment performance and compliance issues. In addition, the Board receives internal control reports from the parties to which it delegates functions.

The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Company's objectives. It should be recognised that such systems can only provide reasonable, not absolute, assurance against material misstatement or loss.

The key procedures which have been established to provide effective internal control are as follows:

- investment management is provided by RENN Capital. The Board is responsible for setting the overall investment policy and monitors the performance of the Investment Manager at regular Board meetings;
- Capita Sinclair Henderson Limited is responsible for the provision of administration and company secretarial duties for the Company;
- custody of the Company's assets is undertaken by Frost National Bank (US) and Bank of New York Mellon (UK);
- registration services are provided by Capita Registrars Limited;
- the duties of investment management, accounting and the custody of assets are segregated. The procedures of the individual parties are designed to complement one another;

- the Directors of the Company clearly define the duties and responsibilities of their agents and advisers. The appointment of agents and advisers is conducted by the Board after consideration of the quality of the parties involved and the Board monitors their ongoing performance and contractual arrangements;
- mandates for the authorisation of investment transactions and expense payments are set by the Board; and
- the Board reviews financial information produced by the Investment Manager and the Administrator in detail on a regular basis.

In accordance with the guidance issued to Directors of listed companies, the Directors have carried out a review of the effectiveness of the system of internal controls for the year ended 31 March 2014 and until the date of this report.

By order of the Board
Capita Sinclair Henderson Limited
Secretary
23 June 2014

Directors' Remuneration Report

The Board has prepared this report in accordance with the requirements of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

The law requires the Company's Auditor to audit certain disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in its report on pages 29 to 31.

DIRECTORS' REMUNERATION REPORT

Statement from the Chairman of the Remuneration and Nomination Committee

I am pleased to present the Directors' Remuneration Report for the year ended 31 March 2014.

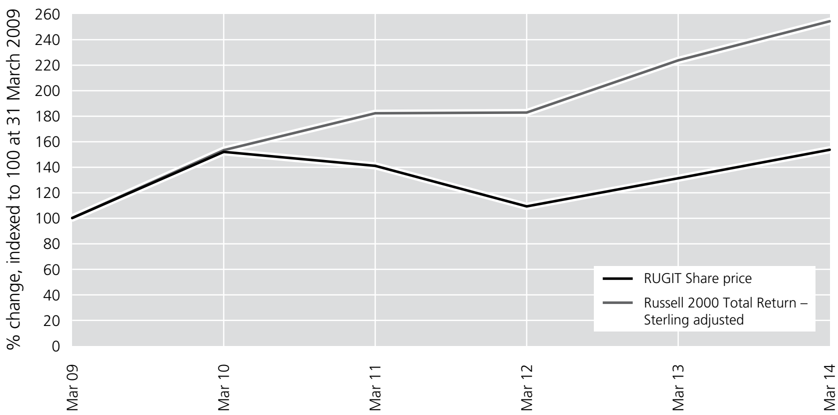
Shareholders may be aware that new rules for the reporting of directors' remuneration came into effect on 1 October 2013. These now require companies to ask shareholders to approve the remuneration paid to directors every year and to formally approve the directors' remuneration policy on a three-yearly basis. Any change to the directors' remuneration policy will require shareholder approval. The vote on the directors' remuneration report is, as previously, an advisory vote, whilst the directors' remuneration policy is subject to a binding vote. Accordingly, Ordinary Resolutions will be put to shareholders at the forthcoming Annual General Meeting to be held on 30 July 2014, to receive and approve the Directors' Remuneration Report and to receive and approve the Directors' Remuneration Policy.

The Remuneration and Nomination Committee, comprised of the independent non-executive Directors, currently the full Board, deals with the Directors' remuneration.

During the year ended 31 March 2014, the fees were set at the rate of £32,000 for the Chairman, £25,000 for the Chairman of the Audit Committee and £20,000 for other Directors. Directors' fees were last increased on 1 April 2010.

Your Company's performance

The graph below compares the total return to Ordinary shareholders compared to the total shareholder return of the Russell 2000 Index. The Index was chosen for comparison purposes, as it was the benchmark used for investment performance measurement purposes during the year ended 31 March 2014.



Directors' emoluments for the year ended 31 March 2014 (audited)

The Directors who served in the year received the following emoluments in the form of fees:

	Fees		**Total**	
	Year to 31 March 2014	Year to 31 March 2013	**Year to 31 March 2014**	Year to 31 March 2013
	£	£	**£**	£
Ernest Fenton (Chairman)	**32,000**	32,000	**32,000**	32,000
Steven Bates	**25,000**	25,000	**25,000**	25,000
Andrew Barker	**20,000**	20,000	**20,000**	20,000
Alexandra Mackesy	**20,000**	20,000	**20,000**	20,000
William Vanderfelt	**20,000**	20,000	**20,000**	20,000
	117,000	117,000	**117,000**	117,000

Relative importance of spend on pay

The table below sets out, in respect of the financial year ended 31 March 2014 and the preceding financial year:

a) the remuneration paid to the Directors; and

b) the cash returned to shareholders by way of tender offer in March 2014.

	Year ended 31 March 2014	Year ended 31 March 2013	Change
	£	£	
Total remuneration	**117,000**	117,000	0.0%
Cash returned to shareholders	**12,947,000**	–	100.0%

Directors' interests (audited)

The interests of the Directors and any connected persons in the Ordinary shares of the Company are set out below:

	31 March 2014 Beneficial	31 March 2013 Beneficial
Andrew Barker	**48,451***	65,000
Steven Bates	**9,375***	12,500
Ernest Fenton	**31,359***	50,000
Alexandra Mackesy	**–**	–
William Vanderfelt	**828,195***	1,125,000

* Number of Ordinary shares held after participating in the tender offer in March 2014.

There have been no changes to any of the above holdings between 31 March 2014 and the date of this report.

None of the Directors or any persons connected with them had a material interest in the Company's transactions, arrangements or agreements during the year.

Directors' Remuneration Report

(continued)

Directors' service contracts

The Company does not enter into service contracts with its Directors. The terms of their appointment provide that a Director shall retire and be subject to election at the first Annual General Meeting after his/her appointment, and at least every three years thereafter.

The terms also provide that a Director may be removed without notice and no compensation is payable to a Director on leaving office.

Approval of current Directors' Remuneration Report

The Directors' Remuneration Report for the year ended 31 March 2013 was approved by shareholders at the Annual General Meeting held on 30 July 2013. The votes cast by proxy were as follows:

	Number of votes	**% of votes cast**
For	9,825,242	99.997
Against	300	0.003
At Chairman's discretion	0	0.000
Total votes cast	**9,825,542**	**100.000**
Number of votes withheld	2,118	

DIRECTORS' REMUNERATION POLICY

The Company follows the recommendation of the AIC Code that Directors' remuneration should reflect their duties, responsibilities and the value of their time spent on the Company's affairs. The Board's policy is that the remuneration of non-executive Directors should reflect the experience of the Board as a whole, and be determined with reference to comparable organisations and appointments. It is intended that this policy will continue for the year ending 31 March 2015.

The fees of the non-executive Directors are determined within the limits set out in the Company's Articles of Association, and the Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits. There are no performance conditions attaching to the remuneration of the Directors as the Board does not consider such arrangements or benefits necessary or appropriate for non-executive Directors. The approval of shareholders would be required to increase the limits set out in the Articles of Association.

The Board has set three levels of fees for the Chairman, the Director who chairs the Audit Committee and the other Directors.

	Expected fees for year to 31 March 2015 £	Fees for year to 31 March 2014 £
Chairman	**32,000**	32,000
Audit Committee Chairman	**25,000**	25,000
Non-executive Director	**20,000**	20,000
Total aggregate annual fees that can be paid to the Directors in any year under the Directors' Remuneration Policy, as set out in the Company's Articles of Association	**150,000**	150,000

The approval of shareholders would be required to increase the aggregate limit of £150,000, as set out in the Company's Articles of Association.

Any views expressed by shareholders on the fees being paid to Directors would be taken into consideration by the Board when reviewing the Directors' Remuneration Policy and in the annual review of Directors' fees.

It is intended that the Company's policy when determining the duration of notice periods and termination payments under the Directors' letters of appointment will be based on prevailing best practice guidelines. Under the Directors' letters of appointment, there is no notice period and no compensation is payable to a Director on leaving office.

An Ordinary Resolution for the approval of this Directors' Remuneration Policy will be put to shareholders at the forthcoming Annual General Meeting. If approved by shareholders, it is intended that this policy will be effective immediately upon the passing of the resolution.

Approval

The Directors' Remuneration Report was approved by the Board on 23 June 2014 and signed on its behalf by:

Andrew Barker
Chairman
23 June 2014

Management Report

Listed companies are required by the Financial Conduct Authority's Disclosure and Transparency Rules (the "Rules") to include a management report within their annual report and financial statements.

The information required to be included in the management report for the purpose of these Rules is detailed in the Strategic Report on pages 6 to 13. Therefore no separate management report has been included.

Statement of Directors' responsibilities in respect of the Annual Report and Financial Statements

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, they have elected to prepare the Financial Statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. As explained in the Report of the Directors, the Directors do not believe that it is appropriate to prepare these Financial Statements on a going concern basis.

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 Act and the Listing Rules of the UK Listing Authority. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors confirm that, to the best of their knowledge:

- the Financial Statements, which have been prepared in accordance with UK Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and net return of the Company;

- the Strategic Report and the Directors' Report include 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; and

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

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

On behalf of the Board

Andrew Barker
Chairman
23 June 2014

Report of the Independent Auditor

To the members of RENN Universal Growth Investment Trust PLC

OPINIONS AND CONCLUSIONS ARISING FROM OUR AUDIT

1 Our opinion on the Financial Statements is unmodified

We have audited the Financial Statements of RENN Universal Growth Investment Trust PLC for the year ended 31 March 2014 set out on pages 32 to 35. In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

2 Emphasis of Matter – non-going concern basis of preparation

Informing our opinion on the Financial Statements, which is not modified, we have considered the adequacy of the disclosure made in Note 1 to the Financial Statements which explains that the Financial Statements are now not prepared on the going concern basis for the reason set out in that Note.

3 Our assessment of risks of material misstatement

In arriving at our audit opinion above on the Financial Statements, the risks of material misstatement that had the greatest effect on our audit were as follows:

Valuation of Unlisted Investments (£16,664,000)

Refer to page 20 (Report from the Audit Committee), pages 36 to 38 (accounting policies) and pages 36 to 54 (financial disclosures).

- *The risk* – 42% of the Company's total assets (by value) are held in investments where no quoted market price is available. Unquoted investments are measured at fair value, which is established in accordance with the International Private Equity and Venture Capital Valuation Guidelines by using measurements of value such as price of recent orderly transactions, earnings multiples, and net assets. There is a significant risk over the valuation of these investments and this is one of the key judgemental areas that our audit focused on. The particular investment holding we focused our audit effort on was AnchorFree which comprised 41% of the total assets of the Company.
- *Our response* – Our procedures included, among others:
  - enquiry of the Directors and the Investment Manager to document and assess the design and implementation of the investment valuation processes and controls in place;
  - challenging the Investment Manager on key judgements affecting investee company valuations in the context of observed industry best practice and the provisions of the International Private Equity and Venture Capital Valuation Guidelines. We analysed the report received from the Company's independent valuers. In particular, we focused on the appropriateness of the valuation basis selected as well as the underlying assumptions, such as the choice of benchmark for earnings multiples. We compared key underlying financial data inputs to management information as applicable. Our work included consideration of events which occurred subsequent to the year end up until the date of this audit report;
  - attending the year-end Audit Committee meeting where we assessed the effectiveness of the Audit Committee's challenge and approval of the valuation of AnchorFree; and
  - consideration of the appropriateness, in accordance with relevant accounting standards, of the disclosures in Note 7 in respect of unlisted investments and the effect of changing one or more inputs to reasonably possible alternative valuation assumptions.

Report of the Independent Auditor

To the members of RENN Universal Growth Investment Trust PLC *(continued)*

Valuation of Listed Investments (£21,071,000)

Refer to page 20 (Report from the Audit Committee), pages 36 to 38 (accounting policies) and pages 36 to 54 (financial disclosures).

- *The risk* – The Company's portfolio of listed investments makes up 53% of total assets (by value) and is considered to be a key driver of capital and revenue performance. We do not consider listed investments to be at high risk of significant misstatement, or to be subject to a significant level of judgement because they comprise liquid, quoted investments. However, due to their materiality in the context of the Financial Statements as a whole, they are considered to be one of the areas which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.
- *Our response* – Our procedures over the existence, completeness and valuation of the Company's portfolio of listed investments included, but were not limited to:
  - documenting and assessing the processes in place to record investment transactions and to value the portfolio;
  - agreeing the valuation of 100 per cent of portfolio investments to externally quoted prices;
  - assessing the trading volumes of the listed investments reported on external exchanges to consider whether the quoted prices are derived from sufficiently liquid sources; and
  - agreeing 100 per cent of portfolio investment holdings to independently received third party confirmations.

4 Our application of materiality and an overview of the scope of our audit

The materiality for the Financial Statements as a whole was set at £407,000. This has been determined with reference to a benchmark of Total Assets (of which it represents 1%). Total Assets, which is primarily composed of the Company's investment portfolio, is considered the key driver of the Company's capital and revenue performance and, as such, we believe that it is one of the principal considerations for members of the Company in assessing its financial performance.

We agreed with the Audit Committee to report to it all corrected and uncorrected misstatements we identified through our audit with a value in excess of £20,000, in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was all performed at our offices in London through interaction with the Investment Manager, RENN Capital, and the Administrator, Capita Sinclair Henderson Limited, in Exeter.

5 Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the information given in the Corporate Governance Statement, set out on pages 17 to 23, with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the Financial Statements.

6 We have nothing to report in respect of the matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the Annual Report that contains a material inconsistency with either that knowledge or the Financial Statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the Directors' Responsibilities Statement that they consider that the Annual Report and Financial Statements taken as a whole are fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy; or
- the Report from the Audit Committee within the Corporate Governance Statement does not appropriately address matters communicated by us to the Audit Committee.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a Corporate Governance Statement has not been prepared by the Company.

Under the Listing Rules we are required to review:

- the Directors' Responsibilities Statement, set out on page 28, in relation to going concern; and
- the part of the Corporate Governance Statement on pages 17 to 23 relating to the Company's compliance with the nine provisions of the 2010 UK Corporate Governance Code specified for our review.

We have nothing to report in respect of the above responsibilities.

Scope of report and responsibilities

As explained more fully in the Directors' Responsibilities Statement set out on page 28, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate. This report is made solely to the Company's members as a body and is subject to important explanations and disclaimers regarding our responsibilities, published on our website at www.kpmg.com/uk/auditscopeukco2013a, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

Salim Tharani (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL
23 June 2014

Income Statement

for the year ended 31 March 2014

	Notes	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000
Losses on investments at fair value through profit or loss	7	**–**	**(2,893)**	**(2,893)**	–	(913)	(913)
Exchange (losses)/gains on capital items	7	**–**	**(323)**	**(323)**	–	22	22
Income	2	**243**	**–**	**243**	231	–	231
Investment management fee	3	**(677)**	**–**	**(677)**	(746)	–	(746)
Investment management performance fee	3	**–**	**–**	**–**	–	175	175
Other expenses	4	**(587)**	**–**	**(587)**	(621)	–	(621)
Return before finance costs and taxation		**(1,021)**	**(3,216)**	**(4,237)**	(1,136)	(716)	(1,852)
Interest payable		**–**	**–**	**–**	–	–	–
Return after finance costs and before taxation		**(1,021)**	**(3,216)**	**(4,237)**	(1,136)	(716)	(1,852)
Taxation on ordinary activities	5	**–**	**–**	**–**	(9)	–	(9)
Return on ordinary activities after taxation for the financial year		**(1,021)**	**(3,216)**	**(4,237)**	(1,145)	(716)	(1,861)
		pence	pence	pence	pence	pence	pence
Return per Ordinary share	6	**(5.92)**	**(18.63)**	**(24.55)**	(6.47)	(4.04)	(10.51)

The total column of this statement is the profit and loss account of the Company. The supplementary revenue return and capital return columns have been prepared in accordance with the AIC's Statement of Recommended Practice. Revenue and capital return per share figures shown are also supplementary information.

All revenue and capital items in the above statement derive from continuing activities.

There are no recognised gains and losses other than those reflected in the Income Statement for the year, accordingly no statement of recognised gains and losses has been prepared.

The Notes on pages 36 to 54 form part of these Financial Statements.

Reconciliation of Movements in Shareholders' Funds

for the year ended 31 March 2014

	Share capital £'000	**Share premium account £'000**	**Capital redemption reserve £'000**	**Special reserve* £'000**	**Capital reserve £'000**	**Revenue reserve £'000**	**Total £'000**
As at 1 April 2013	**4,359**	**5,995**	**972**	**2,698**	**50,159**	**(6,931)**	**57,252**
Increase in investment holding gains†	**–**	**–**	**–**	**–**	**4,366**	**–**	**4,366**
Net losses on sales of investments†	**–**	**–**	**–**	**–**	**(7,259)**	**–**	**(7,259)**
Exchange losses on currency and capital items†	**–**	**–**	**–**	**–**	**(323)**	**–**	**(323)**
Tender offer	**(1,089)**	**–**	**1,089**	**–**	**(12,947)**	**–**	**(12,947)**
Tender offer expenses	**–**	**–**	**–**	**–**	**(132)**	**–**	**(132)**
Investment management performance fee	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Retained revenue return for the year	**–**	**–**	**–**	**–**	**–**	**(1,021)**	**(1,021)**
As at 31 March 2014	**3,270**	**5,995**	**2,061**	**2,698**	**33,864**	**(7,952)**	**39,936**

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special reserve* £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
As at 1 April 2012	4,506	5,995	825	4,008	50,875	(5,786)	60,423
Decrease in investment holding gains†	–	–	–	–	(3,599)	–	(3,599)
Net gains on sales of investments†	–	–	–	–	2,686	–	2,686
Exchange gains on currency and capital items†	–	–	–	–	22	–	22
Cost of share repurchase	(147)	–	147	(1,313)	–	–	(1,313)
Refund of share repurchase commissions	–	–	–	3	–	–	3
Investment management performance fee	–	–	–	–	175	–	175
Retained revenue return for the year	–	–	–	–	–	(1,145)	(1,145)
As at 31 March 2013	4,359	5,995	972	2,698	50,159	(6,931)	57,252

* The special reserve was created in September 1998, following a transfer from the share premium account, to enable the Company to purchase its own shares.

† See Note 7 for further details.

The Notes on pages 36 to 54 form part of these Financial Statements.

Balance Sheet

as at 31 March 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Investments at fair value through profit or loss	7	**–**	53,404
Current assets			
Investments at fair value through profit or loss	7	**37,735**	–
Debtors	8	**559**	473
Cash at bank		**2,395**	4,181
		40,689	4,654
Creditors – amounts falling due within one year			
Creditors and accruals	9	**(222)**	(363)
		(222)	(363)
Net current assets		**40,467**	4,291
Total assets less current liabilities		**40,467**	57,695
Provision for liabilities and charges			
Provision for bad debt	10	**(531)**	(443)
Total net assets		**39,936**	57,252
Share capital and reserves			
Called up share capital		**3,270**	4,359
Share premium account		**5,995**	5,995
Capital redemption reserve		**2,061**	972
Special reserve		**2,698**	2,698
Capital reserve		**33,864**	50,159
Revenue reserve		**(7,952)**	(6,931)
Equity shareholders' funds		**39,936**	57,252
Net asset value per Ordinary share	14	**305.35p**	328.32p

These Financial Statements were approved by the Board of Directors of RENN Universal Growth Investment Trust PLC on 23 June 2014 and signed on its behalf by:

Andrew Barker
Chairman

Company number: 3150876

The Notes on pages 36 to 54 form part of these Financial Statements.

Statement of Cash Flows

for the year ended 31 March 2014

	Notes	**2014** £'000	2013 £'000
Operating activities			
Investment income received		**145**	63
Deposit interest received		**16**	7
Investment management fees paid		**(817)**	(738)
Investment management performance fee paid		**–**	(714)
Secretarial and administration fees paid		**(92)**	(73)
Other cash payments		**(428)**	(378)
Net cash outflow from operating activities	12	**(1,176)**	(1,833)
Taxation			
Irrecoverable overseas tax		**–**	(9)
Total taxation paid		**–**	(9)
Capital expenditure and financial investment			
Purchases of investments		**(14,528)**	(7,316)
Sales of investments		**27,273**	13,881
Net cash inflow from capital expenditure and financial investment		**12,745**	6,565
Financing			
Repurchase of Ordinary shares for cancellation		**–**	(1,313)
Repurchase commissions refunded		**–**	3
Tender offer		**(13,063)**	–
Net cash outflow from financing		**(13,063)**	(1,310)
(Decrease)/increase in cash	13	**(1,494)**	3,413

The Notes on pages 36 to 54 form part of these Financial Statements.

Notes to the Financial Statements

for the year ended 31 March 2014

1 ACCOUNTING POLICIES

Basis of preparation

The Financial Statements are prepared under the historical cost convention, as modified by the revaluation of fixed asset investments, and in accordance with applicable accounting standards in the UK and with the Statement of Recommended Practice regarding the Financial Statements of Investment Trust Companies and Venture Capital Trusts, issued by the AIC in January 2009. All the Company's activities are continuing. As explained in the Directors' Report, the Financial Statements are not prepared on the going concern basis.

Investments

Financial assets are designated by the Company as at fair value through profit or loss. Purchases and sales of financial assets are recognised on the trade date, which is when the Company commits to purchase or sell the assets.

After initial recognition, the Company measures financial assets designated as at fair value through profit or loss, at fair values without any deduction for transaction costs it may incur on their disposal. The fair value of quoted financial assets is their last traded price at the balance sheet date, unless liquidity constraints or other factors require a Directors' valuation, as described below.

Unlisted investments are valued by the Directors as follows:

- Where possible, unlisted equity investments are included at fair value based on the last arm's length transaction that has taken place in the security held by the Company. This price is reviewed by the Directors at year end to ensure that there has not been a significant alteration in the market or stock specific conditions since the transaction date that would make the use of the transaction price insufficiently recent. Third party valuations may be commissioned where the Board believes it to be appropriate.

- Unlisted convertible debentures investments and unlisted convertible preferred stock of companies with a quoted common stock are valued by reference to the fair value of the underlying equity of the investments only if conversion terms are satisfied. When the conditions are satisfied, the closing last traded price of the common stock is used to value the position.

- For ordinary unlisted debentures, an estimate of the fair value is derived based on a discounted cashflow analysis. In performing the analysis, the Directors estimate the cashflows they expect to arise from holding the investment. The Directors also estimate an appropriate discount factor to apply to the investment. The Directors then estimate the fair value of the investment based on the expected cashflows and the discount factor they have identified.

- Unlisted warrant investments are valued at fair value using the Black Scholes methodology which includes a time value which is calculated and added to the intrinsic value to arrive at a total valuation for each warrant. The Black Scholes pricing formula requires five inputs: (i) stock price, (ii) exercise price, (iii) time to expiration, (iv) volatility and (v) interest rates. The stock price, exercise price and time to maturity are straightforward inputs. The interest rate is a risk-free rate represented by the yield on a US Treasury security for a term that corresponds to the time to expiration of the subject warrant.

  The application of the Black Scholes methodology requires certain assumptions to be made around the volatility of the underlying shares to which the warrants subscribe. The Directors have agreed that the Company use the 100-day volatility measure of the Russell 2000 Index to give the best reflection of fair value.

  The intrinsic value is calculated by reference to the quoted price of the investment into which the warrant will convert and the conversion price for each warrant.

Investment transactions are recognised on the date that they are traded.

1 ACCOUNTING POLICIES *(continued)*

Realised gains and losses arising from the sale of investments, and gains and losses arising from changes in the fair value of financial assets held at fair value through profit or loss, are included in the Income Statement in the period in which they arise. Gains and losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss include interest income.

Gains and losses arising from changes in the fair value of financial assets are considered to be realised to the extent that they are readily convertible to cash, without accepting adverse terms, at the balance sheet date. Fair value gains on unlisted investments are not considered to be readily convertible to cash and therefore treated as unrealised. The treatment of listed investments is dependent upon the individual circumstances of each holding.

There is a degree of uncertainty in determining the fair values ascribed to the unlisted investments held by the Company and the Directors have used their judgement in determining the most appropriate methodology and valuation for each unlisted investment. These estimates may differ significantly to the values that might have been used if an active market existed.

Where investments in a company have been valued at nil, the loss has been charged to the capital reserve. Other than as stated above, any unrealised profits and losses are taken directly to the capital reserve. Any realised profits and losses arising on the disposal of investments are also taken directly to the capital reserve.

Income recognition

Dividends receivable on quoted shares are included in the Financial Statements when the investments concerned are quoted 'ex-dividend'.

Dividends receivable on such shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established. The fixed return on a debt security is recognised on a time apportionment basis so as to reflect the effective yield on the debt security. Interest receivable is included on an accruals basis.

The ordinary element of stocks received in lieu of dividends is recognised as income of the Company. Any enhancement above the equivalent value of the cash dividend that would have been receivable is treated as a capital gain on the associated investment.

Management expenses and finance costs

Management expenses and finance costs are allocated in full to the revenue account. The investment management performance fee, which is based on capital performance, is charged to capital (see Note 3).

Foreign currency

Transactions denominated in foreign currencies are converted to Sterling at the actual exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rate of exchange at the balance sheet date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the capital reserve or the revenue account depending on whether the gain or loss is of a capital or revenue nature.

Notes to the Financial Statements

for the year ended 31 March 2014 *(continued)*

1 ACCOUNTING POLICIES *(continued)*

Taxation

No taxation liability arises on gains from sales of fixed asset investments made by the Company by reason of its investment trust status. However, the net revenue (excluding UK dividend income and overseas dividend income from 1 July 2009) accruing to the Company is liable to corporation tax at the prevailing rates.

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen but not reversed by the balance sheet date, unless such provision is not permitted by FRS 19: Deferred Tax.

Capital reserve

The following are accounted for in this reserve:

- gains and losses on the realisation of investments*;
- changes in fair value of investments held which are readily convertible to cash, without accepting adverse terms*;
- realised exchange differences of a capital nature*;
- other capital charges and credits charged or credited to this account in accordance with the above policies*;
- changes in fair value investments held which are not readily convertible to cash, without accepting adverse terms; and
- unrealised exchange differences of a capital nature.

* Items classified as distributable to shareholders for the purpose of purchasing the Company's own shares for cancellation.

Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business, being investment business. The Company invests primarily in companies listed, quoted or domiciled in the US and Canada. Geographical analysis of the portfolio is shown on page 4.

2 INCOME

	2014 £'000	2013 £'000
Income from US investments		
Convertible debenture stocks – unlisted	**82**	161
UK Government stocks – listed	**144**	–
Equity shares – listed	**1**	63
	227	224
Other income		
Bank interest receivable	**16**	7
Total income	**243**	231

Total income comprises:		
Dividends from financial assets designated at fair value through profit or loss	**1**	63
Interest from financial assets designated at fair value through profit or loss	**226**	161
Deposit interest from financial assets not at fair value through profit or loss	**16**	7
	243	231

3 INVESTMENT MANAGEMENT FEE

		2014			2013	
	Revenue £'000	**Capital** £'000	**Total** £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	**677**	**–**	**677**	746	–	746
Investment management performance fee	**–**	**–**	**–**	–	–	–
Adjustment to prior year performance fee	**–**	**–**	**–**	–	(175)	(175)

The investment management fee is charged 100% to revenue. Investment management fees of £677,000 (2013: £746,000) have been charged to the Income Statement. At 31 March 2014, £54,000 (2013: £193,000) was due for payment to the Investment Manager in respect of investment management fees.

Following shareholder approval at the General Meeting on 17 April 2013, the terms of the Investment Management Agreement between the Company and the Investment Manager were amended in order to reflect the modification of the Company's investment objective and policy to better align the interests of the shareholders and the Investment Manager during the managed wind-down period. The Investment Manager is now paid a fixed monthly fee of $90,000.

A performance fee may also become payable at the end of each year and this is charged 100% to capital. Under the revised terms, the hurdle for the achievement of any performance fee will be a cash amount which must be returned to shareholders before a performance fee can be earned (the "Cash Hurdle"). The Cash Hurdle will be the audited NAV as at 31 March 2013 plus a notional accrual (the "Accrual"), which will reflect the time value of money between 17 April 2013 and actual returns of cash in excess of the Cash Hurdle. The Investment Manager will be entitled to 10% of any amounts returned to shareholders in excess of the Cash Hurdle (including the Accrual). The Company and the Investment Manager have agreed that the opening Cash Hurdle will be the audited NAV as at 31 March 2013, in Sterling terms, and the Accrual will be 8% per annum (compound) calculated on the opening Cash Hurdle. The total performance fee payable will be capped at an amount equivalent to 10% of the NAV as at 31 March 2013. No performance fee has been accrued for the year ended 31 March 2014 (2013: £nil).

Prior to the payment of the performance fee of £889,000 for the year to 31 March 2012, a further review of the fee was performed and it was identified that the incorrect benchmark index had been used in the calculation process. This oversight was applicable to the financial year ended 31 March 2012 only. The recalculation of the performance fee resulted in it being revised to £714,000, a reduction of £175,000. This adjustment is reflected within the Income Statement. The fee of £714,000 was paid to the Investment Manager on 3 August 2012.

4 OTHER EXPENSES

	2014 £'000	2013 £'000
Secretarial and administration services	**86**	80
Auditor's remuneration	**38**	37
Directors' remuneration (see page 25)	**117**	117
Other expenses	**258**	232
Provision for bad debt/income written off	**88**	155
	587	621

Total fees paid to the Auditor for the year, all of which were charged to revenue, comprised:

	2014 £'000	2013 £'000
Audit services – statutory audit – current year	**33**	32
Tax services – compliance services	**5**	5
	38	37

The Directors do not consider that the provision of non-audit work to the Company affects the independence of the Auditor.

5 TAXATION ON ORDINARY ACTIVITIES

	2014 Revenue £'000	**2014 Capital** £'000	**2014 Total** £'000	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000
(a) Analysis of charge in year:						
Based on net return for the year						
Overseas tax suffered	**–**	**–**	**–**	9	–	9

(b) Factors affecting the current tax charge:

The tax assessed on the net return for the year is different to the standard rate of corporation tax of 23% (2013: 24%). The differences are reconciled below:

	2014 £'000	2013 £'000
Return on ordinary activities before tax	**(4,237)**	(1,852)
Theoretical tax at UK corporation tax rate of 23% (2013: 24%)	**(975)**	(445)
Effects of:		
Losses on investments and exchange losses on capital items	**740**	172
Expenses not deductible for tax purposes	**16**	–
Foreign dividends that are not taxable	**–**	(15)
Irrecoverable overseas tax	**–**	9
Excess management expenses for tax purposes	**219**	288
Total current tax charge	**–**	9

5 TAXATION ON ORDINARY ACTIVITIES *(continued)*

The Company is subject to corporation tax at 23% (2013: 24%). However, the available tax deductible expenses (including substantial brought forward amounts) exceed the taxable income of the Company and, as a result, there is no UK tax charge (2013: £nil), other than withholding tax suffered on foreign dividends receipts.

At 31 March 2014, the Company had unrelieved losses for tax purposes of £16,195,000 (2013: £15,431,000) which have not been recognised as a deferred tax asset. This is because the Company is not expected to generate taxable income in future periods in excess of the deductible expenses of those future periods and, accordingly, it is unlikely that the Company will be able to reduce future tax liabilities through the use of existing surplus expenses.

The Company carries out its activities as an investment trust and the intention is to continue meeting the conditions required to obtain approval in the foreseeable future. Therefore, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

6 RETURN PER ORDINARY SHARE

		2014			2013	
	Revenue pence	**Capital** pence	**Total** pence	Revenue pence	Capital pence	Total pence
Basic	**(5.92)**	**(18.63)**	**(24.55)**	(6.47)	(4.04)	(10.51)

Revenue return per Ordinary share is based on the net return on ordinary activities after taxation of £(1,021,000) (2013: £(1,145,000)) and on 17,258,824 (2013: 17,703,174) Ordinary shares, being the average number of Ordinary shares in issue during the year.

Capital return per Ordinary share is based on a net capital return for the year of £(3,216,000) (2013: £(716,000)), and on 17,258,824 (2013: 17,703,174) Ordinary shares, being the average number of Ordinary shares in issue during the year.

7 INVESTMENTS

	2014 £'000	2013 £'000
a) Investment portfolio summary		
Listed investments		
– Equities	**21,071**	31,300
– Warrants	**–**	4
Unlisted investments		
– Equities	**–**	–
– Convertible debenture stocks	**100**	594
– Loan notes	**–**	753
– Convertible preference shares	**16,564**	20,003
– Warrants	**–**	750
	37,735	53,404

Listed equities make up 56% (2013: 59%) of the total portfolio and 53% (2013: 55%) of the net assets.

7 INVESTMENTS *(continued)*

	Listed	2014 Unlisted	Total
	£'000	£'000	£'000
b) Analysis of investment portfolio movements			
Opening book cost	**30,736**	**6,835**	**37,571**
Opening investment holding gains	**568**	**15,265**	**15,833**
Opening valuation	**31,304**	**22,100**	**53,404**
Movements in the year:			
Purchases at cost	**13,157**	**1,371**	**14,528**
Sales			
– Proceeds	**(26,593)**	**(711)**	**(27,304)**
– Realised gains on sales	**5,239**	**–**	**5,239**
– Realised losses on write-offs	**(7,191)**	**(5,307)**	**(12,498)**
Increase/(decrease) in investment holding gains	**5,155**	**(789)**	**4,366**
Closing valuation	**21,071**	**16,664**	**37,735**
Closing book cost	**15,348**	**2,188**	**17,536**
Closing investment holding gains	**5,723**	**14,476**	**20,199**
	21,071	**16,664**	**37,735**

During the year, the Company incurred transaction costs of £11,000 (2013: £33,000) on purchases of investments and £65,000 (2013: £64,000) on sales of investments. These are included within losses on investments in the Income Statement.

	2014	2013
	£'000	£'000
c) Analysis of capital gains and losses		
Net losses on investments designated at fair value through profit or loss on initial recognition		
Net realised (losses)/gains on sales/write-offs	**(7,259)**	2,686
Increase/(decrease) in investment holding gains	**4,366**	(3,599)
	(2,893)	(913)
Exchange (losses)/gains on capital items	**(323)**	22

7 INVESTMENTS *(continued)*

d) Fair value gains and losses

With effect from 1 April 2008, changes in fair value of investments which are readily convertible to cash, without accepting adverse terms, at the balance sheet date are considered to be realised. Fair value gains on unlisted investments are not treated as readily convertible to cash, whereas the treatment of fair value gains on listed investments depends on the individual circumstances of each investment.

The Company's investments in Global Axcess, Hemobiotech, Plures Technologies and SinoHub were written off during the year, realising losses of £1,177,000, £1,094,000, £7,171,000 and £2,942,000, respectively. The Company received liquidation proceeds of £691,000 for Pipeline Data convertible debenture, realising losses of £134,000. Other than those stated, there were no other material changes to unlisted investments.

e) Unlisted securities

Details of material investments in unlisted securities are as follows:

Investment	**Total cost** £'000	**Carrying value at 31 March 2014** £'000	Carrying value at 31 March 2013 £'000	**Net income from investment** £'000	**Latest accounts for year end**	**Aggregate capital and reserves** US$	**Loss after tax for year** US$
AnchorFree							
Convertible preference	**1,117**	**16,563**	18,185	**–**	31/03/2014	n/a†	n/a†
iSatori							
Convertible preference	**45**	**1**	2	**–**	31/12/2013	2,728,070	(958,640)
Warrants	**–**	**–**	–	**–**	31/12/2013	2,728,070	(958,640)
PetroHunter Energy							
Convertible debenture	**1,026**	**100**	201	**88***	30/06/2013	(81,400,800)	(7,683,060)
Warrants	**–**	**–**	–	**–**	30/06/2013	(81,400,800)	(7,683,060)

† Private company – Information not available to the public domain.

* Against which a 100% provision has been taken.

7 INVESTMENTS *(continued)*

f) Significant interests

The following are investments in which the Company has an interest exceeding 20% of the nominal value of that class in the investee company.

Investment	Country of registration	Class of capital	% of class held
AnchorFree	US	Series B Convertible Preferred	40.2
PetroHunter Energy	US	8.5% Convertible Debenture	30.2
Cover-All Technologies	US	Common stock	28.7
iSatori	US	Common stock	20.6

The Company holds more than 20% of the common stock of Cover-All Technologies and iSatori. The investment in these companies is not held on a long-term basis and although it is greater than 20%, the value to the Company is the marketable value, as a part of the overall investment portfolio. Accordingly, they have not been accounted for as associate companies.

In addition to the above, the Company has a holding of 3% or more that is material in the context of the accounts in the following investments:

Investment	Country of registration	Class of capital	% of class held
AnchorFree	US	Series A Convertible 7% Preferred	9.1
Bovie Medical	US	Common stock	9.0
iSatori	US	Convertible 9% Preferred	4.2

A full listing of the investment portfolio is provided on page 4.

8 DEBTORS – amounts falling due within one year

	2014 £'000	2013 £'000
Accrued income	**532**	450
Prepayments and other debtors	**27**	23
	559	473

The carrying amount for prepayments, accrued income and dividends receivable disclosed above reasonably approximates to its fair value at the year end and is expected to be realised within a year from the balance sheet date.

9 CREDITORS – amounts falling due within one year

	2014 £'000	2013 £'000
Accruals	**222**	363
	222	363

At 31 March 2014, £7,000 was due for payment to the Administrator (2013: £14,000).

At 31 March 2014, £54,000 was due for payment to the Investment Manager (2013: £193,000) in respect of investment management fees and £nil (2013: £nil) in respect of the performance fee.

The carrying amount for accruals and deferred income disclosed above reasonably approximates to its fair value at the year end and is expected to be realised within a year from the balance sheet date.

10 PROVISION FOR LIABILITIES AND CHARGES

	2014 £'000	2013 £'000
Provision for bad debt	**531**	443
	531	443

A provision has been made for 100% (2013: 100%) of the Company's debtor of PetroHunter 8.5% convertible debenture interest, on the grounds of uncertainty that full payment will be received.

11 CALLED UP SHARE CAPITAL

	2014 £'000	2013 £'000
Allotted, called up and fully paid:		
13,078,541 (2013: 17,437,979) Ordinary shares of 25p each	**3,270**	4,359

During the year, the Company tendered 4,359,438 Ordinary shares, for cancellation, at a cost of £2.970 per share and a total consideration of £13,012,000 (including stamp duty).

The Company does not have any externally imposed capital requirements.

The capital of the Company is managed in accordance with its investment policy in pursuit of its investment objective.

12 RECONCILIATION OF NET RETURN BEFORE FINANCE COSTS AND TAXATION TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2014 £'000	2013 £'000
Net return before finance costs and taxation	**(4,237)**	(1,852)
Net capital return	**3,216**	716
Increase in provision for bad debts	**88**	155
Decrease in creditors and accruals	**(157)**	(691)
Increase in prepayments and accrued income	**(86)**	(161)
	(1,176)	(1,833)

13 RECONCILIATION OF NET CASH FLOW TO NET FUNDS

	2014 £'000	2013 £'000
(Decrease)/increase in cash in the year	**(1,494)**	3,413
Effect of exchange rate movements	**(292)**	17
Movement in net funds	**(1,786)**	3,430
Net funds at beginning of year	**4,181**	751
Net funds at end of year	**2,395**	4,181

Net funds are comprised as follows:	2014 £'000	2013 £'000
Cash at bank	**2,395**	4,181
Net funds at 31 March	**2,395**	4,181

14 NET ASSET VALUE PER ORDINARY SHARE

The basic net asset value per Ordinary share is based on net assets of £39,936,000 (2013: £57,252,000) and on 13,078,541 (2013: 17,437,979) Ordinary shares, being the number of shares in issue at the year end.

There are no dilutive elements or potentially dilutive elements in existence at the year end (2013: none).

15 COMMITMENTS AND CONTINGENT LIABILITIES

At 31 March 2014, there were no outstanding commitments or contingent liabilities (2013: none).

16 ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES

As detailed on page 9, the investment objective of the Company is to conduct an orderly realisation of the assets of the Company, to be effected in a manner that seeks to achieve a balance between returning cash to shareholders promptly and maximising the value of the Company's portfolio.

The Company's principal financial instruments comprise securities, warrants, other investments and bank deposits which are held to achieve its investment objective and to manage the Company's funding and liquidity requirements. The Company has other financial assets and liabilities such as debtors and creditors that arise from its operations, for example sales and purchases of securities awaiting settlement and debtors of accrued income.

The nature and extent of the financial instruments outstanding at the balance sheet date and the risk management policies employed by the Company are discussed below.

The principal risks the Company faces through the holding of financial instruments are:

- market risk, comprising currency risk, interest rate risk and other price risk; and
- liquidity/marketability risk.

The Company does not enter into derivative contracts.

The Investment Manager monitors the financial risks affecting the Company on a daily basis. The Directors receive financial information on a monthly basis which is used to identify and monitor risk.

As required by FRS 29: Financial Instruments: Disclosure, an analysis of financial assets and liabilities, which identifies the risk to the Company of holding such items, is given on pages 47 to 54.

16 ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES *(continued)*

Market risk

The Company's strategy on the management of investment risk is driven by the Company's investment objective, which is detailed on page 9. The Investment Manager monitors the financial risks affecting the Company on a daily basis in accordance with the policies and procedures in place. The Board manages the market price risks inherent in the investment portfolio by ensuring full and timely access to relevant information from the Investment Manager. The Board meets regularly and at each meeting reviews the investment performance, the investment portfolio and the rationale for the current investment positioning to ensure consistency with the Company's objective and investment policy. The portfolio does not seek to reproduce the Russell 2000 Index.

Financial assets

All financial assets are stated in Sterling and disclosed at fair value through profit or loss. Analysis of the Company's investment portfolio is given on page 4.

Further details of warrants held are given below.

	Intrinsic value £'000	**Time value** £'000	**Total value** £'000	**Expiry date**
iSatori	–	–	–	01/06/2014
PetroHunter Energy	–	–	–	31/12/2014
Value at 31 March 2014	**–**	**–**	**–**	

As discussed in the accounting policies of the Company in Note 1 on page 36, unquoted warrants are valued at fair value using the Black Scholes methodology, which includes a time value which is calculated and added to the intrinsic value to arrive at the total valuation for each warrant.

The method of valuing the fixed asset investments is discussed in the accounting policies of the Company in Note 1 on pages 36 to 38.

Foreign currency risk

Due to the Company's holdings being wholly overseas, the Company is also exposed to the risk of movement in the Sterling/Dollar exchange rate. The Company does not, nor does it intend to, hedge the portfolio against any movement in the exchange rate.

The Investment Manager monitors the exposure to foreign currencies on a daily basis and reports to the Directors on a regular basis. The Investment Manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed.

The Company settles its investment transactions from its bank accounts in US Dollars. In the year ended 31 March 2014, exchange losses of £323,000 (2013: gains of £22,000) relating to currency, have been taken to the capital reserve.

The primary currency risk is between Sterling and US Dollar.

The Directors consider currency risk, but as stated in the Company's investment policy on page 9, it is not their intention to hedge currency risk between the US Dollar and Sterling.

16 ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES *(continued)*

The Investment Manager's risk assessment policy is reflected in its investment strategy. In order to protect against inflation and grow capital, the fund invests in small companies that it believes will grow into larger companies, with the intention of increasing the value of the investment.

The currency profile of the Company's financial assets at 31 March was as follows:

As at 31 March 2014	**Investment portfolio** £'000	**Cash** £'000	**Other current assets** £'000	**Financial assets** £'000	**Financial liabilities** £'000
Sterling	**–**	**2,248**	**28**	**2,276**	**162**
US Dollar	**37,735**	**147**	**531**	**38,413**	**592**
Canada Dollar	**–**	**–**	**–**	**–**	**–**
	37,735	**2,395**	**559**	**40,689**	**754**

As at 31 March 2013	Investment portfolio £'000	Cash £'000	Other current assets £'000	Financial assets £'000	Financial liabilities £'000
Sterling	–	117	23	140	145
US Dollar	49,208	4,064	450	53,722	661
Canada Dollar	4,196	–	–	4,196	–
	53,404	4,181	473	58,058	806

The Company has a total exposure as a percentage of net assets to US Dollar of 95% (2013: 93%) and Canadian Dollar of nil% (2013: 7%).

Sensitivity analysis

At 31 March 2014, had Sterling strengthened by 10% in relation to the US Dollar, with all other variables held constant, the net assets attributable to shareholders and the return for the year would have decreased by £3,438,000 (2013: £4,824,000). A 10% weakening of Sterling against the US Dollar would have resulted in an equal but opposite effect.

Interest rate risk

The Company's portfolio is partially invested in interest bearing securities of various types (as set out below). At the time of investing, interest rates are fixed and as long as the security concerned remains unimpaired, cash flows will not be affected by movements in long-term interest rates. The Company also holds cash in the short term.

The Company's interest rate risk is managed on a daily basis by the Investment Manager in accordance with policies and procedures in place. The overall interest rate risks are monitored on a regular basis by the Directors.

16 ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES *(continued)*

The Directors consider interest rate risk as part of their overall assessment of risk in the portfolio. The interest rate profile of the Company's fixed interest financial assets at 31 March was as follows:

	Value US$'000	**Value** £'000	**Weighted average interest rate** %	**Weighted average period for which rates are fixed** (years)
As at 31 March 2014				
US unlisted convertible debentures	**166**	**100**	**0.1**	**–**
US unlisted loan notes	**–**	**–**	**–**	**–**
US unlisted convertible preference shares	**27,615**	**16,564**	**–**	**–**
As at 31 March 2013				
US unlisted convertible debentures	902	594	0.3	–
US unlisted loan notes	1,144	753	0.1	0.2
US unlisted convertible preference shares	30,374	20,003	–	–

The maturity profile of assets held in the portfolio at 31 March was as follows:

	2014 £'000	2013 £'000
Within one year	**100**	393
Within one to two years	**–**	201
Within two to three years	**–**	–
Within three to four years	**–**	–
Within four to five years	**–**	753
More than five years	**–**	–
	100	1,347
Investments with no maturity dates	**37,635**	52,057
Net funds at end of year	**37,735**	53,404

The remaining current assets of the Company of £2,954,000 (2013: £4,654,000) have no maturity date.

The Company finances its operations through equity and retained profits. The change in the fair value of financial liabilities during the year was not related to the credit risk profile.

The interest rate risk profile of the Company's financial liabilities as at 31 March 2014 was as follows:

	Total £'000	**Period until maturity** (years)
Financial liabilities upon which no interest is paid	**222**	–

16 ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES *(continued)*

The interest rate risk profile of the Company's financial liabilities as at 31 March 2013 was as follows:

	Total £'000	Period until maturity (years)
Financial liabilities upon which no interest is paid	363	–

The maturity profile of the Company's financial liabilities was as follows:

	As at 31 March 2014 £'000	As at 31 March 2013 £'000
In one year or less	**222**	363
In more than one year but no more than two years	**–**	–
In more than two years but no more than five years	**–**	–
	222	363

Sensitivity analysis

A change in interest rates would have some impact on the fair value of warrants and debt instruments but the quantum of the impact is not easily measured.

Other price risk

Other price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk) and represents the potential loss the Company may suffer in the light of adverse market price movements. Since the Company invests in financial instruments, this risk is inherent. The Company will always face uncertainty as to the future price of the financial instruments in which it is invested. The price of certain unquoted stocks is also affected by their relative illiquidity (see below).

The Board of Directors manages this risk by ensuring full and timely access to relevant information from the Investment Manager. The Directors monitor compliance with the Company's objectives and are directly responsible for investment strategy and asset allocation.

The investment strategy of the Company is a "bottom-up" approach, meaning the Company invests on the merits of each investee company rather than a "top-down" approach which endeavours to have certain percentages of assets in given sectors.

See the Investment Manager's review on pages 7 and 8 for discussion of investments made during the year. The method of valuing the investments is discussed in the accounting policies on pages 36 to 38.

Sensitivity analysis

A 10% increase in the market value of investments at 31 March 2014 would have increased net assets attributable to shareholders by £3,774,000 (2013: £5,340,000). An equal change in the opposite direction would have decreased the net assets attributable to shareholders by an equal but opposite amount.

16 ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES *(continued)*

Liquidity risk

The investments made by the Company are in smaller US companies. Although at the year end, 56% of the portfolio (2013: 59%) was held in listed equity securities (see Note 7), it should be recognised that the Company is exposed to liquidity risk as many of the portfolio holdings are relatively illiquid. The Investment Manager could be unable to sell due to lack of trading volume. Any forced sales are likely to generate significantly lower proceeds than the valuations in the portfolio shown on page 4.

Most investments, micro-capitalisation and private placements in public equities investing involve liquidity risk. Most often the lack of liquidity is a function of the individual holding not meeting its business objectives. If a given company becomes successful, liquidity typically increases, when individual holdings fail, valuation and liquidity can decline to zero.

Financial liabilities

The Company finances its operations primarily through equity and retained profits, although trade creditors and accruals arise from its operations. At 31 March 2014, all financial liabilities are due within one year and are stated at fair value.

Fair value hierarchy disclosures

The Company has adopted the amendment to FRS 29, effective 1 January 2009. This requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following three levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

An active market is a market in which transactions for the asset or liability occur with sufficient frequency and volume on an ongoing basis such that quoted prices reflect prices at which an orderly transaction would take place between market participants at the measurement date. Quoted prices provided by external pricing services, brokers and vendors are included in Level 1, if they reflect actual and regularly occurring market transactions on an arm's length basis.

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 2 inputs include the following:

  - quoted prices for similar (i.e., not identical) assets in active markets.
  - quoted prices for identical or similar assets or liabilities in markets that are not active. Characteristics of an inactive market include a significant decline in the volume and level of trading activity, the available prices vary significantly over time or among market participants or the prices are not current.
  - inputs other than quoted prices that are observable for the asset (for example, interest rates and yield curves observable at commonly quoted intervals).
  - inputs that are derived principally from, or corroborated by, observable market data by correlation or other means (market-corroborated inputs).

Notes to the Financial Statements

for the year ended 31 March 2014 *(continued)*

16 ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES *(continued)*

- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be the price of investments actively traded in organised financial markets, fair value is generally determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date, without adjustment for transaction costs necessary to realise the asset.

The table below sets out fair value measurements of financial assets in accordance with the FRS 29 fair value hierarchy system:

Financial assets at fair value through profit or loss at 31 March 2014	**Total** £'000	**Level 1** £'000	**Level 2** £'000	**Level 3** £'000
Equity investments	**21,071**	**21,071**	**–**	**–**
Convertible debenture shares	**100**	**–**	**–**	**100**
Loan notes	**–**	**–**	**–**	**–**
Convertible preference shares	**16,564**	**1**	**–**	**16,563**
Warrants	**–**	**–**	**–**	**–**
Total	**37,735**	**21,072**	**–**	**16,663**

Financial assets at fair value through profit or loss at 31 March 2013	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Equity investments	31,300	29,963	–	1,337
Convertible debenture shares	594	–	–	594
Loan notes	753	–	–	753
Convertible preference shares	20,003	2	–	20,001
Warrants	754	–	1	753
Total	53,404	29,965	1	23,438

There are no other financial assets or liabilities other than those disclosed above. Trade receivables consist purely of accrued income and prepayments and trade payables consist purely of accruals and are not restated at fair value. Cash is also not restated at fair value.

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed equities. The Company does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

16 ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES *(continued)*

Investments classified within Level 3 have significant unobservable inputs. Level 3 instruments include private equity and corporate debt securities. As observable prices are not available for these securities, the Company has used valuation techniques to derive the fair value. In respect of unquoted instruments, or where the market for a financial instrument is not active, fair value is established by using recognised valuation methodologies, in accordance with International Private Equity and Venture Capital ("IPEVC") Valuation Guidelines. New investments are initially carried at cost, for a limited period, being the price of the most recent investment in the investee. This is in accordance with IPEVC Guidelines as the cost of recent investments will generally provide a good indication of fair value. Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

There were no transfers from Level 3 to 1 (2013: £nil) for the year ended 31 March 2014.

The following table presents the movement in Level 3 instruments for the years ended 31 March 2014 and 31 March 2013:

At 31 March 2014
Company

	Total £'000	**Equity investments** £'000	**Convertible debenture shares** £'000	**Loan notes** £'000	**Convertible preference shares** £'000	**Warrants** £'000
Opening balance	**23,438**	**1,337**	**594**	**753**	**20,001**	**753**
Purchases	**1,371**	**–**	**–**	**1,371**	**–**	**–**
Sales – proceeds	**(1,339)**	**(626)**	**(710)**	**–**	**–**	**(3)**
Total (losses)/gains for the year included in the Income Statement	**(6,807)**	**(711)**	**216**	**(2,124)**	**(3,438)**	**(750)**
Closing balance	**16,663**	**–**	**100**	**–**	**16,563**	**–**

At 31 March 2013
Company

	Total £'000	Equity investments £'000	Convertible debenture shares £'000	Loan notes £'000	Convertible preference shares £'000	Warrants £'000
Opening balance	25,728	1,698	571	–	23,454	5
Purchases	1,352	318	–	1,034	–	–
Sales – proceeds	(3,336)	–	–	–	(3,336)	–
Total (losses)/gains for the year included in the Income Statement	(306)	(679)	23	(281)	(117)	748
Closing balance	23,438	1,337	594	753	20,001	753

16 ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES *(continued)*

The Directors are required under FRS 29 to provide further information on holdings categorised as Level 3 in the table above to illustrate a range of values for these positions which might be obtainable in certain circumstances. The holdings categorised by the Directors as Level 3 are as follows:

AnchorFree
PetroHunter Energy

The Directors show the holdings at what they believe to be fair value of £16.7 million. There is clearly considerable uncertainty as to whether this valuation could be realised in all market circumstances. Values realised on sale could be lower or higher than fair value. The most significant inputs used to derive the various valuations are the operational forecasts and the discount rate applied to future cash flows.

17 RELATED PARTY TRANSACTIONS

Mr Russell Cleveland, President and CEO of RENN Capital, is considered a related party due to his directorship of AnchorFree, Cover-All Technologies and iSatori. Details of the Company's holdings in these investments are disclosed in the Investment Portfolio on page 4 and in the Strategic Report on pages 7 and 8. At the year end, there were no amounts due from these investee companies.

Of these directorships, in 2014, Mr Cleveland received fees from Cover-All Technologies amounting to $22,000 and stock awards of $29,000 (2013: fees $22,000 and stock awards $29,000). Mr Cleveland holds 73,353 warrants to purchase shares in AnchorFree and 195,545 shares, representing 0.73% of the company, in Cover-All Technologies.

Mr Eric Stephens, Vice President of RENN Capital, was considered a related party due to his directorship of Plures Technologies from which he received stock awards of $9,000 (2013: fees $500 and stock awards $56,343). Mr Stephens ceased to be a director of Plures Technologies with effect from 4 April 2014.

Mr Cleveland is interested in 210,003 Ordinary shares of the Company, representing 1.61% of the total voting rights, as follows: Russell Cleveland – 3,753 shares, RENN Capital – 75,000 shares and Cleveland Family Limited Partnership – 131,250 shares.

RENN Capital pays RP&C International an amount equal to 0.5% of the net asset value of the Company each year and 5% of any performance fee received from the Company. The fees are compensation for management and advisory services rendered to RENN Capital.

18 POST BALANCE SHEET EVENTS

As detailed in the Chairman's Statement on page 6, Mr Barker succeeded Mr Fenton as Chairman of the Company on 10 June 2014.

Glossary of Terms

Net asset value ("NAV")

The NAV is the shareholders' funds expressed as an amount per individual share. Shareholders' funds are the total value of a company's assets, at current market value, less its liabilities.

Discount

If the share price of an investment trust is lower than the NAV per share, the shares are said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, the shares are said to be trading at a premium.

Gearing

Gearing is the process whereby capital growth and income to the ordinary shareholders of a trust are boosted by borrowings, which provide scope for additional investment but which carry a fixed liability. The return on this extra investment minus the cost of borrowing the money gives the shareholder an enhanced or geared profit or loss.

Total return

The combined effect of any dividends paid, together with the rise or fall in the NAV. Total return statistics enable the investor to make performance comparisons between trusts with different dividend policies. Any dividends (after tax) received by a shareholder are assumed to have been reinvested in either additional shares of the trust at the time the shares go ex-dividend (the share price total return) or in the assets of the trust at its NAV per share (the NAV total return).

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of RENN Universal Growth Investment Trust PLC will be held at the offices of the Association of Investment Companies, 9th Floor, 24 Chiswell Street, London EC1Y 4YY at 12.00 noon on Wednesday, 30 July 2014 to transact the business set out in the resolutions below:

Ordinary business

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

1. To receive and, if thought fit, to accept the Strategic Report, Directors' Report, Auditor's Report and the audited Financial Statements for the year ended 31 March 2014.
2. To receive and approve the Directors' Remuneration Report for the year ended 31 March 2014.
3. To receive and approve the Directors' Remuneration Policy.
4. To re-elect Mr Steven Bates as a Director of the Company.
5. To re-elect Mr William Vanderfelt as a Director of the Company.
6. To re-appoint KPMG Audit Plc as Auditor to the Company, to hold office from the conclusion of this Meeting until the conclusion of the next general meeting at which financial statements are laid before the Company.
7. To authorise the Directors to determine the remuneration of the Auditor of the Company.

Special business

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

8. THAT a general meeting, other than an annual general meeting, may be called on not less than 14 clear days' notice.

Registered Office:
Beaufort House
51 New North Road
Exeter EX4 4EP

By order of the Board
Capita Sinclair Henderson Limited
Secretary
23 June 2014

NOTES:

1. *A member entitled to attend and vote at this meeting may appoint one or more persons as his/her proxy to attend, speak and vote on his/her behalf at the meeting. A proxy need not be a member of the Company. If multiple proxies are appointed they must not be appointed in respect of the same shares. To be effective, the enclosed form of proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, should be lodged at the office of the Company's Registrar at the address printed on the form of proxy not later than 12.00 noon on Monday, 28 July 2014. The appointment of a proxy will not prevent a member from attending the meeting and voting in person if he/she so wishes. A member present in person or by proxy shall have one vote on a show of hands and on a poll every member present in person or by proxy shall have one vote for every Ordinary share of which he is the holder. The termination of the authority of a person to act as proxy must be notified to the Company in writing. Amended instructions must be received by the Company's Registrar by the deadline for receipt of proxies.*

   To appoint more than one proxy, shareholders will need to complete a separate proxy form in relation to each appointment (you may photocopy the proxy form), stating clearly on each proxy form the number of shares in relation to which the proxy is appointed. A failure to specify the number of shares to which each proxy appointment relates or specifying an aggregate number of shares in excess of those held by the member will result in the proxy appointment being invalid. Please indicate if the proxy instruction is one of multiple instructions being given. All proxy forms must be signed and should be returned together in the same envelope if possible.

2. *Only those shareholders registered in the register of members of the Company as at 6.00 pm on Monday, 28 July 2014 shall be entitled to attend or vote at the aforesaid Annual General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after 6.00 pm on Friday, 28 July 2014 ("the specified time") shall be disregarded in determining the rights of any person to attend or vote at the Meeting. If the Meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original Meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Meeting. If however the Meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members at the time which is 48 hours before the time fixed for the adjourned Meeting, or if the Company gives notice of the adjourned Meeting, at the time specified in that notice.*

3. *Shareholders who hold their shares electronically may submit their votes through CREST. Instructions on how to vote through CREST can be found by accessing the following website: www.euroclear.com/CREST. Shareholders are advised that CREST is the only method by which completed proxies can be submitted electronically as required by section 333A of the Companies Act 2006.*

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

   In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com/crest). The message, in order to be valid, must be transmitted so as to be received by the Company's agent (ID RA10) by the latest time for receipt of proxy appointments specified in Note 1 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

Notice of Annual General Meeting

(continued)

4. *A person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in Notes 1 and 2 above do not apply to a Nominated Person. The rights described in those Notes can only be exercised by registered members of the Company.*

5. *Shareholders (and any proxies or representatives they appoint) agree, by attending the Meeting, that they are expressly requesting and that they are willing to receive any communications (including communications relating to the Company's securities) made at the Meeting.*

6. *As at 23 June 2014 (being the last business day prior to the publication of this notice), the Company's issued share capital amounted to 13,078,541 Ordinary shares carrying one vote each. Therefore the total voting rights of the Company as at the date of this notice of meeting were 13,078,541.*

7. *Any corporation which is a member may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares. To be able to attend and vote at the meeting, corporate representatives will be required to produce prior to their entry to the meeting evidence satisfactory to the Company of their appointment. Corporate shareholders may also appoint one or more proxies in accordance with Note 1.*

8. *Any question relevant to the business of the Annual General Meeting may be asked at the meeting by anyone permitted to speak at the meeting. Alternatively, you may submit your question in advance by letter addressed to the Secretary at the registered office.*

9. *Members should note that it is possible that, pursuant to requests made by members of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's financial statements (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.*

10. *Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the chairman of the meeting as his/ her proxy is to ensure that both he/she and his/her proxy comply with their respective disclosure obligations under the UK Disclosure and Transparency Rules.*

11. *A copy of this notice of Annual General Meeting is available on the Company's website at www.renaissanceusgrowth.co.uk.*

12. *The following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting and on the date of the Annual General Meeting at the offices of the Association of Investment Companies, 9th Floor, 24 Chiswell Street, London EC1Y 4YY from 11.45 am until the conclusion of the meeting:*

    a) *letters of appointment of the Directors of the Company; and*
    b) *a copy of the Articles of Association of the Company.*

13. *The Annual Report incorporating this notice and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice, will be available on the Company's website at www.renaissanceusgrowth.co.uk.*

Notes

Notes