

Hargreave Hale
AIM VCT

Cultivating opportunities

**Unaudited interim results
for Hargreave Hale AIM VCT plc
for the six month period ending 31 March 2022**





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Background to the Company

Hargreave Hale AIM VCT plc (the “Company”) is an established Venture Capital Trust that aims to generate capital gains and income from its portfolio and to make distributions to shareholders from capital or income whilst maintaining its status as a Venture Capital Trust. Although the Company’s Qualifying Investments are primarily in companies that are listed on AIM, it also has investments in private companies. The Company may also make Non-Qualifying Investments in equities and exchange traded funds listed on the main market of the London Stock Exchange, fixed income securities, bank deposits and the Marlborough Special Situations Fund as allowed by the VCT Rules.

Hargreave Hale AIM VCT plc was approved as a VCT by HMRC at launch in 2004. It has at all times satisfied the various tests required to maintain its status as a VCT. Hargreave Hale Limited (the “Investment Manager”, now trading as Canaccord Genuity Fund Management) has been the appointed Investment Manager of the Company’s assets since inception.

Investment objectives

The investment objectives of the Company are to generate capital gains and income from its portfolio and to make distributions from capital or income to shareholders whilst maintaining its status as a Venture Capital Trust.

Investment policy

The Company intends to achieve its investment objectives by making Qualifying Investments in companies listed on AIM, private companies and companies listed on the AQSE Growth Market, as well as Non-Qualifying Investments as allowed by the VCT Rules.

Qualifying Investments

The Investment Manager will maintain a diversified portfolio of Qualifying Investments which may include equities and fixed interest securities as permitted by the VCT Rules. Investments will primarily be made in companies listed on AIM but may also include private companies that meet the Investment Manager’s criteria and companies listed on the AQSE Growth Market. These small companies will be UK based or have a UK presence and, whilst of high risk, will have the potential for significant capital appreciation.

To maintain its status as a VCT, the Company must have 80 per cent. of all funds raised from the issue of shares invested in Qualifying Investments throughout accounting periods of the VCT beginning no later than three years after the date on which those shares are issued. To provide some protection against an inadvertent breach of this rule, the Investment Manager targets a threshold of approximately 85 per cent.

Non-Qualifying Investments

The Non-Qualifying Investments must be permitted by the VCT Rules and may include equities and exchange traded funds listed on the main market of the London Stock Exchange, fixed income securities, bank deposits that are readily realisable and the Marlborough Special Situations Fund. Subject to the investment controls below, the allocation to each of these investment classes will vary to reflect the Investment Manager’s view of the market environment and the deployment of funds into Qualifying Companies. The market value of the Non-Qualifying Investments (excluding bank deposits) will vary between nil and 50 per cent. of the net assets of the Company. The value of funds held in bank deposits will vary between nil and 30 per cent. of the net assets of the Company.

Investment controls

The Company may make co-investments in investee companies alongside other funds, including other funds managed by the Investment Manager. Other than bank deposits, no individual investment shall exceed 10 per cent. of the Company's net assets at the time of investment.

Borrowings

The Articles permit the Company to borrow up to 15 per cent. of its adjusted share capital and reserves (as defined in the Articles). However, it is not anticipated that the Company will have any borrowings in place and the Directors do not intend to utilise this authority.

To the extent that any future changes to the Company's investment policy are considered to be material, shareholder consent to such changes will be sought.

Financial highlights

for the six month period ending 31 March 2022

Net asset value (NAV) per share	NAV total return	Tax free dividends paid in the period	Share price total return	Ongoing charges ratio
77.13p⁽¹⁾	-17.54%⁽¹⁾	5.65p	-16.24%⁽¹⁾	2.10%⁽¹⁾

- **£8.6 million invested in Qualifying Companies in the period.**
- **85.63% invested by VCT tax value in Qualifying Investments at 31 March 2022.**
- **Offer for subscription to raise £20 million, together with an over-allotment facility to raise a further £20 million fully subscribed as announced by the Company on 22 October 2021.**
- **Special dividend of 2.50 pence per share paid 29 October 2021 and final dividend of 3.15 pence per share paid 11 February 2022.**
- **Interim dividend of 1 penny approved by the Board.**

Summary financial data	Six months ending 31-Mar-22	Six months ending 31-Mar-21	Year ending 30-Sept-21
NAV (£m)	206.37	220.64	228.96
NAV per share (p) ⁽¹⁾	77.13	95.71	100.39 ⁽²⁾
NAV total return (%) ⁽¹⁾	-17.54	33.53	42.26
Market capitalisation (£m)	200.00	207.47	212.11
Share price (p)	74.75	90.00	93.00
Share price discount to NAV per share (%) ⁽¹⁾	3.09	5.97	5.00 ⁽³⁾
Share price 5 year average discount to NAV per share (%) ⁽¹⁾	6.02	6.31	6.31 ⁽³⁾
Share price total return (%) ⁽¹⁾	-16.24	40.38	51.36
Loss/gain per share for the period (p)	-18.74	25.61	30.45
Dividends paid per share (p)	5.65	2.65	4.40
Ongoing charges ratio (%) ⁽¹⁾	2.10	2.29	2.12

(1) Alternative performance measure illustrations and definitions can be found on pages 41 to 42 and 43 to 45.

(2) Cumulative of special dividend paid post year-end.

(3) The Company's shares went ex-dividend on 30 September 2021. The FY21 year end discount to NAV and the 5 year average discount to NAV is a function of the year end ex-dividend NAV of 97.89 pence per share and the year end share price.

Financial Calendar

Record date for interim dividend	1 July 2022
Payment of interim dividend	29 July 2022
Announcement of annual results for the year ending 30 September 2022	December 2022
Annual General Meeting	February 2023
Payment of annual dividend (subject to approval by shareholders at the AGM)	February 2023

Chairman's statement

Introduction

May I start by welcoming the many new shareholders who have joined us by way of the recent successful fundraise and of course by thanking all shareholders for their continuing support which is greatly appreciated. We will never forget that you have the choice of many other VCTs for your investment funds.

Once again, I find myself writing to you about a new set of challenges. Like everyone, we are shocked by the war in Ukraine, which has added significantly to the outlook for inflation and put further pressure on supply chains that were still in the process of rebalancing following COVID and Brexit induced disruption.

The period under review has been difficult. Inflation has accelerated, interest rates have increased and taxes have gone up. The outlook has deteriorated with the Office for Budget Responsibility, the Bank of England and the OECD all downgrading their forecasts for economic output this year and next. With the exception of the FTSE 100, global equity markets have fallen sharply.

Central banks are struggling to bring inflation back in line with policy objectives. No household or business is immune to the challenges presented by the very high levels of inflation we are witnessing, be it an erosion of non-essential spending and household wealth, the additional cost of borrowing that will inevitably follow or pressure on commercial models and profit margins. Policy makers face a difficult balancing act in containing forward looking measures of inflation whilst engineering a soft landing for the economy. The risk of a policy error is not insignificant.

That having been said, we enter these more difficult times from a position of relative strength: employment and job vacancies remain positive, household wealth is high, albeit not evenly distributed, and wage growth and fiscal measures will soften some of the impact of the pressure on household budgets.

The impact on investee companies will vary. Some technology and healthcare companies should be well insulated from the lower level of economic activity as they further develop their technology or commercial footprint. Most consumer facing companies will find it difficult to maintain their current forecasts for revenues and profit margins. As is often the case in challenging times, the market will become more Darwinian and the strong will emerge stronger, even if there is some pain to be endured in the short-term.

Performance

We live in challenging times. Quite apart from the human suffering, the war in Ukraine has added an additional layer of risk and uncertainty that has challenged global equity markets and has further embedded an inflationary problem that many had hoped might prove to be transitory. Whilst the significant move higher in US interest rates has depressed valuations of stocks around the world, the impact has been most acute for growth companies. Economic growth is slowing down in the US, UK and elsewhere and may turn negative later this year or next year. We continue to monitor commercial progress within portfolio companies and, whilst we are seeing some evidence of a slow down and pressure on profit margins, it is by no means universal.

At 31 March 2022, the NAV per share was 77.13 pence which, after adjusting for the dividends paid in the half year of 5.65 pence, gives a NAV total return for the period of -17.54%. The NAV total return (dividends reinvested) for the half year was -18.49% compared with -15.80% in the FTSE AIM All-Share Index Total Return (also calculated on a dividends reinvested basis). The Directors consider this to be the most appropriate benchmark from a shareholder's perspective, however, due to the investment restrictions placed on a VCT it is not wholly comparable.

Rolling Returns to end March 2022	Six months	1Y	3Y	5Y	10Y
NAV total return	-17.54%	-11.68%	32.56%	31.95%	97.27%
Share price total return	-16.24%	-8.72%	33.28%	36.08%	114.20%
NAV total return (dividends reinvested) ⁽¹⁾⁽²⁾	-18.49%	-12.99%	33.36%	35.56%	122.92%
Share price total return (dividends reinvested) ⁽¹⁾⁽²⁾	-16.67%	-9.93%	35.06%	41.44%	146.06%
FTSE AIM All-Share Index Total Return	-15.80%	-12.14%	17.38%	18.75%	47.27%

Source: Canaccord Genuity Fund Management/Bloomberg

(1) Alternative performance measure illustrations and definitions can be found on pages 41 to 42 and 43 to 45.

(2) The NAV total return (dividends reinvested) and Share price total return (dividends reinvested) measures have been included to improve comparability with the FTSE AIM All-Share index Total Return which is also calculated on that basis.

The earnings per share total return for the year was a loss of 18.74 pence (comprising a revenue loss of 0.28 pence and a capital loss of 18.46 pence). Revenue income in the period declined by 5.5% to £0.37m. For the most part, this was a consequence of the reduced allocation to Non-Qualifying Investments.

The share price decreased from 93.00 pence to 74.75 pence over the reporting period which, after adjusting for dividends paid, gives a share price total return of -16.24%.

Investments

The Investment Manager invested £8.6 million into 6 Qualifying Companies during the period. The fair value of Qualifying Investments at 31 March 2022 was £143.2 million (69.4% of NAV) invested in 65 AIM companies and 7 unquoted companies. £21.5 million (10.4% of NAV) was invested in non-qualifying equities, £4.3 million (2.1% of NAV) was invested in the Marlborough Special Situations Fund and £38 million (18.5% of NAV) was held in cash at the period end. Most of the non-qualifying equities are listed in the FTSE 350 and offer good levels of liquidity should the need arise.

Dividend

The Directors continue to maintain their policy of targeting a tax free dividend yield equivalent to 5% of the year end NAV per share (see page 24 for the full policy).

A special dividend of 2.50 pence was paid on 29 October 2021 and a final dividend for the year ended 30 September 2021 of 3.15 pence was paid on 10 February 2022.

An interim dividend of 1 penny (2021: 1.75 pence) will be paid on 29 July 2022, with an ex-dividend date of 30 June 2022 and a record date of 1 July 2022. The final dividend will be determined at the year end.

Dividend re-investment scheme

Shareholders may elect to reinvest their dividends by subscribing for new shares in the Company. Election to join the scheme can be made at any time by completing a DRIS mandate form. Further information on how to apply can be found in the shareholder information section on page 46.

On 29 October 2021, 327,293 ordinary shares were allotted at a price of 94.09 pence per share, which was calculated, in accordance with the terms and conditions of the DRIS, on the basis of the last reported NAV per share as at 8 October 2021, to shareholders who elected to receive shares as an alternative to the special dividend announced on 23 September 2021.

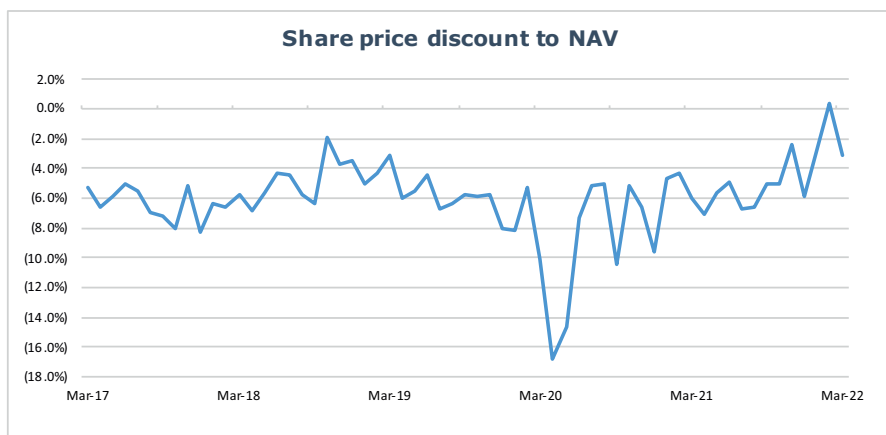
On 10 February 2022, 624,916 ordinary shares were allotted at a price of 86.69 pence per share, which was calculated, in accordance with the terms and conditions of the DRIS, on the basis of the last reported NAV per share as at 21 January 2022, to shareholders who elected to receive shares as an alternative to the final dividend for the year ended 30 September 2021.

Buybacks

In total, 2,106,208 shares (nominal value £21,062) were repurchased during the six month period ending 31 March 2022 at a cost of £1,739,296 (average price: 82.58 pence per share). As at 15 June 2022, a further 935,939 shares have been repurchased at a cost of £678,633 (average price of 72.51 pence per share).

Share price discount

The Company aims to improve liquidity and to maintain a discount of approximately 5 per cent. to the last published NAV per share (as measured against the mid-price) by making secondary market purchases of its shares in accordance with parameters set by the Board (see page 24 for the full policy).



We continued to operate the discount control and management of share liquidity policy effectively during the period. The Company has 1 and 5 year average share price discounts of 4.57% and 6.02% respectively.

The share price discount as at 31 March 2022 was 3.09% compared to 5.00% at 30 September 2021. The period end valuation review led to decreases in the valuation of several private companies and, therefore, a small decrease in the period end NAV per share relative to the previously published NAV per share. As a result, the discount reported at 31 March 2022 was lower than that reported at the year end.

As at 16 June 2022 the discount to NAV is 4.7% of the last published NAV per share.

Offer for subscription

The Directors of the Company announced on 2 September 2021 the launch of an offer for subscription for shares to raise up to £20 million, together with an over-allotment facility of up to a further £20 million. On 22 September 2021, the Company announced it had received valid applications in excess of £17 million and therefore intended to utilise the £20 million over-allotment facility.

On 22 October 2021, the Company announced it had received valid applications in respect of the full £20 million over-allotment facility and therefore the offer for subscription was closed to further applications.

The offer resulted in gross funds being received of £40.0 million and the issue of 41.6 million shares.

Intention to launch an offer for subscription

On 9 June 2022, the Company announced its intention to launch an offer for subscription of new ordinary shares in or around September 2022. It is expected that the Company will seek to raise no less than £20 million under the offer. Full details will be set out in a prospectus to be published by the Company in connection with the offer. A further announcement will be made upon the offer's launch.

Cost efficiency

Your Board reviews costs incurred by the Company on a regular basis and is focused on maintaining a competitive ongoing charges ratio. The period end ongoing charges ratio was 2.10% when calculated in accordance with the AIC's "Ongoing Charges" methodology. This compares with the 30 September 2021 ratio of 2.12%.

Board composition

Ashton Bradbury retired from his role as non-executive director at the Annual General Meeting in February 2022. We are grateful to Ashton for his support and advice since joining the Board in May 2018. His contribution, commitment and wise counsel both to the Board and the Company has been greatly appreciated and valued. The Board wishes Ashton all the best for the future.

With effect from 1st June 2022, the Board is delighted to report the appointments of Megan McCracken and Busola Sodeinde as independent non-executive directors of the Company. Megan brings cross sector knowledge from her executive career and insights from her non executive career gained on financial services and digital boards from FTSE 250 to smaller, high growth businesses. Busola brings significant regulatory and governance experience from her operational and strategic leadership roles in financial services and a keen interest and involvement in entrepreneurial enterprises. Both Megan and Busola have a strong focus on and passion for environmental, social and governance issues and the Board is looking forward to incorporating their diversity of thought and approach in its work for your Company.

Shareholder event

Both your Board and the Investment Manager are keen to improve interaction with our shareholders. On 24 November 2021, following strong interest from shareholders, the Company held an in-person shareholder event at Everyman Cinema, Broadgate, City of London. The event

included presentations from the Investment Manager's VCT team, several portfolio companies and concluded with the screening of a feature film.

Electronic communications

As ever, we are respectfully asking shareholders to opt into electronic communications as we continue to look for savings in our printing and production costs and to reduce our environmental footprint. If you are interested in making the transition, please email us at aimvct@canaccord.com and we will arrange for the form of election to be sent to you by Equiniti, the Company's registrar.

On a similar note, we would also be grateful if shareholders would consider updating their dividend payment preference from cheque to bank transfer, helping us to further reduce costs and paper usage. Cheques are highly susceptible to fraud and cheque fraud is one of the most common forms of financial crime. It is becoming increasingly difficult to deposit cheques safely with the growing number of small branch closures and charges may apply to re-issue lost or expired cheques.

In line with our wish to encourage the use of electronic communications and the practice of many companies, with effect from the interim results to be published in 2023, the Company will no longer print and distribute Interim Reports to shareholders. The interim results will continue to be available for download on our website <https://www.hargreaveaimvcts.co.uk> and a summary of the results is also published via a Regulatory Information Service on the London Stock Exchange.

We are pleased to confirm that, with effect from the interim dividend payable in July 2022, electronic tax vouchers will be issued in place of paper tax vouchers to those shareholders who have opted in to electronic communications and registered with Equiniti's Shareview system.

Regulatory update

There were no major changes to VCT legislation during the period under review.

VCT status

I am pleased to report that we continue to perform well against the requirements of the legislation, the period end investment test was 85.63% (2021: 95.23%) against an 80% requirement when measured using HMRC's methodology. The Company successfully met the 30% test for funds raised in the 2021 financial year and satisfied all other tests relevant to its status as a Venture Capital Trust.

Key information document

In accordance with the EU's Packaged retail investment and insurance products (PRIIPs) regulations, the Company's Key Information Document (KID) is published on the Company's website at <https://www.hargreaveaimvcts.co.uk>.

Investors' attention is drawn to the March 2022 policy statement published by the FCA in relation to amendments to the KID produced by VCTs in accordance with UK PRIIPs Laws. The policy addresses concerns that the current methodology for calculating the Summary Risk Indicator (SRI) results in an inappropriately low SRI being applied for VCTs and now mandates that KIDs issued by VCTs must be assigned an SRI of no lower than 6. The policy statement also replaces the requirements and methodologies for presentation of performance scenarios in the KID with a requirement for narrative information to be provided. The handbook rules and Regulatory

Technical Standard came into force on 25 March 2022, with a transitional period which will end on 31 December 2022.

The 19 April 2022 KID has been prepared using the outgoing methodology prescribed in the PRIIPS regulation.

Risk review

Your Board has reviewed the risks facing the Company and further detail can be found in the principal and emerging risks and uncertainties section on page 23.

Outlook

Although it is difficult to foresee a significant improvement in the economic outlook in the short-term without an unexpected cessation of hostilities in Ukraine, many companies will continue to record growth in the year ahead, possibly at levels that are lower than currently forecast. As a venture capital fund, we are investing in growing companies that are often on their own unique journeys that do not require high levels of GDP growth to support the adoption of their products or services.

The investment portfolio contains some early stage high risk growth companies. Inevitably, some of these will struggle. To the extent that we can, we mitigate this through the careful curation of a portfolio of increasingly mature companies. Extensive diversification limits company specific risk so that, when mistakes are made or exogenous risks intervene, the impact is painful but contained.

Looking ahead, recessionary or near recessionary environments have previously yielded some interesting investment opportunities in attractively valued companies. As always, we remain well positioned to capitalize on those that meet our investment criteria.

I look forward to reporting to you further on the VCT's performance in six months time.

David Brock

Chairman

Date: 17 June 2022

Investment Manager's report

Introduction

This report covers the first half of the 2021/22 financial year, 1 October 2021 to 31 March 2022. The Investment Manager's report contains references to movements in the NAV per share and NAV total return per share for the period. Movements in the NAV per share do not necessarily mirror the earnings per share total return reported in the accounts and elsewhere, which convey the profit after tax of the Company within the reported period as a function of the weighted average number of shares in issue for the period.

Investment performance measures contained in this report are calculated on a pence per share basis and include realised and unrealised gains and losses.

Investment report

Although strong levels of UK economic growth and high levels of employment made for a positive backdrop in the autumn, it became increasingly apparent that issues with labour market liquidity, supply chain disruption and rising input prices were weighing on corporate earnings and likely to remain a factor deep into 2022. The emergence of the Omicron variant added further downside risk towards the end of the first quarter; however, evidence quickly emerged that the impact was likely to be less profound than initially feared, allowing markets to move higher as the year drew to a close.

The markets became increasingly difficult through the second quarter with the war in Ukraine further undermining the macro-economic outlook and adding a new and deeply disturbing dimension to the geopolitical overlay. Commodity prices soared, adding to the difficult inflationary environment that central banks were already struggling to contain. In the UK, 12-month Consumer Price Inflation (CPI) reached 7.0% in March 2022. The Bank of England is currently forecasting CPI to peak at slightly above 11% in late 2022, before returning to its 2% target in the medium term.

Reflecting the deteriorating outlook for inflation, the Bank of England increased the base rate from 0.1% to 0.75% in the period and to 1.25% post period end as it started to unwind the historic level of monetary stimulus to the UK economy.

Arguably, more relevant is the very substantial change in monetary policy underway in the US, which weighed heavily on US growth stocks and roiled equity markets globally. Responding to Federal Open Market Committee (FOMC) guidance, investors have quickly reset their outlook for interest rates in the US, with US 10-year real yields turning positive for the first time in more than 2 years. A surprise GDP contraction in the US in the 3 months to 31 March 2022 is seen by many as further evidence that a slowdown in US is underway, as suggested by an inversion of the US yield curve.

Higher inflation and continued supply chain disruption is expected to weigh on the outlook for the UK economic activity with the Bank of England May 2022 report guiding to GDP growth of 3.8% in 2022, falling to -0.25% in 2023. Forecasting is never easy; however, given the many uncertainties, it is reasonable to expect further revisions to the outlook.

Consumer confidence in the UK has collapsed to its lowest level since the financial crisis with PwC's Spring 2022 Consumer Sentiment Survey detailing the biggest one-year decline in consumer confidence since the global financial crisis. It is unclear how this will impact actual consumer spending given the accumulation of household wealth during the pandemic, but it is at best unhelpful. Within the UK, whilst many retailers are having to contend with a challenging trading environment, pubs, bars, restaurants and experiential leisure continue to report positive trading as consumers pivot away from the (over) consumption of goods in favour of services. It is difficult to know how long this will last given the outlook for household spending on food, energy and other staples.

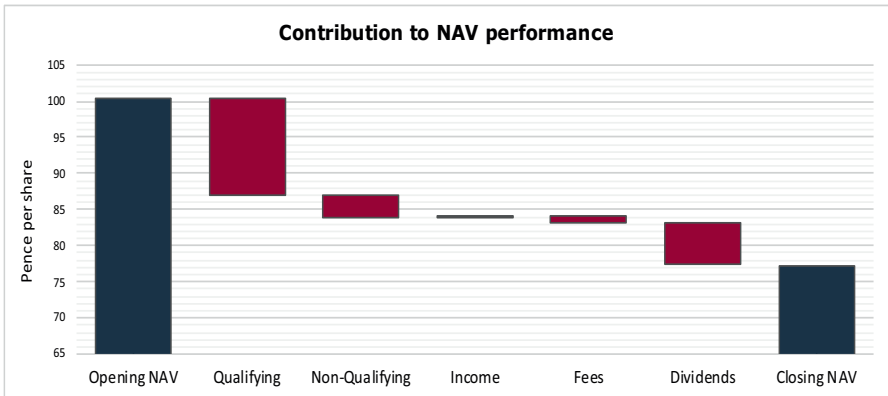
For those looking to sketch out a more positive outlook, it is not unreasonable to postulate that we may soon hit peak inflation and that the worst may soon be behind us. Monetarists, who correctly foresaw that last year's inflation would not be transitory, now point to the rapid tightening of financial conditions and the repricing of various asset classes as evidence that central bank messaging is having the desired effect. It will be interesting to see how this plays out.

The FTSE 100, often a laggard amongst the global indices, returned 7.8% in the half year, benefitting from compositional biases in favour of oil & gas, mining and banking. This, in turn, helped the FTSE All-Share post a positive 4.7% return. This did not carry over to AIM, which has continued to underperform with the FTSE AIM All-Share down -15.8% in the period as investors rotated away from high risk, high growth companies in favour of more liquid shares in larger, more established and more defensive companies.

Performance

In the six months to 31 March 2022, the unaudited NAV per share decreased from 100.39 pence to 77.13 pence. A special dividend of 2.50 pence and a final dividend of 3.15 pence were paid on 29 October 2021 and 10 February 2022 respectively, giving a NAV total return to investors of -17.61 pence per share, which translates to a loss of -17.54%. The NAV total return (dividends reinvested) for the period was -18.49% compared with -15.8% in the FTSE AIM All-Share Index Total Return and +4.70% in the FTSE All-Share Index Total Return (also calculated on a dividends reinvested basis).

The Qualifying Investments made a net contribution of -13.43 pence per share whilst the Non-Qualifying Investments returned -3.08 pence per share. The adjusting balance was the net of running costs and investment income. The contribution to NAV performance is split out in further detail below.



Bidstack was the top performing investment (+122.9%, +0.81 pence per share) having signed a number of key partnerships over the period, including a 2-year partnership with digital media platform Azerion and a multi-year deal with a leading global games publisher. As a result, the company has secured a minimum of \$30 million guaranteed advertising spend over the next 2 years, which underpins their forecasts.

On 9 December 2021, CloudCall (+43.0%, +0.27 pence per share), a software and integrated communications business, announced a recommended all cash offer by a private equity backed

investment company. The 81.5 pence per share offer price valued the company at £40 million. The acquisition completed in January 2022.

The phased relaxation of travel restrictions allowed AirPortr (+100%, +0.20 pence per share) to resume operations at London Heathrow and Geneva airport. The company has ambitious growth plans and is progressing discussions with commercial partners.

A strong UK property market helped The Property Franchise Group (+25.7%, +0.09 pence per share) to report organic revenue growth of 26% in 2021. Reported revenues, which included a maiden contribution from Hunters, grew by +118% to £24 million. Adjusted profit before tax grew strongly too and the company remains highly cash generative. Although property sales are expected to normalize back to 2019 levels in 2022, the strong outlook for the lettings market underpins the company's outlook.

BiVictrix (+22.2%, +0.09 pence per share), a UK-based biopharma company focused on the development of novel cancer therapies, announced the expansion of its therapeutic pipeline with two additional programmes entering the early stages of development.

Technology and healthcare stocks have been under pressure across the market. This change of sentiment was the biggest factor in the derating witnessed by a number of the portfolio companies and the most significant detractor to performance over the half year.

Polarean (-36.9%, -1.07 pence per share) announced in early October that the FDA did not approve the new drug application for its drug-device combination product. The issues were largely related to manufacturing, and the company has resubmitted its new drug application to the FDA in response. The new review is expected to deliver a determination by 30 September 2022. In the meantime, the company has continued to secure a small number of research unit orders and the balance sheet remains strong.

Shares in Maxcyte (-40.0%, -1.02 pence per share) were weak, in line with the devaluation seen in US healthcare peers. The company continued to make strong progress in 2021 with full year results in line with expectations, including revenue growth of 30% to \$33.9 million and an EBITDA loss of \$11.5 million. The pipeline of potential milestones grew by 32% to \$1.25 billion across 15 agreements. Guidance for 2022 was slightly ahead of expectations and, in a post period end update, the company increased its revenue guidance for 2022. The balance sheet remains very strong with a cash position of \$255 million.

Ideagen (-32.4%, -1.00 pence per share) reported good growth in its interim results, as well as announcing the acquisition of MailManager, thereby continuing the execution of its successful buy and build strategy. Post period end, the company announced a recommended cash offer from private equity at 350 pence per share. If the deal completes, the sale will be the biggest exit (in value terms) from the portfolio and realise a gain of 15x book cost.

Learning Technologies Group (-24.7%, -0.91 pence per share) completed the acquisition of GP Strategies in October, resulting in an enlarged company with pro-forma revenues of £500 million. The company published its FY21 preliminary results post period end. The results were marginally ahead of expectations and confirmed a strong start to FY22.

Blackbird (-54.4%, -0.85 pence per share), a cloud video editing and publishing platform, steadily declined throughout period. Although the company reported a 37% increase in revenues to £2.1 million in FY21 and a 93% increase in its order book, the progress was insufficient to offer fundamental support to the valuation in the absence of any broker forecasts. The company is well funded having secured an additional £8 million from investors in December 2021. The company reported year end net cash of £12.8 million.

Within the qualifying portfolio, we exited Cloudcall through a takeover, and sold our investments in Reneuron, KRM 22, Mirriad Advertising and Synairgen following periods of poor performance. We also sold the investment in Vertu motors in anticipation of a deteriorating supply chain environment and significant structural changes to the automotive retail market.

Within the non-qualifying portfolio, we sold investments in James Fisher, Halma, Liontrust, Spirax Sarco and XP Power. Aside from James Fisher, which continued to report disappointing news, the disposals were made in response to the developing risk environment.

Portfolio structure

The VCT is comfortably through the HMRC defined investment test and ended the period at 85.63% invested as measured by the HMRC investment test. By market value, the VCT had a 69.4% weighting to Qualifying Investments.

Qualifying Investment activity was relatively muted in the half year with £8.6 million invested into 6 qualifying AIM companies, including three new AIM investments and three follow-on investments.

In line with the investment policy, we made investments in the Marlborough Special Situations Fund as a temporary home for the fundraising proceeds. Our investment in the Marlborough Special Situations Fund at the beginning and end of period was relatively stable, increasing from 1.6% to 2.1% (despite an intra-period rise and subsequent fall post the fundraising). The non-qualifying portfolio reduced from 11.2% to 10.4%. Cash increased from 11.4% to 18.5% of net assets.

The HMRC investment tests are set out in Chapter 3 of Part 6 Income Tax Act 2007, which should be read in conjunction with this Investment Manager's report. Funds raised by VCTs are first included in the investment tests from the start of the accounting period containing the third anniversary of the date on which the funds were raised. Therefore, the allocation to Qualifying Investments as defined by the legislation can be different to the portfolio weighting as measured by market value relative to the net assets of the VCT.

Post period end update

At 10 June 2022, the FTSE AIM All-Share Total Return Index had declined by 8.5% since the period end, whilst the FTSE All-Share Total Return Index had declined by 2.6%. The Company's NAV has fallen by 5.8% to 72.68 pence (10 June 2022).

As of 16 June 2022, the share price of 69.25 pence represented a discount of 4.7% to the last published net asset value per share.

For further information please contact:

Oliver Bedford

Lead Manager

Date: 17 June 2022

Hargreave Hale AIM VCT plc

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Investment portfolio summary

As at 31 March 2022

	Net Assets %	Cost £000	Cumulative movement in value £000	Valuation £000	Market	COI ⁽¹⁾
Qualifying Investments						
SCA Investments Ltd (Gousto)	6.91	2,484	11,779	14,263	Unlisted	Yes
Learning Technologies Group plc	3.53	2,238	5,057	7,295	AIM	Yes
Ideagen plc	2.66	1,992	3,507	5,499	AIM	Yes
Zoo Digital Group plc	2.60	2,266	3,093	5,359	AIM	Yes
Ilika plc	2.54	1,636	3,616	5,252	AIM	No
Surface Transforms plc	2.50	1,744	3,405	5,149	AIM	Yes
Polarean Imaging plc	2.24	2,081	2,542	4,623	AIM	No
Tortilla Mexican Grill plc	2.00	1,125	3,000	4,125	AIM	No
PCI-PAL plc	1.95	2,280	1,734	4,014	AIM	Yes
Maxcyte Inc	1.94	1,270	2,735	4,005	AIM	Yes
Bidstack Group plc	1.87	1,983	1,884	3,867	AIM	No
Eagle Eye Solutions Group plc	1.86	1,642	2,202	3,844	AIM	Yes
XP Factory plc	1.81	4,067	(326)	3,741	AIM	Yes
Infinity Reliance Ltd (My 1st Years) ⁽²⁾	1.55	2,500	694	3,194	Unlisted	Yes
Beeks Financial Cloud Group plc	1.51	1,038	2,077	3,115	AIM	Yes
Creo Medical Group plc	1.24	2,329	224	2,553	AIM	Yes
Aquis Exchange plc	1.16	765	1,630	2,395	AIM	Yes
Abcam plc	1.11	55	2,230	2,285	AIM	No
Verici DX plc	1.10	1,926	336	2,262	AIM	Yes
Angle plc	1.09	1,158	1,091	2,249	AIM	No
C4X Discovery Holdings plc	1.05	1,550	619	2,169	AIM	No
Cohort plc	1.01	619	1,466	2,085	AIM	Yes
Diaceutics plc	0.99	1,550	489	2,039	AIM	Yes
Velocys plc	0.97	2,220	(208)	2,012	AIM	No
AnimalCare Group plc	0.93	720	1,200	1,920	AIM	Yes
Blackbird plc	0.92	615	1,291	1,906	AIM	Yes
Zappar Ltd	0.91	1,600	276	1,876	Unlisted	No
Eneraqua Technologies plc	0.90	1,955	(92)	1,863	AIM	No
Hardide plc	0.90	3,566	(1,710)	1,856	AIM	Yes
Craneware plc	0.79	125	1,502	1,627	AIM	Yes
Belvoir Group plc	0.75	762	781	1,543	AIM	Yes
CentralNic Group plc	0.74	588	931	1,519	AIM	Yes
Science in Sport plc	0.66	1,479	(108)	1,371	AIM	No
BiVictrix Therapeutics plc	0.64	1,200	120	1,320	AIM	No
EKF Diagnostics Holdings plc	0.63	565	731	1,296	AIM	Yes
Eden Research plc	0.60	1,355	(113)	1,242	AIM	No
Arecor Therapeutics plc	0.60	712	517	1,229	AIM	No
Instem plc	0.59	297	927	1,224	AIM	Yes
Crossword Cybersecurity plc	0.58	1,289	(102)	1,187	AIM	Yes
Intelligent Ultrasound Group plc	0.57	1,150	31	1,181	AIM	No
The Property Franchise Group plc	0.56	377	777	1,154	AIM	Yes

	Net Assets %	Cost £000	Cumulative movement in value £000	Valuation £000	Market	COI ⁽⁴⁾
Kidly Ltd	0.56	1,150	–	1,150	Unlisted	No
Idox plc	0.55	135	992	1,127	AIM	Yes
e-therapeutics plc	0.50	500	529	1,029	AIM	No
OneMedia iP Group plc	0.49	1,141	(123)	1,018	AIM	Yes
Crimson Tide plc	0.43	1,260	(378)	882	AIM	Yes
Strip Tinning Holdings plc	0.41	1,054	(199)	855	AIM	No
Quixant plc	0.41	1,209	(357)	852	AIM	No
Skillcast Group plc	0.41	1,570	(721)	849	AIM	No
Equals Group plc	0.37	750	21	771	AIM	Yes
Globaldata plc	0.33	173	498	671	AIM	Yes
ULS Technology plc	0.31	770	(122)	648	AIM	Yes
In The Style Group plc	0.30	1,667	(1,042)	625	AIM	No
Tristel plc	0.30	543	77	620	AIM	No
Intercede Group plc	0.30	305	311	616	AIM	Yes
Out In Collective Ltd	0.27	1,749	(1,187)	562	Unlisted	No
AirPortr Technologies Ltd ⁽²⁾	0.26	1,888	(1,359)	529	Unlisted	No
Everyman Media Group plc	0.25	600	(80)	520	AIM	Yes
Trellus Health Plc	0.25	1,074	(564)	510	AIM	Yes
K3 Business Technology Group plc	0.22	270	186	456	AIM	Yes
Faron Pharmaceuticals Oy	0.21	1,374	(934)	440	AIM	No
Yourgene Health plc	0.20	521	(101)	420	AIM	No
Gfinity plc	0.20	2,026	(1,609)	417	AIM	Yes
Rosslyn Data Technologies plc	0.19	750	(360)	390	AIM	Yes
Fusion Antibodies plc	0.19	624	(242)	382	AIM	No
DP Poland plc	0.16	1,390	(1,060)	330	AIM	Yes
Diurnal Group plc	0.15	672	(368)	304	AIM	No
Renalytix AI plc	0.09	82	100	182	AIM	Yes
Trakm8 Holdings plc	0.08	486	(325)	161	AIM	No
MYCELX Technologies Corporation	0.06	361	(243)	118	AIM	Yes
Osirium Technologies plc	0.02	858	(820)	38	AIM	No
Honest Brew Ltd ⁽²⁾	–	2,800	(2,800)	–	Unlisted	No
Laundrapp Ltd ⁽²⁾	–	2,450	(2,450)	–	Unlisted	No
Mporium Group plc	–	33	(33)	–	Unlisted	No
Flowgroup plc	–	26	(26)	–	Unlisted	No
Infoserve Group plc ⁽⁵⁾	–	–	–	–	Unlisted	No
Total – equity Qualifying Investments	67.93	93,134	47,046	140,180		
Qualifying fixed income investments						
Kidly Ltd (loan notes)	0.84	1,350	385	1,735	Unlisted	No
Osirium Technologies plc (loan notes)	0.54	800	311	1,111	Unlisted	No

	Net Assets %	Cost £000	Cumulative movement in value £000	Valuation £000	Market	COI ⁽⁴⁾
Honest Brew Ltd (loan notes)	0.07	300	(150)	150	Unlisted	No
Total qualifying fixed income investments	1.45	2,450	546	2,996		
Total Qualifying Investments	69.38	95,584	47,592	143,176		

	Net Assets %	Cost £000	Cumulative movement in value £000	Valuation £000	Market	COI ⁽⁴⁾
Non-Qualifying Investments						
Marlborough Special Situations Fund	2.06	4,610	(352)	4,258	Unlisted	
Total unit trusts	2.06	4,610	(352)	4,258		
Watches of Switzerland Group plc	1.00	1,760	293	2,053	Main	Yes
Hilton Food Group plc	0.72	1,262	226	1,488	Main	Yes
SThree plc	0.67	1,687	(302)	1,385	Main	Yes
Howden Joinery Group plc	0.67	1,391	(9)	1,382	Main	Yes
Bytes Technology Group plc	0.67	842	533	1,375	Main	Yes
Glencore plc	0.65	1,132	218	1,350	Main	No
Future plc	0.63	599	701	1,300	Main	Yes
Trifast Group plc	0.55	1,318	(188)	1,130	Main	Yes
JD Sports Fashion plc	0.49	1,318	(317)	1,001	Main	Yes
WH Smith plc	0.43	948	(58)	890	Main	Yes
Bodycote plc	0.41	990	(136)	854	Main	Yes
NCC Group plc	0.39	985	(182)	803	Main	Yes
Workspace Group plc	0.38	1,025	(238)	787	Main	Yes
Shaftesbury plc	0.38	761	23	784	Main	No
Rotork plc	0.33	737	(52)	685	Main	No
Hollywood Bowl Group plc	0.33	797	(119)	678	Main	Yes
S4 Capital plc	0.31	431	216	647	Main	Yes
On the Beach Group plc	0.26	868	(340)	528	Main	No
Wickes Group plc	0.22	585	(124)	461	Main	Yes
Tortilla Mexican Grill plc	0.22	161	288	449	AIM	Yes
Chemring Group plc	0.17	358	(10)	348	Main	Yes
Cohort plc	0.16	271	68	339	AIM	No
BAE Systems plc	0.16	346	(9)	337	Main	No
Seraphine Group plc	0.15	1,853	(1,545)	308	Main	Yes
MYCELX Technologies Corporation	0.07	298	(161)	137	AIM	No
Genagro Ltd ⁽⁴⁾	-	-	-	-	Unlisted	Yes
Total – equity Non-Qualifying Investments	10.42	22,723	(1,224)	21,499		
Total - Non-Qualifying Investments	12.48	27,333	(1,576)	25,757		
Total investments	81.86	122,917	46,016	168,933		

	Net Assets %	Cost £000	Cumulative movement in value £000	Valuation £000	Market	COI ⁽¹⁾
Cash at bank	18.45			38,082		
Prepayments, accruals	(0.31)			(643)		
Net assets	100.00			206,372		

⁽¹⁾ COI – Co-investments with other funds managed by the Investment Manager at 31 March 2022.

⁽²⁾ Different classes of shares held in unlisted companies within the portfolio have been aggregated.

⁽³⁾ Impaired fully through the profit and loss account and therefore shows a zero cost.

⁽⁴⁾ Company awaiting liquidation.

The investments listed below are either listed, headquartered or registered outside the UK:

	Listed	Headquartered	Registered
<i>Listed Investments:</i>			
Abcam plc	UK/USA	UK	UK
Bytes Technology Group plc	UK/South Africa	UK	UK
Crimson Tide	UK/Republic of Ireland	UK	UK
Craneware plc	UK	UK/USA	UK
Faron Pharmaceuticals Oy	UK/Finland	Finland	Finland
Glencore plc	UK/South Africa	Switzerland	Switzerland
Maxcyte Inc	UK	USA	USA
Mycelx Technologies Corporation plc	UK/USA	USA	USA
Polarean Imaging plc	UK	USA	UK
Renalytix AI plc	UK/USA	USA	UK
Trellus Health plc	UK	UK/USA	UK
Verici DX plc	UK	UK/USA	UK
<i>Unlisted private companies:</i>			
Genagro Ltd ⁽¹⁾	–	UK	Jersey

⁽¹⁾ Company awaiting liquidation.

Top ten investments

As at 31 March 2022 (by market value)

The top ten investments are shown below. Each investment is valued by reference to the bid price, or, in the case of unquoted companies, the IPEV guidelines using one or more valuation techniques according to the nature, facts and circumstances of the investment. Forecasts, where given, are drawn from a combination of broker research and/or Bloomberg consensus forecasts and exclude amortisation, share based payments and exceptional items. Forecasts are in relation to a period end for which the company results are yet to be released. Published accounts are used for private companies or public companies with no published broker forecasts. The net asset figures and net cash values are from published accounts in most cases.

SCA Investments Ltd (Gousto)			Unquoted
Investment date	July 2017	Results for the year to	December 2021
Equity held	1.24% ⁽¹⁾	Turnover (£'000)	315,281
Av. Purchase Price	3711.0p	(Loss) before tax (£'000)	(19,984)
Cost (£'000)	2,484	Net cash December 2021 (£'000)	80,117
Valuation (£'000)	14,263	Net assets December 2021 (£'000)	176,242
Income recognised in period (£)	–	Voting rights held	1.31%

⁽¹⁾ Fully diluted

Company description

Founded in February 2012, Gousto is an e-commerce company offering recipe kit boxes which include fresh ingredients for step-by-step chef designed recipes to be made at home. Shoppers select meals from a variety of options on Gousto's e-commerce platform.

Learning Technologies Group plc			Share Price: 162.10p
Investment date	November 2014	Forecasts for the year to	December 2022
Equity held	0.57%	Turnover (£'000)	531,000
Av. Purchase Price	49.7p	Profit before tax (£'000)	83,600
Cost (£'000)	2,238	Net (debt) December 2021 (£'000)	(141,412)
Valuation (£'000)	7,295	Net assets December 2021 (£'000)	371,338

Company description

Learning Technologies Group provides workplace digital learning and talent management software and services to corporate and government clients. The group offers end-to-end learning and talent solutions ranging from strategic consultancy, through a range of content and platform solutions to analytical insights that enable corporate and government clients to meet their performance objectives.

Ideagen plc		Share Price: 213.0p	
Investment date	December 2014	Forecasts for the year to	April 2022
Equity held	0.88%	Turnover (£'000)	84,600
Av. Purchase Price	77.2p	Profit before tax (£'000)	22,900
Cost (£'000)	1,992	Net cash October 2021 (£'000)	4,427
Valuation (£'000)	5,499	Net assets October 2021 (£'000)	134,214

Company description

Ideagen is a supplier of compliance-based information management software with operations in the UK and the United States. The company specialises in enterprise governance, risk and compliance and healthcare solutions for organisations operating within highly regulated industries. Ideagen provides complete content lifecycle solutions that enable organisations to meet their regulatory and quality compliance standards, helping them to reduce costs and improve efficiency.

Zoo Digital Group plc		Share Price: 116.0p	
Investment date	April 2017	Forecasts for the year to	March 2022
Equity held	5.23%	Turnover (\$'000)	70,000
Av. Purchase Price	49.1p	Profit before tax (\$'000)	2,400
Cost (£'000)	2,266	Net cash September 2021 (\$'000)	3,350
		Net assets September 2021	
Valuation (£'000)	5,359	(\$'000)	20,507

Company description

Zoo Digital is a leading provider of cloud-based dubbing, subtitling, localisation and distribution services for the global entertainment industry. Zoo's clients are some of the best-known brands in the world including major Hollywood studios, global broadcasters and independent distributors. Zoo's point of difference in the marketplace is its development and use of innovative cloud technology that ensures that content is localised in any language and delivered to all the major online platforms such as Amazon, iTunes, Google and Hulu with reduced time to market, higher quality and lower costs.

liika plc		Share Price: 142.0p	
Investment date	February 2014	Forecasts for the year to	April 2022
Equity held	2.35%	Turnover (£'000)	500
Av. Purchase Price	44.2p	(Loss) before tax (£'000)	(8,200)
Cost (£'000)	1,636	Net cash October 2021 (£'000)	26,933
Valuation (£'000)	5,252	Net assets October 2021 (£'000)	35,053

Company description

liika is a pioneer in solid-state battery technology with their innovative Stereax micro batteries designed for the Industrial Internet of Things (IIoT) and MedTech markets, and their Goliath large format batteries for the electric vehicle and consumer electronics markets.

Surface Transforms plc			Share Price: 52.0p
Investment date	March 2016	Forecasts for the year to	December 2022
Equity held	5.07%	Turnover (£'000)	14,500
Av. Purchase Price	17.6p	(Loss) before tax (£'000)	(100)
Cost (£'000)	1,744	Net cash December 2021 (£'000)	11,402
Valuation (£'000)	5,149	Net assets December 2021 (£'000)	20,892

Company description

Surface Transforms is a UK based developer and manufacturer of carbon ceramic brake discs for the automotive and aerospace markets.

Polarean Imaging plc			Share Price: 65.0p
Investment date	April 2020	Forecasts for the year to	December 2022
Equity held	3.39%	Turnover (\$'000)	1,500
Av. Purchase Price	29.3p	(Loss) before tax (\$'000)	(17,700)
Cost (£'000)	2,081	Net cash December 2021 (\$'000)	28,875
Valuation (£'000)	4,623	Net assets December 2021 (\$'000)	31,738

Company description

Polarean Imaging specialises in the use of hyperpolarised Xenon gas as an imaging agent and has developed equipment that enables existing Magnetic Resonance Imaging (MRI) systems to achieve improved imaging of pulmonary function. Current investigational uses include identifying early diagnoses of respiratory diseases as well as monitoring progression and therapeutic response.

Tortilla Mexican Grill plc ⁽¹⁾			Share Price: 165.0p
Investment date	October 2009	Forecasts for the year to	December 2022
Equity held	7.17%	Turnover (£'000)	62,000
Av. Purchase Price	46.4p	Profit before tax (£'000)	3,880
Cost (£'000)	1,286	Net cash January 2022 (£'000)	6,741
Valuation (£'000)	4,574	Net assets January 2022 (£'000)	3,867

⁽¹⁾ Mexican Grill floated on AIM on 8 October 2021 and its name has changed to Tortilla Mexican Grill plc.

Company description

Tortilla is the UK's largest fast-casual Mexican restaurant brand, offering a California-style Mexican menu. Founded in October 2007, Tortilla operates a multichannel order strategy across dine in, take away, click and collect and delivery options. The current estate includes 50 Tortilla restaurants across the UK, 10 sites in Dubai and Saudi Arabia, a cloud kitchen estate and exclusive delivery partnership with Deliveroo. Following the acquisition of Chilango Ltd in May 2022, the company also operates 8 sites across the UK under the Chilango brand.

PCI-PAL plc		Share Price: 58.0p	
Investment date	January 2018	Forecasts for the year to	June 2022
Equity held	10.58%	Turnover (£'000)	11,500
Av. Purchase Price	32.9p	(Loss) before tax (£'000)	(3,100)
Cost (£'000)	2,280	Net cash December 2021 (£'000)	5,528
Valuation (£'000)	4,014	Net assets December 2021 (£'000)	2,521

Company description

PCI-PAL plc provides organisations globally with secure cloud payment and data protection solutions for any business communications environment including voice, chat, social, email and contact centre.

Maxcyte Inc		Share Price: 534.0p	
Investment date	March 2016	Forecasts for the year to	December 2022
Equity held	0.74%	Turnover (\$'000)	43,800
Av. Purchase Price	169.3p	(Loss) before tax (\$'000)	(19,500)
Cost (£'000)	1,270	Net cash December 2021 (\$'000)	47,782
Valuation (£'000)	4,005	Net assets December 2021 (\$'000)	262,897

Company description

Through its cell-engineering platform technologies, Maxcyte helps bring the promise of next-generation cell and gene-editing therapies to life. The company's technology is currently being deployed by leading drug developers worldwide, including all of the top ten global biopharmaceutical companies.

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Principal risks and uncertainties

The principal risks facing the Company relate to the Company's investment activities and include venture capital trust approval, investment, compliance, operational risk and outsourcing, key personnel and exogenous risks such as economic, political, financial, climate change and health risk. Other risks faced by the Company include market risk, currency risk, interest rate risk, liquidity risk and credit risk. These risks and the way in which they are managed are described in more detail in the Company's annual report and accounts for the year ended 30 September 2021 on pages 17 to 18.

The Board has identified the following changes to the risks facing the Company previously disclosed through the Company's annual report and accounts for the year ended 30 September 2021.

War in Ukraine

The war in Ukraine presents challenges to the European security order with economic consequences through restricted access to certain commodities, disruption to supply chains and impacts on business and consumer confidence, trade and investment, employment and economic growth within the region, including the UK. Higher commodity prices and supply chain disruption may continue to support high levels of inflation that require material increases in interest rates in the UK and elsewhere with negative consequences for economic growth and global equity markets.

Going concern

The Company's business activities and the factors affecting its future development are set out in the Chairman's statement on pages 5 to 10 and the Investment Manager's report on pages 11 to 14. The Company's principal risks are set out above.

The Board receives regular reports from the manager and administrator and reviews the financial position, performance and liquidity of the Company's investment portfolio. Revenue forecasts and expense budgets are prepared at the start of each financial year and performance against plan is reviewed by the Board. Cash forecasts are prepared and reviewed by the Board as part of the HMRC investment test compliance monitoring.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months. No material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern have been identified by the Directors. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

On behalf of the Board of Directors.

David Brock
Chairman

Date: 17 June 2022

Other matters

Dividend policy

The Company's dividend policy is to target a tax free dividend yield equivalent to 5% of the year end NAV per share. The ability to pay dividends is dependent on the Company's available distributable reserves and cash resources, the Act, the Listing Rules and the VCT Rules. The policy is non-binding and at the discretion of the Board. Dividend payments may vary from year to year in both quantum and timing. The level of dividend paid each year will depend on the performance of the Company's portfolio. In years where there is strong investment performance, the Directors may consider a higher dividend payment, including the payment of special dividends. In years where investment performance is not as strong, the Directors may reduce or even pay no dividend.

Discount control and management of share liquidity policy

The Company aims to improve liquidity and to maintain a discount of approximately 5 per cent. to the last published NAV per share (as measured against the mid-price) by making secondary market purchases of its shares in accordance with parameters set by the Board.

This policy is non-binding and at the discretion of the Board. Its operation depends on a range of factors including the Company's liquidity, shareholder permissions, market conditions and compliance with all laws and regulations. These factors may restrict the effective operation of the policy and prevent the Company from achieving its objectives.

Diversity

The Board comprises three male non-executive directors and three female non-executive directors with a diverse range of experience, skills, length of service and backgrounds. The Board considers diversity when reviewing Board composition and has made a commitment to consider diversity when making future appointments. The Board will always appoint the best person for the job. It will not discriminate on the grounds of gender, race, ethnicity, religion, sexual orientation, age or physical ability.

Environmental Social and Governance (ESG) Considerations

The Board seeks to maintain high standards of conduct with respect to environmental, social and governance issues and to conduct the Company's affairs responsibly.

The Company does not have any employees or offices and so the Board does not maintain any specific policies regarding employees, human rights, social and community issues but does expect the Investment Manager to consider them when fulfilling its role.

The management of the Company's investment portfolio has been delegated to its Investment Manager, Hargreave Hale Ltd (trading as Canaccord Genuity Fund Management). The Company has not instructed the Investment Manager to include or exclude any specific types of investment on ESG grounds. However, it expects the Investment Manager to take account of ESG considerations in its investment process for the selection and ongoing monitoring of underlying investments. The Board has also given the Investment Manager discretion to exercise voting rights on resolutions proposed by investee companies.

The Investment Manager continues to develop its approach to ESG issues.

To minimise the direct impact of its activities the Company offers electronic communications where acceptable to reduce the volume of paper it uses and uses 100% recycled paper to print its financial reports. Vegetable based inks are used in the printing process where appropriate.

David Brock

Chairman

Date: 17 June 2022

Statement of directors' responsibilities

in respect of the half-yearly financial report

In accordance with Disclosure Transparency Rule (DTR) 4.2.10, David Brock (Chairman), Oliver Bedford, Angela Henderson, Justin Ward, Megan McCracken and Busola Sodeinde, the Directors, confirm that to the best of their knowledge:

- The half-yearly financial results have been prepared in accordance with UK GAAP and give a true and fair view of the assets, liabilities, financial position and profit of the Company as at 31 March 2022 as required by DTR 4.2.4;
- The interim management report consisting of the Chairman's statement, Investment Manager's report, investment portfolio summary, principal risks and uncertainties disclosure and notes to the half-yearly report includes a fair review of the information required by the Financial Conduct Authority Disclosure and Transparency Rules, being;
 - an indication of the important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements;
 - a description of the principal risks and uncertainties for the remaining six months of the year; and
 - a description of related party transactions that have taken place in the first six months of the current financial year, that may have materially affected the financial position or performance of the Company during that period and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board of Directors.

David Brock
Chairman

Date: 17 June 2022

Condensed income statement

for the six month period to 31 March 2022 (unaudited)

	Note	For the six month period to 31 March 2022 (unaudited)			For the six month period to 31 March 2021 (unaudited)		
		Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Net (loss)/gain on investments held at fair value through profit or loss	5	–	(43,893)	(43,893)	–	54,987	54,987
Income	2	370	–	370	391	–	391
		370	(43,893)	(43,523)	391	54,987	55,378
Management fee		(475)	(1,425)	(1,900)	(417)	(1,252)	(1,669)
Other expenses		(587)	(5)	(592)	(498)	(12)	(510)
		(1,062)	(1,430)	(2,492)	(915)	(1,264)	(2,179)
(Loss)/profit on ordinary activities before taxation		(692)	(45,323)	(46,015)	(524)	53,723	53,199
Taxation		–	–	–	–	–	–
(Loss)/profit after taxation		(692)	(45,323)	(46,015)	(524)	53,723	53,199
Basic and diluted (loss)/earnings per share	3	(0.28)	(18.46)	(18.74)	(0.25)p	25.86p	25.61p

The total columns of these statements are the income statements of the Company. All revenue and capital items in the above statements derive from continuing operations. There was no other comprehensive income other than the profits/losses for the six-month periods as set out above. The accompanying notes are an integral part of these financial statements.

Condensed income statement

for the year ended 30 September 2021 (audited)

	Note	For the year to 30 September 2021 (audited)		
		Revenue £000	Capital £000	Total £000
Net gain on investments held at fair value through profit or loss	5	–	71,337	71,337
Income	2	894	141	1,035
		894	71,478	72,372
Management fee		(908)	(2,722)	(3,630)
Other expenses		(850)	(21)	(871)
		(1,758)	(2,743)	(4,501)
(Loss)/profit on ordinary activities before taxation		(864)	68,735	67,871
Taxation		–	–	–
(Loss)/profit after taxation		(864)	68,735	67,871
Basic and diluted (loss)/earnings per share	3	(0.39)p	30.84p	30.45p

The total column of this statement is the income statement of the Company. All revenue and capital items in the above statement derive from continuing operations. There was no other comprehensive income other than the profit for the year as set out above. The accompanying notes are an integral part of these financial statements.

Condensed balance sheet

as at 31 March 2022 (unaudited)

	Note	31 March 2022 (unaudited) £000	31 March 2021 (unaudited) £000	30 September 2021 (audited) £000
Fixed assets				
Investments at fair value through profit or loss	5	168,933	191,016	202,800
Current assets				
Debtors	7	496	197	330
Cash at bank		38,082	30,457	27,016
		38,578	30,654	27,346
Creditors: amounts falling due within one year	8	(1,139)	(1,030)	(1,183)
Net current assets		37,439	29,624	26,163
Total assets less current liabilities		206,372	220,640	228,963
Capital and Reserves				
Called up share capital		2,675	2,305	2,280
Share premium		92,707	52,691	53,802
Capital redemption reserve		179	122	158
Capital reserve – unrealised		63,852	92,944	102,311
Special reserve		68,107	91,475	84,004
Capital reserve – realised		(18,297)	(17,078)	(11,433)
Revenue reserve		(2,851)	(1,819)	(2,159)
Total shareholders' funds		206,372	220,640	228,963
Net asset value per share (basic and diluted)	4	77.13p	95.71p	100.39p

The accompanying notes are an integral part of these financial statements.

Condensed statement of changes in equity

for the six month period to 31 March 2022 (unaudited)

	Note	Non-distributable reserves				Distributable reserves ⁽¹⁾				Total €000
		Share capital €000	Share premium €000	Capital redemption reserve €000	Capital reserve unrealised €000	Special reserve €000	Capital reserve realised €000	Revenue reserve €000		
At 1 October 2021		2,280	53,802	158	102,311	84,004	(11,433)	(2,159)	228,963	
Loss and total comprehensive income for the period										
Realised loss on investments	5	-	-	-	-	-	(2,161)	-	(2,161)	
Unrealised loss on investments	5	-	-	-	(41,732)	-	-	-	(41,732)	
Management fee charged to capital		-	-	-	-	-	(1,425)	-	(1,425)	
Income allocated to capital	2	-	-	-	-	-	-	-	-	
Due diligence investment costs		-	-	-	-	-	(5)	-	(5)	
Revenue (loss) after taxation for the period		-	-	-	-	-	-	(692)	(692)	
Total loss after taxation for the period		-	-	-	(41,732)	-	(3,591)	(692)	(46,015)	
Contributions by and distributions to owners										
Subscription share issues	9	406	38,794	-	-	-	-	-	39,200	
Issue costs	14	-	(729)	-	-	-	-	-	(729)	
Share buybacks	9	(21)	-	21	-	(1,739)	-	-	(1,739)	
DRIS share issues	9	10	840	-	-	-	-	-	850	
Equity dividends paid	6	-	-	-	-	(14,158)	-	-	(14,158)	
Total contributions by and distributions to owners		395	38,905	21	-	(15,897)	-	-	23,424	
Other movements										
Diminution in value	5	-	-	-	3,273	-	(3,273)	-	-	
Total other movements		-	-	-	3,273	-	(3,273)	-	-	
At 31 March 2022		2,675	92,707	179	63,852	68,107	(18,297)	(2,851)	206,372	

Reserves available for distribution are capital reserve realised, special reserve and revenue reserve. Total distributable reserves at 31 March 2022 were €47.0 million. The accompanying notes are an integral part of these financial statements.

⁽¹⁾ The Income Taxes Act 2007 restricts distribution of capital from reserves created by the conversion of the share premium account into a special (distributable) reserve until the third anniversary of the share allotment that led to the creation of that part of the share premium account. As at 31 March 2022, none of the special reserve was subject to this restriction.

Condensed statement of changes in equity

for the six month period to 31 March 2021 (unaudited)

Note	Non-distributable reserves				Distributable reserves ⁽¹⁾				Total £000
	Share capital £000	Share premium £000	Capital redemption reserve £000	Capital reserve unrealised £000	Special reserve £000	Capital reserve realised £000	Revenue reserve £000		
At 1 October 2020	1,995	24,238	91	46,580	99,785	(24,437)	(1,295)	146,957	
Profit/(loss) and total comprehensive income for the period									
Realised gains on investments	5	–	–	–	–	8,239	–	8,239	
Unrealised gains on investments	5	–	–	46,748	–	–	–	46,748	
Management fee charged to capital		–	–	–	–	(1,252)	–	(1,252)	
Income allocated to capital	2	–	–	–	–	–	–	–	
Due diligence investment costs		–	–	–	–	(12)	–	(12)	
Revenue (loss) after taxation for the period		–	–	–	–	–	(524)	(524)	
Total profit after taxation for the period		–	–	–	46,748	–	6,975	(524)	53,199
Contributions by and distributions to owners									
Subscription share issues	338	28,730	–	–	–	–	–	29,068	
Issue costs	–	(523)	–	–	–	–	–	(523)	
Share buybacks	(31)	–	31	–	(2,599)	–	–	(2,599)	
DRIS share issues	3	246	–	–	–	–	–	249	
Equity dividends paid	–	–	–	–	(5,711)	–	–	(5,711)	
Total contributions by and distributions to owners	310	28,453	31	–	(8,310)	–	–	20,484	
Other movements									
Diminution in value	–	–	–	(384)	–	384	–	–	
Total other movements	–	–	–	(384)	–	384	–	–	
At 31 March 2021	2,305	52,691	122	92,944	91,475	(17,078)	(1,819)	220,640	

Reserves available for distribution are capital reserve realised, special reserve and revenue reserve. Total distributable reserves at 31 March 2021 were £72.6 million. The accompanying notes are an integral part of these financial statements.

⁽¹⁾ The Income Taxes Act 2007 restricts distribution of capital from reserves created by the conversion of the share premium account into a special (distributable) reserve until the third anniversary of the share allotment that led to the creation of that part of the share premium account. As at 31 March 2021, £24.2 million of the special reserve was subject to this restriction.

Condensed statement of changes in equity

for the year ended 30 September 2021 (audited)

	Note	Non-distributable reserves				Distributable reserves ⁽¹⁾			Total £000
		Share Capital £000	Share Premium £000	Capital Redemption Reserve £000	Capital Reserve Unrealised £000	Special Reserve £000	Capital Reserve Realised £000	Revenue Reserve £000	
At 1 October 2020		1,995	24,238	91	46,580	99,785	(24,437)	(1,295)	146,957
Profit and total comprehensive income for the year									
Realised gains on investments	5	—	—	—	—	—	13,189	—	13,189
Unrealised gains on investments	5	—	—	—	58,148	—	—	—	58,148
Management fee charged to capital		—	—	—	—	—	(2,722)	—	(2,722)
Income allocated to capital	2	—	—	—	—	—	141	—	141
Due diligence investments costs		—	—	—	—	—	(21)	—	(21)
Revenue (loss) after taxation for the year		—	—	—	—	—	—	(864)	(864)
Total profit after taxation for the year		—	—	—	58,148	—	10,587	(864)	67,871
Contributions by and distributions to owners									
Subscription share issues		347	29,649	—	—	—	—	—	29,996
Issue costs		—	(531)	—	—	—	—	—	(531)
Share buybacks		(67)	—	67	—	(6,044)	—	—	(6,044)
DRIS share issues		5	446	—	—	—	—	—	451
Equity dividends paid	6	—	—	—	—	(9,737)	—	—	(9,737)
Total contributions by and distributions to owners		285	29,564	67	—	(15,781)	—	—	14,135
Other movements									
Diminution in value		—	—	—	(2,417)	—	2,417	—	—
Total other movements		—	—	—	(2,417)	—	2,417	—	—
At 30 September 2021		2,280	53,802	158	102,311	84,004	(11,433)	(2,159)	228,963

Reserves available for distribution are capital reserve realised, special reserve and revenue reserve. Total distributable reserves at 30 September 2021 were £70.4 million. The accompanying notes are an integral part of these financial statements.

⁽¹⁾ The Income Taxes Act 2007 restricts distribution of capital from reserves created by the conversion of the share premium account into a special (distributable) reserve until the third anniversary of the share allotment that led to the creation of that part of the share premium account. As at 30 September 2021, £24.2 million of the special reserve was subject to this restriction.

Condensed statement of cash flows

for the six month period to 31 March 2022 (unaudited)

Note	31 March 2022 (unaudited) £000	31 March 2021 (unaudited) £000	30 September 2021 ⁽¹⁾ (audited) £000
Total (loss)/profit on ordinary activities before taxation	(46,015)	53,199	67,871
Realised losses/(gains) on investments	5 2,161	(8,239)	(13,189)
Unrealised losses/(gains) on investments	5 41,732	(46,748)	(58,148)
(Increase) in debtors	7 (166)	(24)	(157)
(Decrease)/increase in creditors	8 (44)	212	365
Non-cash distributions	2 (54)	(66)	(140)
Net cash (outflow) from operating activities	(2,386)	(1,666)	(3,398)
Purchase of investments	5 (22,737)	(22,488)	(39,618)
Sale of investments	5 12,765	18,432	40,202
Net cash (used in)/provided by investing activities	(9,972)	(4,056)	584
Share buybacks	9 (1,739)	(2,599)	(6,044)
Issue of share capital	9 39,200	29,068	29,996
Issue costs	14 (729)	(523)	(531)
Dividends paid	6 (13,308)	(5,462)	(9,286)
Net cash provided by financing activities	23,424	20,484	14,135
Net increase in cash	11,066	14,762	11,321
Opening cash	27,016	15,695	15,695
Closing cash	38,082	30,457	27,016

The accompanying notes are an integral part of these financial statements.

⁽¹⁾ 30 September 2021 cash flow represents annual results

Explanatory notes

for the six month period to 31 March 2022 (unaudited)

Basis of preparation

The Company has prepared its half-yearly financial results for the six month period ending 31 March 2022. The condensed financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice ("UK GAAP"), including Financial Reporting Standard 104 ("FRS 104") and with the Companies Act 2006 and the Statement of Recommended Practice for "Financial Statements of Investment Trust Companies and Venture Capital Trusts" April 2021 ("SORP").

They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2021 annual report.

1. Significant accounting policies

Hargreave Hale AIM VCT plc has applied the same accounting policies and methods of computation in its interim condensed financial statements as in its 2021 annual financial statements.

Segmental reporting

There is considered to be one operating segment being investment in equity and debt securities.

Key judgements and estimates

The preparation of the financial statements requires the Board to make judgements and estimates that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Key estimation uncertainties mainly relate to the fair valuation of unquoted investments.

The assessment of fair value will reflect the market conditions at the measurement date irrespective of which valuation technique is used.

The IPEV guidelines describe a range of valuation techniques, as described in the "financial instruments" section on pages 34 to 36.

The estimates are under continuous review with particular attention paid to the carrying value of the investments. The process of estimation is also affected by the determination of the fair value hierarchy described in note 5 to the financial statements.

2. Income

	Six months to 31 March 2022 (unaudited) £000	Six months to 31 March 2021 (unaudited) £000	Year ended 30 September 2021 (audited) £000
Income from investments			
Revenue:			
Dividend income	251	308	686
Fixed income interest	116 ⁽¹⁾	82 ⁽²⁾	204 ⁽²⁾
Interest	3	1	4
	370	391	894
Capital:			
Return of capital	–	–	67 ⁽³⁾
In-specie dividend	–	–	74 ⁽⁴⁾
	–	–	141
Total income	370	391	1,035

- (1) The Company's accrued fixed interest from a convertible loan note in XP Factory plc (£54.0k) was converted into shares on 2 February 2022.
- (2) The Company's accrued fixed interest from a convertible loan note in Oxford Genetics (£66.4k) was converted into shares. This was triggered by the sale of the company to WuXi AppTec.
- (3) Return of capital from Melrose Industries plc funded from the sale of its Nordek Air Management Division to Madison Industries LLC.
- (4) Dividend in specie shares in Trellus Health plc to facilitate the spin-out of the company's shareholding to EKF Diagnostics Holdings Plc shareholders.

3. Earnings per share total return (basic and diluted)

	Six months to 31 March 2022 (unaudited)	Six months to 31 March 2021 (unaudited)	Year ended 30 September 2021 (audited)
Gain/(loss) per share	(18.74p)	25.61p	30.45p
Net gain/(loss) for the period	(£46,014,820)	£53,199,049	£67,870,686
Weighted average number of shares	245,572,062	207,716,466	222,903,748

4. Net asset value per share

	Six months to 31 March 2022 (unaudited)	Six months to 31 March 2021 (unaudited)	Year ended 30 September 2021 (audited)
Net asset value per share	77.13p	95.71p	100.39p
Net assets	£206,371,986	£220,639,512	£228,962,940
Number of shares in issue at period end	267,559,694	230,520,864	228,079,956

5. Investments

	Listed Investments 31-Mar-22 £000	Unlisted Investments ⁽¹⁾ 31-Mar-22 £000	Total Investments 31-Mar-22 £000	Total Investments 31-Mar-21 £000	Total Investments 30-Sep-21 £000
Opening valuation	163,928	38,872	202,800	131,907	131,907
Re-classification adjustment	5,901 ⁽²⁾	(5,901) ⁽²⁾	–	–	–
Purchases at cost	14,402	8,335	22,737	22,488	39,618
Non-cash distribution	54 ⁽³⁾	–	54	66 ⁽⁴⁾	140 ⁽⁴⁾⁽⁵⁾
Sale proceeds	(6,852)	(5,913)	(12,765)	(18,432)	(40,202)
Realised (losses)/gains	(1,401)	(760)	(2,161) ⁽⁶⁾	8,239 ⁽⁶⁾	13,189 ⁽⁶⁾
Unrealised (losses)/gains	(35,927)	(5,805)	(41,732) ⁽⁶⁾	46,748 ⁽⁶⁾	58,148 ⁽⁶⁾
Closing valuation	140,105	28,828	168,933	191,016	202,800
Cost at period end	99,177	23,740	122,917	114,669	115,051
Unrealised gains at period end	50,380	13,472	63,852	92,943	102,311
Diminution in value at period end ⁽⁷⁾	(9,452)	(8,384)	(17,836)	(16,596)	(14,562)
Valuation at period end	140,105	28,828	168,933	191,016	202,800

- (1) Includes £4.3 million invested in the Marlborough Special Situations Fund.
- (2) Includes Mexican Grill (£4.5m) listed on the London Stock Exchange on 8 October 2021 and conversion of the XP Factory loan note into listed equity shares on 2 February 2022.
- (3) The Company elected to convert accrued fixed interest (£54.0k) from the convertible loan note in XP Factory plc into shares on 2 February 2022.
- (4) The Company elected to convert accrued fixed interest (£66.4k) from the convertible loan note in Oxford Genetics into shares. This was triggered by the sale of the company to WuXi AppTec.
- (5) Dividend in specie shares in Trellus Health plc (£73.8k) to facilitate the spin-out of the company's shareholding to EKF Diagnostics Holdings Plc shareholders.
- (6) The net gain/(loss) on investments held at fair value through profit or loss in the income statement is the sum of the realised (losses)/gains and unrealised gains/(losses) for the period as detailed in the table above.
- (7) Diminishments of £6,026,620 were made in the six month period ending 31 March 2022. Once adjusted for disposals of £1,782,073 and diminishment reversals of £971,333, diminishments at the period end are £17,835,680.

Financial Instruments – fair value measurement hierarchy

The table below sets out fair value measurements using FRS102 (appendix to section 2 fair value measurement) fair value hierarchy. The Company has one class of assets, being at fair value through profit or loss.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- 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 3: Valued by reference to valuation techniques using inputs that are not based on observable market data.

	Level 1 Investments £'000	Level 2 Investments £'000	Level 3 Investments £'000	Total Investments £'000
Six months ended 31 March 2022 (unaudited)	144,368	–	24,570	168,933
Year ended 30 September 2021 (audited)	167,629	–	35,171	202,800
Six months ended 31 March 2021 (unaudited)	160,947	–	30,069	191,016

The following table sets out the basis of valuation for the material Level 3 investments and those where the value has changed during the period, held within the portfolio at 31 March 2022.

Level 3 Unquoted Investments	
SCA Investments Ltd (Gousto)	The fair value of the investment decreased in the period. EV/EBITDA peer group ratios and discounted cash flow analysis were used to support the valuation.
Honest Brew Ltd	The fair value of the investment was reduced following a difficult trading period and a downgrade to its revenue forecasts for FY22. In June 2022, the Company was placed into administration in order to complete a sale of its assets.
Kidly Ltd	The company delivered year over year growth in FY22 despite supply chain challenges and elevated marketing costs. The company is forecasting further growth in FY23. The fair value of the equity investment, which was reviewed against EV/Sales multiples across a peer group of listed companies, was unchanged. The fair value of the convertible loan note investment decreased following a reduction in the value of the conversion option. The conversion option is valued using the Black-Scholes option pricing model.
Infinity Reliance Ltd (My 1st Years)	Although the company successfully resumed trading following the loss of its operational hub to a warehouse fire in May 2021, it subsequently took a more cautious approach to forecasting the recovery of key marketing channels in a challenging retail environment. The fair value of the investment was reduced to reflect the revisions to the company's forecast for FY22 and was set with reference to EV/Sales multiples across a peer group of listed companies, many of which had fallen in value within the period.
Out In Collective Ltd	The fair value of the investment was reduced following below budget growth and revisions to the planned rollout of new cloud service kitchens. The valuation was reduced and set with reference to various potential scenarios, including the possible liquidation of the company and a return of capital to shareholders.
Portr Ltd	The company resumed operations in July 2021 following the relaxation of UK travel restrictions. The assessment of fair value was increased and set with reference to FY24 revenue projections and using EV/Sales multiples across a peer group of listed peers.
Zappara Ltd	The fair value of the investment was reduced. The valuation was set with reference to financial projections for FY23 and EV/Sales multiples across a peer group of listed companies, many of which had fallen in value within the period.

Level 3 Unquoted Investments

Osirium Technologies plc – convertible loan note	The company raised new equity in February 2022 and, as a result, set a new lower strike price for the value of the option to convert the loan note into the company's ordinary shares, which increased the value of the option to convert and, as a result, the value of the convertible loan note. The value of the conversion option was calculated using the Black-Scholes option pricing model.
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Level 3 Unquoted Investment disposals

There were no disposals of unquoted investments in the period.

Mexican Grill Ltd listed on the London Stock Exchange on 8 October 2021 and changed its name to Tortilla Mexican Grill plc. The XP Factory plc loan note held (together with accrued fixed interest) was converted into listed equity shares on 2 February 2022.

6. Dividends paid

Summary of dividends paid in the six months to 31 March 2022 and the financial year ending 30 September 2021 are detailed below:

	Six months ended 31 March 2022 (unaudited) £'000	Year ended 30 September 2021 (audited) £'000
Final capital dividend of 2.65 pence for the year ended 30 September 2020 paid on 11 February 2021	–	5,711
Interim capital dividend of 1.75 pence per share for the half year ended 31 March 2021 paid on 30 July 2021	–	4,026
Special capital dividend of 2.50 pence per share paid on 29 October 2021	5,704	–
Final capital dividend of 3.15 pence per share for the year ended 30 September 2021 paid on 10 February 2022	8,454	–
Total	14,158⁽¹⁾	9,737⁽²⁾

- (1) The difference between total dividends paid for the period ending 31 March 2022 and the cash flow statement is £850,000 which is the amount of dividends reinvested under the DRIS for the period.
- (2) The difference between total dividends paid for the period ending 30 September 2021 and the cash flow statement is £451,000 which is the amount of dividends reinvested under the DRIS for the period.

7. Debtors

	Six months to 31 March 2022 (unaudited) £000	Six months to 31 March 2021 (unaudited) £000	Year ended 30 September 2021 (audited) £000
Prepayments and accrued income	496	197	330

8. Creditors: amounts falling due within one year

	Six months to 31 March 2022 (unaudited) £000	Six months to 31 March 2021 (unaudited) £000	Year ended 30 September 2021 (audited) £000
Trade Creditors	20	1	–
Accruals and deferred income	1,119	1,029	1,183
	1,139	1,030	1,183

9. Transactions in shares

Buybacks

In total, the Company repurchased 2,106,208 shares during the six month period ending 31 March 2022 at a total cost of £1,739,296. The repurchased shares represent 0.92% of ordinary shares in issue on 1 October 2021. The acquired shares have been cancelled.

Share issues

In total, the Company issued 40,633,737 new shares (nominal value £406,337) through an offer for subscription during the six month period ending 31 March 2022 raising net proceeds of £38,471,398.

The Company also issued 952,209 shares under the DRIS scheme.

10. Contingencies, guarantees and financial commitments

There were no contingencies, guarantees or financial commitments of the Company at 31 March 2022.

11. Legal form and principal activities

The Company was incorporated and registered in England and Wales on 16 August 2004 under the Companies Act 1985, registered number 5206425.

The Company has been approved as a Venture Capital Trust by HMRC under section 259 of the Income Taxes Act 2007. The shares of the Company were first admitted to the Official List of the UK Listing Authority and trading on the London Stock Exchange on 29 October 2004 and can be found under the TIDM code "HHV". The Company is premium listed.

In common with many other VCTs, the Company revoked its status as an investment company as defined in Section 256 of the Companies Act 1985 on 23 May 2006 to facilitate the payment of dividends out of capital profits.

The Company's principal activity is to invest in a diversified portfolio of qualifying small UK based companies, primarily trading on AIM, with a view to generating capital returns and income from its portfolio and to make distributions from capital and income to shareholders whilst maintaining its status as a VCT.

The Company is registered as a small UK Alternative Investment Fund Manager (AIFM) with a Board comprising of six non-executive directors, five of whom are independent. Oliver Bedford is not considered independent as he is an employee of Hargreave Hale Limited, the Company's Investment Manager. Canaccord Genuity Wealth Limited acts as administrator and custodian and JTC (UK) Limited provide company secretarial services to the Company.

The Board has overall responsibility for the Company's affairs including the determination of its investment policy, however, the Board may exercise these responsibilities through delegation to Hargreave Hale Limited, Canaccord Genuity Wealth Limited and JTC (UK) Limited as it considers appropriate.

The Directors have managed and continue to manage the Company's affairs in such a manner as to comply with Section 259 of the Income Taxes Act 2007.

12. Cautionary statement

The results should not be taken as a guide to the results for the financial period ending 30 September 2022. This report may contain forward looking statements with regards to the financial condition and results of the Company, which are made in the light of current economic and business circumstances. Nothing in this report should be considered as a profit forecast.

13. Publication of non-statutory accounts

The financial information contained in the 31 March 2022 income statement, balance sheet, statement of cash flows and statement of changes in equity has not been audited and does not comprise full financial statements within the meaning of Section 434 of the Companies Act 2006. No statutory accounts in respect of any period after 30 September 2021 have been reported on by the Company's auditor.

The comparative figures for the financial year ended 30 September 2021 have been extracted from the latest published audited Annual Report and Financial Statements. Those accounts have been reported on by the Company's auditor and lodged with the Registrar of Companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

14. Related party transactions and conflicts of interest

The remuneration of the Directors, who are key management personnel of the Company is disclosed in the table below.

Director	Role	Fees for the six-month period ending 31 March 2022
David Brock	Chairman	£18,000
Oliver Bedford	Director	£12,875
Angela Henderson	Director	£14,875
Justin Ward	Director	£15,625
Ashton Bradbury	Director ⁽¹⁾ (retired)	£9,633

(1) Ashton Bradbury retired as a director of the Company on 3 February 2022.

David Brock was a shareholder in and the non-executive Chairman of Honest Brew Ltd, an investee company. During the period David Brock and close family made further investments in Honest Brew Ltd on the same commercial terms as independent third party investors. The Board, excluding David Brock, reviewed potential conflicts of interest in relation to this matter in

accordance with control measures previously established to mitigate any conflicts that may arise. In June 2022, the company was placed into administration in order to complete a sale of its assets.

Transactions with the manager

As the Company's Investment Manager, Hargreave Hale Limited (trading as Canaccord Genuity Fund Management) is a related party to the Company for the purposes of the Listing Rules. As the Investment Manager and Canaccord Genuity Wealth Limited (CGWL) are part of the same CGWL group, CGWL also falls into the definition of related party.

Oliver Bedford, a non-executive director of the Company is also an employee of the Investment Manager which received fees of £12,875 for the period ended 31 March 2022 in respect of his position on the Board (2021: £12,500). Of these fees £6,625 was owed at the period end.

CGWL acted as administrator and custodian to the Company and provided company secretarial services until 15 January 2021 when they stepped down and JTC (UK) Ltd were appointed.

	31 March 2022 (£)	31 March 2021 (£)	30 September 2021 (£)
Custody	15,000	15,000	30,000
Administration	97,500	97,500	195,000
Company secretarial	-	4,902	4,902
Total	112,500	117,402	229,902
Still owed at the period end	55,980	-	55,745

Under an offer agreement dated 2 September 2021, CGWL were appointed by the Company to administer the offer for subscription and act as receiving agent in relation to the offer. Under the terms of the agreement CGWL received a fee of 3.5 per cent. of the gross proceeds of the offer for providing these services. The Administrator agreed to discharge commissions payable to financial advisers in respect of accepted applications for Offer Shares submitted by them, including any trail commission.

The Administrator also agreed to discharge and/or reimburse all costs and expenses of and incidental to the offer and the preparation of the prospectus, including without limitation to the generality of the foregoing, FCA vetting fees in relation to the prospectus, sponsor and legal fees, expenses of the Company and CGWL, the Company's tax adviser's fees and expenses, registrar's fees, costs of printing, postage, advertising, publishing and circulating the prospectus and marketing the offer, including any introductory commission and discounts to investors. However, the Administrator was not responsible for the payment of listing fees associated with the admission of the ordinary shares to the premium segment of the Official List and to trading on the main market of the London Stock Exchange.

Following the final allotment under the offer, CGWL rebated £100,000 to the Company, being the maximum rebate available under the offer agreement.

During the half year, the Company issued 40,633,737 ordinary shares (nominal value £406,377) in the offer for subscription which resulted in gross funds being received of £39,200,400. As marketing adviser and receiving agent to the Company, CGWL was entitled to 3.5% of the gross proceeds (£1,372,014), often referred to as the 'premium'. From this, CGWL paid for the allotment of additional shares to investors with a value of £543,012, resulting in net fees payable to CGWL of £829,002 to cover the costs of the offer.

Hargreave Hale Limited (trading as Canaccord Genuity Fund Management) is appointed as Investment Manager to the Company and receives an investment management fee of 1.7% per annum.

Investment management fees for the half-year are £1,900,193 (2021: £1,668,914). Of these fees £864,490 was still owed at the period end. As the Investment Manager to the Company and the investment advisor to the Marlborough Special Situations Fund (in which the Company may invest), the Investment Manager makes an adjustment as necessary to its investment management fee to ensure the Company is not charged twice for their services.

Upon completion of an investment, the Investment Manager is permitted under the investment management agreement to charge private investee companies a fee equal to 1.5 per cent. of the investment amount. This fee is subject to a cap of £40,000 per investment and is payable directly from the investee company to the Investment Manager. The Investment Manager may recover external due diligence and transactional services costs directly from private investee companies. No fees were charged to investee companies in the period to 31 March 2022 under this agreement.

Total commission of £26,126 was paid to CGWL in the half year for broker services.

The Investment Manager has agreed to indemnify the Company and keep indemnified the Company in respect of the amount by which the annual running costs of the Company exceed 3.5 per cent. of the net assets of the Company, such costs shall exclude any VAT payable thereon and any payments to financial intermediaries, the payment of which is the responsibility of the Company. No fees were waived by the Investment Manager in the first half of the financial year under the indemnity.

As at 31 March 2022 the Company had cash deposits of £38,081,700. Of this, £9,307,227 was held in the client account at CGWL.

15. Post balance sheet events

Buybacks

Since the period end, a further 935,939 ordinary shares have been purchased at an average price of 72.51 pence and a total cost of £678,633.

Share issues

Since the period end, a further 1,008,168 new shares have been issued (nominal value £10,082) raising net proceeds of £778,190. The offer is now fully subscribed and closed.

Intention to launch an offer for subscription

On 9 June 2022, the Company announced its intention to launch an offer for subscription of new ordinary shares in or around September 2022. It is expected that the Company will seek to raise no less than £20 million under the offer. Full details will be set out in a prospectus to be published by the Company in connection with the offer. Further announcements will be made in due course.

Investments

The Company has made no investments since the period end.

Honest Brew Ltd

In June 2022, the Company was placed into administration in order to complete a sale of its assets. On 6 May 2022, under advice from the Investment Manager, the Board (excluding David Brock) fully impaired the residual carrying value of the loan to Honest Brew Ltd.

Alternative performance measures

An alternative performance measure ("APM") is a financial measure of the Company's historic or future financial performance, financial position or cash flows which is not defined or specified in the applicable financial reporting framework.

The Directors assess the Company's performance against a range of criteria which are viewed as particularly relevant for a VCT.

The definition of each APM is in the glossary of terms on pages 43 to 45. Where the calculation of the APM is not detailed within the financial statements, an explanation of the methodology employed is below:

NAV total return

		31 March 2022	31 March 2021
Opening NAV per share	A	100.39p	73.66p
Special dividend paid	B	2.50p	–
Final dividend paid	C	3.15p	2.65p
Closing NAV per share	D	77.13p	95.71p
NAV total return	$[(B+C+D-A)/A]*100$	-17.54%	33.53%

NAV total return (dividends reinvested)

		31 March 2022	% Return
Opening NAV per share (30 September 2021)	A	100.39p	
Closing NAV per share (31 March 2022)		77.13p	
	Special dividend paid October 2021	2.50p	
	Final dividend for year paid February 2022	3.15p	
Total dividend payments		5.65p	
Closing NAV per share plus dividends paid		82.78p	-17.54% (33.53% 31 March 2021)
In year performance of reinvested dividends		-0.95p	
NAV total return (dividends reinvested)	$((B-A)/A)*100$	B	81.83p -18.49% (34.00% 31 March 2021)

Share price total return

		31 March 2022	31 March 2021
Opening share price	A	93.00p ⁽¹⁾	66.00p
Final dividend paid	B	3.15p	2.65p
Closing share price	C	74.75p	90.00p
Share price total return	$((B+C-A)/A)*100$	-16.24%	40.38%

⁽¹⁾ Ex-dividend (special).

Share price total return (dividends reinvested)

			31 March 2022	% Return
Opening share price (30 September 2021)	A		93.00p ⁽¹⁾	
Closing share price (31 March 2022)			74.75p	
		Final dividend for year paid February 2022	3.15p	
Total dividend payments			3.15p	
Closing share price plus dividends paid			77.90p	-16.24% (40.38% 31 March 2021)
In year performance of reinvested dividends			(0.40p)	
Share price total return (dividends reinvested)	((B-A)/A)*100	B	77.50p	-16.67% (41.06% 31 March 2021)

⁽¹⁾ Ex-dividend (special).

Ongoing charges ratio

The ongoing charges ratio has been calculated using the AIC's "Ongoing Charges" methodology.

		31 March 2022 £000	31 March 2021 £000
Investment management fee ⁽¹⁾		3,800	3,338
Other expenses ⁽¹⁾⁽²⁾		1086	904
VCT proportion of MSSF expenses ⁽¹⁾		34	69
Ongoing charges	A	4,920	4,311
Average net assets	B	234,128	187,989
Ongoing charges ratio	(A/B)*100	2.10%	2.29%

(1) Figures for the period ending 31 March 2021/22 have been annualised to calculate the ongoing charges ratio

(2) Other expenses exclude London Stock Exchange fees of £49k (2022) and £58k (2021) for admission of shares under the offer for subscription as the Board do not consider this cost to be an ongoing cost to the fund.

Share price discount

		31 March 2022	31 March 2021
Share price	A	74.75p	90.00p
NAV per share	B	77.13p	95.71p
(Discount) / premium	[(A/B)-1]*100	-3.09%	-5.97%

The 1 year average discount of 4.57% is calculated by taking the average of the share price discount at each month end between 30 April 2021 and 31 March 2022.

The 5 year average discount of 6.02% is calculated by taking the average of the share price discount at each month end between 30 April 2017 and 31 March 2022.

Glossary of terms

AIM

The Alternative Investment Market operated by the London Stock Exchange.

AQSE Growth Market

The Growth Market of the Aquis Stock Exchange, a recognised investment exchange for growth companies operated by Aquis Exchange plc.

CGWM

In the UK & Europe, Canaccord Genuity Wealth Management (CGWM) is the trading name of Adam & Company Investment Management Limited (AIM), Canaccord Genuity Wealth Limited ('CGWL'), Canaccord Genuity Financial Planning Limited ('CGFPL'), CG Wealth Planning Limited ('CGWPL'), Hargreave Hale Limited (HHL), Punter Southall Wealth Limited (PSW) and Canaccord Genuity Wealth (International) Limited ('CGWIL').

Earnings per share total return

Total profit/(loss) for the reporting period divided by the weighted average number of shares in issue.

FTSE AIM All-Share Index Total Return

Measures the total return of the underlying FTSE AIM All-Share index combining both capital performance and income. Calculated on a dividends re-invested basis.

FTSE All-Share Index Total Return

Measures the total return of the underlying FTSE All-Share index combining both capital performance and income. Calculated on a dividends re-invested basis.

ITA

Income Tax Act 2007, as amended.

Non-Qualifying Company or Non-Qualifying Investment

An investment made by the Company which is not a Qualifying Investment and is permitted under the VCT rules.

Offer Shares

New ordinary shares of 1 penny each in the capital of the Company issued pursuant to the Offer for Subscription of Ordinary Shares in Hargreave Hale AIM VCT plc launched on 2 September 2021.

Qualifying Company or Qualifying Investment

An investment made by a venture capital trust in a trading company which comprises a qualifying holding under Chapter 4 of Part 6 ITA.

VCT or Venture Capital Trust

Venture capital trust as defined in section 259 ITA.

VCT Rules

All rules and regulations that apply to VCTs from time to time, including the ITA.

Alternative performance measures

An alternative performance measure is a financial measure of the Company's historic or future financial performance, financial position or cash flows which is not defined or specified in the applicable financial reporting framework.

The Company uses the following alternative performance measures:

Net asset value (NAV)

The value of the Company's assets, less its liabilities.

Net asset value (NAV) per share

The net asset value divided by the total number of shares in issue at the period end.

NAV total return

The NAV total return shows how the NAV per share has performed over a period of time in percentage terms taking into account both capital returns and dividends paid. We calculate this by adding the dividends paid in the period to the closing NAV per share and measuring the percentage change relative to the opening NAV per share.

NAV total return (dividends reinvested)

The NAV total return (dividends reinvested) shows the percentage movement in the NAV total return per share over time taking into account both capital returns and dividends paid assuming dividends are re-invested into new shares. To be consistent with industry standard practice, the allotment price of the new shares issued in place of the cash dividend is assumed to be the prevailing ex-dividend NAV per share on the day the shares go ex-dividend. This differs from the methodology followed by the registrar when issuing shares under the Company's dividend re-investment scheme.

Ongoing charges ratio

The ongoing costs of managing and operating the Company divided by its average net assets. Calculated in accordance with AIC guidance, this figure excludes 'non-recurring costs'.

Share price discount

As stock markets and share prices vary, the Company's share price is rarely the same as its NAV. When the share price is lower than the NAV per share it is 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, this situation is called a premium.

Share price total return

The share price total return shows performance over a period of time in percentage terms by reference to the mid-price of the Company's shares taking into account dividends paid and payable having past the ex-dividend date in the period and any return of capital if applicable.

We calculate this by adding the dividends paid and payable having past the ex-dividend date in the period to the closing mid-price and measuring the percentage change relative to the opening mid-price.

Share price total return (dividends reinvested)

The performance of the Company's share price on a total return basis assuming dividends are reinvested in new shares at the mid-price of the shares on the ex-dividend date.

Shareholder information

The Company's ordinary shares (TIDM code: HHV) are listed on the London Stock Exchange. Shareholders can visit the London Stock Exchange website, <https://www.londonstockexchange.com/>, for the latest news and share prices of the Company. Further information for the Company can be found on its website at <https://www.hargreaveaimvcts.co.uk>.

Net asset value per share

The Company's NAV per share as at 10 June 2022 was 72.68 pence per share. The Company publishes its unaudited NAV per share on a weekly basis.

Dividends

The Board has approved the payment of an interim dividend of 1 penny in respect of the six months ended 31 March 2022.

Shareholders who wish to have future dividends paid directly into their bank account rather than sent by cheque to their registered address can complete a mandate for this purpose. Mandates can be obtained by contacting the Company's registrar, Equiniti.

Dividend reinvestment scheme

The Company offers a dividend re-investment scheme ("DRIS") allowing shareholders to elect to re-invest dividends that they are due to receive from the Company in the form of new ordinary shares. Shareholders may elect to join the DRIS at any time by completing a DRIS mandate form. Mandates can be obtained by contacting the Company's registrar, Equiniti or by visiting the Company's website at <https://www.hargreaveaimvcts.co.uk>. As new ordinary shares will be issued, shareholders are also able to claim tax relief on the shares, including 30 per cent. income tax relief on their investment (subject to the terms of the VCT legislation and the personal circumstances of the shareholder).

Selling your shares

The Company aims to improve the liquidity in its ordinary shares and to maintain a discount of approximately 5% to the last published NAV per share (as measured against the mid-price of the shares) by making secondary market purchases. This policy is non-binding and at the discretion of the Board. The effective operation of the policy is dependent on a range of factors which may prevent the Company from achieving its objectives. As a result there is no guarantee you will be able to sell your shares or of the discount to NAV per share at which they will be sold.

VCT share disposals are exempt of capital gains tax when the disposal is made at arm's length, which means a shareholder should sell their shares to a market maker through a stockbroker or another share dealing service. In practice, this means that the price achieved in a sale is likely to be below the mid-price of the Company's shares and, therefore, the discount is likely to be more than 5% to the last published NAV per share.

VCT share disposals settle two business days post trade if the shares are already dematerialised or placed into CREST ahead of the trade, or ten days post trade if the stock is held in certificated form.

Investors who sell their VCT shares before the fifth anniversary of the share issue are likely to have to repay their income tax relief. Canaccord Genuity Wealth Management can facilitate the sale of VCT shares and is able to act for VCT shareholders who wish to sell their shares. However, you are free to nominate any stockbroker or share dealing service to act for you. If you would like further

information from Canaccord Genuity Wealth Management please contact the VCT administration team at aimvct@canaccord.com or call 01253 376622.

Please note that Canaccord Genuity Wealth Limited will need to be in possession of the share certificate and a completed CREST transfer form before executing the sale. If you have lost your share certificate, then you can request a replacement certificate from the Company's registrar Equiniti. The registrar will send out an indemnity form, which you will need to sign. The indemnity form will also need to be countersigned by a UK insurance company or bank that is a member of the Association of British Insurers. Since indemnification is a form of insurance, the indemnifying body will ask for a payment to reflect their risk. Fees will reflect the value of the potential liability.

Shareholder enquiries:

For general shareholder enquiries, please contact Canaccord Genuity Wealth Limited on 01253 376622 or by e-mail to aimvct@canaccord.com. For enquiries concerning the performance of the Company, please contact the Investment Manager on 0207 523 4837 or by e-mail to aimvct@canaccord.com.

Electronic copies of this report and other published information can be found on the Company's website at <https://www.hargreaveaimvcts.co.uk>.

Change of address

To notify the Company of a change of address please contact the Company's registrar at the address on page 48.

Company information

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David Brock, Chairman
Oliver Bedford
Angela Henderson
Justin Ward
Megan McCracken
Busola Sodeinde

All directors are non-executive and in all cases of:

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Hargreave Hale AIM VCT plc
(Incorporated in England and Wales
under the companies act 1985
with registered number 05206425)



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