

22 June 2021

HARGREAVE HALE AIM VCT PLC
(the “Company”)

Unaudited Interim Results

The Company announces its half-year results for the six months ended 31 March 2021.

These half-year results will be available on the Company's website at
<https://www.hargreaveaimvcts.co.uk/document-library/>.

In accordance with Listing Rule 9.6.1, copies of these documents will also be submitted to the UK Listing Authority via the National Storage Mechanism and will be available for viewing shortly at
<https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

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Financial highlights for the six month period ending 31 March 2021

Net asset value (NAV) per share	NAV total return	Tax free dividends paid in the period	Share price total return	Ongoing charges ratio
95.71p	33.53%	2.65p	40.38%	2.29%

- £6.2 million invested in Qualifying Companies in the period.
- 95.23% invested by VCT tax value in Qualifying Investments at 31 March 2021.
- Offer for subscription to raise £20 million, together with an over-allotment facility to raise a further £10 million fully utilised and subscribed as announced by the Company on 15 February 2021.
- Interim dividend of 1.75 pence approved by the Board.

Summary financial data	Six months ending 31-Mar-21	Six months ending 31-Mar-20	Year ending 30 Sept-20
NAV (£m)	220.64	114.55	147.00
NAV per share (p)	95.71	56.70	73.66
NAV total return (%)	33.53	-14.02	11.42
Market capitalisation (£m)	207.47	103.03	131.68
Share price (p)	90.00	51.00	66.00
Share price discount to NAV per share (%)	5.97	10.05 ⁽¹⁾	10.40 ⁽¹⁾
Share price 5 year average discount to NAV per share (%)	6.31	5.68	6.18
Share price total return (%)	40.38	-17.29	6.77
Gain/(loss) per share for the period (p)	25.61	-9.83	7.81
Dividends paid per share (p)	2.65	4.00	5.00
Ongoing charges ratio (%)	2.29	2.30	2.35

Financial Calendar	
Record date for interim dividend	2 July 2021
Payment of interim dividend	30 July 2021
Announcement of annual results for the year ending 30 September 2021	December 2021
Annual General Meeting	February 2022
Payment of annual dividend (subject to approval by shareholders at the AGM)	February 2022

- (1) The period end reviews resulted in favourable movements in the valuation of several private companies and a substantial increase in the NAV per share relative to the previously published NAV per share, leading to an unusually wide discount at the period end.

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.

Whatever issues some of us may have with the way authorities have dealt with the unprecedented events of the last fifteen months, I am sure there will be few who haven't applauded the outstanding performance of science in finding a series of successful vaccines to quell Covid and the excellent way they have been rolled out by so many volunteers and NHS employees combining together.

The significant actions of central government and commercial banks have led to a very substantial increase in liquidity and asset growth. This, combined with the diligent performance of your fund management team, has resulted in the most successful six month period for NAV growth in the history of the fund and at the same time your fund has outperformed the relevant indices.

Performance

At 31 March 2021, the NAV per share was 95.71 pence which, after adjusting for the dividends paid in the half year of 2.65 pence, gives a NAV total return for the period of 33.53%. The NAV total return (dividends reinvested) for the half year was 34.00% compared with 25.33% 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. The NAV total return since inception is 158.51 pence (a gain of 58.51%).

Rolling Returns to end March 2021	Six months	1Y	3Y	5Y	10Y
NAV total return	33.53%	75.24%	34.89%	60.01%	103.42%
Share price total return	40.38%	83.63%	34.04%	60.79%	116.07%
NAV total return (dividends reinvested) ⁽¹⁾	34.00%	76.73%	41.75%	73.81%	150.37%
Share price total return (dividends reinvested)	41.06%	85.55%	40.87%	75.50%	168.36%
FTSE AIM All-Share Index Total Return	25.33%	76.89%	22.27%	79.58%	48.94%

Source: Hargreave Hale Ltd/Bloomberg/AIC and Morningstar

- (1) 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 and peer group returns which are also calculated on that basis.

The earnings per share total return for the year was a gain of 25.61 pence (comprising a revenue loss of 0.25 pence and a capital return of 25.86 pence). Revenue income in the period declined by 6.45% to £0.39m. For the most part, this was a consequence of the reduced allocation to Non-Qualifying Investments and a shift away from income stocks in favour of companies with structural growth or those anticipated to benefit from the post-pandemic economic recovery, although a limited number of companies also chose to suspend or reduce their dividend distributions in response to the CV-19 pandemic.

The share price increased from 66.00 pence to 90.00 pence over the reporting period which, after adjusting for dividends paid, gives a share price total return of 40.38%.

We live in extraordinary times. Looking back at the period under review, it is astonishing to think of what has come to pass in just a few months; two lockdowns, BREXIT, the US election and unprecedented fiscal and monetary intervention. And although we are delighted to be reporting a period of good NAV performance, we are painfully aware of the suffering and hardship endured by so many families. As before, our success is built upon the strong and careful management of leadership teams and the hard work of employees across the investment portfolio.

Investments

The Investment Manager invested £6.2 million into 8 Qualifying Companies during the period. The fair value of Qualifying Investments at 31 March 2021 was £154.4 million (70.0% of NAV) invested in 64 AIM companies and 11 unquoted companies. £27.7 million (12.6% of NAV) was invested in non-qualifying equities, £8.9 million (4.0% of NAV) was invested in the Marlborough Special Situations Fund and £30.4 million (13.8% 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.

A final dividend for the year ended 30 September 2020 of 2.65 pence was paid on 11 February 2021.

An interim dividend of 1.75 pence (2020: 1.00 pence) will be paid on 30 July 2021, with an ex-dividend date of 1 July 2021 and a record date of 2 July 2021. The final dividend will be determined at the year end.

Dividend re-investment scheme

Shareholders may elect to reinvest their dividend by subscribing for new shares in the Company.

On 11 February 2021, 276,440 ordinary shares were allotted at a price of 90.03 pence per share, being the last published ex-dividend NAV per share as at 22 January 2021, to shareholders who elected to receive shares under the DRIS as an alternative to the final dividend for the year ended 30 September 2020.

Buybacks

In total, 3,070,685 shares (nominal value £30,707) were repurchased during the six month period ending 31 March 2021 at a cost of £2,599,458 (average price: 84.65 pence per share). As at 21 June 2021, a further 1,323,394 shares have been repurchased at a cost of £1,272,134 (average price of 96.13 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).

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 8.20% and 6.31% respectively.

The share price discount as at 31 March 2021 was 5.97% compared to 10.40% at 30 September 2020. The period end valuation review led to modest increases in the valuation of several private companies and, therefore, a small increase in the period end NAV per share relative to the previously published NAV per share. As a result, the discount reported at 31 March 2021 was significantly lower than that reported at the year end, when a more significant increase in the value of the private companies inflated the discount reported at the time.

As at 18 June 2021, the discount to NAV was 5.34% of the last published NAV per share.

Offer for subscription

The Directors of the Company announced on 2 September 2020 the launch of a new offer for subscription for shares to raise up to £20 million, together with an over-allotment facility of up to a further £10 million. On 7 January 2021, the Company announced that it had received valid applications in excess of £19 million and, accordingly, the Directors of the Company confirmed they intended to utilise the available £10 million over-allotment facility.

On 15 February, the Company announced it had received valid applications in respect of the full £10 million over-allotment facility and therefore the offer for subscription was closed to further applications.

The offer resulted in gross funds being received of £30.0 million and the issue of 34.8 million shares.

New Offer for subscription

The Company announced on 22 June 2021 its intention to launch a new offer for subscription (the “Offer”). Full details of the Offer will be set out in a prospectus to be published by the Company in due course. A further announcement will be made when the prospectus is available.

VCT fund management team

On 31 December 2020, Giles Hargreave stepped down as co-manager of the Company’s portfolio. Since 1 July 2019, Giles Hargreave had primarily supported the delivery of the Company’s non-qualifying investment strategy. Although he no longer holds a formal portfolio management role, he remains available to support the VCT fund management team as required.

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 2.29% when calculated in accordance with the AIC’s “Ongoing Charges” methodology. This compares with the 30 September 2020 ratio of 2.35%.

Board and committee composition

Sir Aubrey Brocklebank retired from his role as non-executive director and Chairman of the Audit Committee at the Annual General Meeting in February 2021. Sir Aubrey was also Chairman of your Board between 2004 and 2020. I would like to take this opportunity to thank Sir Aubrey for all his hard work on the Board.

Justin Ward was appointed to the Board on 1 November 2020 and assumed the role of Chairman of the Audit Committee on 4 February 2021, following the retirement of Sir Aubrey. Justin is a non-executive director and Chairman of the Audit Committee of The Income & Growth VCT Plc, is non-executive CFO at School Explained Limited and a non-executive director and Chairman of the Audit and Finance Committee at Roehampton Club Limited.

Appointment of new Company Secretary

As announced on 12 January 2021, JTC (UK) Limited was appointed as company secretary, effective from 15 January 2021.

Shareholder event

Both your Board and the Investment Manager are keen to improve interaction with our shareholders. The Covid-19 restrictions have presented challenges, however, I am pleased to report that a pre-recorded shareholder seminar was released on 25 February 2021.

In the seminar, Lead Fund Manager Oliver Bedford reviewed the VCT’s performance over 2020, investment activity, portfolio positioning and outlook for the year ahead. In addition to this, representatives from six of the VCT’s portfolio companies shared their thoughts on the challenges, opportunities and the legacy of 2020. The seminar is available to watch via the news and events on the Company’s website at www.hargreaveaimvcts.co.uk.

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 and at the period end, the investment test was 95.23% when measured using HMRC’s methodology. The Company satisfied all other tests relevant to its status as a Venture Capital Trust.

Key information document

In accordance with the EU’s PRIIPs regulations, the Company’s KID is published on the Company’s website at www.hargreaveaimvcts.co.uk.

The KID has been prepared using the methodology prescribed in the PRIIPs regulation, Although well intended, there are concerns about the application of some aspects of the prescribed methodologies to VCTs. Specifically, the Board is concerned that the risk score may be understating the level of risk and would like shareholders to continue to classify the VCT as a high risk investment.

Covid-19

Your Board has reviewed the risks facing the Company as a result of the Covid-19 pandemic, further detail can be found in the principal risk section.

Outlook

We are still living in quite unprecedented times with much human suffering but perhaps the worst of Covid may now be over and we can at least look forward to some semblance of more normal times.

There are clearly still concerns around CV-19 as there are also concerns with economic matters. High amongst them must be the substantial growth in money supply and liquidity and with that increased fears that inflation may rear its head again.

For those of us who have experienced past bouts of inflation, we must hope that Central Banks are able to navigate a course of action which avoids a substantial increase in prices whilst allowing economies to continue to recover to the benefit of your fund.

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

David Brock

Chairman

Date: 22 June 2021

Investment Manager's report

Introduction

This report covers the first half of the 2020/21 financial year, 1 October 2020 to 31 March 2021. 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

The financial year started with three areas of significant concern: a contested US election result; a no deal departure from the European Union; and a winter resurgence of CV-19. With the political risks resolved within the first quarter, much of the focus has been on the pandemic, vaccination programmes, the shape of the economic recovery and the implications for our portfolio companies. Many of our companies have continued to trade well, whilst for those more deeply affected by the Government restrictions, fiscal policy has provided meaningful support that will allow them to exit lockdown in good health and with a surprising degree of confidence. With the UK economy expected to post its strongest growth in recent history, high levels of household wealth and improving confidence, we continue to feel positive about the outlook for small, well managed UK companies, particularly those rich in intellectual property.

Performance

In the six months to 31 March 2021 the unaudited NAV per share increased from 73.66 pence to 95.71 pence. A final dividend of 2.65 pence was paid on 11 February 2021, giving a NAV total return to investors of +24.70 pence per share, which translates to a gain of +33.53%. The NAV total return (dividends reinvested) for the period was +34.00% compared with +25.33% in the FTSE AIM All-share Index Total Return and +18.47% in the FTSE All-Share Index Total Return (also calculated on a dividends reinvested basis).

The qualifying investments made a net contribution of +22.62 pence per share whilst the non-qualifying investments returned +2.53 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.

Maxcyte was the top performing qualifying investment (+139.0%, +2.07 pence per share). After a strong year in 2019, the company continued to make strong progress in 2020 with revenues increasing by 21% to \$26.2m. Maxcyte now has more than 140 licensed partnered programs for its cell-engineering technology and a pipeline of more than \$950m of potential pre-commercial milestone payments. The company also benefits from a strong balance sheet, having raised £40m from new life sciences specialist crossover investors at 700p on 3 February 2021, ahead of the planned dual listing on NASDAQ later in 2021.

PCI PAL (+164.1%, +2.04 pence per share) reported strong interim results for the 6 months to 31 December 2021 with revenue +56% to £3.19m, of which 86% is recurring. Total annual contracted value (TACV) grew by 59% to £8.3m. New customer acquisition is progressing strongly, and 75% of new contracts were won through resellers, which is enabling the company to scale quickly. Whilst the company remains loss making it is funded to breakeven with net cash of £2.1m.

Ilika's shares were in strong demand (+117.6%, +2.02 pence per share) following the successful IPO of US peer Quantumscape, which has notable backers that include VW and Bill Gates. Investors noted the very sizeable valuation gap. Like its US peer, Ilika's large format battery is well suited to automotive applications and several years from commercial readiness. In April, the company announced a partnership with Comau, part of the Fiat Group. Ilika's miniaturised batteries for industrial IOT, consumer electronics and medical devices are more advanced and expected to move into commercial production in early 2022.

Oxford Genetics (+100.1%, +1.92 pence per share) was sold to Wuxi AppTech on 1 March 2021, realising a gain of 180% over book cost, less than 2 years after our initial investment in April 2019.

On the back of strong demand from OEMs, particularly of electric vehicles, Surface Transforms (+71.4%, +1.34 pence per shares) raised £20m at 50p in January to fund a second OEM production cell at its UK site, as well as improvements to its first production cell and to fund working capital. In the last 18 months the company has been nominated on 5 vehicles across 4 OEMs with production expected to ramp up in H2 2021. The company also upgraded its revenue guidance for its 5 planned OEM production cells from £50m to £75m.

Gousto (+22.5%, +1.08 pence per share) enjoyed strong trading through the final quarter of 2020 with revenue growth of 114% reported for the 12 months to 31 December. The strong momentum has carried into the current financial year.

Cloudcall's shares drifted lower (-19.0%, -0.19 pence per share) despite reporting that 2020 trading was at the upper end of its revised guidance. Final results reported revenues £11.8m (+4%), recurring revenues +13%, and adjusted EBITDA loss of £4.4m. The company raised £7.5m equity at 81.5p in January and increased its debt facility to £5m. As a consequence of the disruption endured last year, the company pushed back its guidance for cash flow breakeven by 12 months to mid-2023.

Yourgene (-30.0%, -0.16 pence per share) cited CV-19 as a contributing factor to weak trading in the second half of its financial year, with revenue guidance reduced to £18-20m (+10-20% year on year). Whilst disappointing, the market had been increasingly pricing this risk into the company's valuation. Contract wins for its COVID-19 testing service and recently acquired Coastal Genomics provide good support to the forecasts for the current year.

Diaceutics (-9.9%, -0.07 pence per share) was another company to report CV-19 impacts on its end markets as customers deferred contract awards and delayed product launches. A strong first half was followed by a more challenging second half and a decline in revenues year on year, -6% to £12.7m. The company reported positive EBITDA and a strong balance sheet following a £20.5m fundraising in June 2020.

Faron Pharma (-13.0%, -0.05 pence per share) continues to advance its clinical programmes. Traumakine will return to the clinic through a US Department of Defense sponsored trial that will revisit its potential use in Acute Respiratory Disease Syndrome, this time without the concomitant use of corticosteroids. In parallel, the WHO continues to investigate the use of Traumakine as a possible treatment for coronavirus. The company's second clinical asset (Bexmarilimab) continues to report positive data from a Phase 1/II MATINS trial investigating the use of proprietary antibodies to trigger an immune response in certain difficult to treat cancers. The company successfully raised EUR 15m in February 2021 to strengthen its balance sheet and provide further funding for its clinical assets.

Intelligent Ultrasound (-6.5%, -0.05 pence per share) reported declining revenues as demand for its simulation tools was negatively impacted by CV-19. Revenues declined by 11% to £5.2m in the year to 31 December 2021. A £4.9m fundraise allowed the company to report net cash of £8.8m. Whilst it has yet to generate revenue for the company, GE Healthcare's new ultrasound machine, which incorporates Intelligent Ultrasound's ScanNav Assist AI technology, received CE approval in Europe and 510(k) clearance from the FDA.

Within the period, we invested £6.2 million into 8 qualifying companies through 5 follow on investments into existing portfolio companies (including one private), 2 IPOs into new portfolio companies and 1 new private investment. The new qualifying investments included In The Style, Verici DX and The Out In Collective.

In The Style is an e-commerce fashion brand targeting women aged between 16 and 35. The company has developed a differentiated influencer collaboration model as an authentic and cost-effective way to drive customer engagement and sales.

Verici DX is an emerging immuno-diagnostic company developing tests to understand how a patient will and is responding to an organ transplant, with an initial focus on kidney transplants. The Company's kidney transplant assays use advanced next-generation sequencing that may define a personalised, risk-profile of each patient over the course of their transplant journey, and may detect injury in advance of currently available clinical tests.

The Out In Collective is a new virtual restaurant concept seeking to create and scale quality delivery only brands in partnership with recognized chefs. The founding team has an impressive track record of establishing and growing hospitality businesses in the UK and internationally. Leveraging the team's expertise and network in the hospitality sector and the growing trend towards home delivered food, the company aims to fill a gap in the casual dining market for premium home delivered hospitality by improving product quality, packaging and presentation. The company launched its first brand Dickie's in Battersea London in April 2021 in collaboration with award winning chef Richard Turner, who trained under the Roux Brothers and Marco Pierre White and is well known for his work as the Head Chef at Hawksmoor.

Within the qualifying portfolio, we reduced our investments in Fusion Antibodies, Ilika, Surface Transforms, Polarean, Maxcyte and PCI PAL, in all cases in response to strong share price performance. Clearstar, Lidco and Oxford Genetics were all sold as a consequence of M&A activity, in each case realising a gain on disposal. We also made a complete exit from Fusionex and Location Sciences. Fusionex was sold marginally above book cost whilst we took the decision to realise a loss on Location Sciences following a period of poor performance.

Portfolio structure

The VCT is comfortably through the HMRC defined investment test and ended the period at 95.23% invested as measured by the HMRC investment test. By market value, the VCT had a 70.00% weighting to Qualifying Investments.

The allocation to non-qualifying equity investments decreased from 13.3% to 12.6%. In line with the investment policy, we made investments in the Marlborough Special Situations Fund as a temporary home for proceeds from fundraising; the allocation increased from nil to 4.0%. The period ended with no non-qualifying fixed income investments and an increase in the cash weighting from 10.7% to 13.8%.

The Company invests across all available investment sectors, although VCT legislation tends to promote investment into sectors such as technology, healthcare and consumer discretionary. The weightings to these three sectors remained broadly stable over the period at 29%, 27% and 22% respectively, with technology moving ahead of healthcare to become the largest sector, in part due to the disposal of Oxford Genetics.

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 section of the interim 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 of 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

The outlook for the UK economy remains positive. Most companies are reporting a strong rebound in trading activity, in many cases ahead of management expectations. Recent news of a short delay to the lifting of the final pandemic related

restrictions has done little to dent sentiment within the stock market. Since the period end, the FTSE AIM All-Share Total Return Index has gained +4.32%, whilst the FTSE All-Share Total Return Index has gained +6.89%. The Company's NAV has increased by 5.97% to 101.42 pence (11 June 2021).

Multiple datapoints have highlighted increasing levels of price inflation. The extent to which this is transitory is an important and active point of debate. For now, central banks remain of the view that this is a temporary phenomenon that will abate in 2022, and that they will not need to materially deviate from planned reductions in the monetary stimulus enacted in response to the global pandemic. This view is not universally held. A more substantial reduction of support, followed by a more rapid increase in interest rates, as some commentators advocate, has the potential to unsettle equity markets globally.

The investment manager has continued to deploy capital into Qualifying Investments with £4.1m invested across 4 companies, all listed on AIM. Of these, two were IPOs, one was a follow on qualifying investment and the other a new investment into a qualifying company on AIM. There is a substantial pipeline of investment opportunities under review, a number of which are expected to complete within the current financial year.

As of 18 June 2021, the share price of 96.0 pence represented a discount of 5.3% to the last published net asset value per share.

For further information please contact:

Oliver Bedford

Lead Manager

Date: 22 June 2021

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Investment portfolio summary

As at 31 March 2021

Qualifying Investments	Net Assets %	Cost £000	Cumulative movement in value £000	Valuation £000	Market	COI ⁽¹⁾
SCA Investments Ltd (Gousto)	5.76	2,484	10,231	12,715	Unlisted	Y
Surface Transforms plc	3.23	1,744	5,385	7,129	AIM	Y
PCI-PAL plc	3.23	2,280	4,849	7,129	AIM	Y
Ideagen plc	3.18	1,992	5,030	7,022	AIM	Y
Learning Technologies Group plc	3.06	2,238	4,521	6,759	AIM	Y
Maxcyte Inc	2.96	1,270	5,255	6,525	AIM	Y
Ilika plc	2.83	1,186	5,063	6,249	AIM	Y
Zoo Digital Group plc	2.20	2,266	2,584	4,850	AIM	N
Creo Medical Group plc	2.19	2,329	2,501	4,830	AIM	Y
Eagle Eye Solutions Group plc	1.80	1,642	2,323	3,965	AIM	Y
Infinity Reliance Ltd (My 1st Years)	1.76	2,500	1,394	3,894	Unlisted	Y
Blackbird plc	1.62	700	2,870	3,570	AIM	Y
Polarean Imaging plc	1.56	937	2,498	3,435	AIM	N
Eden Research plc	1.54	1,355	2,033	3,388	AIM	N
C4X Discovery Holdings plc	1.35	1,550	1,424	2,974	AIM	Y

Aquis Exchange plc	1.33	765	2,167	2,932	AIM	Y
Cohort plc	1.29	619	2,231	2,850	AIM	Y
Mexican Grill Ltd	1.09	1,125	1,276	2,401	Unlisted	N
EKF Diagnostics Holdings plc	1.06	565	1,775	2,340	AIM	Y
Abcam plc	1.04	55	2,238	2,293	AIM	N
Beeks Financial Cloud Group plc	1.01	1,038	1,190	2,228	AIM	Y
Cloudcall Group plc	0.96	3,196	(1,074)	2,122	AIM	Y
Verici DX plc	0.94	701	1,368	2,069	AIM	Y
Diaceutics plc	0.92	1,550	489	2,039	AIM	Y
Craneware plc	0.92	125	1,904	2,029	AIM	Y
In the Style Group plc	0.84	1,667	183	1,850	AIM	N
Angle plc	0.83	1,158	678	1,836	AIM	N
Out In Collective Ltd	0.79	1,749	-	1,749	Unlisted	N
Diurnal Group plc	0.78	672	1,050	1,722	AIM	N
Honest Brew Ltd	0.73	2,800	(1,199)	1,601	Unlisted	N
Zappar Ltd	0.72	1,600	-	1,600	Unlisted	N
Hardide plc	0.71	3,566	(2,000)	1,566	AIM	Y
Science in Sport plc	0.65	1,479	(36)	1,443	AIM	N
AnimalCare Group plc	0.62	720	653	1,373	AIM	N
Intelligent Ultrasound Group plc	0.62	1,150	219	1,369	AIM	N
Tristel plc	0.55	543	679	1,222	AIM	N
Belvoir Group plc	0.54	762	424	1,186	AIM	Y
OneMedia iP Group plc	0.52	1,141	-	1,141	AIM	Y
Idox plc	0.51	135	982	1,117	AIM	Y
Escape Hunt plc	0.49	2,173	(1,081)	1,092	AIM	Y
Instem plc	0.49	297	774	1,071	AIM	Y
Velocys plc	0.48	900	162	1,062	AIM	N
CentralNic Group plc	0.47	588	456	1,044	AIM	Y
Crossword Cybersecurity plc	0.46	876	134	1,010	AIM	Y
Fusion Antibodies plc	0.45	624	364	988	AIM	N
Intercede Group plc	0.41	305	608	913	AIM	Y
Rosslyn Data Technologies plc	0.41	750	150	900	AIM	Y
Synairgen plc	0.40	193	692	885	AIM	Y
E-Therapeutics plc	0.39	500	354	854	AIM	N
Gfinity plc	0.37	1,526	(715)	811	AIM	N
Quixant plc	0.34	1,209	(454)	755	AIM	N
Yourgene Health plc	0.34	521	233	754	AIM	N
Globaldata plc	0.34	173	574	747	AIM	Y
ULS Technology plc	0.33	770	(32)	738	AIM	Y
The Property Franchise Group plc	0.32	377	338	715	AIM	Y
Faron Pharmaceuticals Oy	0.30	1,373	(703)	670	AIM	N
Mirriad Advertising plc	0.28	610	4	614	AIM	Y
Renalytix AI plc	0.27	82	525	607	AIM	Y
Everyman Media Group plc	0.27	600	(14)	586	AIM	Y
K3 Business Technology Group plc	0.23	270	234	504	AIM	Y
Vertu Motors plc	0.18	600	(195)	405	AIM	N
bigblu Broadband plc	0.17	347	27	374	AIM	Y
WANDisco plc	0.17	347	19	366	AIM	N
Equals Group plc	0.17	750	(385)	365	AIM	N
DP Poland plc	0.16	1,390	(1,037)	353	AIM	Y
Kidly Ltd	0.14	150	168	318	Unlisted	N
KRM22 plc	0.13	619	(334)	285	AIM	Y

ReNeuron Group plc	0.09	606	(399)	207	AIM	N
Osirium Technologies plc	0.07	858	(712)	146	AIM	N
Trakm8 Holdings plc	0.06	486	(361)	125	AIM	N
MYCELX Technologies Corporation	0.04	361	(277)	84	AIM	Y
Flowgroup plc ⁽²⁾	-	26	(26)	-	Unlisted	N
Infoserve Group plc ⁽²⁾	-	-	-	-	Unlisted	N
Laundrapp Ltd	-	2,450	(2,450)	-	Unlisted	N
Mporium Group plc ⁽²⁾	-	33	(33)	-	Unlisted	N
Paragon Entertainment Ltd	-	87	(87)	-	Unlisted	N
Airportr Technologies Ltd	-	1,888	(1,888)	-	Unlisted	Y
Trellus Health Ltd ⁽³⁾	-	-	-	-	Unlisted	Y
Total – equity Qualifying Investments	67.46	81,069	67,791	148,860		
Qualifying loan note investments						
Kidly Ltd (convertible loan notes)	1.37	1,350	1,668	3,018	Unlisted	N
Escape Hunt plc (convertible loan notes)	0.60	340	974	1,314	Unlisted	N
Osirium Technologies plc (convertible loan notes)	0.41	800	97	897	Unlisted	N
Honest Brew Ltd (loan notes)	0.14	300	-	300	Unlisted	N
Total qualifying loan note investments	2.52	2,790	2,739	5,529		
Total Qualifying Investments	69.98	83,859	70,530	154,389		

Non-Qualifying Investments	Net Assets %	Cost £000	Cumulative movement in value £000	Valuation £000	Market	COI⁽¹⁾
Marlborough Special Situations Fund	4.02	7,805	1,056	8,861	Unlisted	N
Total - unit trusts	4.02	7,805	1,056	8,861		
S4 Capital plc	0.69	575	943	1,518	Main	Y
SThree plc	0.58	1,172	118	1,290	Main	N
The Watches of Switzerland Group plc	0.54	888	304	1,192	Main	Y
NCC Group plc	0.51	985	150	1,135	Main	Y
Bodycote plc	0.51	990	125	1,115	Main	Y
WH Smith plc	0.50	948	166	1,114	Main	N
Future plc	0.48	314	738	1,052	Main	Y
IntegraFin Holdings plc	0.46	551	461	1,012	Main	N
Bytes Technology Group plc	0.43	639	306	945	Main	Y
Workspace Group plc	0.42	883	36	919	Main	Y
JD Sports Fashion plc	0.41	563	344	907	Main	Y
Howden Joinery Group plc	0.40	843	51	894	Main	Y
Countryside Properties plc	0.40	906	(17)	889	Main	N
Anglo American plc	0.39	443	410	853	Main	Y
Liontrust Asset Management plc	0.39	703	149	852	Main	Y
James Fisher and Sons plc	0.37	1,190	(368)	822	Main	Y
Shaftesbury plc	0.37	761	54	815	Main	N
On the Beach Group plc	0.37	786	25	811	Main	N
Trifast Group plc	0.37	698	112	810	Main	Y
Hilton Food Group plc	0.36	718	88	806	Main	Y

Spirax-Sarco Engineering plc	0.36	443	355	798	Main	Y
Taylor Wimpey plc	0.36	781	13	794	Main	Y
XP Power Ltd	0.34	425	332	757	Main	Y
Melrose Industries plc	0.34	867	(116)	751	Main	Y
Rotork plc	0.34	737	11	748	Main	Y
Halma plc	0.32	379	333	712	Main	N
Dechra Pharmaceuticals plc	0.31	422	264	686	Main	Y
Ascential plc	0.30	724	(52)	672	Main	N
Royal Dutch Shell plc	0.30	1,086	(418)	668	Main	N
Cohort plc	0.26	333	237	570	AIM	Y
BP plc	0.23	793	(292)	501	Main	Y
Mexican Grill Ltd	0.12	161	100	261	Unlisted	N
MYCELX Technologies Corporation	0.04	298	(201)	97	AIM	Y
Genagro Limited ^{(2) (4)}	0.00	-	-	-	Unlisted	Y
Total – equity Non-Qualifying Investments	12.57	23,005	4,761	27,766		
Total - Non-Qualifying Investments	16.59	30,810	5,817	36,627		
Total investments	86.57	114,669	76,347	191,016		
Cash at bank	13.80			30,457		
Prepayments, accruals and trade creditors	(0.37)			(833)		
Net assets	100.00			220,640		

(1) COI – Co-investments with other funds managed by Hargreave Hale at 31 March 2021.

(2) Investments where permanent impairment has been processed through the profit and loss account.

(3) On 29 January 2021, the VCT received 184,615 Trellus Health Shares through an in-specie distribution from EKF Diagnostics plc. The shares were valued at nil at the balance sheet date.

(4) Company awaiting liquidation.

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

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
Anglo American plc	UK/South Africa	UK	UK
BP plc	UK/USA/Germany	UK/USA	UK
Bytes Technology Group plc	UK/South Africa	UK	UK
Craneware plc	UK	UK/USA	UK
Faron Pharmaceuticals Oy	UK/Finland	Finland	Finland
Maxcyte Inc	UK	USA	USA
Mycelx Technologies Corporation plc	UK	USA	USA
Polarean Imaging plc	UK	USA	UK
Renalytix AI plc	UK/USA	USA	UK
Royal Dutch Shell plc	UK/USA/Netherlands	Netherlands	UK
Verici DX plc	UK	USA	UK
WANDisco plc	UK	UK/USA	Jersey
XP Power Ltd	UK	Singapore	Singapore
<i>Unlisted private companies:</i>			
Genagro Ltd ⁽¹⁾	-	UK	Jersey
Trellus Health Ltd ⁽²⁾	-	UK/USA	UK

- (1) Company awaiting liquidation.
(2) Trellus Health was incorporated as Trellus Health Limited on 15 July 2020 as a private company. On 12 May 2021, the company was registered as a public company and changed its name to Trellus Health plc.

Top ten investments

As at 31 March 2021 (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)			Unquoted
Investment date	July 2017	Results for the year to	December 2020
Equity held	1.38% ⁽¹⁾	Turnover (£'000)	188,790
Av. Purchase Price	3,711.1p	Profit/(loss) before tax (£'000)	1,075
Cost (£'000)	2,484	Net cash/(debt) December 2020 (£'000)	66,841
Valuation (£'000)	12,715	Net assets December 2020 (£'000)	115,190
Income recognised in period (£)	-	Voting rights held	1.40%

⁽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. Gousto then delivers the pre-proportioned ingredients to the doorstep, along with instructions on how to prepare the meal.

Surface Transforms plc			Share price: 72.0p
Investment date	March 2016	Forecasts for the year to	December 2021
Equity held	6.96%	Turnover (£'000)	6,800
Av. Purchase Price	17.6p	Profit/(loss) before tax (£'000)	(1,000)
Cost (£'000)	1,744	Net cash/(debt) December 2020 (£'000)	612
Valuation (£'000)	7,129	Net assets December 2020 (£'000)	5,678

Company description

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

PCI-PAL plc			Share price: 103.0p
Investment date	January 2018	Forecasts for the year to	June 2021
Equity held	11.65%	Turnover (£'000)	6,700
Av. Purchase Price	32.9p	Profit/(loss) before tax (£'000)	(3,800)
Cost (£'000)	2,280	Net cash/(debt) December 2020 (£'000)	2,108
Valuation (£'000)	7,129	Net assets December 2020 (£'000)	349

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.

Ideagen plc			Share price: 272.0p
Investment date	December 2014	Forecasts for the year to	April 2021
Equity held	1.14%	Turnover (£'000)	63,100
Av. Purchase Price	77.2p	Profit/(loss) before tax (£'000)	16,800
Cost (£'000)	1,992	Net cash/(debt) October 2020 (£'000)	(27,937)
Valuation (£'000)	7,022	Net assets October 2020 (£'000)	78,355

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.

Learning Technologies Group plc			Share price: 150.20p
Investment date	November 2014	Forecasts for the year to	December 2021
Equity held	0.61%	Turnover (£'000)	135,400
Av. Purchase Price	49.7p	Profit/(loss) before tax (£'000)	40,600
Cost (£'000)	2,238	Net cash/(debt) December 2020 (£'000)	70,702
Valuation (£'000)	6,759	Net assets December 2020 (£'000)	269,070

Company description

Learning Technologies Group provides a comprehensive and integrated range of e-learning services and technologies 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.

Maxcyte Inc			Share price: 870.0p
Investment date	March 2016	Forecasts for the year to	December 2021
Equity held	1.31%	Turnover (\$'000)	32,700
Av. Purchase Price	169.3p	Profit/(loss) before tax (\$'000)	(3,200)
Cost (£'000)	1,270	Net cash/(debt) December 2020 (\$'000)	13,838
Valuation (£'000)	6,525	Net assets December 2020 (\$'000)	33,226

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.

Ilika plc			Share price: 185.0p
Investment date	April 2014	Forecasts for the year to	April 2021
Equity held	2.44%	Turnover (£'000)	300
Av. Purchase Price	35.1p	Profit/(loss) before tax (£'000)	(3,700)
Cost (£'000)	1,186	Net cash/(debt) October 2020 (£'000)	12,427
Valuation (£'000)	6,249	Net assets October 2020 (£'000)	15,736

Company description

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

Zoo Digital Group plc		Share price: 105.0p	
Investment date	April 2017	Results for the year to	March 2021
Equity held	6.20%	Turnover (\$'000)	39,500
Av. Purchase Price	49.1p	Profit/(loss) before tax (\$'000)	2,400
Cost (£'000)	2,266	Net cash/(debt) September 2020 (\$'000)	(5,335)
Valuation (£'000)	4,850	Net assets September 2020 (\$'000)	4,649

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.

Creo Medical Group plc		Share price: 210.0p	
Investment date	December 2016	Forecasts for the year to	December 2021
Equity held	1.53%	Turnover (£'000)	22,100
Av. Purchase Price	101.3p	Profit/(loss) before tax (£'000)	(30,500)
Cost (£'000)	2,329	Net cash/(debt) December 2020 (£'000)	43,301
Valuation (£'000)	4,830	Net assets December 2020 (£'000)	62,806

Company description

Creo Medical is a medical device company focused on the emerging field of surgical endoscopy, a recent development in minimally invasive surgery. Creo Medical was founded in 2003, initially to target the treatment of cancers through use of high frequency microwave energy and dynamic matching techniques.

Eagle Eye Solutions Group plc		Share price: 458.0p	
Investment date	April 2014	Forecasts for the year to	June 2021
Equity held	3.37%	Turnover (£'000)	24,100
Av. Purchase Price	189.7p	Profit/(loss) before tax (£'000)	300
Cost (£'000)	1,642	Net cash/(debt) December 2020 (£'000)	100
Valuation (£'000)	3,965	Net assets December 2020 (£'000)	4,444

Company description

Eagle Eye provides enterprises with connected, real-time digital marketing, offering digital promotions, customer loyalty programmes and digital rewards.

For further information please contact:

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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 2020.

Covid-19

Your Board has reviewed the risks facing the Company as a result of the Covid-19 pandemic.

Operational risk and outsourcing

Covid-19 compelled most companies to adopt remote working to a greater or lesser extent. The core outsourced functions of the Company provided by Hargreave Hale Limited and Canaccord Genuity Wealth Limited continued to operate effectively throughout the period whilst working remotely. More recently, the VCT fund management team and the administration team have both started to transition back to office-based work. Services provided by other outsourced service providers have also been largely unaffected.

Investment risk

Although there remain a number of areas of considerable uncertainty, the success of the UK's vaccination programme is likely to lead to a strong rebound within the UK economy in 2021. Many companies previously affected by the CV-19 pandemic are reporting increasing levels of business activity, although clearly this is not ubiquitous. Confidence is returning and companies are re-instating guidance on future revenues and profits. Stock markets have moved rapidly to price in this renewed optimism, leaving them vulnerable to any significant deterioration in the outlook, particularly if a variant were to emerge that undermined the effectiveness of the existing approved vaccines. In mitigation, the Board has an experienced investment manager who maintains a well-diversified portfolio of investments and remains in close contact with the companies held within the portfolio. Many of the companies have taken the opportunity to strengthen their balance sheets and are well positioned to address the growth opportunity or weather further disruption, were it to arise.

Valuation risk

Most of the Company's investments are traded on a recognised exchange providing daily share prices. Key estimation uncertainties continue to relate to the fair value of the unquoted (Level 3) investments which in the current conditions require an increased level of judgement. The investment manager and the independent non-executive directors continue to review the private company valuations on a quarterly basis, or more frequently if required during periods of lockdown, to ensure the companies are fairly valued using the very latest information available for review. 13.6% of the Company's net assets were held in Level 3 investments as at 31 March 2021.

Going concern

The Company's business activities and the factors affecting its future development are set out in the Chairman's statement and the Investment Manager's report.

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: 22 June 2021

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 four male non-executive directors and one female non-executive director 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 their role.

The management of the Company's investment portfolio has been delegated to its Investment Manager Hargreave Hale Ltd. 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 is actively seeking to strengthen 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: 22 June 2021

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, Ashton Bradbury and Justin Ward, 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 2021 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: 22 June 2021

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

	Note	For the six month period to 31 March 2021 (unaudited)			For the six month period to 31 March 2020 (unaudited)		
		Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Net gain/(loss) on investments held at fair value through profit or loss	5	-	54,987	54,987	-	(18,938)	(18,938)
Income	2	391	-	391	418	65	483
		391	54,987	55,378	418	(18,873)	(18,455)
Management fee		(417)	(1,252)	(1,669)	(275)	(824)	(1,099)
Other expenses		(498)	(12)	(510)	(355)	(117)	(472)
		(915)	(1,264)	(2,179)	(630)	(941)	(1,571)
(Loss)/profit on ordinary activities before taxation		(524)	53,723	53,199	(212)	(19,814)	(20,026)
Taxation		-	-	-	-	-	-
(Loss)/profit after taxation		(524)	53,723	53,199	(212)	(19,814)	(20,026)
Basic and diluted (loss)/earnings per share	3	(0.25)p	25.86p	25.61p	(0.10)p	(9.73)p	(9.83)p

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 2020 (audited)

		For the year to 30 September 2020 (audited)		
	Note	Revenue £000	Capital £000	Total £000
Net gain on investments held at fair value through profit or loss	5	-	18,308	18,308
Income	2	731	70	801
		731	18,378	19,109
Management fee		(573)	(1,721)	(2,294)
Other expenses		(698)	(184)	(882)
		(1,271)	(1,905)	(3,176)
(Loss)/profit on ordinary activities before taxation		(540)	16,473	15,933
Taxation		-	-	-
(Loss)/profit after taxation		(540)	16,473	15,933
Basic and diluted (loss)/earnings per share	3	(0.26)p	8.07p	7.81p

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 2021 (unaudited)

	Note	31 March 2021 (unaudited) £000	31 March 2020 (unaudited) £000	30 September 2020 (audited) £000
Fixed assets				
Investments at fair value through profit or loss	5	191,016	100,415	131,907
Current assets				
Debtors	7	197	132	173
Cash at bank		30,457	14,651	15,695
		30,654	14,783	15,868
Creditors: amounts falling due within one year	8	(1,030)	(646)	(818)
Net current assets		29,624	14,137	15,050
Total assets less current liabilities		220,640	114,552	146,957

Capital and Reserves

Called up share capital	2,305	2,020	1,995
Share premium	52,691	24,238	24,238
Capital redemption reserve	122	66	91
Capital reserve – unrealised	92,944	10,017	46,580
Special reserve	91,475	103,339	99,785

Capital reserve – realised		(17,078)	(24,161)	(24,437)
Revenue reserve		(1,819)	(967)	(1,295)
Total shareholders' funds		220,640	114,552	146,957
Net asset value per share (basic and diluted)	4	95.71p	56.70p	73.66p

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 2021 (unaudited)

	Note	Non-distributable reserves			Distributable reserves ⁽¹⁾			Total	
		Share capital	Share premium	Capital redemption reserve	Capital reserve unrealised	Special reserve	Capital reserve realised		Revenue reserve
		£000	£000	£000	£000	£000	£000	£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 year									
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	9	338	28,730	-	-	-	-	-	29,068
Issue costs	14	-	(523)	-	-	-	-	-	(523)
Share buybacks	9	(31)	-	31	-	(2,599)	-	-	(2,599)
DRIS share issues	9	3	246	-	-	-	-	-	249
Equity dividends paid	6	-	-	-	-	(5,711)	-	-	(5,711)

Total contributions by and distributions to owners	310	28,453	31	-	(8,310)	-	-	20,484
Other movements								
Permanent impairment	5	-	-	-	(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 is subject to this restriction.

Condensed statement of changes in equity for the six month period to 31 March 2020 (unaudited)

	Note	Non-distributable reserves			Distributable reserves ⁽¹⁾			Total	
		Share capital	Share premium	Capital redemption reserve	Capital reserve unrealised	Special reserve	Capital reserve realised		Revenue reserve
		£000	£000	£000	£000	£000	£000	£000	
At 1 October 2019		2,040	24,238	46	21,713	112,803	(16,043)	(755)	144,042
Profit/(loss) and total comprehensive income for the year									
Realised (losses) on investments	5	-	-	-	-	-	(1,440)	-	(1,440)
Unrealised (losses) on investments	5	-	-	-	(17,498)	-	-	-	(17,498)
Management fee charged to capital		-	-	-	-	-	(824)	-	(824)
Income allocated to capital	2	-	-	-	-	-	65	-	65
Due diligence investment costs		-	-	-	-	-	(117)	-	(117)
Revenue (loss) after taxation for the period		-	-	-	-	-	-	(212)	(212)
Total (loss) after taxation for the period		-	-	-	(17,498)	-	(2,316)	(212)	(20,026)
Contributions by and distributions to owners									
Share buybacks		(20)	-	20	-	(1,326)	-	-	(1,326)
Equity dividends paid		-	-	-	-	(8,138)	-	-	(8,138)
Total contributions by and distributions to owners		(20)	-	20	-	(9,464)	-	-	(9,464)

Other movements

Permanent impairment	-	-	-	5,802	-	(5,802)	-	-
Total other movements	-	-	-	5,802	-	(5,802)	-	-
At 31 March 2020	2,020	24,238	66	10,017	103,339	(24,161)	(967)	114,552

Reserves available for distribution are capital reserve realised, special reserve and revenue reserve. Total distributable reserves at 31 March 2020 were £78.2 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 2020, £47.2 million of the special reserve is subject to this restriction.

Condensed statement of changes in equity for the year ended 30 September 2020 (audited)

	Note	Non-distributable reserves			Distributable reserves ⁽¹⁾			Total	
		Share capital	Share premium	Capital redemption reserve	Capital reserve unrealised	Special reserve	Capital reserve realised		Revenue reserve
		£000	£000	£000	£000	£000	£000	£000	
At 1 October 2019		2,040	24,238	46	21,713	112,803	(16,043)	(755)	144,042
Profit/(loss) and total comprehensive income for the year									
Realised (losses) on investments	5	-	-	-	-	-	(230)	-	(230)
Unrealised gains on investments	5	-	-	-	18,538	-	-	-	18,538
Management fee charged to capital		-	-	-	-	-	(1,721)	-	(1,721)
Income allocated to capital	2	-	-	-	-	-	70	-	70
Due diligence investment costs		-	-	-	-	-	(184)	-	(184)
Revenue (loss) after taxation for the year		-	-	-	-	-	-	(540)	(540)
Total profit after taxation for the year		-	-	-	18,538	-	(2,065)	(540)	15,933
Contributions by and distributions to owners									
Share buybacks		(45)	-	45	-	(2,876)	-	-	(2,876)
Equity dividends paid	6	-	-	-	-	(10,142)	-	-	(10,142)
Total contributions by and distributions to owners		(45)	-	45	-	(13,018)	-	-	(13,018)

Other movements

Permanent impairment	-	-	-	6,329	-	(6,329)	-	-
Total other movements	-	-	-	6,329	-	(6,329)	-	-
At 30 September 2020	1,995	24,238	91	46,580	99,785	(24,437)	(1,295)	146,957

Reserves available for distribution are capital reserve realised, special reserve and revenue reserve. Total distributable reserves at 30 September 2020 were £74.0 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 30 September 2020, £47.2 million of the special reserve is subject to this restriction.

Condensed statement of cash flows for the six month period to 31 March 2021 (unaudited)

	Note	31 March 2021 (unaudited) £000	31 March 2020 (unaudited) £000	30 September 2020 ⁽¹⁾ (audited) £000
Total profit/(loss) on ordinary activities before taxation		53,199	(20,026)	15,933
Realised (gains)/losses on investments	5	(8,239)	1,440	230
Unrealised (gains)/losses on investments	5	(46,748)	17,498	(18,538)
(Increase)/decrease in debtors	7	(24)	334	293
Increase/(decrease) in creditors	8	212	(363)	(191)
Non-cash distributions	2	(66)	(65)	(66)
Net cash (outflow) from operating activities		(1,666)	(1,182)	(2,339)
Purchase of investments	5	(22,488)	(17,219)	(27,602)
Sale of investments	5	18,432	17,878	34,016
Net cash used in/provided by investing activities		(4,056)	659	6,414
Share buybacks	9	(2,599)	(1,326)	(2,876)
Issue of share capital	9	29,068	-	-
Issue costs	14	(523)	-	-
Dividends paid	6	(5,462)	(8,138)	(10,142)
Net cash provided by financing activities		20,484	(9,464)	(13,018)
Net increase/(decrease) in cash		14,762	(9,987)	(8,943)
Opening cash		15,695	24,638	24,638
Closing cash		30,457	14,651	15,695

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

⁽¹⁾ 30 September 2020 cash flow represents annual results

Explanatory notes

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

Basis of preparation

The Company has prepared its half-yearly financial results for the six month period ending 31 March 2021. 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” October 2019 (“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 2020 annual report.

1. Significant accounting policies

Hargreave Hale AIM VCT plc has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2020 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.

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 fair value hierarchy described in note 5 to the financial statements.

2. Income

	Six months to 31 March 2021 (unaudited) £000	Six months to 31 March 2020 (unaudited) £000	Year ended 30 September 2020 (audited) £000
Income from investments			
Revenue:			
Dividend income	308	364	603
Fixed income interest	82 ⁽³⁾	28	98
Interest	1	26	30
	391	418	731
Capital:			
Return of capital	-	-	4 ⁽¹⁾
In-specie dividend	-	65 ⁽²⁾	66 ⁽²⁾
	-	65	70
Total income	391	483	801

⁽¹⁾ Return of capital from Genagro funded from the sale of Campo Aberto farm.

⁽²⁾ The Company received shares in M&G plc in October 2019 following the demerger of M&G Prudential. Prudential made an in-specie distribution of M&G shares (£65.4k). The Company also received shares in Verici

(a wholly owned subsidiary of Renalytix) in July 2020 as a result of an in-specie distribution of shares (£1.0k) following transfer of the in-licensed FractlDx technology and associated assets to Verici. These have been treated as capital income.

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

	Six months to 31 March 2021 (unaudited)	Six months to 31 March 2020 (unaudited)	Year ended 30 September 2020 (audited)
Gain/(loss) per share	25.61p	(9.83)p	7.81p
Net gain/(loss) for the period	£53,199,049	(£20,025,750)	£15,932,873
Weighted average number of shares	207,716,466	203,721,910	204,111,631

4. Net asset value per share

	Six months to 31 March 2021 (unaudited)	Six months to 31 March 2020 (unaudited)	Year ended 30 September 2020 (audited)
Net asset value per share	95.71p	56.70p	73.66p
Net assets	£220,639,512	£114,551,888	£146,956,676
Number of shares in issue at period end	230,520,864	202,022,420	199,514,929

5. Investments

	Listed Investments 31-Mar-21 £000	Unlisted Investments ⁽¹⁾ 31-Mar-21 £000	Total Investments 31-Mar-21 £000	Total Investments 31-Mar-20 £000	Total Investments 30-Sep-20 £000
Opening valuation	104,425	27,482	131,907	119,947	119,947
Purchases at cost	12,634	9,854	22,488	17,219	27,602
Non-cash distribution	-	66 ⁽²⁾	66	65	66
Sale proceeds	(9,319)	(9,113)	(18,432)	(17,878)	(34,016)
Realised (losses)/gains	2,379	5,860	8,239 ⁽³⁾	(1,440) ⁽³⁾	(230) ⁽³⁾
Unrealised (losses)/gains	41,968	4,780	46,748 ⁽³⁾	(17,498) ⁽³⁾	18,538 ⁽³⁾
Closing valuation	152,087	38,929	191,016	100,415	131,907
Cost at period end	87,022	27,647	114,669	106,851	102,308
Unrealised gains at period end	74,977	17,966	92,943	10,017	46,579
Permanent impairment at period end ⁽⁴⁾	(9,912)	(6,684)	(16,596)	(16,453)	(16,980)
Valuation at period end	152,087	38,929	191,016	100,415	131,907

(1) Includes £8.9 million invested in the Marlborough Special Situations Fund.

(2) The Company elected to convert accrued fixed interest from a convertible loan note in Oxford Genetics into shares. This was triggered by the sale of the company to WuXi AppTec.

(3) 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.

(4) Further impairments of £3,222,756 were made in the six month period ending 31 March 2021. Once adjusted for the disposal of impaired assets by £1,026,662 and impairment reversals of £2,580,408, permanent impairments at the period end are £16,595,638.

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 2021 (unaudited)	160,947	-	30,069	191,016
Year ended 30 September 2020 (audited)	104,095	330	27,482	131,907
Six months ended 31 March 2020 (unaudited)	84,019	-	16,396	100,415

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 2021.

Level 3 Unquoted Investments

SCA Investments Ltd (Gousto)	The fair value of the investment was increased following strong trading performance in FY20 and rolling the valuation to FY21. EV/Sales peer group ratios and DCF analysis were used to support the valuation.
Honest Brew Ltd	The fair value of the equity investment is maintained following a £0.3m loan investment during the period. EV/Sales peer group ratios were analysed to support the valuation.
Kidly Ltd	The fair value of the equity investment increased following strong trading performance in FY21 and rolling the valuation to FY22. EV/Sales peer group ratio analysis was used to support the valuation. The fair value of the convertible loan note investment increased following an increase in the value of the conversion option. The conversion option is valued using the Black-Scholes option pricing model.
Mexican Grill Ltd	The fair value of the investment was increased to reflect improving trading conditions and a positive outlook for the business. EV/EBITDA peer group ratios and DCF analysis were analysed to support the valuation.
Infinity Reliance Ltd (My 1st Years)	The fair value of the investment increased following strong trading performance in FY20 and rolling the valuation to FY21. EV/EBITDA peer group ratios and DCF analysis were analysed to support the valuation.
Out In Collective Ltd	The fair value of the investment has been maintained at £5.18 per share, our entry price. The valuation was tested against listed peers.
Zappar Ltd	The fair value of the investment is maintained. The equity is valued on an EV/Sales basis and was tested against listed peers.
Escape Hunt plc - convertible loan note	The fair value of the convertible loan note investment increased reflecting an increase in the value of the conversion option following an increase in the value of the company's ordinary shares. The conversion option is valued using the Black-Scholes option pricing model.
Osirium Technologies plc – convertible loan note	The fair value of the convertible loan note investment decreased to reflect a decrease in the value of the conversion option. The conversion option is valued using the Black-Scholes option pricing model.

Level 3 Unquoted Investment disposals

The following table provides details on unquoted investment disposals in the period.

Company	Cost £'000	Total realised gain/(loss)	Disposal proceeds £'000	Valuation as at 30 September 2020 £'000	Realised gain/(loss) in year £'000
Fusionex International plc ⁽¹⁾	-	222	222	111	111
Oxford Genetics Ltd	3,252	5,639	8,891	4,444	4,447

⁽¹⁾ Fusionex International plc had been fully impaired through the profit and loss account and therefore shows a zero cost.

6. Dividends paid

Summary of dividends paid in the six months to 31 March 2021 and the financial year ending 30 September 2020 are detailed below:

	Six months ended 31 March 2021 (unaudited) £'000	Year ended 30 September 2020 (audited) £'000
Special capital dividend of 1.75 pence paid on 28 November 2019	-	3,564
Final capital dividend of 2.25 pence per share for the year ended 30 September 2019 paid on 11 February 2020	-	4,576
Interim capital dividend of 1.00 pence per share for the half year ended 31 March 2020 paid on 24 July 2020	-	2,004
Final capital dividend of 2.65 pence per share for the year ended 30 September 2020 paid on 11 February 2021	5,711	-
Unclaimed dividends ⁽¹⁾	-	(2)
Total	5,711 ⁽²⁾	10,142

⁽¹⁾ Dividends unclaimed for a period of 12 years reverted to the Company.

⁽²⁾ The difference between total dividends paid for the period ending 31 March 2021 and the cash flow statement is £249,000 which is the amount of dividends reinvested under the DRIS.

7. Debtors

Debtors	Six months to 31 March 2021 (unaudited) £000	Six months to 31 March 2020 (unaudited) £000	Year ended 30 September 2020 (audited) £000
Prepayments and accrued income	197	132	173

8. Creditors: amounts falling due within one year

	Six months to 31 March 2021 (unaudited) £000	Six months to 31 March 2020 (unaudited) £000	Year ended 30 September 2020 (audited) £000
Trade Creditors	1	2	17

Accruals and deferred income	1,029	644	801
	1,030	646	818

9. Transactions in shares

Buybacks

In total, the Company repurchased 3,070,685 shares during the six month period ending 31 March 2021 at a total cost of £2,599,458. The repurchased shares represent 1.54% of ordinary shares in issue on 1 October 2020. The acquired shares have been cancelled.

Share issues

In total, the Company issued 33,800,180 new shares (nominal value £338,002) through an offer for subscription during the six month period ending 31 March 2021 raising net proceeds of £28,545,587.

The Company also issued 276,440 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 2021.

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 five non-executive directors, four 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, 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 2021. 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 2021 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 2020 have been reported on by the Company's auditor.

The comparative figures for the financial year ended 30 September 2020 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 2021
David Brock	Chairman	£16,750
Oliver Bedford	Director	£12,500
Ashton Bradbury	Director	£13,125
Angela Henderson	Director	£13,500
Justin Ward ⁽¹⁾	Director	£11,453
Sir Aubrey Brocklebank ⁽¹⁾	Director (retired)	£9,982

⁽¹⁾ Aubrey Brocklebank retired as a director of the Company and Chairman of the Audit Committee on 4 February 2021. Justin Ward was appointed to the Board on 1 November 2020 and replaced Aubrey Brocklebank as Chairman of the Audit Committee on 4 February 2021.

David Brock is the non-executive Chairman of Honest Brew Limited which is an investee company in the VCT's portfolio. David is also a shareholder in Honest Brew Limited, however he does not control the entity. In February 2021, David Brock made a further equity investment into Honest Brew Ltd on the same commercial terms as independent third party investors. At the same time, the Company made a further investment into Honest Brew through a loan note instrument. The 5-year loan was made on market standard terms and does not carry any conversion rights. The Board, excluding David Brock, reviewed potential conflicts of interest in relation to this matter and agreed certain control measures to mitigate any conflicts that may arise.

Transactions with the manager

As the Company's Investment Manager, Hargreave Hale Limited is a related party to the Company for the purposes of the Listing Rules. As Hargreave Hale Limited 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 Hargreave Hale Limited which received fees of £12,500 for the period ended 31 March 2021 in respect of his position on the Board (2019: £12,500). None of these fees were owed at the period end.

CGWL act as administrator and custodian to the Company. CGWL ceased to provide company secretarial services on 14 January 2021. CGWL received fees for the support functions as follows:

	31 March 2021 (£)	31 March 2020 (£)	30 September 2020 (£)
Custody	15,000	15,000	30,000
Administration	97,500	97,500	195,000
Company secretarial	4,902	8,500	17,000
Total	117,402	121,000	242,000
Still owed at the period end	-	60,500	60,500

Under an offer agreement dated 2 September 2020, 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 receive a fee of 3.5 per cent. of the gross proceeds of the offer for providing these services. The administrator has 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 and expenses of the Company and CGWL, the Company's tax adviser's fees and expenses, 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 will not be 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.

During the half year, the Company issued 33,800,180 ordinary shares (nominal value £338,002) in the offer for subscription which resulted in gross funds being received of £29,068,184. As marketing adviser and receiving agent to the Company, CGWL was entitled to 3.5% of the gross proceeds (£1,017,386), often referred to as the 'premium'. From this, CGWL paid for the allotment of additional shares to investors with a value of £428,651, resulting in net fees payable to CGWL of £588,735 to cover the costs of the offer.

In accordance with the offer agreement, the Company was entitled to a rebate of £75,000 from CGWL of which £66,138 had been paid at 31 March 2021 reducing the net fees payable to CGWL to £522,597. A further £8,862 has been rebated post period end.

Hargreave Hale Limited 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 £1,668,914 (2020: £1,099,314). Of these fees £896,846 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 VCT may invest), Hargreave Hale Limited makes an adjustment as necessary to its investment management fee to ensure the VCT is not charged twice for their services.

Upon completion of an investment, the Investment Manager is permitted under the 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 due diligence and transactional services costs directly from private investee companies. No due diligence or transactional service costs have been recovered from investee companies in the period to 31 March 2021.

Total commission of £26,533 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.

The Company held £9,115,102 in the client account at CGWL at 31 March 2021.

15. Post balance sheet events

Buybacks

Since the period end, a further 1,323,394 ordinary shares have been purchased at an average price of 96.13 pence and a total cost of £1,272,134. On 28 May 2021, the Company also applied for the cancellation of 4,406 forfeited shares.

Share issues

Since the period end, a further 951,474 new shares have been issued (nominal value £9,515) raising net proceeds of £920,280. On 15 April 2021, the Company announced that the offer was fully subscribed and closed for further applications.

Infinity Reliance Ltd (My 1st Years)

My 1st Years temporarily closed its online retail operations in May following a major fire at its Head Office and Distribution centre. The company is working to resume trading as soon as possible in a new facility and plans to be operational ahead of the Christmas peak trading period. The company has comprehensive insurance in place and management are actively engaged with their insurers to recover any losses caused by the incident.

Investments

The Company has made the following investments since the period end

	Amount Invested £000	Investment into existing company
Qualifying companies		
Areacor Therapeutics plc	712	No
Crimson Tide plc	1,260	No
Polarean Imaging plc	1,144	Yes
Trellus Health plc	1,000	No

New entrants to the qualifying portfolio include Areacor Therapeutics, Crimson Tide and Trellus Health. Further details can be found below:

Areacor Therapeutics plc

Areacor is a globally focused biopharmaceutical company that is improving patient care by bringing innovative medicines to market through the enhancement of existing therapeutic products. By applying its innovative proprietary formulation technology platform, the company is developing a portfolio of proprietary products in diabetes and other indications and working with leading pharmaceutical and biotechnology companies to deliver enhanced reformulations of their therapies.

Crimson Tide plc

Through its mobile solutions, Crimson Tide aims to improve the efficiency of staff working & capturing data through its digital transformation platform. The platform, which has a wide range of use cases across a number of different industries, gives users smartphone and tablet enabled cloud-based job scheduling, along with alerts and analytics using real-time data from any type of IOT device.

Trellus Health plc

Trellus Health is a provider of a connected health solution for chronic condition management, initially focussing on inflammatory bowel disease. Originating at Mount Sinai, it was established as a separate entity in 2020 supported with a \$5m investment from EKF Diagnostics. The company raised £28.5m at IPO at 40 pence per share and was admitted to trading on AIM on 28 May 2021.

On 29 January 2021, the VCT received 184,615 shares through an in-specie transfer of dividend shares by EKF Diagnostics plc. The shares were valued at nil value at the balance sheet date. The shares were valued at £120,000 based on the quoted share price on 28 May 2021.

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.

Where the calculation of the APM is not detailed within the financial statements, an explanation of the methodology employed is below:

NAV total return since inception

		31 March 2021
Net asset value per share	A	95.71p
Dividends paid per share since inception	B	62.80p
NAV total return since inception ⁽¹⁾	A+B	158.51p

(1) Includes 100 pence initial cost

NAV total return

		31 March 2021
Net asset value per share 30 September 2020	A	73.66p
Dividends paid	B	2.65p
Net asset value per share 31 March 2021	C	95.71p
NAV total return	$[(B+C-A)/A]*100$	33.53%

NAV total return (dividends reinvested)

			31 March 2021	% Return
Opening NAV per share (30 September 2020)		A	73.66p	
Closing NAV per share (31 March 2021)			95.71p	
	Final dividend for year paid February 2021	2.65p		
Total dividend payments			2.65p	
Closing NAV per share plus dividends paid			98.36p	33.53%
In year performance of reinvested dividends			0.34p	
NAV total return (dividends reinvested)	$((B-A)/A)*100$	B	98.70p	34.00%

Share price total return

		31 March 2021
Share price as at 30 September 2020	A	66.00p
Dividends paid	B	2.65p
Share price as at 31 March 2021	C	90.00p

Share price total return	$((B+C-A)/A)*100$	40.38%
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Share price total return (dividends reinvested)

			31 March 2021	% Return
Opening share price (30 September 2020)		A	66.00p	
Closing share price (31 March 2021)			90.00p	
	Final dividend for year paid February 2021	2.65p		
Total dividend payments			2.65p	
Closing share price plus dividends paid			92.65p	40.38%
In year performance of reinvested dividends			0.45p	
Share price total return (dividends reinvested)	$((B-A)/A)*100$	B	93.10p	41.06%

Ongoing charges ratio

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

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

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

(2) Other expenses exclude London Stock Exchange fees of £58k 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 2021
Share price	A	90.00p
Net asset value per share	B	95.71p
(Discount) / premium	$[(A/B)-1]*100$	(5.97%)

The 1 year average discount of 8.20% is calculated by taking the average of the share price discount at each month end between 30 April 2020 and 31 March 2021.

The 5 year average discount of 6.31% is calculated by taking the average of the share price discount at each month end between 30 April 2016 and 31 March 2021.

