

Half-Yearly Report

For the six months ended 31 March 2022



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Financial Highlights

for the six months ended 31 March 2022

- Net Asset Value ("NAV") total return per share for the six months ended 31 March 2022, after adding back the dividends paid in the period, was -17.0%.
- £6.5 million of qualifying investments (£1.9 million new, £4.6 million follow-on) made in the period.
- Interim dividend of 3.0 pence per share declared for the six months ended 31 March 2022.
- The Offer for Subscription, launched on 24 January 2022, was over subscribed by 8 February 2022, and raised £24.4 million (after costs of £0.6 million).
- Post-period end proceeds of approximately £55.1 million received from the sale of Interactive Investor resulting in a special interim dividend of 32.0 pence per share being declared.

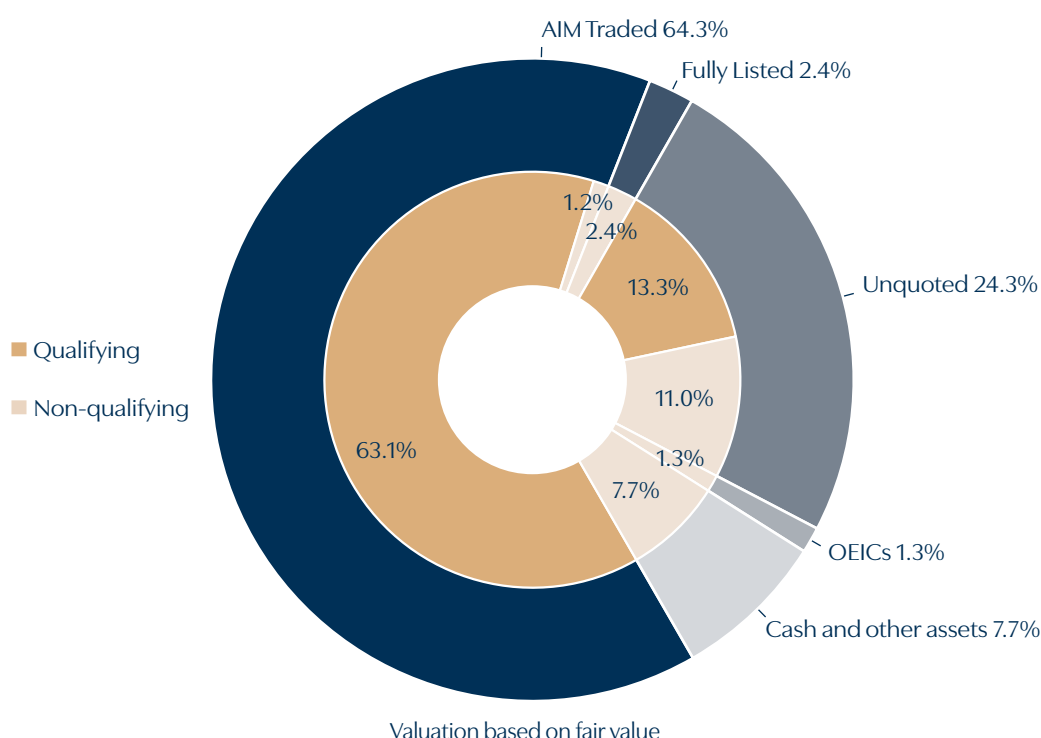
Fund Performance

Ordinary Shares	Shareholders' Funds* (£million)	Net asset value per share (NAV) (p)	Cumulative dividends paid per share** (p)	Net asset value plus cumulative dividends paid per share** (p)	Share price (p)
31 March 2022	315.3	195.7	78.0	273.7	167.0
30 September 2021	370.8	248.6	67.5	316.1	219.0
31 March 2021	346.3	232.1	64.5	296.6	198.0
30 September 2020	260.2	178.6	61.0	239.6	142.5

* Shareholders' funds/net assets as shown in the Condensed Statement of Financial Position on page 13.

** Since the merger of the Company with Unicorn AIM VCT II on 9 March 2010 and merger of all former classes.

Percentage of Assets Held as at 31 March 2022



Chair's Statement

I am pleased to present the unaudited Half-Yearly Report of the Company for the six month period ended 31 March 2022.

As at 31 March 2022, the net assets of your Company were £315.3 million. This is £55.5 million lower than at the start of the current financial year. After adding back dividends paid in the period, the total return per share in the six-month period under review was -17.0%.

The total return was slightly worse than that generated by the FTSE AIM All-Share Total Return Index, which fell by 15.8% over the same period.

The decline in capital value is disappointing, although it is important to note that it is broadly in line with the FTSE AIM All-Share Index and reflects a wider and significant reduction in appetite for risk during the period.

The huge rise in energy prices and supply side constraints in many industries have contributed to the return of inflation, which has led to a succession of interest rate rises in the UK. These factors have cast significant doubt on the prospects for continued economic recovery during 2022 and beyond.

In addition, the recent and tragic outbreak of war in Ukraine added to the problems currently being faced by consumers, exacerbating the energy crisis and escalating pre-existing inflationary pressures.

The Alternative Investment Market ("AIM") is predominantly made up of businesses in the early stages of their financial and operational development. In many cases, these businesses have yet to achieve sustainable profitability and, as investment propositions, they are inevitably more speculative than longer established companies. It is therefore unsurprising during periods of uncertainty and worry, that the value of AIM-listed companies tends to fall faster and further than those listed on the main market.

In accordance with HM Revenue & Customs' VCT rules, the Company is required to maintain over 80% of its total assets invested in VCT approved, early stage, scale-up businesses. However, as a result of the wider, economic and political problems, investors have recently become increasingly risk averse and are currently wary of committing capital to companies that are yet to prove the sustainability of their business models. This investor caution increases the downward pressure on the valuations of most AIM-listed companies, hence the Company's Net Asset Value has suffered a significant decline.

With the benefit of over twenty years of experience in successfully managing funds through the ups and downs of AIM, our Investment Manager, Unicorn Asset Management Limited, is well-placed to navigate the current difficulties and continues to manage the portfolio in a prudent fashion.

As a reminder, the Investment Manager's main focus is to continue to develop a diverse portfolio of investments, across a wide spectrum of industries and sectors, capable of delivering superior total returns over the long term.

Offer for Subscription

The Company's latest Offer for Subscription was launched on 24 January 2022. The Offer reached full subscription of £25 million on 8 February 2022 and was closed shortly thereafter. On behalf of the Board, I welcome all new Shareholders and thank existing Shareholders for their continued support.

Interactive Investor ("ii") Disposal and Special Dividend

On 30 May 2022, your Company received proceeds totalling approximately £55.1 million from the sale of its shareholding in ii following the acquisition of the company by abrdn plc for £1.5 billion.

We have held shares in ii since 2013 and the disposal represents a profit of £51.6 million on our total investment of £3.5 million. This has been an outstanding investment for your Company, generating a 15x return on our investment.

£37.0 million of the total proceeds received are non-qualifying for VCT purposes and need to be distributed to Shareholders immediately to prevent the Company from breaching the rule that requires 80% of assets to be held in qualifying investments. The remaining £18.1 million could be held for reinvestment within the next 12 months into qualifying assets. However, the Company raised £24.4 million after costs, in March 2022 for further qualifying investments. Consequently, your Board has decided that it already has sufficient funds available to take advantage of upcoming investment opportunities and will therefore distribute the entire realised gain of £51.6 million by way of a special dividend of 32.0 pence per share to Shareholders alongside the interim dividend of 3.0 pence per share referred to below.

Dividends

The Board has declared an interim dividend of 3.0 pence per share, for the six months ended 31 March 2022. This interim dividend and the special interim dividend will be paid on 11 August 2022 to Shareholders on the register on 15 July 2022. The shares will be quoted ex-dividend on 14 July 2022.

Dividend decisions are taken by the Board of the Company and are always subject to a number of factors including; market conditions, satisfactory performance, and/or availability of cash and distributable reserves.

Dividend Reinvestment Scheme ("DRIS")

On 10 February 2022, 660,718 Ordinary Shares were allotted at a price of 205.3 pence per share, being the latest published net asset value at 31 January 2022, to Shareholders who elected to receive Ordinary Shares under the DRIS as an alternative to the final cash dividend for the year ended 30 September 2021 and the special interim dividend declared on 22 November 2021.

Share Buybacks

During the period from 1 October 2021 to 31 March 2022, the Company bought back 1,417,923 of its own Ordinary Shares for cancellation, at an average price of 193.72 pence per share including costs.

As at 31 March 2022, there were 161,074,952 Ordinary Shares in issue.

Material Transactions

Other than the Offer for Subscription, Share Buybacks and the purchase and sale of investments described in the Investment Manager's Review, there were no material transactions in the six month period ended 31 March 2022.

VCT Status

As at 31 March 2022, the Company remained above the VCT qualifying threshold required by HM Revenue & Customs, with approximately 88.5% (excluding funds raised and received from the sale of qualifying investments which are still within the grace periods allowed under the VCT legislation) of total assets by VCT value being invested in VCT qualifying companies. As at 31 March 2022, the Company had complied with all other HM Revenue & Customs regulations, and your Board has been advised by PricewaterhouseCoopers LLP that the Company had maintained its venture capital trust status as at that date.

Board Appointment

The Board was pleased to announce that Josephine Tubbs joined as a non-executive Director on 24 May 2022. Josie, a qualified solicitor, has been General Counsel for AXA Investment Managers in the UK before becoming General Secretary in 2019.

Summary & Outlook

In the past six months, the FTSE AIM All-Share Index has suffered a significant decline in value. Investor confidence has been shaken not only by the conflict in Ukraine, but also by mounting concerns about the prospects of economic recession especially in Europe, the United States and the UK. In addition, the Communist Party of China continues to enforce a strict and wide-ranging lockdown policy whenever it discovers new outbreaks of Covid, which places considerable strain on the global supply chain. The main impact of this supply chain uncertainty has been to contribute to the persistently high levels of inflation in the cost of key raw materials and goods.

It is unsurprising in such circumstances that equity markets worldwide have experienced volatility during the period. It is also logical that the FTSE AIM Index has suffered disproportionate falls, given its focus on earlier stage and less financially resilient businesses. However, as witnessed in previous crises, the AIM Index is capable of rapid recovery. Once the wider macro environment improves, we are hopeful that the valuations of AIM-listed businesses will rebound.

Currently, the Investment Manager's main challenge is to continue to manage the Company prudently with a view to preserving capital in these uncertain times. In addition, it is also important that opportunities to help create further Shareholder value over the longer term are not overlooked, simply because the current investment climate has become increasingly risk averse.

Despite the obvious challenges, the Board believes that the current portfolio of investments is well-placed to deliver strong growth over time, while also being encouraged that the pipeline of potential new investments remains promising.

Tim Woodcock

Chair

10 June 2022

Investment Manager's Review

Investment Performance

A review of the ten most meaningful contributions to performance in absolute terms (both positive and negative) follows.

MaxCyte (-£8.8 million) is a leading cell-engineering company focused on providing a unique and patented cell engineering platform to advance innovative cell-based research, as well as next-generation cell therapeutic discovery, development and commercialisation. At the end of March, MaxCyte released encouraging full-year results which reported a healthy increase in sales revenues which grew by 30% compared to the prior financial year and were driven mainly by an increase in valuable licensing deals to cell therapy customers. The number of strategic partnerships increased from twelve to sixteen, while quantified and achievable milestone payments increased to over \$1.25 billion. In order to fulfil further expected growth, the company is currently building a new facility, which, when complete, will triple manufacturing capacity.

Interactive Investor ("ii") (+£8.6 million) is the UK's second largest direct-to-consumer investment platform with assets under administration approaching £55 billion and more than 400,000 customers. ii currently has corporate net assets of more than £200 million, and operates with no debt. In its financial year ended 31 December 2021, ii generated revenues of £135.2 million and an adjusted EBITDA of £51.0 million, which represents growth over the previous financial year of 11% and 5% respectively. In December 2021, the board of ii agreed an offer for the company from abrdn plc for a price well in excess of £1 billion, subject to regulatory approval and any adjustments agreed prior to sale completion. In February 2022, ii reported that no concerns in relation to its proposed takeover by abrdn had been reported by the Competition and Markets Authority and that approval for a change in control should be received from the Financial Conduct Authority by the end of June 2022. As at 31 March 2022, the value of the Company's investment in ii was revised upwards by the Board to £51.8 million, which represents a discount of 5% to the value expected to be received on completion of the takeover.

Hasgrove (-£6.8 million) is the holding company for Interact; a Software-as-a-Service (SaaS) business, which delivers internal communications software that enables global corporations to develop fully engaged and productive work environments. For the financial year ended 31 December 2021, Interact reported sales of £22.6 million and an operating profit of £6.6 million, representing growth of 13% and 21% respectively compared to the prior financial year. Subscription sales continued to grow during the year, driven by new client wins in the US and UK, resulting in Contracted Annualised Recurring Revenue of over £26 million at the start of 2022. Interact's SaaS revenue model underpins gross margins in excess of 90% and high levels of recurring revenue.

Renalytix (-£5.1 million) is an artificial intelligence enabled 'in vitro' diagnostics company, focused on optimising the clinical management of kidney disease to drive improved patient outcomes and to advance value-based care. For the six months ended 31 December 2021, Renalytix reported revenue of \$1.3 million, compared to \$0.4 million for the comparable six month prior period. The net cash position was \$39.9 million at the end of December 2021, with no long-term debt. Encouragingly KidneyIntelX is now operating online with several key US health providers including; the Veterans Administration health system, the physician-led payor programme known as CDPHP, Wake Forest Baptist Health and Atrium Health. Renalytix has also now launched myIntelX, which offers a portal through which other health providers can access and purchase the KidneyIntelX product. 22 private insurance coverage contracts have already been signed and implemented, together with a further 31 state Medicaid programmes that are currently being contracted. Several additional state-wide and nation-wide contracts are expected to be signed during the second half of Renalytix's current financial year.

Tristel (-£4.6 million) is a manufacturer of infection prevention products utilising proprietary chlorine dioxide technology. Tristel's interim results were released in February 2022 and reported on pleasing progress in the half-year period ended 31 December 2021, which included a recovery in product sales to hospitals across most of Tristel's end markets. Underlying revenues (adjusted for a £0.9 million NHS 'Brexit pre-stocking order') were up 5% year-on-year to £14.5 million and were 17% higher than pre-pandemic half year ended 2020.

The directors also announced that the company has taken steps to refocus the business solely on its chlorine dioxide product range and discontinue the manufacture and sale of most products sold under its Anistel (animal health) and Crystel (pharmaceutical) brands, due to the lower potential growth and profit margin of these product ranges. While this rationalisation will initially result in lower revenues and profitability, it will enable the business to focus solely on its core hospital market and is expected to deliver improved opportunities for growth once the restructuring process is complete.

Access Intelligence (-£2.9 million) provides Software-as-a-Service (SaaS) solutions to the global marketing and communications sector. Access Intelligence delivered meaningful revenue growth in its core business in the financial year ended 30 November 2021, with organic Annual Contract Value increasing by 23% year-on-year. Further growth is expected in the current financial year following the acquisition of Isentia in September 2021. Isentia will provide the enlarged group with scale in the Asia Pacific region, as well as broadening the range of services offered. In recent years, Access Intelligence has experienced strong growth in Europe and North America and management also expects revenues in these

regions to accelerate following investment in sales and marketing during 2021. As a result of both organic and acquisitive growth, total revenues for the financial year ended 30 November 2021 increased by 75% to £33.3 million (2020: £19.1 million) and, for the first time in its long history on AIM, the business is close to achieving sustainable profitability. Current analyst forecasts are anticipating a cashflow breakeven position to be reached during 2023, with accelerating and sustainable levels of profitability expected thereafter.

Trellus Health (-£2.6 million) is a leading pioneer in resilience-driven care and the first digital health company focused on the interaction of chronic physical conditions and mental health. TrellusHealth made significant progress during 2021. The company successfully listed on AIM having raised £28.5 million in the process. This additional funding enables the company to further develop and enhance its TrellusElevate™ technology platform, which has the potential to transform the care and treatment of chronic conditions such as Crohn's Disease and Irritable Bowel Syndrome. In respect of its financial year ended 31 December 2021, Trellus incurred an EBITDA loss of approximately \$5.7 million, while the net cash position at the year-end was more than \$30 million. The management team at Trellus continues to keep a tight control over costs and is managing further product investment carefully as the business begins to transition from its development phase into revenue generation. The main focus during the remainder of 2022 will be on the establishment of additional demonstration programmes, securing new business-to-business contracts, and further recruitment of direct-to-consumer patients in order to validate and reinforce the positive outcomes delivered in the original development of the TrellusElevate platform.

Surface Transforms (-£2.3 million) is a manufacturer of carbon fibre ceramic brake discs for the automotive industry. For the financial year ended 31 December 2021, revenues grew by 21% to £2.4 million. Importantly, since the start of its new financial year, Surface Transforms has confirmed the signing of a further significant contract with an existing customer with a total value of approximately £100 million. A key feature of this new contract is that Surface Transforms will be the sole supplier of carbon ceramic brake discs on a new model variant for this well-known car manufacturer. The contract clearly has implications for Surface Transforms' capacity requirements, which management is addressing through an expansion of the existing manufacturing facility in Knowsley.

Trackwise Designs (-£2.2 million) is a leading provider of specialist products using advanced printed circuit technology. Trackwise Designs' trading update for its financial year ended 31 December 2021 highlighted another year of continued progress, which highlighted a 33% growth in overall revenues to £8.08 million and includes a 140% increase in the value of sales of its Improved Harness Technology ("IHT") product. A new facility at Stonehouse, designed to increase IHT manufacturing capacity, has continued to make progress in line with management expectations and the

business remains on track to deliver the remainder of the agreed volumes to its main UK Electric Vehicle OEM customer.

Destiny Pharma (-£2.1 million) is a clinical phase biotechnology company dedicated to the development of novel medicines that can prevent life-threatening infections. During the six month period ended 31 March 2022, Destiny Pharma announced that it had successfully raised a further £6.5 million in new capital. The net proceeds of this fund-raise will be used to progress the Phase 3 trials of its two lead clinical assets, NTCD-M3 and XF-73 Nasal. The progress made in developing the company's pipeline of clinical assets during 2021 was encouraging and included acquiring full control of the two key, high quality, late-stage clinical assets targeted at infection prevention, which are backed by strong Phase 2 clinical data and have a clear commercial positioning.

Given the difficult market conditions, positive contributions from investee companies were scarce. Interactive Investor, the Company's best performing investment during the period, delivered an unrealised capital gain of £8.6 million, while the positive contribution from the other best performing investments amounted to £1.7 million. In aggregate, the unrealised capital declines from the ten biggest detractors from performance amounted to £39.3 million. It is important to emphasise that these declines reflect the difficult market conditions experienced during the period under review, rather than being as a result of poor performance from, or lack of progress made by the investee companies held in the portfolio.

Investment Activity

In view of the volatile market conditions, investment activity has been deliberately constrained during the period under review.

One new VCT qualifying investment into Gelion was completed in the six months to the end of March, at an investment cost of £1.9 million. In addition, secondary investments were made in five existing portfolio companies at a total cost of £4.6 million. Given the prevailing market conditions, the initial returns from these investments have been satisfactory.

A number of disposals were also made during the period, which collectively generated significant realised capital profits. Included in these disposals, was the completion of the previously announced sale of Augean to a trade competitor, which realised a capital profit in excess of £10 million. This capital gain was subsequently distributed to Shareholders via a one-off special dividend of 7.0 pence per share, which was paid on 10 February 2022.

Chris Hutchinson

Unicorn Asset Management Limited

10 June 2022

Investment Objective

The Company's objective is to provide Shareholders with an attractive return from a diversified portfolio of investments, predominantly in the shares of AIM quoted companies, by maintaining a steady flow of dividend distributions to Shareholders from the income as well as capital gains generated by the portfolio.

It is also the objective that the Company should continue to qualify as a Venture Capital Trust, so that Shareholders benefit from the

taxation advantages that this brings. To achieve this at least 80% for accounting periods commencing after 6 April 2019 (previously 70%) of the Company's total assets are to be invested in qualifying investments of which 70% by VCT value (30% in respect of investments made before 6 April 2018 from funds raised before 6 April 2011) must be in ordinary shares which carry no preferential rights (save as permitted under VCT rules) to dividends or return of capital and no rights to redemption.

Investment Policy

In order to achieve the Company's investment objective, the Board has agreed an investment policy which requires the Investment Manager to identify and invest in a diversified portfolio, predominantly of VCT qualifying companies quoted on AIM that display a majority of the following characteristics:

- experienced and well-motivated management;
- products and services supplying growing markets;
- sound operational and financial controls; and
- potential for good cash generation, in due course, to finance ongoing development and support for a progressive dividend policy.

Asset allocation and risk diversification policies, including maximum exposures, are to an extent governed by prevailing VCT legislation. No single holding may represent more than 15% (by VCT value) of the Company's total investments and cash, at the date of investment.

There are a number of VCT conditions which need to be met by the Company which may change from time to time. The Investment Manager will seek to make qualifying investments in accordance with such requirements.

Asset mix

Where capital is available for investment while awaiting suitable VCT qualifying opportunities, or is in excess of the 80% VCT qualification threshold for accounting periods commencing after 6 April 2019, it may be held in cash or invested in money market funds, collective investment vehicles or non-qualifying shares and securities of fully listed companies registered in the UK.

Borrowing

To date the Company has operated without recourse to borrowing. The Board may, however, consider the possibility of introducing modest levels of gearing up to a maximum of 10% of the adjusted capital and reserves, should circumstances suggest that such action is in the interests of Shareholders.

Venture Capital Trust Status

The Company has satisfied the requirements for approval as a Venture Capital Trust (VCT) under section 274 of the Income Tax Act 2007 (ITA). It is the Directors' intention to continue to conduct the business of the Company so as to maintain compliance with that section.

Unaudited Investment Portfolio Summary

as at 31 March 2022

	Book cost £'000	Valuation £'000	% of net assets by value*
QUALIFYING INVESTMENTS			
AIM quoted investments			
Abcam	1,161	16,191	5.1
Tracsis	1,500	16,170	5.1
MaxCyte	2,926	13,272	4.2
Anpario	1,422	10,071	3.2
Surface Transforms	3,164	9,260	2.9
Avingtrans	996	7,719	2.4
Mattioli Woods	1,626	7,530	2.4
Directa Plus	4,610	7,048	2.2
Access Intelligence	3,159	6,847	2.2
Keywords Studios	304	6,451	2.0
Animalcare Group	2,401	5,468	1.7
Cohort	1,278	5,268	1.7
Tristel	878	5,233	1.7
Ilika	1,528	4,593	1.5
Arecor Therapeutics	2,500	4,314	1.4
Saietta Group	3,151	4,201	1.3
Belvoir Group	1,883	4,106	1.3
Instem	985	4,052	1.3
Idox	1,242	4,023	1.3
Renalytix AI	1,425	3,181	1.0
Feedback	4,000	3,157	1.0
Avacta Group	932	3,139	1.0
Lunglife AI	3,080	2,975	0.9
AB Dynamics	793	2,750	0.9
Angle	1,385	2,714	0.9
ULS Technology	1,500	2,700	0.9
Verici DX	2,125	2,560	0.8
Totally	3,106	2,073	0.7
Polarean Imaging	1,907	2,066	0.7
Destiny Pharma	2,500	1,957	0.6
Engage XR (formerly VR Education Holdings)	2,084	1,945	0.6
The City Pub Group	2,250	1,746	0.6
SulNOx Group	1,700	1,643	0.5
44 investments each valued at less than 0.5% of net assets	50,624	22,464	7.1
	116,125	198,887	63.1

Unaudited Investment Portfolio Summary (continued)

as at 31 March 2022

	Book cost £'000	Valuation £'000	% of net assets by value*
QUALIFYING INVESTMENTS			
Unlisted investments			
Hasgrove	1,303	22,340	7.1
Interactive Investor**	1,250	17,071	5.4
nkoda Limited	2,500	1,015	0.3
Heartstone Inns	1,113	550	0.2
Phynova	1,500	376	0.1
Osirium Technologies – Loan Stock	500	350	0.1
LightwaveRF	2,616	335	0.1
4 investments each valued at less than 0.1% of net assets	3,365	86	0.0
	14,147	42,123	13.3
TOTAL QUALIFYING INVESTMENTS	130,272	241,010	76.4
NON-QUALIFYING INVESTMENTS			
Interactive Investor**	2,197	34,785	11.0
Fully listed UK equities	8,356	7,362	2.4
Unicorn Ethical Fund (OEIC) Income	4,483	4,091	1.3
AIM quoted investments	5,071	3,827	1.2
Other unlisted investments each valued at less than 0.1% of net assets	368	–	–
	20,475	50,065	15.9
TOTAL INVESTMENTS	150,747	291,075	92.3
Cash and cash equivalents		26,242	8.3
Current assets		156	0.1
Current liabilities		(2,181)	(0.7)
NET ASSETS		315,292	100.0

* Based on fair value not VCT carrying value.

** The holding in Interactive Investor consists of both qualifying and non-qualifying shares.

Responsibility Statement

Directors' Statement of Principal Risks and Uncertainties

The important events that have occurred during the period under review and the key factors influencing the financial statements are set out in the Chair's Statement and Investment Manager's Review on pages 2 to 5.

In accordance with DTR 4.2.7, the Directors consider that, with the exception of those mentioned below, the principal risks and uncertainties facing the Company have not materially changed since the publication of the Annual Report and Accounts for the year ended 30 September 2021.

The principal risks faced by the Company include, but are not limited to:

- investment and strategic
- regulatory and tax
- operational
- fraud, dishonesty and cyber
- financial instruments
- economic, Brexit and political
- black swan events
- emerging

A more detailed explanation of these risks and the way in which they are managed can be found in the Strategic Report on pages 27 and 28 and in the Notes to the Financial Statements on pages 68 and 69 of the 2021 Annual Report and Accounts – copies can be found via the Company's website www.unicornaimvct.co.uk.

Global Pandemics

Covid-19 remains a significant risk which has impacted global commercial activities. The Board continues to monitor the pandemic and has considered the impact it has had to date and assessed the impact it may still have in the future. We cannot ignore the continued impact of Covid-19 and the Board continues to liaise with the Investment Manager to obtain a full understanding of the impact on the investee companies.

Ukraine Conflict

The Russian invasion of Ukraine and subsequent sanctions on Russia are resulting in a heightening of risks around inflation and continuity of supply of a wide selection of raw materials and vital components. As this follows the disruptions caused by Brexit and the global Covid-19 pandemic the levels of uncertainty are significant and the risk of a global recession, that would adversely impact many of the businesses in which the Company invests, remains.

Directors' Statement of Responsibilities in Respect of the Financial Statements

In accordance with Disclosure and Transparency Rule (DTR) 4.2.10, Tim Woodcock (Chair), Charlotta Ginman, Jeremy Hamer (Chair of the Audit Committee), Jocelin Harris (Senior Independent Director) and Josie Tubbs, the Directors, confirm that to the best of their knowledge:

- the condensed set of financial statements, which have been prepared in accordance with FRS 104 "Interim Financial Reporting", give a true and fair view of the assets, liabilities, financial position and loss of the Company for the period ended 31 March 2022, as required by DTR 4.2.4;
- this Half-Yearly Report includes a fair review of the information required as follows:
 - the interim management report included within the Chair's Statement, Investment Manager's Review and the Investment Portfolio Summary includes a fair review of the information required by DTR 4.2.7 being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties facing the Company for the remaining six months of the year; and
 - there were no related party transactions in the first six months of the current financial year that are required to be disclosed in accordance with DTR 4.2.8.

Cautionary Statement

This report may contain forward looking statements regarding 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 construed as a profit forecast.

This Half-Yearly Report was approved by the Board of Directors on 10 June 2022 and the above responsibility statement was signed on its behalf by:

Tim Woodcock
Chair

10 June 2022

Management of the Company

The Board has overall responsibility for the Company's affairs including the determination of its investment policy. Risk is spread by investing in a number of different businesses across different industry sectors. The Investment Manager, Unicorn Asset Management Limited, is responsible for managing sector and stock specific risk and the Board does not impose formal limits in respect of such exposures. However, in order to maintain compliance with HMRC rules and to ensure that an appropriate spread of investment risk is achieved, the Board receives and reviews comprehensive reports from the Investment Manager on a monthly basis. When the Investment Manager proposes to make any investment in an unquoted company, the prior approval of the Board is required. The Board continues to take the need for transparency and independence seriously. When a conflict arises involving a relationship between any Director and an investee or proposed investee company, that Director abstains from any discussion about or consideration of any such investment by the Company.

The Administrator, ISCA Administration Services Limited, provides Company Secretarial and Accountancy services to the Company.

Environmental, Social and Governance ("ESG") Report

for the six months ended 31 March 2022

During the last six months, considerable further attention has been given to the ESG initiatives of the Company. Our Investment Manager, Unicorn Asset Management Limited (UAM) has both an ESG Officer and ESG Analyst within the investment team, who are focused on the integration of ESG factors within the investment process. UAM also continues to evolve its own internal business practices and has a target to achieve Carbon Positive status by October 2022, through a series of measures including using fully renewable energy suppliers and carbon offsetting through tree planting. UAM has a strong history of ESG investing and was the first asset manager to run an ESG focused fund in the Investment Association UK Equity Income Sector.

Alongside recent developments, UAM appointed a Director of Operations in 2021 to further strengthen internal governance processes and resource. This work has included formalising reporting structures, addressing the interaction between risk and investment and segregating responsibilities more clearly. A third party specialist organisation, TCC Group, continues to review all areas of compliance, risk and governance.

Last year the Company announced UAM's commitment to the United Nations Principles of Responsible Investing and it has since become a signatory to the Net Zero Asset Managers Initiative.

UAM continues to improve its framework for assessing ESG considerations within investee companies. This framework now forms an integral part of UAM's decision making process, particularly when it comes to assessing new VCT investments and has been designed to take into account the 17 Sustainable Development Goals (SDGs) formulated and adopted by the United Nations.

In addition to an ESG assessment at the point of investment, it is also worth noting that most of the recent additions to the portfolio sell products or services, which can be seen as having a 'positive impact'. Securing evidence that new VCT qualifying investments are making a positive impact is not currently a specific investment criterion, nonetheless, UAM does envisage that, over time, the Company's investee companies will, in their specific areas of operation, make increasingly important contributions to the health of the planet and its inhabitants.

An example would be the recent £3.2 million investment in Saietta Group, a company specialising in the manufacture of axial-flux electric motors for mopeds, scooters and buses. Saietta's business plan is directly aligned with 3 specific UN SDGs:

- Industry Innovation and Infrastructure
- Sustainable Cities and Communities
- Climate Action

In consultation with Institutional Shareholder Services, its appointed proxy voting adviser, UAM also exercises its voting rights in a responsible fashion, which results in votes being cast against matters that UAM considers do not align with its ESG principles. A common reason for voting against investee company resolutions arises from the often contentious issue of Board Independence, or perceived lack thereof.

In relation to the current investment portfolio, a significant review is being undertaken, which is designed to examine the policies of investee companies with regard to the Environment, Sustainability, Health & Safety, Social Value, Human Rights and Governance. The review involves studying existing company disclosures in annual reports or on websites and conversations with executive management teams and, in certain cases, visiting their operating sites. In each case, the companies reviewed are committed to improving aspects of their ESG performance and UAM's commitment is therefore to continue to monitor this progress and to engage with management teams to encourage further progress.

In representing Shareholder interests, the Board is committed to the monitoring and encouragement of UAM's ESG initiatives. The longer term benefits of increasing the scrutiny of an investee company's approach to ESG are clearly understood. In the shorter term however, the challenge for UAM is to communicate the necessity for an increased focus on ESG, while being mindful to limit potential damage to the profitability of investee companies as they transition to more sustainable ways of doing business.

Unaudited Condensed Income Statement

for the six months ended 31 March 2022

	Notes	Six months ended 31 March 2022 (unaudited)			Six months ended 31 March 2021 (unaudited)			Year ended 30 September 2021 (audited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net unrealised (losses)/gains on investments	7	–	(61,056)	(61,056)	–	80,885	80,885	–	109,078	109,078
Net gains on realisation of investments	7	–	921	921	–	3,606	3,606	–	6,741	6,741
Income	4	578	–	578	913	–	913	1,717	317	2,034
Investment management fees	2	(742)	(2,229)	(2,971)	(709)	(2,126)	(2,835)	(1,515)	(4,544)	(6,059)
Other expenses		(356)	–	(356)	(362)	–	(362)	(733)	–	(733)
(Loss)/profit on ordinary activities before taxation		(520)	(62,364)	(62,884)	(158)	82,365	82,207	(531)	111,592	111,061
Tax on (loss)/profit on ordinary activities	3	–	–	–	–	–	–	–	–	–
(Loss)/profit and total comprehensive income after taxation		(520)	(62,364)	(62,884)	(158)	82,365	82,207	(531)	111,592	111,061
Basic and diluted earnings per share:										
Ordinary Shares	5	(0.35)p	(41.38)p	(41.73)p	(0.11)p	56.30p	56.19p	(0.36)p	75.39p	75.03p

All revenue and capital items in the above statement derive from continuing operations of the Company.

The total column of this statement is the Statement of Total Comprehensive Income of the Company prepared in accordance with Financial Reporting Standards (“FRS”). The supplementary revenue return and capital return columns are prepared in accordance with the Statement of Recommended Practice (“AIC SORP”) issued in April 2021 by the Association of Investment Companies.

Other than revaluation movements arising on investments held at fair value through Profit or Loss, there were no differences between the (loss)/profit as stated above and at historical cost.

The notes on pages 16 to 21 form part of these Half-Yearly financial statements.

Unaudited Condensed Statement of Financial Position

as at 31 March 2022

	Notes	As at 31 March 2022 (unaudited) £'000	As at 31 March 2021 (unaudited) £'000	As at 30 September 2021 (audited) £'000
Non current assets				
Investments at fair value	1e,7	291,075	326,278	368,599
Current assets				
Debtors		156	165	454
Cash and cash equivalents		26,242	21,861	3,642
		26,398	22,026	4,096
Creditors: amounts falling due within one year		(2,181)	(2,020)	(1,897)
Net current assets		24,217	20,006	2,199
Net assets		315,292	346,284	370,798
Share capital and reserves				
Called up share capital		1,611	1,492	1,491
Capital redemption reserve		102	74	88
Share premium account		79,193	50,617	53,602
Capital reserve		147,402	194,040	222,185
Special reserve		66,176	92,902	87,659
Profit and loss account		20,808	7,159	5,773
Equity Shareholders' funds		315,292	346,284	370,798
Basic and diluted net asset value per share of 1p each				
Ordinary Shares	8	195.74p	232.06p	248.55p

The financial information for the six months ended 31 March 2022 and the six months ended 31 March 2021 have not been audited.

The notes on pages 16 to 21 form part of these Half-Yearly financial statements.

Unaudited Condensed Statement of Changes in Equity

for the six months ended 31 March 2022

	Called up share capital £'000	Capital redemption reserve £'000	Share Premium account £'000	Unrealised capital reserve £'000	Special reserve* £'000	Profit and loss account* £'000	Total £'000
Six months ended 31 March 2022							
At 1 October 2021	1,491	88	53,602	222,185	87,659	5,773	370,798
(Loss)/profit after taxation	–	–	–	(74,783)	–	11,899	(62,884)
Transfer to special reserve	–	–	–	–	(3,136)	3,136	–
Shares issued under Offer for Subscription, net of costs	127	–	24,258	–	–	–	24,385
Net proceeds from DRIS share issue	7	–	1,333	–	–	–	1,340
Shares purchased for cancellation and cancelled	(14)	14	–	–	(2,747)	–	(2,747)
Dividends paid	–	–	–	–	(15,600)	–	(15,600)
At 31 March 2022	1,611	102	79,193	147,402	66,176	20,808	315,292
Six months ended 31 March 2021							
At 1 October 2020	1,457	56	38,320	117,421	98,434	4,518	260,206
Profit after taxation	–	–	–	76,619	–	5,588	82,207
Transfer to special reserve	–	–	–	–	(2,126)	2,126	–
Shares issued under Offer for Subscription, net of costs	52	–	11,922	–	–	–	11,974
Net proceeds from DRIS share issue	1	–	375	–	–	–	376
Shares purchased for cancellation and cancelled	(18)	18	–	–	(3,406)	–	(3,406)
Dividend paid	–	–	–	–	–	(5,073)	(5,073)
At 31 March 2021	1,492	74	50,617	194,040	92,902	7,159	346,284
Year ended 30 September 2021							
At 1 October 2020	1,457	56	38,320	117,421	98,434	4,518	260,206
Profit after taxation	–	–	–	104,764	–	6,297	111,061
Transfer to special reserve	–	–	–	–	(4,511)	4,511	–
Shares issued under Offer for Subscription, net of costs	63	–	14,532	–	–	–	14,595
Net proceeds from DRIS share issues	3	–	750	–	–	–	753
Shares purchased for cancellation and cancelled	(32)	32	–	–	(6,264)	–	(6,264)
Dividends paid	–	–	–	–	–	(9,553)	(9,553)
At 30 September 2021	1,491	88	53,602	222,185	87,659	5,773	370,798

The financial information for the six months ended 31 March 2022 and the six months ended 31 March 2021 have not been audited.

The profit and loss account comprises the revenue reserve of £(852,000) and the realised capital reserve of £21,660,000.

*The special reserve and profit and loss account are distributable to Shareholders. The special reserve is used to fund market purchases of the Company's own shares, to make distributions and to write-off existing and future losses.

The notes on pages 16 to 21 form part of these Half-Yearly financial statements.

Unaudited Condensed Statement of Cash Flows

for the six months ended 31 March 2022

	Notes	Six months ended 31 March 2022 (unaudited) £'000	Six months ended 31 March 2021 (unaudited) £'000	Year ended 30 September 2021 (audited) £'000
Operating activities				
Investment income received		878	1,135	1,951
Investment management fees paid		(3,166)	(2,541)	(5,651)
Other cash payments		(363)	(331)	(742)
Net cash outflow from operating activities		(2,651)	(1,737)	(4,442)
Investing activities				
Purchase of investments	7	(6,535)	(11,532)	(29,494)
Sale of investments	7	23,938	9,857	16,838
Net cash inflow/(outflow) from investing activities		17,403	(1,675)	(12,656)
Net cash inflow/(outflow) before financing		14,752	(3,412)	(17,098)
Financing				
Dividends paid	6	(14,244)	(4,682)	(8,768)
Shares issued under Offer for Subscription (net of transaction costs paid in the period)		24,855	11,974	14,417
Expenses of DRIS share issues		(16)	–	(32)
Shares repurchased for cancellation		(2,747)	(3,406)	(6,264)
Net cash inflow/(outflow) from financing		7,848	3,886	(647)
Net increase/(decrease) in cash and cash equivalents		22,600	474	(17,745)
Cash and cash equivalents at start of period		3,642	21,387	21,387
Cash and cash equivalents at end of period		26,242	21,861	3,642
Reconciliation of operating (loss)/profit to net cash outflow from operating activities				
(Loss)/profit for the period		(62,884)	82,207	111,061
Net unrealised losses/(gains) on investments		61,056	(80,885)	(109,078)
Net gains on realisation of investments		(921)	(3,606)	(6,741)
Transaction costs		(5)	(10)	(11)
Decrease/(increase) in debtors and prepayments		298	227	(62)
(Decrease)/increase in creditors and accruals		(186)	342	412
Reconciling items – dividends reinvested		(9)	(12)	(23)
Net cash outflow from operating activities		(2,651)	(1,737)	(4,442)

The financial information for the six months ended 31 March 2022 and the six months ended 31 March 2021 have not been audited.

The notes on pages 16 to 21 form part of these Half-Yearly financial statements.

Notes to the Unaudited Financial Statements

for the six months ended 31 March 2022

1. Principal accounting policies

a) Statement of compliance

The Company's Financial Statements for the six months to 31 March 2022 have been prepared under UK Generally Accepted Accounting Practice ("UK GAAP") and the Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ("the SORP") issued in April 2021 by the Association of Investment Companies.

The financial statements have been prepared in accordance with the accounting policies set out in the statutory accounts for the year ended 30 September 2021.

b) Financial information

The financial information contained in this report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The financial information for the periods ended 31 March 2022 and 31 March 2021 have not been audited or reviewed by the Company's Auditor pursuant to the Auditing Practices Board guidance on such reviews. The information for the year to 30 September 2021 has been extracted from the latest published Annual Report and Financial Statements, which have been lodged with the Registrar of Companies, contained an unqualified auditors' report and did not contain a statement required under Section 498 (2) or (3) of the Companies Act 2006.

c) Going concern

After due consideration, the Directors believe that the Company has adequate resources for the foreseeable future and that it is appropriate to apply the going concern basis in preparing the financial statements. As at 31 March 2022, the Company held cash balances of £26.2 million. A large proportion of the Company's investment portfolio remains invested in AIM and fully listed equities which may be realised, subject to the need for the Company to maintain its VCT status. Cash flow projections covering a period of twelve months from the date of approving the financial statements have been reviewed and show that the Company has sufficient funds to meet both contracted expenditure and any discretionary cash outflows from buybacks and dividends. The Company has no external loan finance in place and is therefore not exposed to any gearing covenants. In assessing the Company's ability to continue as a going concern, the Board has fully considered the impact of the ongoing Covid-19 pandemic.

d) Presentation of the Income Statement

In order to better reflect the activities of a VCT and in accordance with the SORP, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Statement of Comprehensive Income. The revenue column of loss attributable to Shareholders is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Section 274 Income Tax Act 2007.

e) Investments

All investments held by the Company are classified as "fair value through profit or loss", in accordance with FRS102. This classification is followed as the Company's business is to invest in financial assets with a view to profiting from their total return in the form of capital growth and income and in accordance with the Company's risk management and investment policy. In the preparation of the valuations of assets, in accordance with current IPEV guidelines, the Directors are required to make judgements and estimates that are reasonable and incorporate their knowledge of the performance of the investee companies.

- For investments actively traded on organised financial markets, fair value is generally determined by reference to Stock Exchange market quoted bid prices at the close of business on the balance sheet date. Purchases and sales of quoted investments are recognised on the trade date where a contract of sale exists whose terms require delivery within a time frame determined by the relevant market.
- Unquoted investments are reviewed at least quarterly to ensure that the fair values are appropriately stated and are valued in accordance with current IPEV guidelines, as updated in December 2018, which relies on subjective estimates. Fair value is established by assessing different methods of valuation, such as price of recent transaction, sales multiples, earnings multiples, discounted cash flows and net assets. Purchases and sales of unlisted investments are recognised when the contract for acquisition or sale becomes unconditional.

Notes to the Unaudited Financial Statements (continued)

for the six months ended 31 March 2022

1. Principal accounting policies (continued)

- Where a company's underperformance against plan indicates a diminution in the value of the investment, provision against cost is made, as appropriate. Where it is considered the value of an investment has fallen permanently below cost, the loss is treated as a permanent impairment and as a realised loss, even though the investment is still held. The Board assesses the portfolio for such investments and, after agreement with the Investment Manager, will agree the values that represent the extent to which an investment loss has become realised. This is based upon an assessment of objective evidence of that investment's prospects, to determine whether there is potential for the investment to recover in value.
- Redemption premiums on loan stock investments are recognised at fair value when the Company receives the right to the premium and when considered recoverable.

f) Capital reserves

(i) Realised (included within the Profit and Loss Account reserve)

The following are accounted for in this reserve:

- Gains and losses on realisation of investments;
- Permanent diminution in value of investments; and
- Transaction costs incurred in the acquisition of investments.

(ii) Unrealised capital reserve (Revaluation reserve)

Increases and decreases in the valuation of investments held at the period end are accounted for in this reserve, except to the extent that the diminution is deemed permanent.

In accordance with stating all investments at fair value through profit or loss, all such movements through both unrealised and realised capital reserves are shown within the Income Statement for the period.

(iii) Special reserve

The costs of share buybacks are charged to this reserve. In addition, any realised losses on the sale of investments, and 75% of the management fee expense, and the related tax effect, are transferred from the Profit and Loss Account reserve to this reserve. The reserve can also be used for distributions made by the Company.

2. Investment Management Fees

Unicorn Asset Management Limited ("UAML") receives an annual management fee, calculated and payable quarterly in arrears, of 2% of the net asset value of the Company, excluding the value of the investments in the OEICs which are also managed by UAML, up to net assets of £200 million, 1.5% of net assets in excess of £200 million and 1.0% of net assets in excess of £450 million. If the Company raises further funds during a quarter the net asset value for that quarter shall be reduced by an amount equal to the amount raised, net of costs, multiplied by the percentage of days in that quarter prior to the funds being raised.

The Directors have charged £2,229,000 being 75% of the investment management fees to the capital reserve and the balance of 25% being £742,000 to revenue.

At 31 March 2022, £1,417,000 payable to the Investment Manager is included in creditors due within one year.

3. Taxation

The total allowable expenses exceed income hence there is no tax charge for the period.

Notes to the Unaudited Financial Statements (continued)

for the six months ended 31 March 2022

4. Income

	Six months ended 31 March 2022 (unaudited) £'000	Six months ended 31 March 2021 (unaudited) £'000	Year ended 30 September 2021 (audited) £'000
Dividends	513	829	1,782
Unicorn managed OEICs (including reinvested dividends)	74	64	213
Bank deposit interest	–	1	2
Loan stock interest	(9)	19	37
	<u>578</u>	<u>913</u>	<u>2,034</u>

5. Basic and diluted earnings and return per share

	Six months ended 31 March 2022 (unaudited)	Six months ended 31 March 2021 (unaudited)	Year ended 30 September 2021 (audited)
Total earnings after taxation (£'000)	(62,884)	82,207	111,061
Basic and diluted earnings per share (pence)	<u>(41.73)</u>	<u>56.19</u>	<u>75.03</u>
Net revenue from ordinary activities after taxation (£'000)	(520)	(158)	(531)
Basic and diluted revenue earnings per share (pence)	<u>(0.35)</u>	<u>(0.11)</u>	<u>(0.36)</u>
Total capital return after taxation (£'000)	(62,364)	82,365	111,592
Basic and diluted capital earnings per share (pence)	<u>(41.38)</u>	<u>56.30</u>	<u>75.39</u>
Weighted average number of shares in issue in the period	150,691,628	146,297,150	148,025,648

There are no instruments in place that may increase the number of shares in issue in future. Accordingly, the above figures currently represent both basic and diluted earnings per share.

6. Dividends

	Six months ended 31 March 2022 (unaudited) £'000	Six months ended 31 March 2021 (unaudited) £'000	Year ended 30 September 2021 (audited) £'000
Amounts recognised as distributions to equity holders in the period:			
Final capital dividend of 3.5 pence per share for the year ended 30 September 2020 paid on 11 February 2021	–	5,073	5,073
Interim capital dividend of 3.0 pence per share for the year ended 30 September 2021 paid on 12 August 2021	–	–	4,484
Final capital dividend of 3.5 pence per share for the year ended 30 September 2021 paid on 10 February 2022	5,200	–	–
Special interim dividend of 7.0 pence per share for the year ended 30 September 2022 paid on 10 February 2022	10,400	–	–
Total dividends paid in the period*	<u>15,600</u>	<u>5,073</u>	<u>9,557</u>
Unclaimed dividends returned	–	–	(4)
	<u>15,600</u>	<u>5,073</u>	<u>9,553</u>

* The difference between total dividends paid and that shown in the Condensed Cash Flow Statement is £1,356,000, which is the amount of dividends reinvested under the Dividend Reinvestment Scheme ("DRIS"). To arrive at the movement of £1,340,000 shown in the Condensed Statement of Changes in Equity, expenses of £16,000 have been deducted.

7. Investments at fair value

	Fully listed £'000	Traded on AIM £'000	Unlisted shares £'000	Unlisted loan stock £'000	Unicorn OEIC funds £'000	Total £'000
Book cost at 30 September 2021	13,709	117,283	16,199	500	5,798	153,489
Unrealised gains at 30 September 2021	374	156,708	63,324	–	1,779	222,185
Permanent impairment in value of investments	–	(3,980)	(3,095)	–	–	(7,075)
Opening valuation at 30 September 2021	14,083	270,011	76,428	500	7,577	368,599
Purchases at cost	–	6,535	–	–	9	6,544
Sale proceeds	(6,259)	(13,496)	(1,054)	–	(3,129)	(23,938)
Net realised gains/(losses)*	6	(35)	1,054	–	(99)	926
(Decrease)/increase in unrealised gains	(468)	(60,301)	130	(150)	(267)	(61,056)
Closing valuation at 31 March 2022	7,362	202,714	76,558	350	4,091	291,075
Book cost at 31 March 2022	8,356	121,196	16,212	500	4,483	150,747
Unrealised (losses)/gains at 31 March 2022	(994)	85,498	63,441	(150)	(392)	147,403
Permanent impairment in value of investments	–	(3,980)	(3,095)	–	–	(7,075)
Closing valuation at 31 March 2022	7,362	202,714	76,558	350	4,091	291,075

* Transaction costs on the purchase and disposal of investments of £5,000 were incurred in the period. These are excluded from realised gains shown above of £926,000 but were included in arriving at gains on realisations of investments disclosed in the Condensed Income Statement of £921,000.

Reconciliation of cash movements in investment transactions

The difference between purchases per Note 7 above and that shown in the Condensed Cash Flow Statement is £9,000, which is the reinvested dividends in the Unicorn Ethical Fund.

Notes to the Unaudited Financial Statements (continued)

for the six months ended 31 March 2022

7. Investments at fair value (continued)

Fair value hierarchy

The table below sets out fair value measurements using FRS102 s11.27 fair value hierarchy. The Company has one class of assets, being at fair value through profit or loss.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
At 31 March 2022				
Equity investments	210,076	51,856	24,702	286,634
Loan stock investments	–	–	350	350
Open ended investment companies	4,091	–	–	4,091
Total	214,167	51,856	25,052	291,075
At 31 March 2021				
Equity investments	250,512	–	68,040	318,552
Non-equity investments	306	–	–	306
Loan stock investments	–	–	500	500
Open ended investment companies	6,920	–	–	6,920
Total	257,738	–	68,540	326,278
At 30 September 2021				
Equity investments	283,757	–	76,428	360,185
Non-equity investments	337	–	–	337
Loan stock investments	–	–	500	500
Open ended investment companies	7,577	–	–	7,577
Total	291,671	–	76,928	368,599

There are currently no financial liabilities at fair value through profit or loss.

Categorisation within the hierarchy has been determined on the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in active markets for identical assets.

Level 2 – valued by reference to valuation techniques using directly observable inputs other than quoted prices included within Level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

The valuation techniques used by the Company are explained in the accounting policies in Note 1.

The level 2 investment of £51.8 million relates to the investment in Interactive Investor which the Board feel can be valued using directly observable inputs other than quoted prices, due to the information regarding its takeover by abrdn plc announced to the market. At 31 March 2022, the investment was held at an approximate 5% discount to the value of the transaction price announced. Subsequent to the period end the Company received proceeds of approximately £55.1 million as disclosed in note 9.

The fair value of unquoted investments, categorised as Level 3 investments, is established by assessing different methods of valuation, such as price of recent transaction, sales multiples, earnings multiples, discounted cash flows and net assets, therefore no assumptions are disclosed or sensitivity analysis provided.

7. Investments at fair value (continued)

A reconciliation of fair value measurements in Level 3 is set out below:

	Equity investments £'000	Loan stock investments £'000	Total £'000
Opening balance at 1 October 2021	76,428	500	76,928
Transfer to level 2	(43,228)	–	(43,228)
Sales	(1,054)	–	(1,054)
Total gains/(losses) included in (losses)/gains on investments in the Condensed Income Statement			
– on assets sold	1,054	–	1,054
– on assets held at the period end	(8,498)	(150)	(8,648)
Closing balance at 31 March 2022	24,702	350	25,052

The transfer to level 2 relates to Interactive Investor as discussed above.

8. Net asset values

	At 31 March 2022 (unaudited)	At 31 March 2021 (unaudited)	At 30 September 2021 (audited)
Net assets	£315,292,000	£346,284,000	£370,798,000
Number of shares in issue	161,074,952	149,221,613	149,185,118
Net asset value per share	195.74p	232.06p	248.55p

9. Post Balance Sheet Events

As discussed in the Chair's Statement, on 30 May 2022, the Company received approximately £55.1 million from the sale of Interactive Investor to abrdn plc. At 31 March 2022, the value in the Financial Statements was £51.8 million. The Board has subsequently declared a special interim dividend of 32.0 pence per share alongside the interim dividend of 3.0 pence per share.

10. Related party transactions

During the first six months of the financial year, no transactions with related parties have taken place which have affected the financial position or the performance of the Company.

Shareholder Information

The Company's Ordinary Shares (Code: UAV) are listed on the London Stock Exchange. Shareholders can visit the London Stock Exchange website www.londonstockexchange.com for the latest news and share prices of the Company. The share price is also quoted in the Financial Times and can be accessed through the Company's website www.unicornaimvct.co.uk selecting the options Fund information then "Live Share Price".

Net asset value per share

The Company's NAV per share as at 30 April 2022 was 193.41p. The Company announces its unaudited NAV per share on a monthly basis but only revalues unquoted investments quarterly.

Dividends

The Board has declared an interim dividend in respect of the six months ended 31 March 2022 of 3.0 pence per share, payable on 11 August 2022 to Shareholders registered at the close of business on 15 July 2022. The ex-dividend date is 14 July 2022.

In addition, the Board has declared a special interim dividend of 32.0 pence per share from the proceeds of the sale of Interactive Investor. This will be payable at the same time as the interim dividend.

As disclosed in the Annual Report the Company has moved to paying all cash dividends by bank transfer rather than by cheque. Shareholders have the following options available for future dividends:

- Complete a bank mandate form and receive dividends via direct credit to a UK domiciled bank account.
- Reinvest the dividends for additional shares in the Company through the Dividend Reinvestment Scheme (details below).

For those Shareholders who previously received their dividends by cheque and who did not complete and return the mandate form, please contact the Registrar, City Partnership on 01484 240910 or by email: registrars@city.uk.com.

Dividend Reinvestment Scheme

Shareholders may elect to reinvest their dividends by subscribing for new shares in the Company. Shares will be issued at the latest published Net Asset Value prior to the allotment. For details of the scheme see the Company's website www.unicornaimvct.co.uk/dividend-reinvestment-scheme or contact the scheme administrators, The City Partnership, on 01484 240910.

Selling your shares

The Company's shares are listed on the London Stock Exchange and as such they can be sold in the same way as any other quoted company through a stockbroker. **Shareholders wishing to sell their shares are advised to contact the Company's stockbroker, Panmure Gordon (UK) Limited, by telephoning 020 7886 2716 or 2717 before agreeing a price with their stockbroker.** Shareholders are also advised to discuss their

individual tax position with their financial adviser before deciding to sell their shares.

Shareholder enquiries:

For general Shareholder enquiries, please contact ISCA Administration Services Limited (the Company Secretary) on 01392 487056 or by e-mail on unicornaimvct@iscaadmin.co.uk.

For enquiries concerning the performance of the Company, please contact the Investment Manager, Unicorn Asset Management Limited, on 020 7253 0889 or by e-mail on info@unicornam.com.

For enquiries relating to your shareholding, please contact The City Partnership (UK) Limited on 01484 240910 or registrars@city.uk.com or by post to the address on page 25. Alternatively, you can make changes to your account, such as a change of address, by logging on to <https://unicorn-aim.cityhub.uk.com>.

Electronic copies of this report and other published information can be found on the Company's website at www.unicornaimvct.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 25.

Fraud warning

The Company has become aware that a small number of its Shareholders along with shareholders of other VCTs have received unsolicited telephone calls from people purporting to act on behalf of a client who is looking to acquire their VCT shares at an attractive price. The caller often says they already have a significant holding and are trying to obtain a 51% stake in the Company. We believe these calls are part of a "Boiler Room Scam". Typically, these unsolicited calls originate from outside the UK, although a UK address may be given and a UK telephone number provided. If the Shareholder wishes to proceed, they are sent a non-disclosure agreement to sign and return. If this is returned a payment may then be requested for a bond or insurance policy.

Shareholders are warned to be very suspicious if they receive any similar type of approach and are strongly advised never to respond to unsolicited calls and emails from people who are not known to them.

If you have any concerns, please contact the Company Secretary, ISCA Administration Services Limited on 01392 487056, or email unicornaimvct@iscaadmin.co.uk.

Information rights for beneficial owners of shares

Please note that beneficial owners of shares who have been nominated by the registered holder of those shares to receive information rights under section 146 of the Companies Act 2006 are required to direct all communications to the registered holder of their shares, rather than to the Company's Registrar, The City Partnership (UK) Limited, or to the Company directly.

Glossary

AIM

The Alternative Investment Market, a sub-market of the London Stock Exchange, designed to help smaller companies access capital from public markets.

Alternative performance measures

A financial measure of historical or future performance or financial position shown in the Key Performance Indicators on pages 20 and 21 of the 2021 Annual Report and Accounts.

Cumulative dividends paid

The total amount of dividend distributions paid by the Company, since its merger with Unicorn AIM VCT II on 9 March 2010 and merger of all former share classes, up to the period end.

Discount

A discount to NAV is calculated by subtracting the mid-market share price from the NAV per share and the result is expressed as a percentage of the NAV per share.

DRIS

The Dividend Reinvestment Scheme which gives Shareholders the opportunity to reinvest future dividend payments by subscribing for additional Ordinary Shares.

DTR

The Disclosure and Transparency Rules contained within the Financial Conduct Authority's Handbook.

EBITDA

Earnings Before Interest, Tax, Depreciation and Amortisation. A metric used to evaluate a company's operating performance.

ESG

Environmental, Social and Governance.

Fair Value

The amount for which it is assumed an asset or equity instrument could be exchanged between parties. For investments traded on a Stock Exchange market this is usually the closing bid price on the balance sheet date. The fair value of unquoted investments is determined in accordance with current IPEV guidelines.

IPEV Guidelines

The International Private Equity and Venture Capital Valuation ("IPEV") Guidelines as issued in December 2018 which set out recommendations, intended to represent current best practice, on the valuation of Private Capital Investments where they are reported at fair value by assessing different methods of valuation, such as price of recent transaction, sales multiples, earnings multiples, discounted cash flows and net assets.

Net Assets

The total value of all the Company's assets, at fair value, having deducted all liabilities at their carrying value.

NAV

Total Net Assets divided by the number of shares in issue at the date of calculation and usually expressed as an amount per share.

NAV total return

Comprises the NAV per share plus the cumulative dividends paid to the period end.

Qualifying investments

An investment in a company satisfying a number of conditions under the VCT legislation. Included among the many conditions are: the shares or securities in the company must have been originally issued to the VCT and held ever since, the company must be unquoted (which includes listing on AIM or the Aquis exchanges), have a permanent establishment in the UK and apply the money raised for the purposes of growth and development for a qualifying trade within a specified time period. There are also restrictions relating to the size and stage of the company as well as maximum investment limits.

VCT

A Venture Capital Trust as defined in the Income Tax Act 2007.

VCT Value

The value of an investment when acquired, rebased if the holding is added to which causes an increase or decrease in its value.

80% test

The requirement for the Company to hold a minimum of 80% of its total assets, by VCT value, in qualifying holdings.

Summary of VCT Regulations

To assist Shareholders, the following is a summary of the most important rules and regulations that determine VCT approval.

To maintain its status as a VCT, the Company must meet a number of conditions, the most important of which are that:

- for accounting periods beginning on or after 6 April 2019 the Company must hold at least 80%, by VCT tax value*, of its total investments (shares, securities and liquidity) in VCT qualifying holdings subject to grace periods for sales of investments and new fundraising;
- all qualifying investments made by VCTs on or after 6 April 2018, together with qualifying investments made by funds raised on or after 6 April 2011, are in aggregate required to comprise at least 70% by VCT tax value in “eligible shares”, which carry no preferential rights (save as may be permitted under VCT rules) to dividends or return of capital and no rights to redemption;
- no investment in a single company or group of companies may represent more than 15% (by VCT tax value) of the Company’s total investments and cash at the date of investment;
- the Company must pay sufficient levels of income dividend from its revenue available for distribution so as not to retain more than 15% of its income from shares and securities in a year;
- the Company’s shares must be listed on a regulated European stock market;
- non-qualifying investments can no longer be made, except for certain exemptions in managing the Company’s short-term liquidity; and
- VCTs are required to invest 30% of funds raised in an accounting period beginning on or after 6 April 2018 in qualifying holdings within 12 months of the end of the accounting period.

* VCT tax value means as valued in accordance with prevailing VCT legislation. The value of an investment when acquired, rebased if the holding is added to, which causes an increase or decrease in its value. This may differ from the actual cost of each investment shown in the Investment Portfolio Summary on pages 7 and 8.

Since 6 April 2019:

- the period for reinvestment of proceeds on disposal of qualifying investments increased from 6 to 12 months.

To be a VCT qualifying holding, new investments must be in companies:

- which carry on a qualifying trade;
- which have no more than £15 million of gross assets at the time of investment and no more than £16 million immediately following investment from VCTs;
- whose maximum age is generally up to seven years (ten years for knowledge intensive businesses);
- that receive no more than an annual limit of £5 million and a lifetime limit of £12 million (for knowledge intensive companies the annual limit is £10 million and the lifetime limit is £20 million), from VCTs and similar sources of State Aided funding;
- that use the funds received from VCTs for growth and development purposes.

In addition, VCTs may not:

- offer secured loans to investee companies, and any returns on loan capital above 10% must represent no more than a commercial return on the principal; and
- make investments that do not meet the new ‘risk to capital’ condition (which requires a company, at the time of investment, to be an entrepreneurial company with the objective to grow and develop, and where there is a genuine risk of loss of capital).

Corporate Information

Directors (all non-executive)

Tim Woodcock (Chair)
Charlotta Ginman
Jeremy Hamer
Jocelin Harris
Josephine Tubbs (appointed 24 May 2022)

Registered office:

Suite 8, Bridge House
Courtenay Street
Newton Abbot TQ12 2QS

Secretary & Administrator

ISCA Administration Services Limited
Suite 8, Bridge House
Courtenay Street
Newton Abbot TQ12 2QS

Company Registration Number

04266437

Legal Entity Identifier

21380057QDV7D34E9870

Website

www.unicornaimvct.co.uk

Investment Manager

Unicorn Asset Management Limited
First Floor Office
Preacher's Court
The Charterhouse
Charterhouse Square
London EC1M 6AU

VCT Tax Adviser

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Stockbroker

Panmure Gordon (UK) Limited
One New Change
London EC4M 9AF

Auditor

BDO LLP
55 Baker Street
London W1U 7EU

Custodian

The Bank of New York Mellon
One Canada Square
London E14 5AL

Bankers

National Westminster Bank plc
City of London Office
PO Box 12264
1 Princes Street
London EC2R 8BP

Registrar

The City Partnership (UK) Limited
The Mending Rooms
Park Valley House
Meltham Road
Huddersfield HD4 7BH

Solicitors

Shakespeare Martineau LLP
No 1 Colmore Square
Birmingham B4 6AA

Notes



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Investing with conviction