HALF-YEARLY REPORT

for the six months ended 31 March 2011

UNICORN
AIM VCT PLC

Investment Objective

The objective of the Company is to provide Shareholders with an attractive return from a diversified portfolio of investments, predominantly in the shares of AIM quoted companies, by maximising the stream of dividend distributions to Shareholders from the income and 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 70% of the Company's total assets are to be invested in qualifying investments of which 30% by value must be in ordinary shares carrying no preferential rights 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
- good cash generation to finance development allied with a progressive dividend policy.

Asset allocation and risk diversification policies, including maximum exposures, are to an extent governed by prevailing VCT legislation. Specific conditions for HMRC approval of VCTs include the requirement that no single holding may represent more than 15% (by value) of the Company's investments, at the date of that investment.

The Investment Manager 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 and the Administrator on a regular basis. When the Investment Manager proposes to make an investment in an unquoted company the prior approval of the Board is required.

Where capital is available for investment while awaiting suitable VCT qualifying opportunities, or in excess of the 70% VCT qualification threshold, it may be invested in collective investment funds or in non-qualifying shares and securities in smaller listed UK companies.

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 net assets, should circumstances suggest that such action is in the interests of shareholders.

Key Data

As at 31 March 2011

	Net assets (£ million)	Net asset value per share (NAV) (p)	Cumulative dividends paid per share (p)	NAV total return to shareholders since launch per share (p)	Share price (p)
As at 31 March 2011					
Ordinary Shares					
31 March 2011	64.6	109.5	5.0	114.5	97.5
30th September 2010	62.3	104.2	1.0	105.2	85.5
31st March 2010	58.0	94.6	1.0	95.6	73.0

Most shareholders in the Company originally invested in one of the 5 former share classes of either the Company and/or Unicorn AIM VCT II plc. As a result of the merger of all 5 former share classes in March 2010, all shareholders now only hold Ordinary shares. These were formerly called S3 shares. To enable such shareholders in each former share class to monitor the performance of their original investment, the table below shows the NAV total return at 31 March 2011 for a shareholder that invested £10,000 at £1 per share at the date of launch of a particular fundraising, before initial income tax relief:

Unicorn AIM VCT plc Funds

Share class and year of fundraising	No. shares held post merger	NAV at 31 March 2011 (£)	Dividends paid pre-merger (£)	Dividends paid post-merger (£)	NAV total return (£)
Ordinary Shares					
(raised in 2011, issued at average price of 116p)	8,620	9,438	n/a	–	9,438*
Ordinary Shares					
(formerly S3 Shares raised in 2006/07)	10,000	10,950	100	400	11,450
Original Ordinary Shares					
(raised in 2001)	6,078	6,655	4,550	243	11,448
Original Ordinary Shares 2007/08 top-up					
(13,890 shares issued for £10,000 investment at 72p per share)	8,442	9,243	903	338	10,484
Series 2 Shares					
(raised in 2004)	7,750	8,486	2,125	310	10,921
Series 2 Shares 2007/08 top-up					
(10,870 shares issued for £10,000 investment at 92p per share)	8,424	9,224	489	337	10,050

*This loss represents the impact of initial costs of the Offer of 5.5%

Former Unicorn AIM VCT II plc Funds

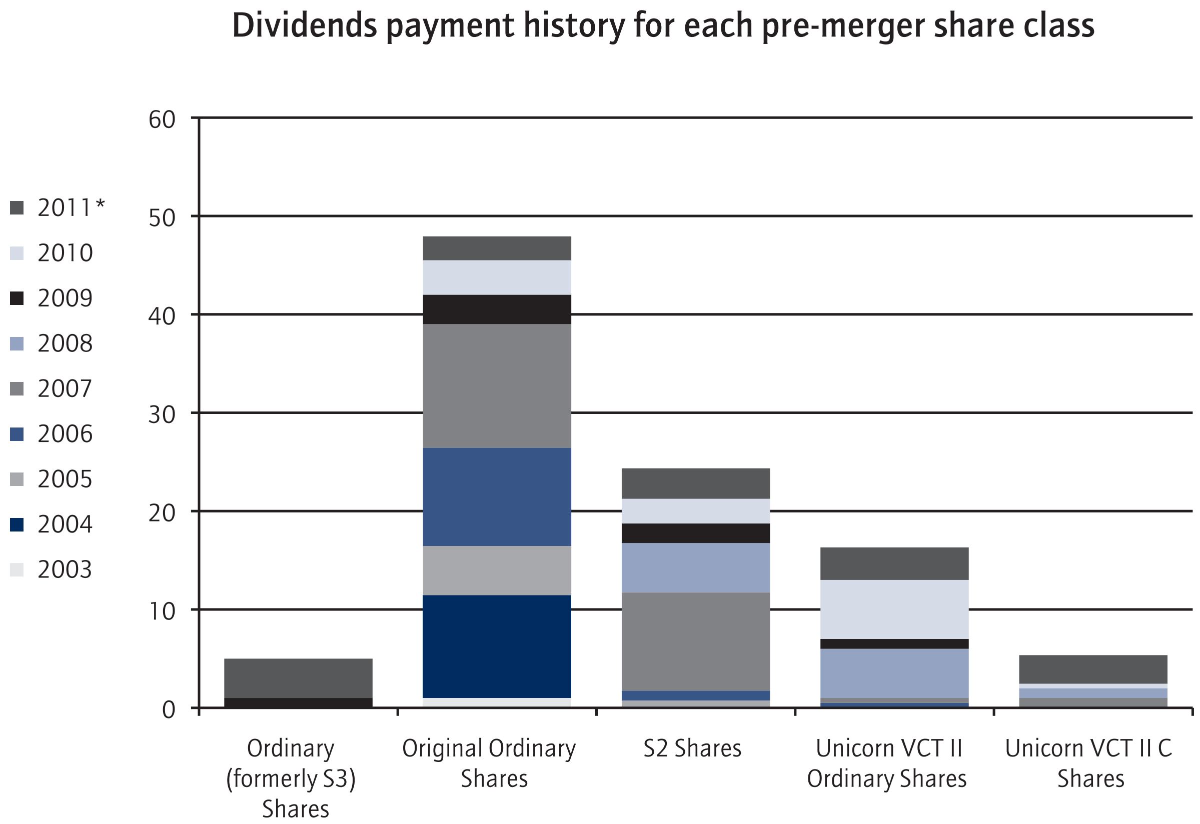
Share class and year of fundraising	No. shares held post merger	NAV at 31 March 2011 (£)	Dividends paid pre-merger (£)	Dividends paid post-merger (£)	NAV total return (£)
Ordinary Shares					
(raised in 2005)	8,283	9,070	1,300	331	10,701
Ordinary Shares 2007/08 top-up					
(10,205 shares issued for £10,000 investment at 98p per share)	8,452	9,254	1,225	338	10,817
C Shares					
(raised in 2006)	7,267	7,957	245	291	8,493
C Shares 2007/08 top-up					
(11,235 shares issued for £10,000 investment at 89p per share)	8,165	8,940	169	326	9,435

Initial income tax relief of up to 20% was available for shareholders that invested in tax years 2001/2002 or 2003/2004, 40% for shareholders that invested in 2004/2005 and 2005/2006 and 30% for shareholders that invested in tax years since 2006/2007. Additional capital gains tax deferral relief was also available for shareholders that invested in 2001/2002 and 2003/2004.

Key Data

As at 31 March 2011

Dividend history



	Ordinary (formerly S3) Shares	Original Ordinary Shares	S2 Shares	Unicorn VCT II Ordinary Shares	Unicorn VCT II C Shares
Calendar year paid					
2003	–	1.00	–	–	–
2004	–	10.45	–	–	–
2005	–	5.00	0.75	–	–
2006	–	10.00	1.00	0.50	–
2007	–	12.55	10.00	0.50	1.00
2008	–	–	5.00	5.00	1.00
2009	1.00	3.00	2.00	1.00	–
2010	–	3.50	2.50	6.00	0.45
2011*	4.00	2.43*	3.10*	3.31*	2.91*
	5.00	**47.93**	**24.35**	**16.31**	**5.36**

* The dividends in 2011 on the Ordinary (formerly S3) shares for each year for each of the former share classes have been calculated in proportion to the merger conversion ratios.

Chairman's Statement

I am pleased to present the Half-Yearly Report of the Company for the six months ended 31 March 2011.

Review of performance

The UK equity market continued to make progress during the first six months of the Company's financial year, managing to deliver a positive return despite a series of significant and disruptive events.

The devastating earthquakes in New Zealand and Japan, the emergence of widespread civil unrest in the Middle East and North Africa, the perceived slowdown in Chinese economic growth, the continuing requirement to help fund the financial bail-outs of EU member states and increasing concerns surrounding the strength and sustainability of UK economic recovery could each have caused a justifiable degree of investor concern. In the face of this uncertainty, UK equity markets have shown considerable resilience. The FTSE All-Share Index delivered a total return of 8.4% in the period, whilst the FTSE AIM All-Share Index continued its strong recovery from the all-time lows reached in March 2009, registering a gain of 15.4% *(Source: Financial Express)*.

Part of the explanation for the resilience of equity markets lies in the fact that most other asset classes remain unattractive to investors. In addition, with the FTSE All-Share Index currently trading on around 10.5x forward earnings *(Source:- MSCI, Bloomberg)*, the market is being valued at a level considerably below its 20 year historic average of 14.8x *(Source:- Standard & Poors)*. The global nature of UK quoted companies is also a significant factor, with the constituents of the FTSE All-Share Index on average generating almost 50% of their earnings from overseas.

The Company's investment portfolio also performed relatively well with net asset value rising to 109.5 pence per share, representing an increase of 5.1% for the period. After adding back the 4 pence per share in dividends paid in the period, the underlying increase in net asset value amounts to 9%. This performance has been achieved despite the portfolio having no direct exposure to the mining and oil & gas sectors which continue to dominate the FTSE AIM All-Share Index and which again significantly outperformed the wider market.

The price of the Company's shares rose from 85.5p at the start of the period to 97.5p as at 31 March 2011, an increase of 14.0%. In addition, it should be noted that the discount between the share price and underlying net asset value had narrowed from 19.7% as at 30 September 2010 to 11% by the half-year end.

The net assets of the Company as at 31 March 2011 were £64.6 million. During the six month period under review a total of £2.2m was spent on share buybacks at an average discount to net assets of 10.4%, thereby enhancing net asset value per share for continuing shareholders.

Over the six months there was a net gain on investments of £5.7 million and the total capital gain on ordinary activities after taxation was £5.3 million, the equivalent of 8.9 pence per share. The surplus on the revenue account was £54,000.

A total of £2.8 million in new ordinary shares had been subscribed under the current Offer for Subscription and subsequently allotted in the tax year to 5 April 2011. In the new tax year, a further £137,000 in subscriptions has been received and allotted. I would like to take this opportunity to welcome all new shareholders and to thank our existing shareholders for their continued support. The Offer remains open to further subscription in the current tax year until 30 June 2011.

Dividends

The Board remains committed to a policy of maximising the stream of dividend distributions to Shareholders from the income and capital gains generated by the portfolio. The policy in recent years has been to declare a dividend annually linked to the release of the Company's full year results. The Board is therefore not proposing an interim dividend, but will consider the payment of dividends when reviewing the Annual Report and Accounts after the end of the current financial year.

Qualifying Investments

A number of our existing qualifying investments delivered exceptional returns in the period under review including:–

Animalcare (+72%) is a manufacturer and supplier of pharmaceutical and other premium products to the veterinary and animal livestock sectors. In the six months to 31 December 2010, the Company grew turnover by 14% which translated into operating profit of £1.5m, representing growth of 33%. Animalcare has a strong product pipeline of new licensed veterinary medicines with two new products launched in the first half of its current financial year and at least two launches planned in the second half.

Avingtrans (+60%) designs, manufactures and supplies critical components and associated services to the medical, energy, industrial and global aerospace sectors. Avingtrans struggled during the economic downturn, but is now witnessing improving demand across the majority of their markets. Productivity improvements have also been completed within the Company's three main divisions. The interim results to 30 November 2010 reflect this recovery with turnover up 25% and operating profit increasing almost fivefold from a low base, highlighting the inherent operational gearing of the business. The Board has also declared that it is to reinstate a progressive dividend policy.

Idox (+54%) is a leading independent supplier of software and services to the UK public sector and other markets. In the financial year to 31 October 2010, the Company was able to increase margins and grow normalised pre-tax profit by 21% to £8m despite recording a small decline in year on year revenues. The Company also completed three earnings enhancing acquisitions during the year costing £10.6m, whilst generating sufficient cash to ensure that net debt remained below £1m at the year end. The dividend was increased by 125%, reflecting the Board's confidence in the long term strength of the business.

Prologic (+100%) is a specialist provider of software and services to the fashion & lifestyle sector. The business has remained profitable, cash generative and debt free throughout the recession and although revenue growth remains elusive the Company is now reporting increased interest from both existing and new clients.

Chairman's Statement

Surgical Innovations (+81%) the designer and manufacturer of innovative medical devices continued to trade well in the second half of its financial year. The Company's final results for the financial year ended 31 December 2010 were released in April 2011 and highlight the considerable progress being made by this fast growing business. Revenues for the year increased by 55% to £7 million, whilst pre-tax profits rose by 487% to £1.5 million and operating margins increased to 22% from 6% in the prior year.

Tangent Communications (+84%) combines technical and creative skills with marketing expertise to deliver personalised and bespoke digital communications for leading brands. Despite suffering from very difficult trading conditions during the economic downturn, the Company has emerged from recession in good shape. In a recently released trading update for the financial year ended 28 February 2011, management confirmed that Tangent's revenues and margins had increased significantly over the prior year, and that pre-tax profits are ahead of expectations.

One other holding in the portfolio is also worthy of comment:-

Abcam (+9%), a world leading manufacturer and distributor of therapeutic antibodies is, by a considerable margin, the largest single holding in the portfolio. During the period under review, Abcam released a strong set of interim results which recorded turnover growth of 23.7% to £39.4 million, profit before tax up 35.4% to £15.2 million and a net cash position of £47 million as at 31 December 2010. The interim dividend was also increased by 33.8%. Whilst trading in the second half of the year was reported to have started well, there is still pressure on Western governments to reduce budget deficits, which may result in reduced research funding in certain of Abcam's markets. To date, over £3 million in capital gains have been realised through a series of partial disposals and the Investment Manager will continue to monitor the exposure to Abcam and make further realisations if deemed appropriate.

Five new VCT qualifying companies were added to the portfolio in the period as detailed below. It is pleasing to report that, in aggregate, they have also made a meaningful initial contribution to performance.

Accumuli (+31%) is a 'buy and build' company focused on acquiring businesses operating in the managed security services sector of the IT market. Following a period of restructuring and management change, the Company successfully completed a fundraising in November 2010 and has since announced that it is to acquire three businesses, all operating in the fast growing IT security sector.

Brady (+29%) provides a range of transaction and risk management software, which help producers, consumers, financial institutions and trading companies manage their commodity transactions in a single integrated solution. In the financial year ended 31 December 2010, sales grew by 36% to £11m whilst operating profits increased 33% to £1.5m. Net cash at the year-end was £11.6m. Although economic conditions have been difficult and it remains challenging to forecast accurately the timing of new deals, the Group's trading in the new financial year is reported to be in line with the Board's expectations.

Hangar 8 (–8%) is one of Europe's largest operators of privately owned passenger jet aircraft. The Company manages twenty-one jets on behalf of their owners and charters them out to third party customers. The size of Hangar 8's fleet today enables it to offer cost effective management fees and attractive levels of charter income for owners, whilst providing charter customers with a competitively priced service. The Company listed on AIM in November 2010. Interim results for the period ended 31 October 2010 showed strong growth in turnover, profitability and net cash.

Instem Life Science Systems (+25%), a leading provider of IT applications to the healthcare market, listed on AIM in October 2010 following a successful placing of shares which raised £9m. Instem's software products help to accelerate drug development by automating processes and increasing productivity, thereby ultimately leading to safer and more effective drugs. The Company has over 80 customers including seven of the world's top ten pharmaceutical and biotech companies. Maiden financial results for the year ended 31 December 2010 were in line with expectations and the outlook statement highlighted management's confidence in delivering further growth in the current financial year.

Omega Diagnostics (+21%) an AIM-listed medical diagnostics company raised £7.8m from institutional investors, including Unicorn AIM VCT, in November 2010. The proceeds of the placing have been used to fund the acquisition of a profitable European allergy testing business. The combined businesses now establish Omega as one of the UK's leading companies in the fast growing areas of food intolerance and allergy testing. The Company is also a specialist in testing for infectious diseases such as Syphilis, TB, Dengue Fever and Malaria.

Although the operating environment remains tough, especially for smaller companies, the majority of holdings in the portfolio performed well. Reassuringly, of the companies which struggled in share price terms, most remain in fundamentally good shape with their fall in value relating more to technical issues such as poor liquidity and a lack of buying interest rather than because they are suffering from deteriorating trading conditions or significant operational issues.

The single largest negative contribution to performance in the period came from **Green Compliance** (–50%), which provides water, fire and pest control services to UK companies. The business has grown rapidly through acquisition since raising £10m from institutional investors in December 2009 at a significant discount to the share price prevailing at the time. Interim results for the six months to 30 September 2010 were released in December 2010 and were in line with expectations. Recent share price weakness appears to have been caused by a large overhang of stock and should recover once this issue is resolved.

Other investee companies which struggled in share price terms included **Access Intelligence** (–21%), **Brulines** (–23%), **Crawshaw Group** (–29%), **Mears Group** (–18%) and **SnackTime** (–17%). All of these businesses remain fundamentally sound with strong management teams, good long term prospects, high levels of recurring revenues and sound balance sheets. The Investment Manager is confident that their market valuations can recover in due course.

Since the period end **Maxima Holdings**, an IT managed services firm, has warned that revenues and profits will decline in its fiscal second half following the delay or cancellation of a number of orders. Maxima's board of directors has also announced that it will undertake a strategic review to include a possible sale of all or part of the business.

As previously reported, **Shieldtech**, a company specialising in the manufacture and supply of body armour systems appointed administrators in October 2010. The remaining value of this investment had already been written down to zero in last year's Report & Accounts.

The disposal of **Amber Taverns**, an unquoted operator of public houses in the North West of England, completed in the period. Amber Taverns was acquired for cash by a private equity firm following a competitive sales process. The total proceeds from this disposal were received in full in the period under review and amounted to more than £5.3m, generating a realised capital profit of £3.3m, the majority of which had been recognised in previous accounts.

In aggregate, the Fund remains well above the VCT qualifying threshold required by HM Revenue & Customs, with approximately 85% of the Company's total assets being invested in VCT qualifying companies, when measured by tax values (shareholders should note that the tax values used to calculate the percentage held in VCT qualifying companies differs from the values shown in the Investment Portfolio Summary).

All other HM Revenue & Customs tests have been complied with and your Board has been advised by PWC that the Company has maintained its venture capital trust status.

A list of the qualifying investments held at the period end (which does not include AIM stocks that each represent less than 0.3% of net assets, and Unlisted investments that each represent less than 0.2% of net assets) is included in the Investment Portfolio Summary on pages 8 and 9.

Non-Qualifying Investments

The non-qualifying portfolio continued to perform well with a large number of holdings producing returns considerably ahead of the overall market. Included among the more notable share price gains recorded in the period are:–

Hargreaves Services (+36%) is a major force in the supply, movement and management of coal and in the provision of support services to the energy and waste industries. Group activities are managed through four divisions: Production, Energy & Commodities, Transport and Industrial Services. The Group recently announced solid interim results, with revenue in the period increasing by £42.3m from £211.6m to £253.9m. Underlying operating profit increased by £2.4m to £20.9m. The Board expressed confidence in meeting expectations for the full year.

Macfarlane Group (+35%) is a manufacturer and distributor of packaging products. Macfarlane employs 700 people at 22 sites across the UK and Ireland. In the financial year ended 31 December 2010 the Group attained growth in both turnover and profits whilst also reducing its pension deficit and total debt. This result was achieved despite testing trading conditions and challenging cost pressures. Despite continuing economic uncertainty, the Board have expressed cautious optimism about trading prospects in 2011.

Microgen (+31%) is a specialist software business focused on the financial services sector. In the year to 31 December 2010, Microgen reported further strong operating performance. Revenue growth was 16%, operating margins increased to 24%, all research and development costs were expensed as incurred and cash generated from operations was £11.3 million. The Group's year end net cash position grew to £25.4m after returning £8.2m to shareholders during the year through dividends and the tender offer which completed in September.

Optos (+87%) is a medical devices business supplying machines that capture digital images of the retina. Retinal examinations are a routine part of eye exams and an important tool in screening and verifying the health of the eye. In a recent trading update covering the first three months of its current financial year, Optos confirmed continued growth with revenues up 10.3%, driven by an increase in the customer base and an improvement in the utilisation of the installed machine base.

Renold (+35%) is a manufacturer of industrial chains and related power transmission products. Its products are sold worldwide and are installed across a wide variety of industrial applications. A trading update issued in February 2011 highlighted that market conditions had improved across all areas of operation and that the Company continues to gain market share.

Scapa Group (+32%) is a leading manufacturer of technical adhesive tapes. The business was severely impacted by a steep decline in demand during the recession, in particular from the automotive market, resulting in significant losses and a growing level of net debt. Following a change in management eighteen months ago, the business has stabilised and there has been continuing improvement in financial performance as a result. The positive momentum achieved in the first half of the year has been maintained and the Board remains confident of reporting on further profit progress for the financial year ended 31 March 2011.

Three new stocks were added to the non-qualifying portfolio in the period, each of which has delivered positive initial returns:-

Specialist Energy Group (+54%), a worldwide market leader in the design, engineering and manufacturing of boiler circulating pumps for the global energy market.

Stadium Group (+7%), a manufacturer of electronics and power products.

VP Group (+46%), a specialist equipment rental group.

Chairman's Statement

There were four investments in the non-qualifying portfolio which did not fare as well as expected:–

ATH Resources (–25%), an established, profitable and cash generative producer of surface coal in the UK.

Caretech (–58%), a provider of high quality accommodation and support to the severely disabled.

Charles Taylor Consulting (–22%), a leading provider of management and consultancy services to the global insurance market.

London Capital Group (–43%), the provider of spread betting products on financial markets to retail customers and professional traders.

The investment case for each of these companies remains intact and the holdings are being retained in the expectation that their share prices will recover in due course.

Four holdings were sold having met the Investment Manager's strategic investment objectives: **Elementis, Renew Holdings, Robert Walters** and **Xaar.** The total realised capital gain on original cost amounted to just under £900,000.

The performance of the **Unicorn Investment Funds OEIC,** held in the non-qualifying portfolio, has been particularly strong. Total returns in the period from the five sub-funds ranged between 9.5% and 19.3% and, in aggregate, generated a positive, unrealised contribution of £1.5m.

It is noteworthy to report that these consistently strong performing funds have now been recognised by the wider investment community, with Unicorn Asset Management recently receiving two prestigious awards from Lipper. The awards, for **Unicorn UK Income Fund** and for **Unicorn Outstanding British Companies Fund,** which are both holdings in the non-qualifying portfolio, were presented to Unicorn's investment management team in March 2011. The criteria for winning was based on these Funds having achieved the best, most consistent, risk-adjusted performance in the three year period ended 31 December 2010. These awards reinforce the Board's view that the Investment Manager's clear and consistently successful approach to small company stock selection can continue to deliver superior returns for shareholders in future and justifies our long-term commitment to investing in these funds.

Outlook

The Alternative Investment Market has experienced a strong recovery over the past two years, albeit from all-time lows reached in March 2009. The Index has more than doubled in value during this time. The dominant Oil & Gas and Mining sectors have been responsible for a disproportionate amount of these recent gains. History would indicate that booms in such sectors are cyclical in nature and there is some evidence emerging that the appetite for speculative investment in commodities boom may be approaching a peak.

In the meantime, businesses operating in more mainstream sectors have also started to recover from the recession. In general terms, demand for products and services across a range of sectors has picked up and this is starting to be reflected in the re-rating of many smaller capitalised companies as growth in earnings continues.

Economic recovery in the UK has been weak so far, but the Investment Manager's focus on well managed, profitable and cash generative businesses with strong leadership positions in niche, growing markets has served the Company well. These businesses often have significant international exposure and are therefore not so dependent on either domestic consumer or public sector spending. The positive effects of reduced competition, continued weakness of sterling and significant cost-cutting during the downturn are translating into improved margins and profits for many of our investee companies. The Investment Manager is cautiously optimistic that this more favourable trading environment can be maintained.

The relatively modest price/earnings ratio of the portfolios as a whole also indicates that the Company retains the potential to deliver further gains during the second half of the financial year.

Finally, the government's proposals, announced in the Chancellor's budget speech, are designed to relax the investment criteria surrounding VCT qualifying companies. These changes, if passed into law, will be very helpful and are to be welcomed. In time they may also act as a significant catalyst for further interest in the VCT market as a whole. The case for investing in successful and established AIM-based VCTs looks increasingly compelling and the long term outlook is bright.

Conclusion

The Board is pleased with the progress of the Company. Unicorn AIM VCT is now the largest AIM-based VCT in the market with net assets of almost £65m at the period end. Performance relative to other AIM-based VCTs over both the short and long term has been creditable, material cost savings resulting from the merger twelve months ago are being realised and reserves available for distribution are growing steadily. The portfolio consists of a diverse range of companies that have emerged from the downturn largely intact; many of these businesses are now delivering considerable growth. Given the established nature of the portfolio and the government's recently announced proposals to relax VCT qualifying criteria, the Investment Manager is now in a position to exercise considerable flexibility when considering new investment opportunities. For these reasons, we remain cautiously optimistic that net asset value per share can continue to grow in the second half of the Company's financial year.

Peter Dicks
Chairman

20 May 2011

Principal risks and uncertainties

In accordance with DTR 4.2.7, the Board confirms that 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 2010.

The principal risks faced by the Company are:

- investment and strategic risk;
- regulatory and tax risk;
- operational risk;
- financial instruments risk;
- economic risk.

A more detailed explanation of these can be found on page 30 of the 2010 Annual Report and Accounts – copies can be found via the Company's website, www.unicornaimvct.com.

Related Party Transactions

There were no related party transactions during the period under review.

Responsibility Statement

The Directors confirm that to the best of their knowledge:

(a) the condensed set of financial statements, which have been prepared in accordance with the statement "Half-Yearly Reports" issued by the Accounting Standards Board, give a true and fair view of the assets, liabilities, financial position and profit of the Company as at 31 March 2011, as required by DTR 4.2.4;

(b) the interim management report included within the Chairman's Statement, and 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;

(c) a description of the principal risks and uncertainties facing the Company for the remaining six months is set out above, in accordance with DTR 4.2.7; and

(d) the financial statements include a description of the related party transactions in the first six months of the current financial year that have materially affected the financial position or performance of the Company during the period, and any material changes to the related party transactions since the last Annual Report, in accordance with DTR 4.2.8.

For and on behalf of the Board:

Peter Dicks
Chairman

20 May 2011

Investment Portfolio Summary

as at 31 March 2011

Qualifying investments	Book cost £'000	Valuation £'000	% of net assets by value
AIM/PLUS quoted investments:			
Abcam plc	2,483	9,419	14.6%
Animalcare Group plc	1,702	2,536	3.9%
Mattioli Woods plc	1,680	2,466	3.8%
Kiotech International plc	1,766	2,008	3.1%
Maxima Holdings plc	2,251	1,636	2.5%
SnackTime plc	2,102	1,448	2.2%
Green Compliance plc	2,100	1,413	2.2%
Surgical Innovations plc	331	1,333	2.1%
Instem Life Science Systems plc	985	1,227	1.9%
Avingtrans plc	996	1,061	1.6%
Pressure Technologies plc	980	1,049	1.6%
Idox plc	530	941	1.5%
Tristel plc	878	899	1.4%
Tracsis plc	838	862	1.3%
Cohort plc	1,414	852	1.3%
Access Intelligence plc	1,467	803	1.2%
IS Pharma plc	704	788	1.2%
Zetar plc	772	772	1.2%
Omega Diagnostics Group plc	500	604	0.9%
Hasgrove plc	975	588	0.9%
Prologic plc	806	538	0.8%
Accumuli plc	400	523	0.8%
Vindon Healthcare plc	475	523	0.8%
EG solutions plc	406	447	0.7%
Brulines Group plc	584	437	0.7%
Datong Electronics plc	784	430	0.7%
Specialist Energy Group plc	270	416	0.6%
Sanderson Group plc	770	416	0.6%
Crawshaw Group plc	538	392	0.6%
Dods (Group) plc (formerly Huveaux plc)	1,000	360	0.6%
HML Holdings plc	347	306	0.5%
Printing.com plc	231	269	0.4%
Keycom plc	340	255	0.4%
Pilat Media Global plc	275	235	0.4%
Hangar 8 plc	250	230	0.4%
Lees Foods plc	260	221	0.4%
Tangent Communications plc	163	212	0.3%
Praesepe plc	521	196	0.3%
Driver Group plc	552	175	0.3%
Twelve investments, each valued at less than 0.3% of net assets	1,590	910	1.4%
	36,016	40,196	62.1%
Fully listed investments:			
Mears Group plc	2,216	1,866	2.9%
Chime Communications plc	347	477	0.7%
	2,563	2,343	3.6%
Unlisted investments:			
Access Intelligence plc – loan stock	750	750	1.2%
SnackTime plc – loan stock	550	550	0.9%
INVU plc – loan stock	200	100	0.2%
Seven investments, each valued at less than 0.2% of net assets	4,467	29	0.0%
	5,967	1,429	2.3%
Total qualifying investments	**44,546**	**43,968**	**68.0%**

Non-qualifying investments	Book cost £'000	Valuation £'000	% of net assets by value
Unicorn UK Smaller Companies Fund (OEIC)	3,430	5,097	7.9%
AIM quoted investments	4,434	4,891	7.6%
Listed UK equities	3,118	3,708	5.8%
Unicorn Mastertrust Fund (OEIC)	1,228	1,889	2.9%
Unicorn Free Spirit Fund (OEIC)	828	1,260	1.9%
Unicorn UK Income Fund (OEIC)	769	1,053	1.6%
Unicorn Outstanding British Companies Fund (OEIC)	508	712	1.1%
Money market funds[1]	448	448	0.7%
Unlisted investments	5	–	0.0%
Total non-qualifying investments	**14,768**	**19,058**	**29.5%**
Total investments	**59,314**	**63,026**	**97.5%**
Other assets		1,882	2.9%
Current liabilities		(290)	(0.4)%
Net assets		**64,618**	**100.0%**

[1] Disclosed within 'current investments' under current assets in the Balance Sheet.

Unaudited Income Statement

for the six months ended 31 March 2011

	Notes	Six months ended 31 March 2011 (unaudited) Revenue £'000	Capital £'000	Total £'000	Six months ended 31 March 2010 (unaudited) Revenue £'000	Capital £'000	Total £'000
Net unrealised gains on investments	7	–	5,116	5,116	–	2,664	2,664
Net realised gains on investments	7	–	584	584	–	473	473
Income		465	–	465	326	–	326
Investment management fees	2	(137)	(410)	(547)	(75)	(226)	(301)
Other expenses		(274)	–	(274)	(360)	–	(360)
Merger Costs		–	–	–	–	–	–
Profit/(loss) on ordinary activities before taxation		54	5,290	5,344	(109)	2,911	2,802
Tax on profit/(loss) on ordinary activities	3	–	–	–	–	–	–
Profit/(loss) on ordinary activities after taxation		54	5,290	5,344	(109)	2,911	2,802
Basic and diluted earnings per share:							
Ordinary Shares	1a,4	0.09p	8.92p	9.01p	(0.26)p	6.89p	6.63p

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

There were no other recognised gains or losses in the period.

The total column of this statement is the profit and loss account of the Company.

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

The notes on pages 15 to 18 form part of these half-yearly financial statements.

Year ended 30 September 2010 (audited) Revenue £'000	Capital £'000	Total £'000
–	7,184	7,184
–	1,557	1,557
930	–	930
(195)	(585)	(780)
(539)	–	(539)
(98)	–	(98)
98	8,156	8,254
–	–	–
98	8,156	8,254
0.20p	**16.57p**	**16.77p**

Unaudited Balance Sheet

as at 31 March 2011

	Notes	As at 31 March 2011 (unaudited) £'000	As at 31 March 2010 (unaudited) £'000	As at 30 September 2010 (audited) £'000
Non current assets				
Investments at fair value	1c,7	**62,578**	53,733	61,432
Current assets				
Debtors and prepayments		**718**	278	452
Current investments	8	**448**	3,006	375
Cash at bank		**1,164**	1,447	349
		2,330	4,731	1,176
Creditors: amounts falling due within one year		**(290)**	(416)	(329)
Net current assets		**2,040**	4,315	847
Net assets		**64,618**	58,048	62,279
Share capital and reserves				
Share capital	9	**590**	614	598
Capital redemption reserve	9	**263**	224	240
Share premium account	9	**26,748**	25,143	25,143
Revaluation reserve	9	**7,184**	618	5,955
Special distributable reserve	9	**21,605**	26,988	24,263
Profit and loss account	9	**8,228**	4,461	6,080
Equity shareholders' funds		**64,618**	58,048	62,279
Net asset value per share of 1p each				
Ordinary Shares	6	**109.50p**	94.60p	104.15p

The financial information for the six months ended 31 March 2011 and the six months ended 31 March 2010 has not been audited.

The notes on pages 15 to 18 form part of these half-yearly financial statements.

Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 31 March 2011

	Notes	Six months ended 31 March 2011 (unaudited) £'000	Six months ended 31 March 2010 (unaudited) £'000	Year ended 30 September 2010 (audited) £'000
Opening Shareholders' funds		**62,279**	32,138	32,138
Net share capital bought back in the period		**(2,233)**	(45)	(1,267)
Net share capital subscribed in the period		**1,620**	–	–
Shares issued upon merger		**–**	24,669	24,670
Transaction costs in relation to the acquisition of assets and liabilities from Unicorn AIM VCT II plc		**–**	(98)	(98)
Profit for the period		**5,344**	2,802	8,254
Dividends paid in period	5	**(2,392)**	(1,418)	(1,418)
Closing Shareholders' funds		**64,618**	58,048	62,279

The financial information for the six months ended 31 March 2011 and the six months ended 31 March 2010 has not been audited.

The notes on pages 15 to 18 form part of these half-yearly financial statements.

Unaudited Statement of Cash Flows

for the six months ended 31 March 2011

	Six months ended 31 March 2011 (unaudited) £'000	Six months ended 31 March 2010 (unaudited) (as restated) £'000	Year ended 30 September 2010 (audited) £'000
Operating activities			
Investment income received	**722**	307	708
Other income received	**–**	–	50
Investment management fees paid	**(546)**	(272)	(743)
Other cash payments	**(545)**	(316)	(655)
Payments of merger costs of the company	**–**	(193)	(120)
Net cash outflow from operating activities	**(369)**	(474)	(760)
Investing activities			
Purchase of investments	**(4,904)**	(2,504)	(8,128)
Sale of investments	**9,599**	2,429	6,002
Net cash inflow/(outflow) from investing activities	**4,695**	(75)	(2,126)
Dividends			
Equity dividends paid to Unicorn AIM VCT plc shareholders	**(2,392)**	(1,418)	(1,418)
Equity dividends paid in respect of dividends declared to Unicorn AIM VCT II plc shareholders but not paid before assets and liabilities were transferred to Unicorn AIM VCT plc	**–**	(1,353)	(1,353)
Cash inflow/(outflow) before financing and liquid resource management	**1,934**	(3,320)	(5,657)
Management of liquid resources			
(Increase)/decrease in monies held pending investment	**(73)**	906	3,537
Financing			
Cash received on acquisition of assets and liabilities from Unicorn AIM VCT II plc	**–**	3,736	3,736
Stamp duty on shares issued to acquire net assets of Unicorn AIM VCT II plc	**–**	(98)	(98)
Payments to meet merger costs of Unicorn AIM VCT II plc	**–**	–	(170)
Share capital raised	**1,080**	–	–
Share capital re-purchased	**(2,126)**	(143)	(1,365)
	(1,046)	3,495	2,103
Increase/(decrease) in cash	**815**	1,081	(17)
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash for the period	**815**	1,081	(17)
Net funds at start of period	**349**	366	366
Net funds at end of period	**1,164**	1,447	349
Reconciliation of operating profit to net cash outflow from operating activities			
Profit on ordinary activities before taxation	**5,344**	2,802	8,254
Net gains on realisations of investments	**(584)**	(473)	(1,557)
Net unrealised gains on investments	**(5,116)**	(2,664)	(7,184)
Transaction costs	**(141)**	(11)	(49)
Decrease in debtors	**309**	165	7
Decrease in creditors	**(181)**	(293)	(231)
Net cash outflow from operating activities	**(369)**	(474)	(760)

Notes to the unaudited financial statements

1. Principal accounting policies

The following accounting policies have been applied consistently throughout the period. Full details of principal accounting policies will be disclosed in the Annual Report.

a) Basis of accounting

The unaudited results cover the six months to 31 March 2011 and have been prepared under UK Generally Accepted Accounting Practice (UK GAAP), consistent with the accounting policies set out in the statutory accounts for the year ended 30 September 2010 and the Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('the SORP') issued by the Association of Investment Trust Companies in January 2009.

The results for the six months ended 31 March 2010 and the year ended 30 September 2010 reflected the activities of what were previously the Ordinary Share Fund, the S2 Share Fund and the S3 Share Fund of the Company, which were consolidated on 9 March 2010, for the whole period. In addition, these results included the transfer of the assets and liabilities of Unicorn AIM VCT II PLC to the Company, with effect from 9 March 2010. Results for the current period are reported for the one share class of the enlarged VCT now in issue, namely Ordinary shares. These were formerly the S3 shares of the Company, redesignated Ordinary shares on 9 March 2010.

As a result of the Directors' decision to distribute capital profits by way of a dividend, the Company revoked its investment company status as defined under section 266 (3) of the Companies Act 1985, on 17 August 2004.

The half-yearly report has not been audited nor has it been reviewed by the auditors pursuant to the Auditing Practices Board (APB) guidance on Review of Interim Financial Information.

b) 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 Income Statement. The revenue column of profit attributable to equity 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.

c) Investments

All investments held by the Company are classified as "fair value through profit and loss", in accordance with International Private Equity Venture Capital Valuation (IPEVCV) guidelines as updated in September 2009. 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.

For investments actively traded in organised financial markets, fair value is 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. Purchases and sales of unlisted investments are recognised when the contract for acquisition or sale becomes unconditional.

Unquoted investments are valued by the Directors at fair value by the Directors in accordance with the following rules, which are consistent with the IPEVCV guidelines:

All unquoted investments are held at the price of a recent investment for an appropriate period where there is considered to have been no change in fair value. Where such a basis is no longer considered appropriate, the following factors will be considered:

(i) Where a value is indicated by a material arms-length transaction by an independent third party in the shares of a company, this value will be used.

(ii) In the absence of i), and depending upon both the subsequent trading performance and investment structure of an investee company, the valuation basis will usually move to either:-

   a) an earnings multiple basis. The shares may be valued by applying a suitable price-earnings ratio to that company's historic, current or forecast post-tax earnings before interest and amortisation (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified by the Investment Manager compared to the sector including, inter alia, a lack of marketability).

or:-

   b) where a company's underperformance against plan indicates a diminution in the value of the investment, provision against cost is made, as appropriate. Where 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 future prospects, to determine whether there is potential for the investment to recover in value.

(iii) Premiums on loan stock investments are accrued at fair value when the Company receives the right to the premium and when considered recoverable.

(iv) Where an earnings multiple or cost less impairment basis is not appropriate and overriding factors apply, discounted cash flow or net asset valuation bases may be applied.

d) Cash Flow Statement

The comparatives for the year ended 31 March 2010 have been restated to be consistent with the figures shown for the other two periods disclosed in this half-yearly report.

Notes to the unaudited financial statements

2. Investment Manager's Fees

The Directors have charged 75% of the investment management fee to the capital reserve, being their estimate of the split of long-term returns from capital to shareholders.

3. Taxation

There is no tax charge for the period, as the Company has incurred taxable losses in the period.

4. Basic and diluted earnings and return per share

	Six months ended 31 March 2011 (unaudited) £'000	Six months ended 31 March 2010 (unaudited) £'000	Year ended 30 September 2010 (audited) £'000
Total earnings after taxation:	5,344	2,802	8,254
Basic and diluted earnings per share	**9.01p**	**6.63p**	**16.77p**
Net revenue/(loss) from ordinary activities after taxation	54	(109)	98
Revenue return per share	**0.09p**	**(0.26)p**	**0.20p**
Net unrealised capital gains	5,116	2,664	7,184
Net realised capital gains	584	473	1,557
Capital expenses (net of taxation)	(410)	(226)	(585)
Total capital return	5,290	2,911	8,156
Capital return per share	**8.92p**	**6.89p**	**16.57p**
Weighted average number of shares in issue in the period	59,317,309	42,279,070	49,209,889

5. Dividends

	Six months ended 31 March 2011 (unaudited) £'000	Six months ended 31 March 2010 (unaudited) £'000	Year ended 30 September 2010 (audited) £'000
Ordinary Share (formerly S3 Fund)			
Final paid on 14 January 2011 – year ended 30 September 2010	2,392	–	–
Ordinary Fund (up until 9 March 2010)			
Interim paid	–	1,058	1,058
S2 Share fund			
Interim paid on 29th January 2010	–	360	360
	2,392	1,418	1,418

6. Net asset value

	At 31 March 2011 (unaudited) £'000	At 31 March 2010 (unaudited) £'000	At 30 September 2010 (audited) £'000
Net assets	64,618	58,048	62,279
Number of shares in issue	59,014,330	61,373,010	59,795,232
Net asset value per share	109.50p	94.60p	104.15p

7. Investments

	Fully Listed £'000	Traded on AIM/PLUS Market £'000	Unlisted ordinary shares £'000	Unlisted preference shares £'000	Unlisted Loan stock £'000	Unicorn OEIC funds £'000	Total £'000
Book cost at 30 September 2010	6,626	37,589	5,838	1,050	1,950	7,735	60,788
Unrealised gains at 30 September 2010	623	1,636	1,142	549	157	1,848	5,955
Permanent impairment in value of investments	–	(1,240)	(4,071)	–	–	–	(5,311)
Valuation at 30 September 2010	7,249	37,985	2,909	1,599	2,107	9,583	61,432
Purchases at cost	354	4,548	–	–	–	2	4,904
Sale proceeds	(2,288)	(826)	(3,001)	(1,603)	(707)	(1,174)	(9,599)
Realised gains	398	60	122	4	–	141	725
Increase in unrealised appreciation	336	3,321	–	–	–	1,459	5,116
Closing valuation at 31 March 2011	6,049	45,088	30	–	1,400	10,011	62,578
Book cost at 31 March 2011	5,680	40,451	5,712	–	1,500	6,763	60,106
Unrealised gains/(losses) at 31 March 2011	369	5,877	(2,210)	–	(100)	3,248	7,184
Permanent impairment in value of investments	–	(1,240)	(3,472)	–	–	–	(4,712)
Valuation at 31 March 2011	6,049	45,088	30	–	1,400	10,011	62,578

Realised gains above of £725,000 differs from net realised gains per the Income Statement of £584,000 due to transaction costs of £141,000.

8. Current Investments

These comprise investments in two Dublin based OEIC money market funds, managed by Royal Bank of Scotland and Blackrock Investment Management UK Ltd and one UK based money market fund managed by Prime Rate Capital Management. £448,000 (31 March 2010: £3,005,000; 30 September 2010: £375,000) of this sum is subject to same day access, while £nil (31 March 2010: £1,000; 30 September 2010: £nil) is subject to two day access. These sums are regarded as monies held pending investment.

Notes to the unaudited financial statements

9. Reserves

	Called up share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Revaluation reserve £'000	Special distributable reserve £'000	Profit and loss account £'000	Total £'000
At 1 October 2010	598	240	25,143	5,955	24,263	6,080	62,279
Shares issued	15	–	1,697	–	–	–	1,712
Shares bought back	(23)	23	–	–	(2,233)	–	(2,233)
Expenses of share issue	–	–	(92)	–	–	–	(92)
Transfer to special distributable reserve	–	–	–	–	(425)	425	–
Gains on disposal of investments (net of transaction costs)	–	–	–	–	–	584	584
Realisation of previously unrealised appreciation	–	–	–	(3,887)	–	3,887	–
Net increase in unrealised valuations for the period	–	–	–	5,116	–	–	5,116
Loss for the period	–	–	–	–	–	(356)	(356)
Dividends paid	–	–	–	–	–	(2,392)	(2,392)
At 31 March 2011	590	263	26,748	7,184	21,605	8,228	64,618

10. Related party transactions

David Royds resigned as a director of the Company on 9 March 2010. He is a director and shareholder of Matrix Group Limited, which owns Matrix-Securities Limited and has significant interests in Prime Rate Capital Management LLP ("PRCM") and Matrix Corporate Capital ("MCC"). David Royds is also a director of Matrix-Securities Limited, which acted as Promoter to the Company for a fee of £nil (31 March 2010: £nil, 30 September 2010: £nil) and provides administration services to the Company for a fee of £86,000 (31 March 2010: £97,000; 30 September 2010: £182,000). £nil (31 March 2010: £52,000; 30 September 2010: £42,000) was due to Matrix-Securities Limited at the end of the period.

The Company has £42,000 invested in a liquidity fund managed by PRCM, and has earned income of £1,000 from this fund in the period to 31 March 2011 (31 March 2010: £5,000; 30 September 2010: £7,000). MCC are the Company's brokers and fees of £7,000 have been charged for the period (31 March 2010: £8,000; 30 September 2010: £15,000). Seven (31 March 2010: Two; 30 September 2010: nine) share buybacks were undertaken by MCC on the Company's instruction totalling £2,233,000 (31 March 2010: £45,000; 30 September 2010: £1,270,000). £107,000 (31 March 2010: £nil; 30 September 2010: £nil) was owed to MCC at the period-end.

11. Post balance sheet events

On 5 April 2011, the Company allotted and issued 1,071,328 new Ordinary Shares of 1p each at a price of 115.9p per share under the Offer for Subscription launched on 14 December 2010, raising further net funds of £1.17 million.On 5 May, a further 124,368 shares were allotted at 116.3p per share, raising further net funds of £0.14 million.

12. The financial information for the six months ended 31 March 2011 and the six months ended 31 March 2010 has not been audited.

The financial information contained in this half-yearly report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The financial statements for the year ended 30 September 2010 have been filed with the Registrar of Companies. The auditors have reported on these financial statements and that report was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

Copies of this statement are being sent to all shareholders. Further copies are available free of charge from the Company's registered office, One Vine Street, London W1J 0AH, or from www.unicornam.com or www.matrixgroup.co.uk/asset_management/vct_services/unicorn_vcts.

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 price of the Company. The share price is also quoted in the Financial Times.

Shareholder enquiries:

For general Shareholder enquiries, please contact Robert Brittain of Matrix-Securities Limited (the Company Secretary) on 020 3206 7000 or by e-mail on unicorn@matrixgroup.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.

Electronic copies of this report and other published information can be found via the Company's website, www.unicornaimvct.com.

To notify the Company of a change of address or to request a dividend mandate form (should you wish to have future dividends paid directly into your bank account) please contact the Company's Registrars, Capita Registrars on 0871 664 0300, (calls cost 10p per minute plus network extras – if calling from overseas please dial +44 208 639 3399) or by writing to them at Capita Registrars, Northern House, Woodsome Park, Fennay Bridge, Huddersfield, West Yorkshire HD8 0LA. Should you prefer you may visit their website, www.capitaregistrars.com.

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, Capita Registrars, or to the Company directly.

Corporate Information

Directors
Peter Dicks (Chairman)
Malcolm Diamond
James Grossman
Jeremy Hamer
Jocelin Harris

All of whom are non-executive and of:
One Vine Street
London W1J 0AH

Secretary & Administrator
Matrix-Securities Limited
One Vine Street
London W1J 0AH

Company Registration Number : 04266437

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
Matrix Corporate Capital LLP
One Vine Street
London
W1J 0AH

Auditors
PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

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

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

Registrar
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Solicitors
Martineau
No 1 Colmore Square
Birmingham
B4 6AA

Unicorn Asset Management Limited
First Floor Office, Preacher's Court, The Charterhouse
Charterhouse Square, London EC1M 6AU
0207 253 0889
www.unicornam.com

unicorn
ASSET MANAGEMENT