

# Half-Yearly Report

For the six months ended 31 March 2024



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# Financial Highlights

for the six months ended 31 March 2024

- Special interim dividend of 11.7 pence per share paid during the period.
- Net Asset Value ("NAV") total return per share for the six months ended 31 March 2024, after adding back the dividends paid in the period, was -3.1%.
- £8.9 million of qualifying investments (£5.5 million new, £3.4 million follow-on) made in the period.
- Interim dividend of 3.0 pence per share declared for the six months ended 31 March 2024.
- The Offer for Subscription launched on 26 January 2024 and was fully subscribed raising £19.5 million (after costs of £0.5 million).

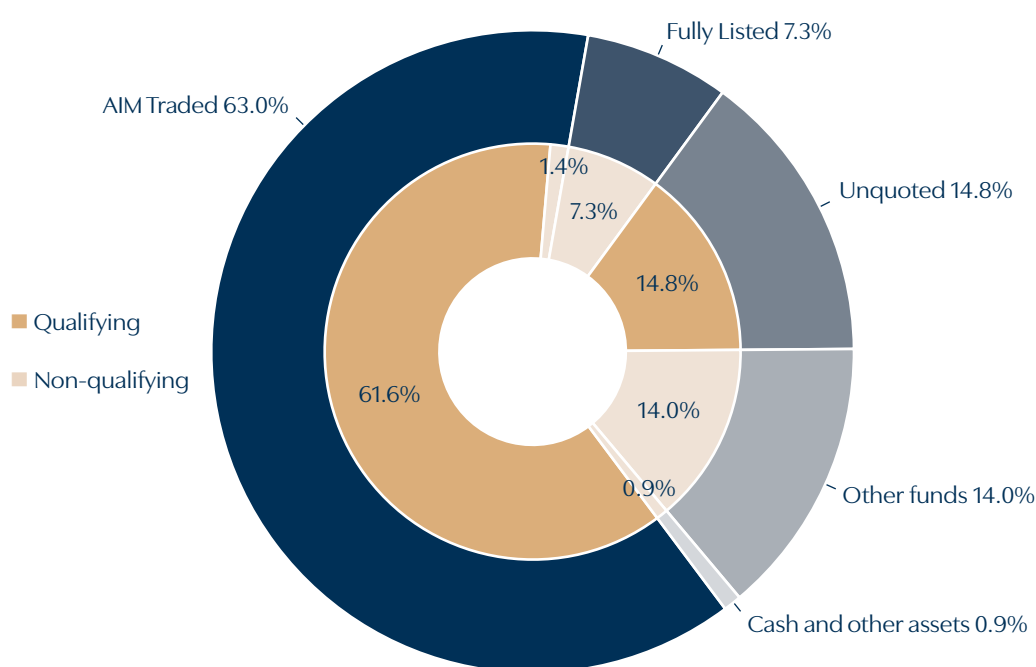
## Fund Performance

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 2024	199.5	103.6	114.7	218.3	91.5
30 September 2023	211.9	122.6	99.5	222.1	103.5
31 March 2023	218.4	125.5	96.5	222.0	103.5
30 September 2022	221.1	134.8	93.0	227.8	126.5

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

\*\* Total dividends (including special dividends) paid since 30 September 2014.

## Percentage of Assets Held as at 31 March 2024



Valuation based on fair value

## Chair's Statement

I am pleased to present the unaudited Half-Yearly Report of the Company for the six-month period ended 31 March 2024.

As at 31 March 2024, the net assets of the Company were £199.5 million. This figure is £12.3 million lower than at the start of the current financial year. After accounting for the additional shares in issue following a successful Offer for Subscription, and adding back dividends paid in the period, the total return in the six-month period under review was -3.1%. This compared to a total return of +3.3% from the FTSE AIM All-Share Index. It is worth noting that the FTSE AIM 100 Index (the largest 100 companies on AIM) delivered a total return of +5.4% for the period, while the rest of the index delivered a return of -1.23%, illustrating the weak performance of the smaller companies listed on the Index, many of which we hold.

As was the case in the first half of the Company's previous financial year, the relative returns during the first six months of this financial year have been underwhelming overall. While it is encouraging that the Company has once again delivered meaningful income returns to Shareholders via both special and regular dividends, it is nonetheless disappointing to report on a period of underperformance in capital value. The relative underperformance experienced during the period under review was predominantly caused by the Company's requirement to invest in early stage, scale-up businesses that are typically loss-making. Such businesses often require multiple funding rounds in order to achieve sustainable profitability. Securing further funding is often a challenging process, but this challenge becomes particularly acute during periods in which investor sentiment is weak. Inevitably, many of our investments are in businesses that are at an early stage of their development. It is this portion of the portfolio that has experienced the greatest share price pressure.

The wider UK equity market continues to struggle more than most global equity markets, and it is clear that investor sentiment towards listed UK companies remains weak. This may be due to the weighting towards value rather than growth stocks in the UK index and also because UK economic performance remains relatively weak.

The first quarter of the Company's financial year (Q4 2023) saw a positive return for AIM stocks with the FTSE AIM All-Share Index staging a reasonable recovery from the lows reached in October 2023 and registering a total return of +5.7% in the three months ended 31 December 2023. These gains were largely in response to improving trends in inflation, supported by increased M&A activity, and slowly improving levels of overall market liquidity. During this same three-month period, the Unicorn portfolio delivered a net asset value total return of +1.3%.

The second quarter of the Company's financial year (Q1 2024) saw a negative return for the AIM Index, as investor optimism surrounding the prospects for many smaller companies on

both the main market and AIM once again subsided. During the three months ended 31 March 2024, the FTSE AIM All-Share Index registered a total return of -2.3%, while the Company delivered a net asset value total return of -4.4%. This reversal of fortune, from the previous three months, was largely triggered by geopolitical tensions and the realisation that interest rates might remain higher for longer than initially anticipated. The biggest UK listed companies once again performed more strongly, illustrated by the FTSE 100 Index total return of +3.9% over the same three-month period.

Persistently elevated interest rates, combined with inflation woes and an uncertain economic and political landscape continue to depress the valuations of smaller listed businesses, which in turn has acted as a trigger for increased levels of M&A activity. Following successful trade bids in 2023 for Abcam, City Pub Company and Instem, the first quarter of 2024 has seen further corporate activity. One of our longest held investments, Mattioli Woods recently received a takeover bid from Pollen Street Capital, a UK listed private equity firm. The bid values Mattioli Woods at a 34% premium to its pre-announcement share price. Meanwhile, Belvoir Group, another meaningful holding within the portfolio, announced that it had agreed to merge with The Property Franchise Group, its closest competitor, to create a business of greater scale. Given the currently depressed valuations of many smaller companies on both the main market and AIM, it is likely that takeover activity will remain a feature of the UK stock market this year.

While there have been a small number of unexpectedly weak trading updates in the six months under review, the resilience of the majority of the portfolio has been encouraging. Tough periods are never easy; however, Shareholders should take comfort in the fact that Unicorn's investment team is highly experienced and has effectively managed the portfolio through multiple market cycles. They believe that the portfolio is currently particularly well placed to deliver positive total returns for investors in the longer term.

### Investment Performance

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

#### Hasgrove (13.4% of assets, +£3.40 million)

Hasgrove is an unquoted holding company, which owns an operating subsidiary called Interact. Interact is a fast-growing global provider of corporate intranet solutions that operates a Software-as-a-Service (SaaS) business model. In the financial year ended 31 December 2023, Hasgrove's revenues grew by 26%, while adjusted earnings increased by 23%. The current financial year has begun in a more subdued fashion however, with new business prospects taking longer to convert into formal contracts. Despite this slow start, the pipeline of new contracts remains

## Chair's Statement (continued)

strong, with a notable increase in the number of opportunities nearing finalisation, indicating promising growth ahead for Hasgrove. Reflecting the company's strong performance history and the positive results in FY23, the carrying Fair Value of the Company's investment was raised to £26.8 million, marking a +13.6% increase from the closing Fair Value of £23.6 million as at the VCT's last financial year-end.

### **Mattioli Woods** (3.8% of net assets, +£2.14 million)

Mattioli Woods is a leading provider of wealth management and employee benefits in the UK. With over 20,000 clients and greater than £15 billion assets under management, it offers a range of financial services including pension advice and administration, asset management, property management and employee benefits. During the period, a listed private equity firm, Pollen Street Capital, agreed to buy Mattioli Woods for £432 million in cash. The transaction, if approved via a Scheme of Arrangement, values Mattioli Woods at £8.04 per share, equivalent to a 34.0% premium to its closing price immediately prior to the bid offer announcement. The proposed transaction remains subject to regulatory approval and Shareholder consent.

### **MaxCyte** (4.2% of net assets, +£2.11 million)

MaxCyte is a leading biotechnology business, which has developed a technology platform to enable the precision engineering of human cells for a wide range of therapeutic applications. Several prominent drug developers and academic institutions already utilise MaxCyte's unique technology to pioneer new cell therapies targeting cancer and other rare genetic diseases. During 2023, MaxCyte achieved a significant milestone when its cell therapy-based treatment for Sickle Cell Disease (SCD), secured FDA approval. This is the first treatment therapy utilising MaxCyte's Flow Electroporation technology to gain FDA approval. In January 2024, this treatment also obtained regulatory approval for treating transfusion-dependent beta-thalassemia (TDT). MaxCyte is set to receive royalty payments from the sales of these treatments, without the need for any further capital expenditure. While the period under review was operationally challenging, these new FDA approvals further validate MaxCyte's platform and its ability to generate significant future value for all Shareholders.

### **Cohort** (3.8% of net assets, +£1.97 million)

Cohort is a holding company that wholly owns several subsidiaries focusing on technology for defence and security customers. These subsidiaries specialise in areas such as electro-optical systems and communication technologies. Their product and service-based solutions span land, sea, and air domains, while also serving civil customers in the transport and oil & gas markets. In recent months, Cohort has secured multiple significant, long-term contracts. Notably, its subsidiary, Systems Engineering and Assessments Ltd, received a major award from the UK's Ministry

of Defence. The contract's minimum value over the next ten years is £135 million, with work due to begin immediately. Together with other recent business wins, this contract is expected to materially enhance Cohort's forecast earnings. The Group, as a whole, ended its interim trading period, with a record order book of £353.9 million and over 95% visibility over its full-year revenue target.

### **Tracsis** (7.4% of net assets, +£1.65 million)

Tracsis is a technology and software business split into two divisions; a rail technology business and a traffic and data services business. Renowned for its provision of software, hardware, data analytics, and services for rail, traffic data, and broader transport industries, Tracsis develops innovative solutions such as; smart ticketing and automated delay repayment software to enhance customer experiences. In its recent interim trading update, the company highlighted notable advancements. Within its rail technology and services division, the addressable pipeline for major software opportunities in the UK and North American markets has more than doubled, owing to increased investment in sales teams. Similarly, the data, analytics, consultancy, and events division surpassed expectations, driven by heightened activity in events and traffic data survey work, which supports large UK transport infrastructure projects. Tracsis also continues to implement a transformation project, focusing on enhancing operational agility and efficiency, thereby positioning the Group for further expansion.

### **Directa Plus** (0.5% of net assets, -£1.70 million)

Directa Plus is a leading manufacturer and supplier of graphene. Graphene is a versatile material with applications spanning the consumer, energy, automotive, and aerospace markets. Directa Plus continues to advance its groundbreaking technology, solidifying its position as a global leader in graphene production. Despite facing many challenges during the past year, such as delays in anticipated contract awards and general macro and geopolitical uncertainties, Directa Plus made significant progress in 2023. The company has secured multiple new contracts across key geographies and verticals, improved margins through rigorous cost-control measures, and further advanced its portfolio of innovative graphene-based products. This progress has not been reflected in share price terms, which may be because investors are concerned about the company's future funding requirements as it currently remains a loss-making business.

### **Aurrigo** (3.5% of net assets, -£1.69 million)

Aurrigo is a leading provider of highly specialised autonomous transport solutions, which are predominately for use in the aviation ground handling industry. Aurrigo's patent protected autonomous vehicles promise more efficient baggage transportation to and from aircraft, thereby reducing labour

## Chair's Statement (continued)

reliance and minimising the frequency and severity of accidents. Since its IPO in September 2022, Aurigo has made significant progress, signing partnerships with prominent entities such as Changi Airport in Singapore, International Airlines Group (IAG) in the UK, Cincinnati Airport, Stuttgart Airport, Munich Airport, and Amsterdam Airport Schiphol. To support this increased activity and cover customer rollout investments, Aurigo successfully raised approximately £4 million during the period. Despite having met expectations in terms of product development and the successful signing of commercial agreements with various airport operators, this funding round proved to be particularly challenging for Aurigo. As a consequence, the new shares were issued at a significant discount to the prevailing share price.

### **Avacta Group** (1.1% of net assets, -£3.07 million)

Avacta is a clinical-stage biotechnology company developing novel cancer therapies and powerful diagnostic tools based on its proprietary Affimer® and pre[CISION™ platforms. Its lead programme, AVA6000, is currently undergoing Phase 1a clinical trials, the initial results of which have been encouraging. During the period under review, Avacta raised a further £30 million to help fund AVA6000's continued development pathway. Given the difficult funding environment, Avacta's equity issuance was completed at a substantial discount to the underlying share price at the time of the funding round. Subject to the successful completion of clinical trials and receipt of all necessary regulatory approvals, AVA6000 has the potential to become a leading form of cancer treatment.

### **Surface Transforms** (0.8% of net assets, -£3.21 million)

Surface Transforms is a manufacturer of carbon fibre ceramic brake discs for the automotive industry. In the first quarter of its current financial year, the company generated revenues of £3 million, which fell well short of expectations. Despite making significant operational improvements, some issues persist; most notably surrounding quality control and unacceptably low manufacturing yields. Investment in new equipment and an expansion of the manufacturing facility, combined with numerous operational improvements, should enable management to achieve its full year revenue target of £23 million (FY 2023: £8.3 million).

### **Oxford Biodynamics** (0.8% of assets, -£4.29 million)

Oxford Biodynamics is a biotechnology company dedicated to advancing healthcare by creating and distributing precision tests for life-changing diseases. The company's pioneering EpiSwitch technology, is principally acknowledged for its ability to assist in a more accurate diagnosis of prostate cancer. With two precision medical tests already available in the US, and two more tests awaiting market release, the company is now fully focused

on commercialisation. During its most recent financial year; a heightened level of commercial activity, laboratory expansion and an increased investment in building sales & marketing capacity, have resulted in high levels of cash outflows. A successful £10 million fund raise was concluded in March 2024, which should now enable management to guide the business toward sustainable profitability. Given the challenges faced by early-stage businesses such as Oxford Biodynamics, the successful completion of its latest funding round was creditable, despite having to be concluded at a substantial discount to the underlying share price. With further funding now secured, Oxford Biodynamics has a significant market opportunity. The effectiveness and relevance of its key product is proven and the management team are now focused on maximising revenues from the sale of EpiSwitch in North America.

### **Investment Activity**

Investment activity has continued to increase from a low base and has been markedly more active than during the first half of the previous financial year. Whilst the economic and geopolitical backdrop remains mixed the outlook for many companies wishing to pursue an AIM listing or seeking follow-on funding has improved. The first half of the financial year has seen the Manager deploy almost £9.0 million of capital in eight qualifying opportunities vs. two investments totalling £2.1 million in the first half of the previous year.

Qualifying investments have included new positions in; Eden Research (£1.5 million), SkinBio Therapeutics (£1.5 million), EDX Medical Group (£1.0 million) and Equipmake (£1.5 million) as well as follow-on investments in; Aurigo (£1.5 million), Verici DX (£1.0 million), LungLife AI (£0.8 million) and PCI-PAL (£0.1 million). The Investment Manager maintains regular contact with the management teams of investee companies in order to monitor performance and help ensure that they continue to effectively navigate the difficult prevailing economic conditions. While the IPO market remains relatively subdued, the increase in deal flow in the first half of the financial year, combined with a promising investment pipeline, provides some confidence that investment conditions may continue to improve during the second half.

### **Offer for Subscription**

The Company's latest Offer for Subscription was launched on 26 January 2024 and opened for applications on 8 February 2024. The Offer reached full subscription of £20 million on 15 February 2024 and was closed shortly thereafter. Under the Offer the Company allotted 18,692,025 Ordinary Shares on 11 March 2024. On behalf of the Board, I would like to welcome all new Shareholders and to thank existing Shareholders for their continued support.

## Chair's Statement (continued)

### Dividends

The Board has declared an interim dividend of 3.0 pence per share, for the six months ended 31 March 2024. This interim dividend will be paid on 13 August 2024 to Shareholders on the register on 12 July 2024. The shares will be quoted ex-dividend on 11 July 2024. Dividend decisions are taken by the VCT Board and are always subject to a number of factors including; market conditions, satisfactory returns, and/or availability of cash and distributable reserves.

### Sanctions Checking

Following recent legislative changes and the widening of the UK financial sanctions regime, the Company must ensure that dividends are only paid to persons who have been sanction checked. As described on page 22 a small number of Shareholders have not provided date of birth information for this checking to be undertaken. The Directors have taken the decision to withhold payments to those Shareholders until this information is received. Please contact us via any of the 3 methods detailed on page 22 if you have not responded to requests to provide your date of birth to ensure that you receive all dividends owing to you.

### Dividend Reinvestment Scheme ("DRIS")

On 14 February 2024, 3,258,145 Ordinary Shares were allotted at a price of 107.7 pence per share, being the latest published net asset value at 31 January 2024, 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 2023 and the special cash dividend in respect of the year ending 30 September 2024.

### Share Buybacks

During the period from 1 October 2023 to 31 March 2024, the Company bought back 2,190,947 of its own Ordinary Shares for cancellation, at a price of 92.0 pence per share excluding costs, 92.5 pence including costs.

As at 31 March 2024, there were 192,635,379 Ordinary Shares in issue.

### Material Transactions

Other than the Offer for Subscription, Share Buybacks and the purchase of investments described above, there were no material transactions in the six-month period ended 31 March 2024.

### VCT Status

The Company comfortably exceeded the VCT qualifying threshold required by HM Revenue & Customs, with approximately 100% (excluding new capital) of total assets by VCT value being invested

in VCT qualifying companies at the end of the period under review. The Company has complied with all other HM Revenue & Customs regulations, and your Board has been advised by PwC that the Company has maintained its Venture Capital Trust status.

### Summary & Outlook

The AIM Index is a key component in the sourcing of funding for early-stage growth companies. In more benign environments AIM-listed stocks can often deliver attractive returns. However, in the current environment the challenges are clear. In recent years, a growing disillusionment with the UK stock market as a whole, aggravated by a persistently weak economy, has disproportionately impacted the value of AIM-listed companies. As a result, many AIM companies now appear to be fundamentally undervalued, and a Venture Capital Trust presents a unique opportunity for discerning investors to access both new businesses coming to market at attractive valuations and provide follow-on funding to many others trading at a significant discount to their historic valuations.

Economic indicators are gradually improving, including the decline in the rate of inflation. This positive trend has prompted the Bank of England to consider reducing interest rates, a move that historically benefits smaller companies. Additionally, a resurgence in IPO activity and M&A deals hints at some renewed market optimism. Government initiatives designed to encourage greater investment into the UK equity market, such as the newly launched British ISA and the potential introduction of laws requiring UK pension funds to increase the percentage of their total assets invested in UK equities, signal increasing cross-party support for the UK equity market.

With the valuation of the FTSE AIM All-Share Index currently at historically low levels and with realistic prospects for a steady decline in interest rates, combined with an improvement in economic performance, there are sound reasons for optimism about prospects for the portfolio during the second half of the current financial year.

### Tim Woodcock

Chair

22 May 2024

## Investment Objective

The Company's investment 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 (previously 70%), 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 2024

	Book cost £'000	Valuation £'000	% of net assets by value*
<b>QUALIFYING INVESTMENTS</b>			
<b>AIM quoted investments</b>			
Tracsis	1,500	14,850	7.4
MaxCyte	2,926	8,326	4.2
Cohort	1,279	7,872	3.9
Mattioli Woods	1,626	7,646	3.8
Tristel	878	7,032	3.5
Aurrigo Group	4,458	6,896	3.5
Avingtrans	996	6,308	3.2
AB Dynamics	793	4,250	2.1
Anpario	1,422	4,196	2.1
The Property Franchise Group (formerly Belvoir Group)	1,883	4,154	2.1
Idox	1,242	3,946	2.0
Access Intelligence	3,159	3,522	1.8
Animalcare Group	2,401	3,380	1.7
Keywords Studios	304	3,213	1.6
Feedback	4,000	3,036	1.5
Futura Medical	2,300	2,277	1.1
Avacta Group	932	2,129	1.1
SulNOx Group**	1,800	2,092	1.0
Verici DX	3,125	1,832	0.9
Arecor Therapeutics	2,778	1,618	0.8
Surface Transforms	3,164	1,603	0.8
Oxford Biodynamics	2,750	1,567	0.8
Oberon Investment Group**	2,000	1,500	0.8
Equipmake Holdings	1,500	1,375	0.7
PCI-PAL	1,023	1,221	0.6
Tribe Technology	2,000	1,100	0.6
Directa Plus	4,610	1,057	0.5
Destiny Pharma	2,500	1,019	0.5
Eden Research	1,500	992	0.5
SkinBioTherapeutics	1,500	987	0.5
48 investments each valued at less than 0.5% of net assets	56,184	11,926	6.0
	<b>118,533</b>	<b>122,922</b>	<b>61.6</b>

\* Based on fair value not VCT carrying value.

\*\* Listed on Acquis Exchange.

## Unaudited Investment Portfolio Summary (continued)

as at 31 March 2024

	Book cost £'000	Valuation £'000	% of net assets by value*
<b>QUALIFYING INVESTMENTS</b>			
<b>Unlisted investments</b>			
Hasgrove	1,283	26,786	13.4
nkoda Limited	2,496	1,283	0.7
Heartstone Inns	1,113	766	0.4
Phynova Group	1,500	301	0.2
LightwaveRF	2,616	279	0.1
7 investments each valued at less than 0.1% of net assets	9,755	–	0.0
	<b>18,763</b>	<b>29,415</b>	<b>14.8</b>
<b>TOTAL QUALIFYING INVESTMENTS</b>	<b>137,296</b>	<b>152,337</b>	<b>76.4</b>
<b>NON-QUALIFYING INVESTMENTS</b>			
Fully listed UK equities	16,632	14,523	7.3
AIM quoted investments	3,680	2,893	1.4
Other unlisted investments each valued at less than 0.1% of net assets	368	–	–
	<b>20,680</b>	<b>17,416</b>	<b>8.7</b>
<b>OEICs and Unit Trusts</b>			
BlackRock Cash Fund Class D (Unit Trust)	12,583	12,587	6.3
Royal London Short-Term Money Market Fund Y (OEIC)	11,538	11,560	5.8
Unicorn Ethical Fund (OEIC) Income	4,483	3,765	1.9
	<b>28,604</b>	<b>27,912</b>	<b>14.0</b>
<b>TOTAL NON-QUALIFYING INVESTMENTS</b>	<b>49,284</b>	<b>45,328</b>	<b>22.7</b>
<b>TOTAL INVESTMENTS</b>	<b>186,580</b>	<b>197,665</b>	<b>99.1</b>
Cash and cash equivalents		3,438	1.7
Current assets		385	0.2
Current liabilities		(1,948)	(1.0)
<b>NET ASSETS</b>		<b>199,540</b>	<b>100.0</b>

\* Based on fair value not VCT carrying value.

# 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 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 2023.

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 and political
- black swan events

In addition, the Directors also assess the possibility of new and emerging risks.

A more detailed explanation of these risks and the way in which they are managed can be found in the Strategic Report on pages 32 and 33 and in the Notes to the Financial Statements on pages 79 and 80 of the 2023 Annual Report and Accounts – copies can be found via the Company's website [www.unicornaimvct.co.uk](http://www.unicornaimvct.co.uk).

## 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 (Senior Independent Director), Jeremy Hamer (Chair of the Audit Committee) 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 2024, 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 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 22 May 2024 and the above responsibility statement was signed on its behalf by:

**Tim Woodcock**  
Chair

22 May 2024

## 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 for VCTs 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 2024

During the last six months, the Manager has continued to focus on further integrating ESG evaluation throughout the investment process. The Manager is committed to a proactive approach to sustainability with the aim of driving long-term multi-stakeholder value protection and creation within investee companies, thereby improving their potential to deliver superior financial returns to clients.

Sustainability considers both financial return and environmental and social impact. It aims to generate positive returns for investors while also promoting long-term sustainability. By considering ESG factors, the Manager believes they will be better positioned to identify companies that are well-managed and prepared for future challenges.

The Manager's approach is focused in two key areas:

- Improving the sustainability of investee companies where possible, to support long-term business resilience with the aim of better protecting Shareholder returns
- Improving the understanding of the potential risks within investee companies' operations by further developing in-house ESG analysis

The Manager continues to exercise its responsibilities as a steward for Shareholders by aiming to vote in the best interests of all external investors. Our voting records are made publicly available to ensure full transparency.

The Manager's focus area for 2024 is to continue to support investee companies' efforts to develop transparent and comprehensive sustainability-related financial disclosure. In addition, the Manager is actively encouraging investee companies to engage on broader issues related to climate change, focusing on; incorporating feasible carbon reduction initiatives and driving action towards a net zero emissions strategy.

Shareholders should expect robust accountability mechanisms from the Manager in order to ensure transparency regarding engagement with investee companies and how this is monitored over time. It is important that all Shareholders understand the specific focus areas and key performance indicators being used to measure the efficacy of the Manager's engagement. The ESG team tracks interactions and notable ESG engagement with the management teams of investee companies and also monitors the VCT's emission profile on an ongoing basis.

The Manager has sought to develop in-house resource over the period by further adding to the ESG team, newly appointing a Head of Sustainability, ESG Risk Executive and ESG Associate.

# Unaudited Condensed Income Statement

for the six months ended 31 March 2024

	Notes	Six months ended 31 March 2024 (unaudited)			Six months ended 31 March 2023 (unaudited)			Year ended 30 September 2023 (audited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net unrealised losses on investments	7	–	(8,809)	(8,809)	–	(8,773)	(8,773)	–	(8,975)	(8,975)
Net gains on realisation of investments	7	–	2,899	2,899	–	7	7	–	994	994
Income	4	1,262	–	1,262	751	–	751	2,312	–	2,312
Investment management fees	2	(486)	(1,459)	(1,945)	(523)	(1,567)	(2,090)	(1,048)	(3,144)	(4,192)
Other expenses		(406)	–	(406)	(382)	–	(382)	(725)	–	(725)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>370</b>	<b>(7,369)</b>	<b>(6,999)</b>	<b>(154)</b>	<b>(10,333)</b>	<b>(10,487)</b>	<b>539</b>	<b>(11,125)</b>	<b>(10,586)</b>
Tax on profit/(loss) on ordinary activities	3	–	–	–	–	–	–	–	–	–
<b>Profit/(loss) and total comprehensive income after taxation</b>		<b>370</b>	<b>(7,369)</b>	<b>(6,999)</b>	<b>(154)</b>	<b>(10,333)</b>	<b>(10,487)</b>	<b>539</b>	<b>(11,125)</b>	<b>(10,586)</b>
Basic and diluted earnings per share:										
Ordinary Shares	5	0.21p	(4.20)p	(3.99)p	(0.09)p	(6.23)p	(6.32)p	0.32p	(6.55)p	(6.23)p

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 and capital return columns are prepared in accordance with the Statement of Recommended Practice (“AIC SORP”) issued in July 2022 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 profit/(loss) 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 2024

	Notes	As at 31 March 2024 (unaudited) £'000	As at 31 March 2023 (unaudited) £'000	As at 30 September 2023 (audited) £'000
<b>Non current assets</b>				
Investments at fair value	1e,7	197,665	205,869	207,531
<b>Current assets</b>				
Debtors		385	174	675
Cash and cash equivalents		3,438	13,851	5,357
		3,823	14,025	6,032
<b>Creditors: amounts falling due within one year</b>		<b>(1,948)</b>	<b>(1,473)</b>	<b>(1,707)</b>
<b>Net current assets</b>		<b>1,875</b>	<b>12,552</b>	<b>4,325</b>
<b>Net assets</b>		<b>199,540</b>	<b>218,421</b>	<b>211,856</b>
<b>Share capital and reserves</b>				
Called up share capital		1,926	1,741	1,729
Capital redemption reserve		169	129	147
Share premium account		123,741	100,292	100,974
Capital reserve		24,593	46,267	56,883
Special reserve		28,949	59,207	39,040
Profit and loss account		20,162	10,785	13,083
<b>Equity Shareholders' funds</b>		<b>199,540</b>	<b>218,421</b>	<b>211,856</b>
<b>Basic and diluted net asset value per share of 1p each</b>				
Ordinary Shares	8	103.58p	125.45p	122.55p

The financial information for the six months ended 31 March 2024 and the six months ended 31 March 2023 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 2024

	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
<b>Six months ended 31 March 2024</b>							
At 1 October 2023	1,729	147	100,974	56,883	39,040	13,083	211,856
(Loss)/profit after taxation	–	–	–	(32,290)	–	25,291	(6,999)
Transfer to special reserve	–	–	–	–	(2,014)	2,014	–
Shares issued under Offer for Subscription, net of costs	187	–	19,309	–	–	–	19,496
Net proceeds from DRIS share issue	32	–	3,458	–	–	–	3,490
Shares purchased for cancellation and cancelled	(22)	22	–	–	(2,026)	–	(2,026)
Dividend paid	–	–	–	–	(6,051)	(20,226)	(26,277)
<b>At 31 March 2024</b>	<b>1,926</b>	<b>169</b>	<b>123,741</b>	<b>24,593</b>	<b>28,949</b>	<b>20,162</b>	<b>199,540</b>
<b>Six months ended 31 March 2023</b>							
At 1 October 2022	1,640	113	85,063	55,038	68,338	10,934	221,126
Loss after taxation	–	–	–	(8,771)	–	(1,716)	(10,487)
Transfer to special reserve	–	–	–	–	(1,567)	1,567	–
Shares issued under Offer for Subscription, net of costs	111	–	14,508	–	–	–	14,619
Net proceeds from DRIS share issue	6	–	721	–	–	–	727
Shares purchased for cancellation and cancelled	(16)	16	–	–	(1,823)	–	(1,823)
Dividend paid	–	–	–	–	(5,741)	–	(5,741)
<b>At 31 March 2023</b>	<b>1,741</b>	<b>129</b>	<b>100,292</b>	<b>46,267</b>	<b>59,207</b>	<b>10,785</b>	<b>218,421</b>
<b>Year ended 30 September 2023</b>							
<b>At 1 October 2022</b>	<b>1,640</b>	<b>113</b>	<b>85,063</b>	<b>55,038</b>	<b>68,338</b>	<b>10,934</b>	<b>221,126</b>
Profit/(loss) after taxation	–	–	–	1,845	–	(12,431)	(10,586)
Transfer to special reserve	–	–	–	–	(14,568)	14,568	–
Shares issued under Offer for Subscription, net of costs	111	–	14,508	–	–	–	14,619
Net proceeds from DRIS share issues	12	–	1,403	–	–	–	1,415
Shares purchased for cancellation and cancelled	(34)	34	–	–	(3,785)	–	(3,785)
Dividends paid	–	–	–	–	(10,945)	12	(10,933)
<b>At 30 September 2023</b>	<b>1,729</b>	<b>147</b>	<b>100,974</b>	<b>56,883</b>	<b>39,040</b>	<b>13,083</b>	<b>211,856</b>

The financial information for the six months ended 31 March 2024 and the six months ended 31 March 2023 have not been audited.

The profit and loss account comprises the revenue reserve of £237,000 and the realised capital reserve of £19,925,000.

\*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 2024

		Six months ended 31 March 2024 (unaudited) £'000	Six months ended 31 March 2023 (unaudited) £'000	Year ended 30 September 2023 (audited) £'000
	Notes			
<b>Operating activities</b>				
Investment income received		1,587	1,119	2,145
Investment management fees paid		(2,072)	(2,133)	(4,227)
Other cash payments		(476)	(440)	(766)
<b>Net cash outflow from operating activities</b>		<b>(961)</b>	<b>(1,454)</b>	<b>(2,848)</b>
<b>Investing activities</b>				
Purchase of equity investments	7	(18,795)	(2,100)	(7,604)
Purchase of money market funds	7	(35,000)	(14,000)	(19,000)
Sale of investments	7	34,781	8	2,636
Sale of money market funds	7	23,000	–	7,000
<b>Net cash inflow/(outflow) from investing activities</b>		<b>3,986</b>	<b>(16,092)</b>	<b>(16,968)</b>
<b>Net cash inflow/(outflow) before financing</b>		<b>3,025</b>	<b>(17,546)</b>	<b>(19,816)</b>
<b>Financing</b>				
Dividends paid	6	(22,768)	(5,014)	(9,483)
Unclaimed dividends returned		–	–	504
Shares issued under Offer for Subscription (net of transaction costs paid in the period)		19,850	14,881	14,619
Expenses of DRIS share issues		–	–	(35)
Shares repurchased for cancellation		(2,026)	(2,221)	(4,183)
<b>Net cash (outflow)/inflow from financing</b>		<b>(4,944)</b>	<b>7,646</b>	<b>1,422</b>
Net (decrease) in cash and cash equivalents		(1,919)	(9,900)	(18,394)
Cash and cash equivalents at start of period		5,357	23,751	23,751
Cash and cash equivalents at end of period		3,438	13,851	5,357
<b>Reconciliation of operating loss to net cash outflow from operating activities</b>				
Loss for the period		(6,999)	(10,487)	(10,586)
Net unrealised losses on investments		8,809	8,773	8,975
Net gains on realisation of investments		(2,899)	(7)	(994)
Transaction costs		(60)	–	(1)
Decrease/(increase) in debtors and prepayments		319	341	(160)
(Decrease) in creditors and accruals		(131)	(72)	(80)
Reconciling items – dividends reinvested		–	(2)	(2)
<b>Net cash outflow from operating activities</b>		<b>(961)</b>	<b>(1,454)</b>	<b>(2,848)</b>

The financial information for the six months ended 31 March 2024 and the six months ended 31 March 2023 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 2024

## 1. Principal accounting policies

### a) Statement of compliance

The Company's Financial Statements for the six months to 31 March 2024 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 July 2022 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 2023.

### 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 2024 and 31 March 2023 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 2023 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 2024, the Company held cash balances of £3.4 million and a further £27.9 million is held in OEIC Funds and a Unit Trust. 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.

### 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 Total Comprehensive Income. The revenue column of profit 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 International Private Equity and Venture Capital Valuation ("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.
- For level 2 investments fair value is determined by the Net Asset Value of the OEICs at the balance sheet date.
- 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 2022, 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 2024

## 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 these reserves:

- the costs associated with the running of the Company;
- 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.

#### (iv) Capital redemption reserve

Represents the nominal value of the shares purchased and cancelled.

#### (v) Share premium account

Represents the amount received in excess of nominal value on the issue of shares.

#### (vi) Share capital

Represents the nominal value of the shares issued.

## 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 OEIC which is 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 is 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 £1,459,000, being 75% of the investment management fees, to the capital reserve and the balance of 25%, being £486,000, to revenue.

At 31 March 2024, £904,000 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 2024

### 4. Income

	Six months ended 31 March 2024 (unaudited) £'000	Six months ended 31 March 2023 (unaudited) £'000	Year ended 30 September 2023 (audited) £'000
Equity dividends	861	608	1,590
Unicorn managed OEICs (including reinvested dividends)	58	65	193
Other OEICs and Unit Trusts	298	2	266
Bank interest	54	76	115
Loan stock interest	(9)	–	148
	<u>1,262</u>	<u>751</u>	<u>2,312</u>

### 5. Basic and diluted earnings and return per share

	Six months ended 31 March 2024 (unaudited)	Six months ended 31 March 2023 (unaudited)	Year ended 30 September 2023 (audited)
Total earnings after taxation (£'000)	(6,999)	(10,487)	(10,586)
<b>Basic and diluted earnings per share (pence)</b>	<u>(3.99)</u>	<u>(6.32)</u>	<u>(6.23)</u>
Net revenue from ordinary activities after taxation (£'000)	370	(154)	539
<b>Basic and diluted revenue earnings per share (pence)</b>	<u>0.21</u>	<u>(0.09)</u>	<u>0.32</u>
Total capital return after taxation (£'000)	(7,369)	(10,333)	(11,125)
<b>Basic and diluted capital earnings per share (pence)</b>	<u>(4.20)</u>	<u>(6.23)</u>	<u>(6.55)</u>
<b>Weighted average number of shares in issue in the period</b>	<b>175,546,429</b>	<b>165,899,485</b>	<b>169,795,766</b>

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 2024 (unaudited) £'000	Six months ended 31 March 2023 (unaudited) £'000	Year ended 30 September 2023 (audited) £'000
<b>Amounts recognised as distributions to equity holders in the period:</b>			
Interim capital dividend of nil pence (2023: 3.0 pence) per share for the year ended 30 September 2023 paid on 11 August 2023	–	–	5,204
Final capital dividend of 3.5 pence (2023: 3.5 pence) per share for the year ended 30 September 2023 paid on 14 February 2024	6,051	5,741	5,741
Special interim capital dividend of 11.7 pence (2023: nil pence) per share for the year ended 30 September 2024 paid on 14 February 2024	<u>20,226</u>	–	–
Total dividends paid in the period*	<u>26,277</u>	<u>5,741</u>	<u>10,945</u>
Unclaimed dividends returned	–	–	(12)
<b>Total dividends</b>	<u><b>26,277</b></u>	<u><b>5,741</b></u>	<u><b>10,933</b></u>

\* The difference between total dividends paid and that shown in the Condensed Cash Flow Statement is £3,509,000, which is the amount of dividends reinvested under the Dividend Reinvestment Scheme ("DRIS").

## Notes to the Unaudited Financial Statements (continued)

for the six months ended 31 March 2024

### 7. Investments at fair value

	Fully listed £'000	Traded on AIM £'000	Unlisted shares £'000	Unlisted loan stock £'000	Other funds*** £'000	Total £'000
Book cost at 30 September 2023	8,357	126,473	14,488	500	16,496	166,314
Unrealised (losses)/gains at 30 September 2023	(1,055)	42,352	16,524	–	(938)	56,883
Permanent impairment in value of investments	–	(11,020)	(4,646)	–	–	(15,666)
<b>Opening valuation at 30 September 2023</b>	<b>7,302</b>	<b>157,805</b>	<b>26,366</b>	<b>500</b>	<b>15,558</b>	<b>207,531</b>
Shares delisted*	–	(4,851)	4,851	–	–	–
Purchases at cost	9,917	8,878	–	–	35,000	53,795
Sale proceeds	(3,387)	(30,346)	(578)	(500)	(23,000)	(57,811)
Net realised gains**	134	2,476	352	–	(3)	2,959
Movement in unrealised gains	557	(8,147)	(1,576)	–	357	(8,809)
<b>Closing valuation at 31 March 2024</b>	<b>14,523</b>	<b>125,815</b>	<b>29,415</b>	<b>–</b>	<b>27,912</b>	<b>197,665</b>
<b>Book cost at 31 March 2024</b>	<b>16,632</b>	<b>122,213</b>	<b>19,131</b>	<b>–</b>	<b>28,604</b>	<b>186,580</b>
<b>Unrealised (losses)/gains at 31 March 2024</b>	<b>(2,109)</b>	<b>7,612</b>	<b>19,782</b>	<b>–</b>	<b>(692)</b>	<b>24,593</b>
<b>Permanent impairment in value of investments</b>	<b>–</b>	<b>(4,010)</b>	<b>(9,498)</b>	<b>–</b>	<b>–</b>	<b>(13,508)</b>
<b>Closing valuation at 31 March 2024</b>	<b>14,523</b>	<b>125,815</b>	<b>29,415</b>	<b>–</b>	<b>27,912</b>	<b>197,665</b>

\* Shares delisted in the period relate to The British Honey Company (£3,101,000) and Trackware Designs (£1,750,000).

\*\* Transaction costs on the purchase and disposal of investments of £60,000 were incurred in the period. These have not been deducted from the realised gains shown above of £2,959,000 but have been deducted in arriving at gains on realisation of investments disclosed in the Income Statement of £2,899,000.

\*\*\* Other funds include the Unicorn Ethical Fund and the Royal London Short Term Money Market Fund which are both OEICs and the BlackRock Cash Fund which is a Unit Trust. Further details are given on page 8.

Note: Permanent impairments of £13,508,000 continue to be held in respect of losses on investments held at the period end. The reduction in impairments of £2,158,000 relate to Osirium Technologies (£1,971,000) which was sold and Le Chameau Group (£187,000) which was dissolved during the period.

#### Reconciliation of cash movements in investment transactions

The difference between sales per Note 7 above and that shown in the Condensed Cash Flow Statement is £30,000, which is a trade outstanding at the period end.

## Notes to the Unaudited Financial Statements (continued)

for the six months ended 31 March 2024

### 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
<b>At 31 March 2024</b>				
Equity investments	140,338	–	29,415	169,753
Open ended investment companies*	–	27,912	–	27,912
<b>Total</b>	<b>140,338</b>	<b>27,912</b>	<b>29,415</b>	<b>197,665</b>
<b>At 31 March 2023</b>				
Equity investments	161,333	–	26,617	187,950
Loan stock investments	–	–	250	250
Open ended investment companies*	–	17,669	–	17,669
<b>Total</b>	<b>161,333</b>	<b>17,669</b>	<b>26,867</b>	<b>205,869</b>
<b>At 30 September 2023</b>				
Equity investments	165,107	–	26,366	191,473
Loan stock investments	–	–	500	500
Open ended investment companies*	–	15,558	–	15,558
<b>Total</b>	<b>165,107</b>	<b>15,558</b>	<b>26,866</b>	<b>207,531</b>

\* Open ended investment companies include the Unicorn Ethical Fund and the Royal London Short Term Money Market Fund which are both OEICs and the BlackRock Cash Fund which is a Unit Trust. Further details are given on page 8.

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 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.

## Notes to the Unaudited Financial Statements (continued)

for the six months ended 31 March 2024

### 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 2023	26,366	500	26,866
Shares delisted	4,851	–	4,851
Sales	(578)	(500)	(1,078)
Total gains/(losses) included in losses on investments in the Condensed Income Statement			
– on assets sold	352	–	352
– on assets held at the period end	(1,576)	–	(1,576)
<b>Closing balance at 31 March 2024</b>	<b>29,415</b>	<b>–</b>	<b>29,415</b>

### 8. Net asset values

	At 31 March 2024 (unaudited)	At 31 March 2023 (unaudited)	At 30 September 2023 (audited)
Net assets	£199,540,000	£218,421,000	£211,856,000
Number of shares in issue	192,635,379	174,104,558	172,876,156
Net asset value per share	103.58p	125.45p	122.55p

### 9. Post balance sheet events

There are no post balance sheet events to report.

### 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](http://www.londonstockexchange.com) for the latest news and share prices of the Company. The share price can be accessed through the Company's website [www.unicornaimvct.co.uk](http://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 2024 was 103.0p. The Company announces its unaudited NAV per share on a monthly basis.

### Dividends

The Board has declared an interim dividend in respect of the six months ended 31 March 2024 of 3.0 pence per share, payable on 13 August 2024 to Shareholders registered at the close of business on 12 July 2024. The ex-dividend date is 11 July 2024.

As disclosed in the Annual Report, the Board has previously decided the Company will pay 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 ("DRIS") (details below).

**For those Shareholders who previously received their dividend by cheque, and who have not provided their bank details to the Registrar, a bank mandate form will be available on the Company's website. Once completed the form should be sent to the Company's Registrars, City Partnership at the address shown on page 26. If Shareholders have any questions regarding the completion of the form they are advised to contact the City Partnership on 01484 240910 or by email: [registrars@city.uk.com](mailto:registrars@city.uk.com).**

### Sanctions Checking

#### Date of Birth information

Following recent legislative changes and the widening of the UK's financial sanctions regime, the Company instructed its registrar, The City Partnership (UK) Ltd, to scan the Shareholder register periodically against databases of persons who are subject to UK financial sanctions.

To ensure the scanning process is effective, the register must include each Shareholder's forename(s), surname, and date of birth.

Those Shareholders where this information is not currently held have been contacted to provide this information to us either by email at [unicornaimvct@iscaadmin.co.uk](mailto:unicornaimvct@iscaadmin.co.uk) by telephone on 01392 487056 or alternatively directly to the Company's Registrars by email at [registrars@city.uk.com](mailto:registrars@city.uk.com) or by telephone on 01484 240 910.

**The Board has decided that dividend payments will be withheld from Shareholders who have not provided this information until such information is provided.**

Your date of birth will be handled with care and only used for the purpose of carrying out the scanning process. Should you have any queries, please do not hesitate to contact either ISCA Administration Services or City Partnership.

#### 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](http://www.unicornaimvct.co.uk/dividend-reinvestment-scheme) or contact the scheme administrators, The City Partnership, on 01484 240910.



## Shareholder Information (continued)

### 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](mailto: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](mailto:info@unicornam.com).

For enquiries relating to your shareholding, please contact The City Partnership (UK) Limited on 01484 240910 or [registrars@city.uk.com](mailto:registrars@city.uk.com) or by post to the address on page 26. 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](http://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 26.

### 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](mailto: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 23 and 24 of the 2023 Annual Report and Accounts.

**Cumulative dividends paid**

The total amount of dividend distributions paid by the Company, since 30 September 2014.

**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.

**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 2022 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, earnings multiples, discounted cash flows and net assets.

**Income Tax Act ("ITA")**

The Income Tax Act (2007).

**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.

**State Aid Regulation**

The previous EU State Aid Regulations as replaced by the UK Subsidy Control Act 2022.

**Unicorn Asset Management or Unicorn**

The Investment Manager of the Company as detailed in note 2.

**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 status.

### 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 within approximately three years of a 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 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 valuation. 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 Aid and subsidy 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  
Josephine Tubbs

**Company Registration Number**

04266437

**Legal Entity Identifier**

21380057QDV7D34E9870

**Registered office:**

The Office Suite  
Den House  
Den Promenade  
Teignmouth TQ14 8SY

**Website**

[www.unicornaimvct.co.uk](http://www.unicornaimvct.co.uk)

**Secretary & Administrator**

ISCA Administration Services Limited  
The Office Suite  
Den House  
Den Promenade  
Teignmouth TQ14 8SY  
01392 487056  
[unicornaimvct@iscaadmin.co.uk](mailto:unicornaimvct@iscaadmin.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  
40 Gracechurch Street  
London EC3V 0BT

**Auditor**

Johnston Carmichael  
7-11 Melville Street  
Edinburgh EH3 7PE

**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



Unicorn Asset Management Limited

First Floor Office, Preacher's Court, The Charterhouse  
15 Charterhouse Square, London EC1M 6AU

020 7253 0889

[unicornam.com](http://unicornam.com)

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Investing with conviction