

Crown Place VCT PLC



Half-yearly Financial Report
(unaudited) for the
six months to 31 December 2020

2020

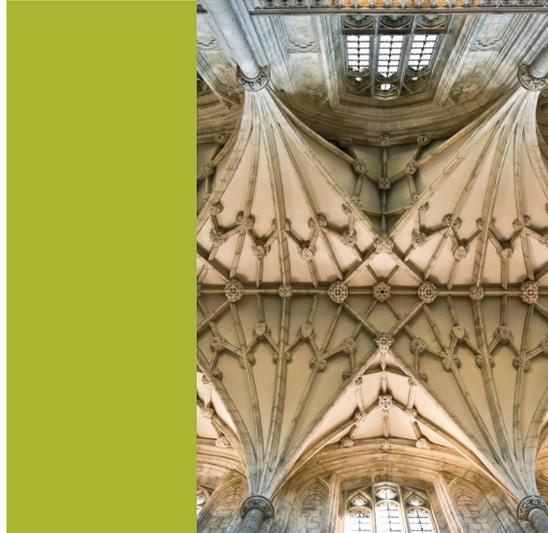


Contents

Page

- 2 Company information
- 3 Investment policy
- 3 Financial calendar
- 4 Financial summary
- 5 Interim management report
- 8 Responsibility statement
- 9 Portfolio of investments
- 13 Condensed income statement
- 14 Condensed balance sheet
- 15 Condensed statement of changes in equity
- 16 Condensed statement of cash flows
- 17 Notes to the unaudited condensed Financial Statements

This Half-yearly Financial Report has not been audited or reviewed by the Auditor.



Company information

Company number	03495287
Directors	Penny Freer, Chairman James Agnew Pam Garside Ian Spence
Country of incorporation	United Kingdom
Legal form	Public Limited Company
Manager, company secretary, AIFM and registered office	Albion Capital Group LLP 1 Benjamin Street London, EC1M 5QL
Registrar	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol, BS99 6ZZ
Auditor	BDO LLP 55 Baker Street London, W1U 7EU
Corporate Broker	Panmure Gordon (UK) Limited One New Change London, EC4M 9AF
Taxation adviser	Philip Hare & Associates LLP 1 Temple Avenue London, EC4Y 0HA
Legal adviser	Bird & Bird LLP 12 New Fetter Lane London, EC4A 1JP
Depository	Ocorian Depository (UK) Limited Level 5, 20 Fenchurch Street London, EC3M 3BY

Crown Place VCT PLC is a member of The Association of Investment Companies (www.theaic.co.uk).

Shareholder enquiries

For help relating to dividend payments, shareholdings and share certificates please contact Computershare Investor Services PLC:

Tel: 0370 873 5857 (UK national rate call, lines are open 8:30am – 5:30pm; Mon-Fri; calls are recorded)

Website: www.investorcentre.co.uk

Shareholders can access holdings and valuation information regarding any of their shares held with Computershare by registering on Computershare's website.

Shareholders can also contact the Chairman directly on crownchair@albion.capital

Financial adviser enquiries

For enquiries relating to the performance of the Company and information for financial advisers please contact Albion Capital Group LLP:

Tel: 020 7601 1850 (lines are open 9:00am – 5:30pm; Mon-Fri; calls are recorded)

Email: info@albion.capital

Website: www.albion.capital

Please note that the above contacts are unable to provide financial or taxation advice.

Investment policy

The Company invests in a broad portfolio of smaller, unquoted growth businesses across a variety of sectors including higher risk technology companies. Investments take the form of equity or a mixture of equity and loans.

Whilst allocation of funds is determined by the investment opportunities which are available, efforts are made to ensure that the portfolio is diversified both in terms of sector and stage of maturity of investee businesses. Funds held pending investment or for liquidity purposes are principally held as cash on deposit.

Risk diversification and maximum exposures

Risk is spread by investing in a number of different businesses within venture capital trust qualifying industry sectors using a mixture of securities, as permitted. The maximum amount which the Company will invest in a single portfolio company is 15 % of the Company's assets at cost thus ensuring a spread of investment risk. The value of an individual investment may increase over time as a result of trading progress and it is possible that it may grow in value to a point where it represents a significantly higher proportion of total assets prior to a realisation opportunity being available.

The Company's maximum exposure in relation to gearing is restricted to the amount of its adjusted share capital and reserves. The Directors do not have any intention of utilising long-term gearing.

Financial calendar

Record date for second interim dividend	5 March 2021
Payment date of second interim dividend	31 March 2021
Financial year end	30 June 2021

Financial summary

	Six months ended 31 December 2020 (pence per share)	Six months ended 31 December 2019 (pence per share)	Year ended 30 June 2020 (pence per share)
Opening net asset value	33.14	35.29	35.29
Revenue (loss)/return	(0.02)	0.21	0.25
Capital return/(loss)	0.84	0.22	(0.46)
Total return/(loss)	0.82	0.43	(0.21)
Dividends paid	(2.83)	(1.00)	(2.00)
Impact from share capital movements	–	0.01	0.06
Closing net asset value	31.13	34.73	33.14

Shareholder return and shareholder value

(Pence per share)

Shareholder return from launch to April 2005:

Total dividends paid to 6 April 2005 ⁽ⁱ⁾	24.93
Decrease in net asset value	(56.60)
Total shareholder return to 6 April 2005	(31.67)

Shareholder return from April 2005 to 31 December 2020 (period that Albion Capital has been investment manager):

Total dividends paid	37.63
Decrease in net asset value	(12.27)
Total shareholder return from April 2005 to 31 December 2020	25.36

Shareholder value since launch:

Total dividends paid to 31 December 2020 ⁽ⁱ⁾	62.56
Net asset value as at 31 December 2020	31.13
Total shareholder value as at 31 December 2020	93.69

Notes

- (i) Prior to 6 April 1999, Venture Capital Trusts were able to add 20% to dividends and figures for the period up until 6 April 1999 are included at the gross equivalent rate actually paid to shareholders.

In addition to the dividends above, the Board has declared a second dividend for the year ending 30 June 2021 of 0.78 pence per share to be paid on 31 March 2021 to shareholders on the register on 5 March 2021. Further details on the dividends paid by the Company can be found at www.albion.capital/funds/CRWN under 'Dividend History'.

Interim management report

Results

We are pleased to report that, despite the continuing impact of the coronavirus (Covid-19) on the economy and the way in which we live, for the six month period to 31 December 2020 your Company achieved a total return of 0.82 pence per share, which is a 2.5% return on opening net asset value per share. Since the Company's year end many of our portfolio companies have demonstrated resilient growth, providing products and services that are both innovative and necessary, even in these uncertain times.

Following payment of dividends totalling 2.83 pence per share during the period, the net asset value as at 31 December 2020 was 31.13 pence per share (30 June 2020: 33.14 pence per share).

Board Composition

During the period Richard Huntingford retired after almost eight years on the Board including six years as Chairman. I would like to thank Richard for his stewardship, contributions and professionalism.

Portfolio review

During the six month period, the Company deployed £3.9 million into qualifying investments (31 December 2019: £2.5 million). Of this amount, £1.4 million was invested into the following three new portfolio companies, all of which are likely to require further investment as they continue to grow:

- £828,000 into The Voucher Market (T/A WeGift), a provider of a cloud platform that enables corporates to purchase digital gift cards and to distribute them to employees and customers;
- £424,000 into Seldon Technologies, a software company that enables enterprises to deploy machine learning models in production; and
- £152,000 into uMedeor (T/A uMed), a provider of a middleware technology platform that enables life science organisations to conduct medical research programmes.

Further investments were made into existing portfolio companies to support their continuing growth, most notably: £1,359,000 into Quantexa, a leader in entity resolution software used to detect financial crime; £346,000 into uMotif which is a patient engagement and data capture platform for use in real world and observational research; £261,000 into Phrasee which is an Artificial Intelligence platform that optimises digital marketing copy creations; and £132,000 into Limitless Technology which provides a customer service platform powered by the crowd and machine learning technology.

After the period end, we invested £1,239,000 into a new portfolio company, Threadneedle Software Holding (T/A Solidatus), a provider of data lineage software to enterprise customers in regulated sectors, which allows them to rapidly discover, visualise, catalogue and understand how data flows through their systems.

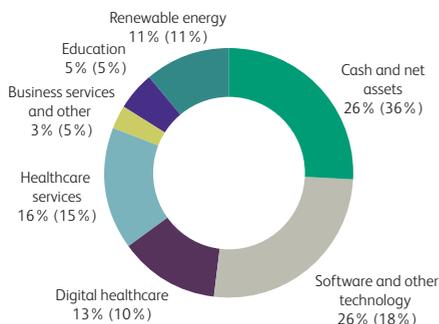
There were two disposals in the period. Our investment in G. Network Communications was sold for a total return on all monies invested of 3.8 times cost or 31% IRR. The holding in Clear Review was sold generating a return of 2.1 times cost within a relatively short 16 months holding period. Further details on realisations and loan stock repayments can be found in the realisations table on page 12.

The Company's unrealised and realised gains amounted to £2.1 million for the six months to 31 December 2020. The key movements in the period include: a £519,000 uplift on Proveca following strong trading across Europe; a £442,000 uplift in Healios following an external investment at an increased valuation after the period end; and an uplift of £304,000 in The Evewell as it continues to trade strongly following the re-opening of its clinic. Against this, Black Swan Data was written down by £260,000 following the restructuring of the business to focus on its growing data analytics products.

Interim management report continued

Investment portfolio by sector

The chart below illustrates the composition of the portfolio by industry sector as at 31 December 2020.



Source: Albion Capital Group LLP

Comparatives for 30 June 2020 are in brackets

Dividends

In-line with the variable dividend policy targeting an annual dividend yield of 5% on the prevailing net asset value, the first interim dividend for the current financial year of 0.83 pence per share was paid on 30 November 2020. A second interim dividend of 0.78 pence per share will be paid on 31 March 2021 to shareholders on the register on 5 March 2021. The Board aims to maintain this level of annualised dividend distribution, in percentage terms, going forward, subject to the availability of cash resources and distributable reserves.

A special dividend of 2.0 pence per share was also paid on 30 October 2020 following a number of significant disposals and the additional liquidity they generated.

Dividends are paid free of tax to shareholders. Qualifying shareholders who elect to participate in the Dividend Reinvestment Scheme will be able, in respect of further dividends, to receive their dividends in the form of new shares rather than cash, which will entitle them to income tax relief at the current rate of 30% (new shares have to be held for at least five years to retain the tax relief). Further details of the Dividend Reinvestment Scheme can be found on the Company's webpage on the Manager's website at www.albion.capital/funds/CRWN.

Risks and uncertainties

The wide-reaching implications arising from the coronavirus (Covid-19) crisis is the key risk facing the Company, including its impact on the UK and Global economies. There are also potential implications of the UK's departure from the European Union which may adversely affect our underlying portfolio companies. The Manager is continually assessing the exposure to such risks for each portfolio company alongside its management and other co-investors, and appropriate mitigating actions, where possible, are being implemented.

Other risks and uncertainties remain unchanged and are as detailed on pages 19 to 21 of the Annual Report and Financial Statements for the year ended 30 June 2020. The impact of the coronavirus (Covid-19) pandemic has created heightened uncertainty but has not changed the nature of these risks. The Board considers that the processes for mitigating these risks remain appropriate.

Share buy-backs

It remains the Board's primary objective to maintain sufficient resources for investment in existing and new portfolio companies and for the continued payment of dividends to shareholders. The Board's policy is to buy back shares in the market, subject to the overall constraint that such purchases are in the Company's interest, and it is the Board's intention for such buy-backs to be in the region of a 5% discount to net asset value, so far as market conditions and liquidity permit.

During the period, the Company bought back and held in treasury 1,929,245 shares at a total cost of £568,000, in-line with the share buy-back policy.

Transactions with the Manager

Details of the transactions that took place with the Manager in the period can be found in note 5.

Interim management report continued

Albion VCTs' Prospectus Top Up Offers

Your Board, in conjunction with the boards of other VCTs managed by Albion Capital Group LLP, launched a prospectus top up offer of new Ordinary shares on 5 January 2021. The Board announced on 26 January 2021 that, following strong demand for the Company's shares, it had elected to exercise its £3 million over-allotment facility, taking the total offer to £9 million.

On 10 February 2021, the Company was pleased to announce that it had reached its £9 million limit under its Offer which was fully subscribed and closed to further applications. The proceeds of the Offer will be used to provide further resources at a time when a number of attractive investment opportunities are being seen.

Outlook

Whilst there are still uncertainties as to the full extent of the ongoing economic and societal impact of coronavirus (Covid-19), we are encouraged by the resilience of the portfolio and many of the companies in which we have invested continue to show strong growth. It continues to be our priority to support our existing portfolio and to make new investments in businesses that can innovate and grow despite the pandemic. The Board remains confident that the Company and its portfolio are well positioned to continue to generate long-term value for shareholders.

Penny Freer

Chairman

15 February 2021

Responsibility statement

The Directors, Penny Freer, James Agnew, Pam Garside and Ian Spence, are responsible for preparing the Half-yearly Financial Report. In preparing these condensed Financial Statements for the period to 31 December 2020 we, the Directors of the Company, confirm that to the best of our knowledge:

- (a) the condensed set of Financial Statements, which has been prepared in accordance with Financial Reporting Standard 104 "Interim Financial Reporting", gives a true and fair view of the assets, liabilities, financial position and profit and loss of the Company as required by DTR 4.2.4R;
- (b) the Interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

- (c) the Interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

This Half-yearly Financial Report has not been audited or reviewed by the Auditor.

For and on behalf of the Board

Penny Freer
Chairman
15 February 2021

Portfolio of investments

Portfolio company	Nature of business	% voting rights	As at 31 December 2020 (unaudited)		As at 30 June 2020 (audited)		Change in value for the period* £'000
			Cost £'000	Value £'000	Cost £'000	Value £'000	
Quantexa Limited	Network analytics platform to detect financial crime	1.8	1,797	4,768	438	3,409	–
Shinfield Lodge Care Limited	Owner and operator of a 66 bed care home in Shinfield, Berkshire	11.8	2,140	4,305	2,140	4,279	26
Proveca Limited	Reformulation of paediatric medicines	6.1	974	3,378	974	2,859	519
Chonais River Hydro Limited	Owner and operator of a 2 MW hydro-power scheme in the Scottish Highlands	14.0	1,549	3,106	1,549	3,275	(169)
Radnor House School (TopCo) Limited	Independent school for children aged 3-18 years	8.7	1,592	2,678	1,592	2,645	33
Active Lives Care Limited	Owner and operator of a 75 bed care home in Cumnor Hill, Oxfordshire	7.5	1,620	2,573	1,620	2,593	(20)
Ryefield Court Care Limited	Owner and operator of a 60 bed care home in Hillingdon, Middlesex	7.7	1,275	2,020	1,275	2,001	19
Gharagain River Hydro Limited	Owner and operator of a 1 MW hydro-power scheme in the Scottish Highlands	15.0	1,116	1,663	1,116	1,717	(54)
The Evewell (Harley Street) Limited	Operator of a women's health centre focusing on fertility	6.2	894	1,120	856	778	304
Oviva AG	A technology enabled service business in Medical Nutritional Therapy (MNT)	2.3	781	1,001	692	801	111
Egress Software Technologies Limited	Encrypted email and file transfer service provider	0.9	306	996	306	846	150
The Street by Street Solar Programme Limited	Owner and operator of photovoltaic systems on domestic properties	4.4	461	871	461	819	52
Phrasee Limited	AI platform that generates optimised marketing campaigns	2.7	617	831	356	356	214
The Voucher Market Limited (T/A WeGift)	A cloud platform that enables corporates to purchase digital gift cards	2.1	828	828	–	–	–
Cantab Research Limited (T/A Speechmatics)	Provider of low footprint automated speech recognition software	1.9	779	779	779	779	–
Concirus Limited	A software provider bringing real-time behavioural data analytics to the marine and transport insurance industries	1.5	755	755	755	755	–
Beddlestead Limited	Developer and operator of a dedicated wedding venue	8.2	1,060	742	1,060	818	(76)
Elliptic Enterprises Limited	Provider of anti-money laundering services to digital asset institutions	0.9	724	724	724	724	–
Convertr Media Limited	Digital lead generation software	4.3	680	701	680	698	3
Healios Limited	Provider of an online platform delivering family centric psychological care	1.9	203	645	203	203	442
Panaseer Limited	Provider of cyber security services	1.5	342	598	342	470	128
uMotif Limited	A patient engagement and data capture platform for use in research	2.4	556	596	210	238	12

Portfolio of investments continued

Portfolio company	Nature of business	% voting rights	As at 31 December 2020 (unaudited)		As at 30 June 2020 (audited)		Change in value for the period* £'000
			Cost £'000	Value £'000	Cost £'000	Value £'000	
Regenerco Renewable Energy Limited	Generator of renewable energy from roof top solar installations	3.4	344	587	344	561	26
MPP Global Solutions Limited	Provider of a digital subscription management platform	1.7	550	550	550	550	–
Alto Prodotto Wind Limited	Owner and operator of community scale wind energy projects	4.1	316	538	326	552	1
Avora Limited	Developer of software to improve decision making through augmented analytics and machine learning	2.8	510	510	510	510	–
Credit Kudos Limited	Challenger credit bureau helping lenders optimise and automate their affordability and risk assessments	2.1	454	454	454	454	–
Limitless Technology Limited	Provider of a customer service platform powered by the crowd and machine learning technology	1.5	412	453	280	280	41
Black Swan Data Limited	Data analysis that supports corporate decision making	1.7	700	440	700	700	(260)
MHS 1 Limited	Education	6.9	481	430	481	431	(1)
Seldon Technologies Limited	Software that enables enterprises to deploy Machine Learning models in production	2.2	424	424	–	–	–
MyMeds&Me Limited	Provider of a platform for collecting data from pharmaceutical adverse events	4.6	440	418	440	418	–
Oxsensis Limited	Developer and producer of high temperature sensors	1.6	386	382	274	163	107
Locum's Nest Limited	Provider of a technology solution for the management of locum doctors for the NHS	4.6	400	375	400	387	(12)
Koru Kids Limited	Online marketplace connecting parents and nannies	1.6	338	373	338	373	–
ePatient Network Limited (T/A Raremark)	Online community connecting people affected by rare diseases	2.4	276	330	230	283	1
Aridhia Informatics Limited	Healthcare informatics and analysis provider	2.3	442	324	442	277	47
Mirada Medical Limited	Developer of medical imaging software	5.8	511	313	511	313	–
InCrowd Sports Limited	Developer of mobile apps for professional sports clubs	2.5	318	312	318	311	1
SBD Automotive Limited	Automotive technology research and consultancy provider	1.5	147	307	220	447	(67)
Arecor Limited	Development of biopharmaceuticals through the application of a formulation technology platform	1.1	290	290	210	210	–
DySIS Medical Limited	Medical devices for the detection of cervical cancer	1.5	1,038	283	1,038	223	60
OmPrompt Holdings Limited	A provider of process automation software	1.6	153	277	153	148	129
TransFICC Limited	A provider of a connectivity solution, connecting financial institutions with trading venues via a single API	1.5	220	220	220	220	–

Portfolio of investments continued

Portfolio company	Nature of business	% voting rights	As at 31 December 2020 (unaudited)		As at 30 June 2020 (audited)		Change in value for the period* £'000
			Cost £'000	Value £'000	Cost £'000	Value £'000	
Cisiv Limited	Software and services for non-interventional clinical trials	3.1	278	179	278	134	45
AVESI Limited	Owner and operator of photovoltaic systems on domestic properties	3.8	123	179	123	173	6
uMedeor Limited (T/A uMed)	Middleware technology platform that enables life science organisations to conduct medical research programmes	1.4	152	152	–	–	–
memsstar Limited	Refurbisher and manufacturer of MEMS and semiconductor fabrication equipment	3.0	64	138	72	125	18
Abcodia Limited	Validation and discovery of serum biomarkers	1.7	304	108	304	108	–
Inandra Inc.	Provider of automated software testing and an enhanced learning experience for artificial neural networks	1.1	106	106	106	106	–
Greenenco Limited	Owner and operator of a 500kW wind project	1.9	54	94	55	97	–
Innovation Broking Group Limited	Commercial insurance broker	2.7	27	82	27	70	12
Zift Channel Solutions Inc.	Business collaboration and communication solutions	0.6	321	59	321	61	(2)
Forward Clinical Limited (T/A Pando)	A secure mobile communication and collaboration platform in healthcare	1.5	184	51	184	61	(10)
Symetria Limited	A designer and manufacturer of radiation detection equipment	0.2	50	40	50	40	–
Sandcroft Avenue Limited (T/A Hussle)	A provider of flexible access to gyms	0.9	172	23	172	16	7
Mi-Pay Group PLC	Provider of mobile payment services	3.0	20	20	20	20	–
Palm Tree Technology Limited	Software company	0.2	102	12	102	12	–
Kew Green VCT (Stansted) Limited	Operator of a Holiday Inn Express hotel at Stansted Airport	2.0	22	5	22	24	(19)
Avanti Communications Limited	Supplier of satellite communications	0.1	136	1	136	1	–
Other holdings			422	400	422	400	–
Total fixed asset investments			32,736	45,917	28,961	40,322	1,824

* As adjusted for additions and disposals between the two accounting periods.

The total comparative cost and valuations for 30 June 2020 do not agree to the Annual Report and Financial Statements for the year ended 30 June 2020 as the above list does not include brought forward investments that were fully disposed of in the period.

Portfolio of investments continued

	Cost £'000	Opening carrying value £'000	Disposal proceeds £'000	Total realised gain £'000	Gains on opening value £'000
Realisations in the period to 31 December 2020					
Disposals:					
G. Network Communications Limited	186	1,009	1,046	860	37
Clear Review Limited	231	290	478	247	188
Loan stock repayments and other:					
SBD Automotive Limited	73	73	73	–	–
Alto Prodotto Wind Limited	10	14	14	4	–
memsstar Limited	7	7	7	–	–
Greenenerco Limited	1	2	2	1	–
Escrow adjustments and other**	–	–	38	38	38
Total fixed asset investment realisations	508	1,395	1,658	1,150	263

** Fair value movements on deferred consideration from previously disposed investments and expenses which are incidental to the purchase or disposal of an investment.

Total change in value of investments	1,824
Movement in loan stock accrued interest	(9)
Unrealised gains sub-total	1,815
Realised gains in current period	263
Total gains on investments as per condensed income statement	2,078

Condensed income statement

	Note	Unaudited six months ended 31 December 2020			Unaudited six months ended 31 December 2019			Audited year ended 30 June 2020		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments	3	-	2,078	2,078	-	844	844	-	(21)	(21)
Investment income	4	311	-	311	699	-	699	1,112	-	1,112
Investment management fees	5	(140)	(420)	(560)	(144)	(431)	(575)	(285)	(856)	(1,141)
Other expenses		(204)	-	(204)	(167)	-	(167)	(354)	-	(354)
(Loss)/profit on ordinary activities before tax		(33)	1,658	1,625	388	413	801	473	(877)	(404)
Tax on ordinary activities		-	-	-	-	-	-	-	-	-
(Loss)/profit and total comprehensive income attributable to shareholders		(33)	1,658	1,625	388	413	801	473	(877)	(404)
Basic and diluted (loss)/earnings per Ordinary share (pence)*	7	(0.02)	0.84	0.82	0.21	0.22	0.43	0.25	(0.46)	(0.21)

* Adjusting for treasury shares.

Comparative figures have been extracted from the unaudited Half-yearly Financial Report for the six months ended 31 December 2019 and the audited statutory accounts for the year ended 30 June 2020.

The accompanying notes on pages 17 to 22 form an integral part of this Half-yearly Financial Report.

The total column of this condensed income statement represents the profit and loss account of the Company. The supplementary revenue and capital columns are prepared under guidance published by The Association of Investment Companies.

Condensed balance sheet

Note	Unaudited 31 December 2020 £'000	Unaudited 31 December 2019 £'000	Audited 30 June 2020 £'000
Fixed asset investments	45,917	40,764	41,621
Current assets			
Trade and other receivables	1,107	164	81
Cash and cash equivalents	14,977	24,183	23,966
	16,084	24,347	24,047
Total assets	62,001	65,111	65,668
Payables: amounts falling due within one year			
Trade and other payables less than one year	(371)	(360)	(395)
Total assets less current liabilities	61,630	64,751	65,273
Equity attributable to equity holders			
Called up share capital 8	2,229	2,080	2,200
Share premium	14,219	9,338	13,366
Unrealised capital reserve	12,960	12,260	12,032
Realised capital reserve	5,720	6,052	4,990
Other distributable reserve	26,502	35,021	32,685
Total equity shareholders' funds	61,630	64,751	65,273
Basic and diluted net asset value per share (pence)*	31.13	34.73	33.14

* Excluding treasury shares.

Comparative figures have been extracted from the unaudited Half-yearly Financial Report for the six months ended 31 December 2019 and the audited statutory accounts for the year ended 30 June 2020.

The accompanying notes on pages 17 to 22 form an integral part of this Half-yearly Financial Report.

These Financial Statements were approved by the Board of Directors, and authorised for issue on 15 February 2021 and were signed on its behalf by:

Penny Freer
Chairman

Company number 03495287

Condensed statement of changes in equity

	Called up share capital £'000	Share premium £'000	Unrealised capital reserve £'000	Realised capital reserve* £'000	Other distributable reserve* £'000	Total £'000
As at 1 July 2020	2,200	13,366	12,032	4,990	32,685	65,273
Profit/(loss) and total comprehensive income	-	-	1,815	(157)	(33)	1,625
Transfer of previously unrealised gains on disposal of investments	-	-	(887)	887	-	-
Dividends paid	-	-	-	-	(5,582)	(5,582)
Purchase of shares for treasury (including costs)	-	-	-	-	(568)	(568)
Issue of equity	29	871	-	-	-	900
Cost of issue of equity	-	(18)	-	-	-	(18)
As at 31 December 2020	2,229	14,219	12,960	5,720	26,502	61,630
As at 1 July 2019	2,072	9,061	19,756	(1,857)	36,963	65,995
Profit and total comprehensive income	-	-	146	267	388	801
Transfer of previously unrealised gains on disposal of investments	-	-	(7,642)	7,642	-	-
Dividends paid	-	-	-	-	(1,861)	(1,861)
Purchase of shares for treasury (including costs)	-	-	-	-	(469)	(469)
Issue of equity	9	292	-	-	-	301
Cost of issue of equity	-	(16)	-	-	-	(16)
As at 31 December 2019	2,080	9,338	12,260	6,052	35,021	64,751
As at 1 July 2019	2,072	9,061	19,756	(1,857)	36,963	65,995
(Loss)/profit and total comprehensive income	-	-	(651)	(226)	473	(404)
Transfer of previously unrealised gains on disposal of investments	-	-	(7,073)	7,073	-	-
Dividends paid	-	-	-	-	(3,814)	(3,814)
Purchase of shares for treasury (including costs)	-	-	-	-	(937)	(937)
Issue of equity	129	4,418	-	-	-	4,547
Cost of issue of equity	-	(114)	-	-	-	(114)
As at 30 June 2020	2,200	13,366	12,032	4,990	32,685	65,273

* Included within these reserves is an amount of £27,036,000 (31 December 2019: £29,836,000; 30 June 2020: £26,438,000) which is considered distributable. In time, a further £5,186,000 will become distributable.

Condensed statement of cash flows

	Unaudited six months ended 31 December 2020 £'000	Unaudited six months ended 31 December 2019 £'000	Audited year ended 30 June 2020 £'000
Cash flow from operating activities			
Loan stock income received	297	646	935
Deposit interest received	1	45	89
Dividend income received	4	9	16
Investment management fees paid	(572)	(578)	(1,145)
Other cash payments	(225)	(194)	(341)
Corporation tax paid	–	–	–
Net cash flow from operating activities	(495)	(72)	(446)
Cash flow from investing activities			
Purchase of fixed asset investments	(3,867)	(2,475)	(4,195)
Disposal of fixed asset investments	629	12,676	12,837
Net cash flow from investing activities	(3,238)	10,201	8,642
Cash flow from financing activities			
Issue of share capital	–	–	3,839
Cost of issue of equity	(17)	(15)	(30)
Equity dividends paid	(4,671)	(1,545)	(3,185)
Purchase of own shares for treasury (including costs)	(568)	(469)	(937)
Net cash flow from financing activities	(5,256)	(2,029)	(313)
(Decrease)/increase in cash and cash equivalents	(8,989)	8,100	7,883
Cash and cash equivalents at the start of the period	23,966	16,083	16,083
Cash and cash equivalents at the end of the period	14,977	24,183	23,966

Notes to the unaudited condensed Financial Statements

1. Basis of preparation

The condensed Financial Statements have been prepared in accordance with applicable United Kingdom law and accounting standards, including Financial Reporting Standard 102 ("FRS 102"), Financial Reporting Standard 104 – Interim Financial Reporting ("FRS 104"), and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP") issued by The Association of Investment Companies ("AIC"). The Financial Statements have been prepared on a going concern basis.

The preparation of the Financial Statements requires management to make judgements and estimates that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The most critical estimates and judgements relate to the determination of carrying value of investments at Fair Value Through Profit and Loss ("FVTPL") in accordance with FRS 102 sections 11 and 12. The Company values investments by following the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines as updated in 2018 and further detail on the valuation techniques used are outlined in note 2 below.

The Half-yearly Financial Report has not been audited, nor has it been reviewed by the auditor pursuant to the FRC's guidance on Review of interim financial information.

Company information can be found on page 2.

2. Accounting policies

Fixed asset investments

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment policy, and information about the portfolio is provided internally on that basis to the Board.

In accordance with the requirements of FRS 102, those undertakings in which the Company holds more than 20% of the equity as part of an investment portfolio are not accounted for using the equity method. In these circumstances the investment is measured at FVTPL.

Upon initial recognition (using trade date accounting) investments, including loan stock, are classified by the Company as FVTPL and are included at their initial fair value, which is cost (excluding expenses incidental to the acquisition which are written off to the Income statement).

Subsequently, the investments are valued at 'fair value', which is measured as follows:

- Investments listed on recognised exchanges are valued at their bid prices at the end of the accounting period or otherwise at fair value based on published price quotations;
- Unquoted investments, where there is not an active market, are valued using an appropriate valuation technique in accordance with the IPEV Guidelines. Indicators of fair value are derived using established methodologies including earnings multiples, revenue multiples, the level of third party offers received, cost or price of recent investment rounds, net assets and industry valuation benchmarks. Where price of recent investment is used as a starting point for estimating fair value at subsequent measurement dates, this has been benchmarked using an appropriate valuation technique permitted by the IPEV guidelines;
- In situations where cost or price of recent investment is used, consideration is given to the circumstances of the portfolio company since that date in determining fair value. This includes consideration of whether there is any evidence of deterioration or strong definable evidence of an increase in value. In the absence of these indicators, the investment in question is valued at the amount reported at the previous reporting date. Examples of events or changes that could indicate a diminution include:
 - the performance and/or prospects of the underlying business are significantly below the expectations on which the investment was based;
 - a significant adverse change either in the portfolio company's business or in the technological, market, economic, legal or regulatory environment in which the business operates; or
 - market conditions have deteriorated, which may be indicated by a fall in the share prices of quoted businesses operating in the same or related sectors.

Investments are recognised as financial assets on legal completion of the investment contract and are de-recognised on legal completion of the sale of an investment.

Dividend income is not recognised as part of the fair value movement of an investment, but is recognised separately as investment income through the other distributable reserve when a share becomes ex-dividend.

Current assets and payables

Receivables, payables and cash are carried at amortised cost, in accordance with FRS 102. There are no financial liabilities other than payables.

Notes to the unaudited condensed Financial Statements *continued*

2. Accounting policies (continued)

Investment income

Equity income

Dividend income is included in revenue when the investment is quoted ex-dividend.

Unquoted loan stock income

Fixed returns on non-equity shares and debt securities are recognised when the Company's right to receive payment and expect settlement is established. Where interest is rolled up and/or payable at redemption then it is recognised as income unless there is reasonable doubt as to its receipt.

Bank interest income

Interest income is recognised on an accruals basis using the rate of interest agreed with the bank.

Investment management fees, performance incentive fees and other expenses

All expenses have been accounted for on an accruals basis. Expenses are charged through the other distributable reserve except the following which are charged through the realised capital reserve:

- 75% of management fees and performance incentive fees, if any, are allocated to the capital account to the extent that these relate to an enhancement in the value of the investments. This is in line with the Board's expectation that over the long term 75% of the Company's investment returns will be in the form of capital gains; and
- expenses which are incidental to the purchase or disposal of an investment are charged through the realised capital reserve.

Taxation

Taxation is applied on a current basis in accordance with FRS 102. Current tax is tax payable (refundable) in respect of the taxable profit (tax loss) for the current period or past reporting periods using the tax rates and laws that have been enacted or substantively enacted at the financial reporting date. Taxation associated with capital expenses is applied in accordance with the SORP.

Deferred tax is provided in full on all timing differences at the reporting date. Timing differences are differences between taxable profits and total comprehensive income as stated in the Financial Statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the Financial Statements. As a VCT the Company has an exemption from tax on capital gains. The Company intends to continue meeting the conditions required to obtain approval as a

VCT in the foreseeable future. The Company therefore, should have no material deferred tax timing differences arising in respect of the revaluation or disposal of investments and the Company has not provided for any deferred tax.

Reserves

Called up share capital

This reserve accounts for the nominal value of the shares.

Share premium

This reserve accounts for the difference between the price paid for shares and the nominal value of the shares, less issue costs.

Capital redemption reserve

This reserve accounts for amounts by which the issued share capital is diminished through the repurchase and cancellation of the Company's own shares.

Unrealised capital reserve

Increases and decreases in the valuation of investments held at the year end against cost, are included in this reserve.

Realised capital reserve

The following are disclosed in this reserve:

- gains and losses compared to cost on the realisation of investments, or permanent diminution in value;
- expenses, together with the related taxation effect, charged in accordance with the above policies; and
- dividends paid to equity holders where paid out by capital.

Other distributable reserve

The special reserve, treasury share reserve and the revenue reserve were combined in 2012 to form a single reserve named other distributable reserve.

This reserve accounts for movements from the revenue column of the Income statement, the payment of dividends, the buy-back of shares and other non-capital realised movements.

Dividends

Dividends by the Company are accounted for in the period in which the dividend is paid.

Segmental reporting

The Directors are of the opinion that the Company is engaged in a single operating segment of business, being investment in smaller companies principally based in the UK.

Notes to the unaudited condensed Financial Statements continued

3. Gains/(losses) on investments

	Unaudited six months ended 31 December 2020 £'000	Unaudited six months ended 31 December 2019 £'000	Audited year ended 30 June 2020 £'000
Unrealised gains/(losses) on fixed asset investments	1,815	146	(651)
Realised gains on fixed asset investments	263	698	630
	2,078	844	(21)

4. Investment income

	Unaudited six months ended 31 December 2020 £'000	Unaudited six months ended 31 December 2019 £'000	Audited year ended 30 June 2020 £'000
Loan stock interest	306	644	1,007
UK dividend income	4	9	16
Bank deposit interest	1	46	89
	311	699	1,112

5. Investment management fees

	Unaudited six months ended 31 December 2020			Unaudited six months ended 31 December 2019			Audited year ended 30 June 2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	140	420	560	144	431	575	285	856	1,141

Further details of the management agreement under which the investment management fee is paid are given on page 16 of the Strategic report in the Annual Report and Financial Statements for the year ended 30 June 2020.

During the period, services of a total value of £585,000 (31 December 2019: £600,000; 30 June 2020: £1,191,000) were purchased by the Company from Albion Capital Group LLP; comprising £560,000 management fee and £25,000 administration fee. At the financial period end, the amount due to Albion Capital Group LLP disclosed as payables was £284,500 (administration fee accrual: £12,500, management fee accrual: £272,000) (31 December 2019: £297,000; 30 June 2020: £296,500).

Albion Capital Group LLP is, from time to time, eligible to receive arrangement fees and monitoring fees from portfolio companies. During the period to 31 December 2020, fees of £89,000 attributable to the investments of the Company were received pursuant to these arrangements (31 December 2019: £74,000; 30 June 2020: £131,000).

Albion Capital Group LLP, its partners and staff hold 1,166,274 Ordinary shares in the Company as at 31 December 2020.

Notes to the unaudited condensed Financial Statements continued

6. Dividends

	Unaudited six months ended 31 December 2020 £'000	Unaudited six months ended 31 December 2019 £'000	Audited year ended 30 June 2020 £'000
First interim dividend of 1.00 pence per share paid on 29 November 2019	–	1,861	1,861
Second interim dividend of 1.00 pence per share paid on 31 March 2020	–	–	1,964
Special dividend of 2.00 pence per share paid on 30 October 2020	3,940	–	–
First interim dividend of 0.83 pence per share paid on 30 November 2020	1,642	–	–
Unclaimed dividends	–	–	(11)
	5,582	1,861	3,814

In addition, the Board has declared a second interim dividend of 0.78 pence per share for the year ending 30 June 2021. This will be paid on 31 March 2021 to shareholders on the register on 5 March 2021. This is expected to amount to approximately £1,754,000.

7. Basic and diluted (loss)/return per share

	Unaudited six months ended 31 December 2020			Unaudited six months ended 31 December 2019			Audited year ended 30 June 2020		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
(Loss)/return attributable to equity shares (£'000)	(33)	1,658	1,625	388	413	801	473	(877)	(404)
Weighted average shares in issue (adjusting for treasury shares)	197,216,343			186,644,811			190,892,747		
(Loss)/return attributable per Ordinary share (pence) (basic and diluted)	(0.02)	0.84	0.82	0.21	0.22	0.43	0.25	(0.46)	(0.21)

The return/(loss) per share has been calculated after adjusting for treasury shares of 24,990,875 (31 December 2019: 21,589,410; 30 June 2020: 23,061,630).

There are no convertible instruments, derivatives or contingent share agreements in issue, and therefore no dilution affecting the return/(loss) per share. The basic return/(loss) per share is therefore the same as the diluted return/(loss) per share.

Notes to the unaudited condensed Financial Statements continued

8. Called up share capital

Allotted, called up and fully paid Ordinary shares of 1 penny each	Unaudited 31 December 2020	Unaudited 31 December 2019	Audited 30 June 2020
Number of shares	222,945,670	208,035,211	220,036,874
Nominal value of allotted shares (£'000)	2,229	2,080	2,200
Voting rights (number of shares net of treasury shares)	197,954,795	186,445,801	196,975,244

During the period to 31 December 2020 the Company purchased 1,929,245 Ordinary shares (nominal value £19,000) for treasury at a cost of £568,000. The total number of Ordinary shares held in treasury as at 31 December 2020 was 24,990,875 (31 December 2019: 21,589,410; 30 June 2020: 23,061,630) representing 11.2% of the Ordinary shares in issue as at 31 December 2020.

Under the terms of the Dividend Reinvestment Scheme Circular dated 26 February 2009, the following new Ordinary shares of nominal value 1 penny per share were allotted during the period:

Allotment date	Number of shares allotted	Aggregate nominal value of shares (£'000)	Issue price (pence per share)	Net invested (£'000)	Opening market price on allotment date (pence per share)
30 October 2020	2,031,730	20	31.14	616	30.00
30 November 2020	877,066	9	30.51	266	29.40
	2,908,796	29		882	

9. Contingencies and guarantees

As at 31 December 2020 the Company had no financial commitments in respect of investments (31 December 2019: £nil; 30 June 2020: £nil).

There are no external contingencies or guarantees of the Company as at 31 December 2020 (31 December 2019: £nil; 30 June 2020: £nil).

10. Post balance sheet events

Since 31 December 2020, the Company has completed the following material transactions:

- Investment of £1,239,000 in a new portfolio company, Threadneedle Software Holding Limited (T/A Solidatus), a provider of data lineage software to enterprise customers in regulated markets; and
- Investment of £486,000 in an existing portfolio company, Healios Limited, a provider of an online platform delivering family centric psychological care primarily to children and adolescents.

On 10 February 2021, the Company was pleased to announce that it had reached its £9 million limit under its Offer which was fully subscribed and closed to further applications. The proceeds of the Offer will be used to provide further resources to our existing portfolio and to enable us to take advantage of new investment opportunities being seen.

11. Related party transactions

Other than transactions with the Manager as disclosed in note 5, there are no other related party transactions requiring disclosure.

Notes to the unaudited condensed Financial Statements continued

12. Going concern

The Board has conducted a detailed assessment of the Company's ability to meet its liabilities as they fall due. Cash flow forecasts are updated and discussed quarterly at Board level and have been stress tested to allow for the forecasted impact of coronavirus (Covid-19). The Board have revisited and updated their assessment of liquidity risk and concluded that it remains unchanged since the last Annual Report and Financial Statements. Further details can be found on page 72 of those accounts.

The portfolio of investments is diversified in terms of sector, and the major cash outflows of the Company (namely investments, dividends and share buy-backs) are within the Company's control. Accordingly, after making diligent enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing this Half-yearly Financial Report and this is in accordance with the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued by the Financial Reporting Council.

13. Other information

The information set out in the Half-yearly Financial Report does not constitute the Company's statutory accounts within the terms of section 434 of the Companies Act 2006 for the periods ended 31 December 2020 and 31 December 2019 and is unaudited. The financial information for the year ended 30 June 2020 does not constitute statutory accounts within the terms of section 434 of the Companies Act 2006 and is derived from the statutory accounts for the financial year, which have been delivered to the Registrar of Companies. The Auditor's report on those accounts was unqualified and did not contain statements under s498 (2) or (3) of the Companies Act 2006.

14. Publication

This Half-yearly Financial Report is being sent to shareholders and copies will be made available to the public at the registered office of the Company, Companies House, the National Storage Mechanism and also electronically at www.albion.capital/funds/CRWN.



The Association of
Investment Companies

A member of The Association
of Investment Companies



This report is printed on Revive offset a totally recycled paper produced using 100% recycled waste at a mill that has been awarded the ISO 14001 certificate for environmental management. The pulp is bleached using a totally chlorine free (TCF) process.