

Crown Place VCT PLC



Half-yearly Financial Report
(unaudited) for the
six months to 31 December 2021

2021



AlbionCapital

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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 per cent. 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	11 March 2022
Payment date of second interim dividend	31 March 2022
Financial year end	30 June 2022

Financial summary

	Six months ended 31 December 2021 (pence per share)	Six months ended 31 December 2020 (pence per share)	Year ended 30 June 2021 (pence per share)
Opening net asset value	34.79	33.14	33.14
Capital return/(loss)	1.25	0.84	5.58
Revenue return/(loss)	<u>0.09</u>	<u>(0.02)</u>	<u>(0.03)</u>
Total return	1.34	0.82	5.55
Dividends paid	(2.37)	(2.83)	(3.61)
Impact from share capital movements	<u>-</u>	<u>-</u>	<u>(0.29)</u>
Closing net asset value	33.76	31.13	34.79

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 2021 (period that Albion Capital has been investment manager):

Total dividends paid	40.78
Decrease in net asset value	(9.64)
Total shareholder return from April 2005 to 31 December 2021	31.14

Shareholder value since launch:

Total dividends paid to 31 December 2021 ⁽ⁱ⁾	65.71
Net asset value as at 31 December 2021	33.76
Total shareholder value as at 31 December 2021	99.47

Notes

- (i) Prior to 6 April 1999, Venture Capital Trusts were able to add 20 per cent. 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 interim dividend for the year ending 30 June 2022 of 0.84 pence per share to be paid on 31 March 2022 to shareholders on the register on 11 March 2022. 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

I am pleased to report that, for the six-month period to 31 December 2021, your Company achieved a total return of 1.34 pence per share, representing a 3.8% uplift on the opening net asset value.

Following the payment of dividends totalling 2.37 pence per share during the period, the net asset value as at 31 December 2021 was 33.76 pence per share (30 June 2021: 34.79 pence per share).

Portfolio review

The Company's unrealised and realised gains amounted to £3.7 million for the six months to 31 December 2021. The key upward valuation movements in the period included: a £1.4 million uplift in Credit Kudos; a £0.6 million uplift in Radnor; and an uplift of £0.4 million in Elliptic. Against this, Concirrus was written down by £0.6 million.

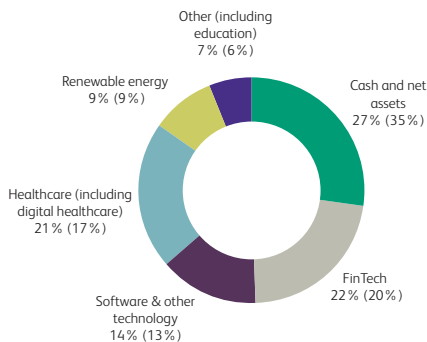
During the period the Company sold its holding in MPP Global Solutions for £0.7 million, delivering 1.3 times return on cost. Innovation Broking Group was also sold for £0.3 million, which delivered a 10 times return on cost. Against this, we have realised a loss of £0.2 million on the investment in Xperiome, which unfortunately went into administration following the period end.

During the six month period, the Company deployed £1.8 million into qualifying investments (31 December 2020: £3.9 million). Further investments were made into existing portfolio companies to support their continuing growth, most notably: £1.0 million into Oviva, a technology enabled service business in medical nutritional therapy; £0.4 million into Elliptic which is a provider of Anti Money Laundering services to digital asset institutions; and £0.3 million into The Evewell which is an operator and developer of women's health centres focusing on fertility.

Further details of the portfolio of investments can be found on pages 8 to 11.

Investment portfolio by sector

The chart below illustrates the composition of the portfolio by industry sector as at 31 December 2021.



Source: Albion Capital Group LLP
Comparatives for 30 June 2021 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 0.87 pence per share, together with a special dividend of 1.50 pence per share, was paid on 30 November 2021. A second interim dividend of 0.84 pence per share will be paid on 31 March 2022 to shareholders on the register on 11 March 2022. 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.

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.

Interim management report continued

Risks and uncertainties

The wide-reaching implications arising from the coronavirus (Covid-19) pandemic is the key risk facing the Company, including its impact on the UK and global economies. While many of our portfolio companies have shown remarkable growth and resilience during the pandemic, there are some underlying portfolio companies that continue to be adversely affected. The Manager is continually assessing the exposure to such risks for each portfolio company alongside its management, 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 2021. 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 share 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 2,332,510 shares at a total cost of £757,000, 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.

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 6 January 2022. The Board announced on 31 January 2022 that, following strong demand for the Company's shares, it had elected to exercise its £5 million over-allotment facility, taking the total offer to £12 million.

The first allotment of the shares under the Offer was on 25 February 2022. Details of the allotment can be found in note 10. 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

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

Penny Freer
Chairman
1 March 2022

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 2021 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
1 March 2022

Portfolio of investments

Portfolio company	Nature of business	% voting rights	As at 31 December 2021 (unaudited)		As at 30 June 2021 (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	1.7	1,797	10,119	1,797	10,090	29
Proveca Limited	Reformulation of medicines for children	6.1	974	4,071	974	3,929	142
Oviva AG	A technology enabled service business in Medical Nutritional Therapy (MNT)	1.9	1,766	3,533	781	2,463	85
Radnor House School (TopCo) Limited	Independent school for children aged 2-18 years	8.7	1,592	3,353	1,592	2,767	586
Chonais River Hydro Limited	Owner and operator of a 2 MW hydro-power scheme in the Scottish Highlands	14.0	1,549	2,962	1,549	3,090	(128)
The Ewell Group Limited	Operator and developer of women's health centres focusing on fertility	5.1	1,240	2,403	894	1,734	323
Credit Kudos Limited	Challenger credit bureau helping lenders optimise and automate their affordability and risk assessments	2.1	454	1,876	454	454	1,422
Phrasee Limited	AI platform that generates optimised marketing campaigns	2.7	617	1,830	617	1,606	224
Gharagain River Hydro Limited	Owner and operator of a 1 MW hydro-power scheme in the Scottish Highlands	15.0	1,116	1,617	1,116	1,658	(41)
Elliptic Enterprises Limited	Provider of anti-money laundering services to digital asset institutions	0.8	1,114	1,529	724	737	402
Threadneedle Software Holdings Limited (T/A Solidatus)	Provider of data lineage software	2.0	1,239	1,239	1,239	1,239	-
Egress Software Technologies Limited	Encrypted email and file transfer service provider	0.9	306	1,210	306	1,064	146
Cantab Research Limited (T/A Speechmatics)	Provider of low footprint automated speech recognition software	1.9	779	1,164	779	1,164	-
Beddlestead Limited	Developer and operator of a dedicated wedding venue	8.2	1,060	1,105	1,060	844	261
Healios Limited	Provider of an online platform delivering family centric psychological care	2.6	688	1,081	688	1,081	-
Black Swan Data Limited	Data analysis that supports corporate decision making	0.3	962	1,022	962	1,151	(129)
uMotif Limited	A patient engagement and data capture platform for use in research	3.4	1,022	965	1,022	1,062	(97)
Arecor Therapeutics PLC	Development of biopharmaceuticals through the application of a formulation technology platform	0.8	290	893	290	544	349
The Voucher Market Limited (T/A WeGift)	A cloud platform that enables corporates to purchase digital gift cards	2.1	828	828	828	828	-
The Street by Street Solar Programme Limited	Owner and operator of photovoltaic systems on domestic properties	4.4	461	820	461	809	11
NuvoAir Holdings Inc.	Digital therapeutics and decentralised clinical trials for respiratory conditions	1.8	555	788	555	555	233
Panaseer Limited	Provider of cyber security services	1.4	510	753	510	753	-
Convertr Media Limited	Digital lead generation software	4.3	680	708	680	705	3
MyMeds&Me Limited	Provider of a platform for collecting data from pharmaceutical adverse events	4.6	440	666	440	569	97

Portfolio of investments continued

Portfolio company	Nature of business	% voting rights	As at 31 December 2021 (unaudited)		As at 30 June 2021 (audited)		Change in value for the period* £'000
			Cost £'000	Value £'000	Cost £'000	Value £'000	
Gravitee Topco Limited (T/A Gravitee.io)	API management platform	2.8	608	608	608	608	-
Aridhia Informatics Limited	Healthcare informatics and analysis provider	2.3	442	577	442	402	175
Regenerco Renewable Energy Limited	Generator of renewable energy from roof top solar installations	3.4	344	557	344	548	9
Koru Kids Limited	Online marketplace connecting parents and nannies	1.6	338	526	338	373	153
Alto Prodotto Wind Limited	Owner and operator of community scale wind energy projects	4.1	296	464	307	498	(18)
Oxsensis Limited	Developer and producer of high temperature sensors	1.6	421	439	386	382	22
TransFICC Limited	A provider of a connectivity solution, connecting financial institutions with trading venues via a single API	1.5	220	428	220	220	208
InCrowd Sports Limited	Developer of mobile apps for professional sports clubs	2.5	318	428	318	432	(4)
Locum's Nest Limited	Provider of a technology solution for the management of locum doctors for the NHS	4.6	400	424	400	424	-
Seldon Technologies Limited	Software that enables enterprises to deploy Machine Learning models in production	2.2	424	424	424	424	-
Limitless Technology Limited	Provider of a customer service platform powered by the crowd and machine learning technology	1.5	412	412	412	453	(41)
Cisiv Limited	Software and services for non-interventional clinical trials	3.0	278	411	278	267	144
MHS 1 Limited	Education	6.9	481	403	481	403	-
Brytlyt Limited	GPU database	2.3	396	396	396	396	-
Imandra Inc.	Provider of automated software testing and an enhanced learning experience for artificial neural networks	1.1	155	381	106	324	8
DySIS Medical Limited	Medical devices for the detection of cervical cancer	1.4	1,038	270	1,038	289	(19)
Accelex Technology Limited	Data extraction and analytics technology for private capital markets	2.4	222	222	222	222	-
Concirus Limited	A software provider bringing real-time behavioural data analytics to the marine and transport insurance industries	1.5	755	189	755	755	(566)
AVESI Limited	Owner and operator of photovoltaic systems on domestic properties	3.8	123	162	123	163	(1)
uMedeor Limited (T/A uMed)	Middleware technology platform that enables life science organisations to conduct medical research programmes	1.4	152	152	152	152	-
Zift Channel Solutions Inc.	Business collaboration and communication solutions	0.6	321	127	321	90	37
Greenenerco Limited	Owner and operator of a 500kW wind project	1.9	51	82	52	87	(2)
memsstar Limited	Refurbisher and manufacturer of MEMS and semiconductor fabrication equipment	3.0	64	57	64	63	(6)
Symetrica Limited	A designer and manufacturer of radiation detection equipment	0.2	50	40	50	40	-

Portfolio of investments continued

Portfolio company	Nature of business	% voting rights	As at 31 December 2021 (unaudited)		As at 30 June 2021 (audited)		Change in value for the period* £'000
			Cost £'000	Value £'000	Cost £'000	Value £'000	
Avora Limited	Developer of software to improve decision making through augmented analytics and machine learning	2.8	510	12	510	193	(181)
Palm Tree Technology Limited	Software company	0.2	102	6	102	6	-
Forward Clinical Limited (T/A Pando)	A secure mobile communication and collaboration platform in healthcare	1.5	184	5	184	5	-
Sandcroft Avenue Limited (T/A Hussle)	A provider of flexible access to gyms	0.9	172	2	172	10	(8)
Abcodia Limited	Validation and discovery of serum biomarkers	1.7	315	1	315	2	(1)
Avanti Communications Limited	Supplier of satellite communications	0.1	136	1	136	1	-
Kew Green VCT (Stansted) Limited	Operator of a Holiday Inn Express hotel at Stansted Airport	2.0	22	1	22	1	-
Mirada Medical Limited	Developer of medical imaging software	5.7	511	-	511	-	-
Other holdings			422	382	422	380	2
Total fixed asset investments			32,720	55,124	30,929	49,509	3,829

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

The total comparative cost and valuations for 30 June 2021 do not agree to the Annual Report and Financial Statements for the year ended 30 June 2021 as the above list does not include brought forward investments that were fully disposed of in the period.

Portfolio of investments continued

Realisations in the period to 31 December 2021	Cost £'000	Opening carrying value* £'000	Disposal proceeds £'000	Total realised gain/(loss) £'000	Gain/ (loss) on opening value £'000
Disposals:					
MPP Global Solutions Limited	550	550	730	180	180
Innovation Broking Group Limited	27	194	278	251	84
Loan stock repayments and other:					
Alto Prodotto Wind Limited	11	16	16	5	–
Greenenerco Limited	2	3	3	1	–
Xperiome Limited**	360	238	–	(360)	(238)
Escrow adjustments and other***	–	–	110	110	110
Total fixed asset investment realisations	950	1,001	1,137	187	136

* as adjusted for additions during the year.

** in administration.

*** These comprise fair value movements on deferred consideration on previously disposed investments, release of the G.Network Communications discount which is treated as a financing transaction, and expenses which are incidental to the purchase or disposal of an investment.

Total change in value of investments	3,829
Movement in loan stock accrued interest	(229)
Unrealised gains sub-total	3,600
Realised gains in current period	136
Total gains on investments as per condensed income statement	3,736

Condensed income statement

	Note	Unaudited six months ended 31 December 2021			Unaudited six months ended 31 December 2020			Audited year ended 30 June 2021		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	3	–	3,736	3,736	–	2,078	2,078	–	13,016	13,016
Investment income	4	453	–	453	311	–	311	820	–	820
Investment Manager's fees	5	(67)	(947)	(1,014)	(140)	(420)	(560)	(497)	(1,490)	(1,987)
Other expenses		(196)	–	(196)	(204)	–	(204)	(386)	–	(386)
Profit/(loss) on ordinary activities before tax		190	2,789	2,979	(33)	1,658	1,625	(63)	11,526	11,463
Tax on ordinary activities		–	–	–	–	–	–	–	–	–
Profit/(loss) and total comprehensive income attributable to shareholders		190	2,789	2,979	(33)	1,658	1,625	(63)	11,526	11,463
Basic and diluted earnings/(loss) per Ordinary share (pence)*	7	0.09	1.25	1.34	(0.02)	0.84	0.82	(0.03)	5.58	5.55

* Adjusting for treasury shares.

Comparative figures have been extracted from the unaudited Half-yearly Financial Report for the six months ended 31 December 2020 and the audited statutory accounts for the year ended 30 June 2021.

The accompanying notes on pages 16 to 21 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 2021 £'000	Unaudited 31 December 2020 £'000	Audited 30 June 2021 £'000
Fixed asset investments	55,124	45,917	50,454
Current assets			
Trade and other receivables	1,938	1,107	1,213
Cash and cash equivalents	19,147	14,977	27,426
	21,085	16,084	28,639
Total assets	76,209	62,001	79,093
Payables: amounts falling due within one year			
Trade and other payables less than one year	(771)	(371)	(1,443)
Total assets less current liabilities	75,438	61,630	77,650
Equity attributable to equity holders			
Called up share capital 8	2,547	2,229	2,521
Share premium	23,814	14,219	23,011
Unrealised capital reserve	22,192	12,960	18,643
Realised capital reserve	9,145	5,720	9,905
Other distributable reserve	17,740	26,502	23,570
Total equity shareholders' funds	75,438	61,630	77,650
Basic and diluted net asset value per share (pence)*	33.76	31.13	34.79

* Excluding treasury shares.

Comparative figures have been extracted from the unaudited Half-yearly Financial Report for the six months ended 31 December 2020 and the audited statutory accounts for the year ended 30 June 2021.

The accompanying notes on pages 16 to 21 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 1 March 2022 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 2021	2,521	23,011	18,643	9,905	23,570	77,650
Profit/(loss) and total comprehensive income	-	-	3,600	(811)	190	2,979
Transfer of previously unrealised gains on disposal of investments	-	-	(51)	51	-	-
Dividends paid	-	-	-	-	(5,263)	(5,263)
Purchase of shares for treasury (including costs)	-	-	-	-	(757)	(757)
Issue of equity	25	821	-	-	-	846
Cost of issue of equity	-	(17)	-	-	-	(17)
As at 31 December 2021	2,547	23,814	22,192	9,145	17,740	75,438
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 2020	2,200	13,366	12,032	4,990	32,685	65,273
Profit/(loss) and total comprehensive income	-	-	11,564	(38)	(63)	11,463
Transfer of previously unrealised gains on disposal of investments	-	-	(4,953)	4,953	-	-
Dividends paid	-	-	-	-	(7,314)	(7,314)
Purchase of shares for treasury (including costs)	-	-	-	-	(1,738)	(1,738)
Issue of equity	321	9,874	-	-	-	10,195
Cost of issue of equity	-	(229)	-	-	-	(229)
As at 30 June 2021	2,521	23,011	18,643	9,905	23,570	77,650

* Included within these reserves is an amount of £26,885,000 (31 December 2020: £27,036,000; 30 June 2021: £28,289,000) which is considered distributable.

Condensed statement of cash flows

	Unaudited six months ended 31 December 2021 £'000	Unaudited six months ended 31 December 2020 £'000	Audited year ended 30 June 2021 £'000
Cash flow from operating activities			
Loan stock income received	223	297	1,033
Deposit interest received	1	1	2
Dividend income received	–	4	13
Investment Manager's fees paid	(1,504)	(572)	(1,110)
Other cash payments	(217)	(225)	(398)
Corporation tax paid	–	–	–
Net cash flow from operating activities	(1,497)	(495)	(460)
Cash flow from investing activities			
Purchase of fixed asset investments	(2,514)	(3,867)	(8,326)
Disposal of fixed asset investments	1,072	629	11,156
Net cash flow from investing activities	(1,442)	(3,238)	2,830
Cash flow from financing activities			
Issue of share capital	–	–	8,789
Cost of issue of equity	(2)	(17)	(20)
Equity dividends paid	(4,417)	(4,671)	(6,106)
Purchase of own shares for treasury (including costs)	(921)	(568)	(1,573)
Net cash flow from financing activities	(5,340)	(5,256)	1,090
(Decrease)/increase in cash and cash equivalents	(8,279)	(8,989)	3,460
Cash and cash equivalents at the start of the period	27,426	23,966	23,966
Cash and cash equivalents at the end of the period	19,147	14,977	27,426

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 is shown 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 per cent. 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.

Notes to the unaudited condensed Financial Statements *continued*

2. Accounting policies (continued)

Current assets and payables

Receivables (including debtors due after more than one year), payables and cash are carried at amortised cost, in accordance with FRS 102. Debtors due after more than one year meet the definition of a financing transaction held at amortised cost, and interest will be recognised through capital over the credit period using the effective interest method. There are no financial liabilities other than payables.

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 fee, performance incentive fee 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:

- 90% of management fees and 100% of performance incentive fees, if any, are allocated to the realised capital reserve. This changed from 75% for both management fees and performance incentive fees in the year ended 30 June 2021, to better align with the Board's expectation that over the long term the majority of the Company's investment returns will be in the form of capital gains.
- 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.

Share capital and reserves

Called up share capital

This accounts for the nominal value of the Company's shares.

Share premium

This reserve accounts for the difference between the price paid for the Company's shares and the nominal value of those 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 period 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 liability to make the payment has been established or approved at the Annual General Meeting.

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 on investments

	Unaudited six months ended 31 December 2021 £'000	Unaudited six months ended 31 December 2020 £'000	Audited year ended 30 June 2021 £'000
Unrealised gains on fixed asset investments	3,600	1,815	11,564
Realised gains on fixed asset investments	136	263	1,452
	3,736	2,078	13,016

4. Investment income

	Unaudited six months ended 31 December 2021 £'000	Unaudited six months ended 31 December 2020 £'000	Audited year ended 30 June 2021 £'000
Loan stock interest	452	306	806
UK dividend income	–	4	13
Bank deposit interest	1	1	1
	453	311	820

5. Investment management fees

	Unaudited six months ended 31 December 2021			Unaudited six months ended 31 December 2020			Audited year ended 30 June 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	67	608	675	140	420	560	291	873	1,164
Performance incentive fee	–	339	339	–	–	–	206	617	823
	67	947	1,014	140	420	560	497	1,490	1,987

Further details of the management agreement under which the investment management fee is paid are given on pages 15 and 16 of the Strategic report in the Annual Report and Financial Statements for the year ended 30 June 2021.

During the period, services of a total value of £700,000 (31 December 2020: £585,000; 30 June 2021: £1,214,000) were purchased by the Company from Albion Capital Group LLP; comprising £675,000 management fee and £25,000 administration fee. For the period to 31 December 2021, a performance incentive fee of £339,000 has been accrued, however any performance incentive fee is calculated on year end results and payable in line with the Management agreement (31 December 2020: £nil; 30 June 2021: £823,000). At the financial period end, the amount due to Albion Capital Group LLP disclosed as payable or accrued was £684,500 (administration fee: £12,500, management fee: £333,000; performance incentive fee: £339,000) (31 December 2020: £284,500; 30 June 2021: £1,173,500).

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 2021, fees of £47,000 attributable to the investments of the Company were received pursuant to these arrangements (31 December 2020: £89,000; 30 June 2021: £223,000).

Albion Capital Group LLP, its partners and staff hold 1,407,352 Ordinary shares in the Company as at 31 December 2021.

Notes to the unaudited condensed Financial Statements continued

6. Dividends

	Unaudited six months ended 31 December 2021 £'000	Unaudited six months ended 31 December 2020 £'000	Audited year ended 30 June 2021 £'000
Special dividend of 2.00 pence per share paid on 30 October 2020	–	3,940	3,940
First interim dividend of 0.83 pence per share paid on 30 November 2020	–	1,642	1,642
Second interim dividend of 0.78 pence per share paid on 31 March 2021	–	–	1,744
First interim dividend of 0.87 pence per share and special dividend of 1.50 pence per share paid on 30 November 2021	5,263	–	–
Unclaimed dividends	–	–	(12)
	5,263	5,582	7,314

In addition, the Board has declared a second interim dividend of 0.84 pence per share for the year ending 30 June 2022. This will be paid on 31 March 2022 to shareholders on the register on 11 March 2022. This is expected to amount to approximately £2,134,000.

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

	Unaudited six months ended 31 December 2021			Unaudited six months ended 31 December 2020			Audited year ended 30 June 2021		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Return/(loss) attributable to equity shares (£'000)	190	2,789	2,979	(33)	1,658	1,625	(63)	11,526	11,463
Weighted average shares in issue (adjusting for treasury shares)	223,013,411			197,216,343			206,558,772		
Return/(loss) attributable per Ordinary share (pence) (basic and diluted)	0.09	1.25	1.34	(0.02)	0.84	0.82	(0.03)	5.58	5.55

The return/(loss) per share has been calculated after adjusting for treasury shares of 31,228,496 (31 December 2020: 24,990,875; 30 June 2021: 28,895,986).

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 2021	Unaudited 31 December 2020	Audited 30 June 2021
Number of shares	254,666,956	222,945,670	252,120,092
Nominal value of allotted shares (£'000)	2,547	2,229	2,521
Voting rights (number of shares net of treasury shares)	223,438,460	197,954,795	223,224,106

During the period to 31 December 2021 the Company purchased 2,332,510 Ordinary shares (nominal value £23,000) for treasury at a cost of £757,000. The total number of Ordinary shares held in treasury as at 31 December 2021 was 31,228,496 (31 December 2020: 24,990,875; 30 June 2021: 28,895,986) representing 12.3 per cent. of the Ordinary shares in issue as at 31 December 2021.

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 November 2021	2,546,864	25	33.25	829	31.80

9. Contingencies and guarantees

As at 31 December 2021 the Company had no financial commitments in respect of investments (31 December 2020: £nil; 30 June 2021: £nil).

There are no external contingencies or guarantees of the Company as at 31 December 2021 (31 December 2020: £nil; 30 June 2021: £nil).

10. Post balance sheet events

Since 31 December 2021 the Company has had the following post balance sheet events:

- Investment of £846,000 in an existing portfolio company, TransFICC Limited;
- Investment of £672,000 in a new portfolio company, Perchpeek Limited;
- Investment of £615,000 in an existing portfolio company, Seldon Technologies Limited;
- Investment of £445,000 in an existing portfolio company, Cantab Research Limited (T/A Speechmatics);
- Investment of £152,000 in an existing portfolio company, NuvoAir Holdings Inc.; and
- Investment of £83,000 in an existing portfolio company, Koru Kids Limited.

Since 31 December 2021, the Company issued the following new Ordinary shares of nominal value 1 penny each under the Albion VCTs' Prospectus Top Up Offers 2021/22:

Date of allotment	Number of shares allotted	Aggregate nominal value of shares (£'000)	Issue price (pence per share)	Net consideration received (£'000)	Opening market price on allotment date (pence per share)
25 February 2022	2,622,491	6	34.30	886	32.20
25 February 2022	1,032,741	10	34.50	349	32.20
25 February 2022	27,010,348	270	34.70	9,139	32.20
	30,665,580			10,374	

Notes to the unaudited condensed Financial Statements continued

11. Related party transactions

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

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 74 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 2021 and 31 December 2020 and is unaudited. The financial information for the year ended 30 June 2021 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.

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