

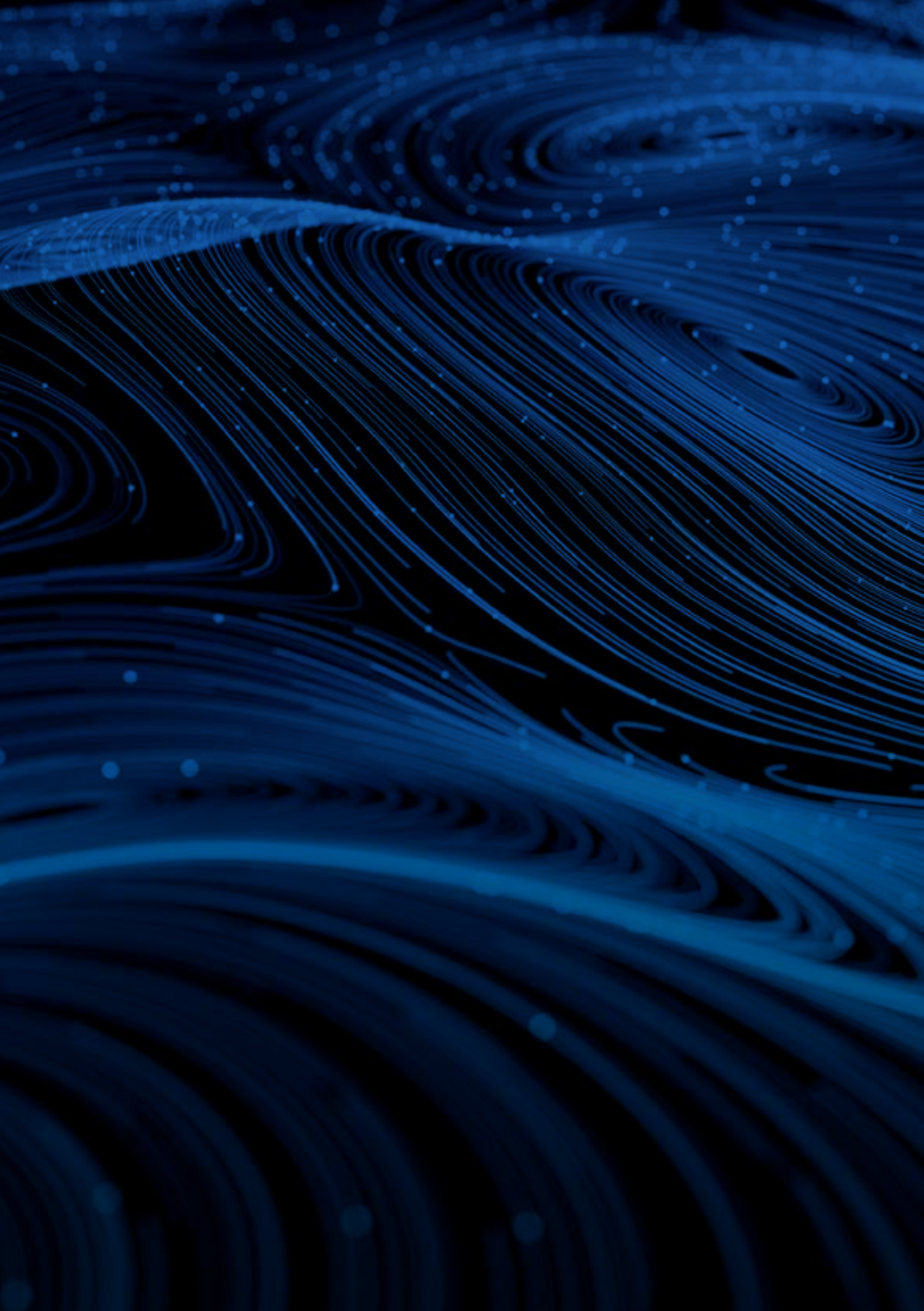
Albion Development VCT PLC



Half-yearly Financial Report (unaudited)
for the six months to 30 June 2024

AlbionCapital

2024



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AlbionCapital

COMPANY INFORMATION

Company name Albion Development VCT PLC (the "Company")	Country of incorporation United Kingdom	Legal form Public Limited Company
Directors B Larkin (Chairman) L M Goleby Lord O'Shaughnessy P H Reeve	Company number 03654040	Auditor Johnston Carmichael LLP 7-11 Melville Street Edinburgh, EH3 7PE
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	Corporate broker Panmure Liberum Limited Ropemaker Place, Level12 25 Ropemaker Street London, EC2Y 9LY
Taxation adviser Philip Hare & Associates LLP 6 Snow Hill London, EC1A 2AY	Legal adviser Howard Kennedy LLP 1 London Bridge London, SE1 9BG	Depository Ocorian Depository (UK) Limited Level 5, 20 Fenchurch Street London, EC3M 3BY

The Company is a member of The Association of Investment Companies (www.theaic.co.uk).

Shareholder information

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

Tel: 0370 873 5853 (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: AADVchair@albion.capital

Financial adviser information

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

Email: info@albion.capital

Tel: 020 7601 1850 (lines are open 9.00am – 5.30pm; Mon – Fri; calls are recorded)

Website: www.albion.capital

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

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INVESTMENT POLICY

The Company will invest in a broad portfolio of higher growth businesses with a stronger focus on technology companies across a variety of sectors of the UK economy. Allocation of assets will be determined by the investment opportunities which become available but efforts will be made to ensure that the portfolio is diversified in terms of sector and stage of maturity of company.

Funds held pending investment or for liquidity purposes will be held as cash on deposit or up to 8% of its assets, at the time of investment, in liquid open-ended equity funds providing income and capital equity exposure (where it is considered economic to do so).

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. 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 10% of the adjusted share capital and reserves.

FINANCIAL CALENDAR

13 September 2024	Record date for second dividend
30 September 2024	Payment of second dividend
4 October 2024	Record date for special dividend
25 October 2024	Payment of special dividend
31 December	Financial year end

FINANCIAL HIGHLIGHTS

Movements in net asset value

	Unaudited six months ended 30 June 2024 (pence per share)	Unaudited six months ended 30 June 2023 (pence per share)	Audited year ended 31 December 2023 (pence per share)
Ordinary shares			
Opening net asset value	88.70	88.65	88.65
Capital return	8.97	4.89	3.66
Revenue return	0.53	0.26	0.63
Total return	9.50	5.15	4.29
Dividends paid	(2.22)	(2.22)	(4.51)
Impact of share capital movements	(0.07)	0.17	0.27
Net asset value	95.91	91.75	88.70

Total shareholder value per share

	(pence per share)
Total dividends paid to 30 June 2024	120.30
Net asset value as at 30 June 2024	95.91
Total shareholder value to 30 June 2024	216.21

In addition to the dividends summarised above, the Board has declared a second dividend for the year ending 31 December 2024, of 2.40 pence per Ordinary share to be paid on 30 September 2024 to shareholders on the register on 13 September 2024. The Board has also declared a special dividend of 3.00 pence per share, payable on 25 October 2024 to shareholders on the register on 4 October 2024. Further details can be found in the Interim management report.

INTERIM MANAGEMENT REPORT



Ben Larkin
Chairman

Introduction

I am pleased to report that in the six months to 30 June 2024, the Company generated a positive total return of 9.50 pence per share, representing a 10.7% return on opening net asset value (“NAV”). The Company’s portfolio has continued to demonstrate strong performance, despite a challenging macroeconomic environment with significant geopolitical instability. This positive result demonstrates the resilience of the portfolio and its ability to navigate difficult times.

Valuations and results

The total gain on investments for the period to 30 June 2024 was £14.1 million (30 June 2023: £7.7 million; 31 December 2023: £7.3 million). The key movements in the period, in addition to Egress, as discussed below, were Quantexa (£5.6 million), Oviva (£1.4 million) and Proveca (£1.0 million). These and others amongst our investee companies have been showing strong growth in what is an otherwise difficult and complex global financial environment. These gains were partially offset by write downs in Toqio FinTech Holdings (£0.6 million), PeakData (£0.5 million) and Cisiv (£0.4 million).

The result of these movements in valuations has been an increase in the NAV per share to 95.91 pence per share (30 June 2023: 91.75 pence per share; 31 December 2023: 88.70 pence per share).

Our top 3 portfolio companies now account for 39.2% of the Company’s NAV (30 June 2023: 33.8%; 31 December 2023: 35.3%). After accounting for the Egress disposal, our top 3 portfolio companies will account for 30.7%. Further details of the portfolio of investments can be found on pages 12 and 13.

Sale of Egress Software Technologies

The key valuation movement in the period was a £7.2 million uplift of Egress Software Technologies as a result of its sale to KnowBe4 which completed after the period end on 1 July 2024. Egress has proved to be an excellent investment. The Company first invested in Egress in 2014, with follow on investments in 2017 and 2018, and achieved a return of over 7x cost for shareholders.

Whilst it is important for a Venture Capital Trust to hold sufficient cash to manage operating costs, to service dividends and buy-backs and, most importantly, to make follow on and new investments as opportunities arise, this must be balanced against the requirements of a Venture Capital Trust to meet a minimum threshold of 80% invested in qualifying investments. To maintain the Company’s qualifying

VCT status following the Egress sale, the Board has concluded that a special dividend should be paid to shareholders. Further details can be found in Dividends section below.

The Board will continue to monitor the Company's qualifying holdings requirement in order to maintain its status under VCT legislation whilst supporting the Venture Capital Trust Association's (VCTA) engagement with HM Treasury seeking greater flexibility for VCTs when reinvesting sale proceeds.

Ordinary and Special Dividends

In line with our variable dividend policy targeting 5% of NAV per annum, the Company paid a dividend of 2.22 pence per share during the period to 30 June 2024 (30 June 2023: 2.22 pence per share). The Company will pay a second dividend for the financial year ending 31 December 2024 of 2.40 pence per share on 30 September 2024 to shareholders on the register on 13 September 2024, being 2.5% of this 30 June 2024 NAV.

As a result of the successful sale of Egress, the Board is pleased to declare a special dividend of 3.00 pence per share. This will be paid on 25 October 2024 to shareholders on the register on 4 October 2024.

This will bring the total dividends paid for the year ending 31 December 2024 to 7.62 pence per share, which equates to a 8.6% yield on the opening NAV of 88.70 pence per share.

Investment activity

During the period, the Company has invested a total of £6.3 million into portfolio companies, of which £4.2 million was invested into 5 new portfolio companies, all of which are expected to require further investment as the companies prove themselves and grow. These are:

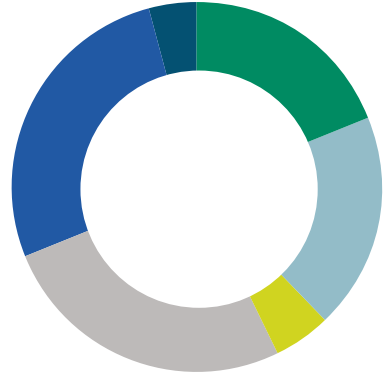
- £1.3 million (Albion VCTs: £7.1 million) into Treefera, a data platform for forestry and nature-based assets;
- £0.9 million (Albion VCTs: £4.0 million) into Papaya Technologies, a multi-sided marketplace for the EV ecosystem;
- £0.8 million (Albion VCTs: £4.0 million) into Instinct Digital, an investment communication platform for the asset management industry;
- £0.7 million (Albion VCTs: £3.2 million) into Trumpet Software, a digital sales room software and a collaboration platform for B2B interactions, and;
- £0.5 million (Albion VCTs: £3.0 million) into GetLeast (T/A Kato), a platform that digitises workflows of commercial real estate.

The Company also provided ongoing support to its existing portfolio in the period, in the form of follow-on funding, with £2.1 million invested across 6 portfolio companies.

Investment portfolio by sector

- Cash and other net assets 19% (20%)
- Healthcare (including digital healthcare) 19% (20%)
- Renewable energy 5% (7%)
- FinTech 26% (26%)
- Software & technology 27% (23%)
- Other (including Education) 4% (4%)

Comparatives for 31 December 2023 are shown in brackets



Share buy-backs

It remains the Board's primary objective to maintain sufficient resources for investment in new and existing 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. 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. The Board continues to review the use of buy-backs and is satisfied that it is an important means of providing market liquidity for shareholders.

Risks and uncertainties

The Company faces a number of significant risks including increased market volatility, heightened geopolitical tensions, as well as the challenging macroeconomic climate as a result of high inflation and interest rates over the last few years.

Our investment portfolio, while concentrated mainly in the technology and healthcare sectors, remains diversified in terms of both sub-sector and stage of maturity.

In accordance with DTR 4.2.7, the Board confirms that the principal risks and uncertainties facing the Company have not materially changed from those identified in the Annual Report and Financial Statements for the year ended 31 December 2023. Although inflationary pressures have eased, geopolitical tensions remain high, and have not changed the nature of the principal risks. The Board considers that the present processes for mitigating those risks remain appropriate.

The principal risks faced by the Company are:

- Investment, performance, technology and valuation risk;
- VCT approval risk;
- Regulatory and compliance risk;
- Operational and internal control risk;
- Cyber and data security risk;
- Economic, political and social risk;
- Liquidity risk; and
- Environmental, social and governance ("ESG") risk.

A detailed analysis of the principal risks and uncertainties facing the business can be found in the Annual Report and Financial Statements for the year ended 31 December 2023 on pages 22 to 25, copies of which are available on the

Company's webpage on the Manager's website at www.albion.capital/vct-funds/AADV under the 'Financials' section.

Transactions with the Manager

Details of transactions with the Manager for the reporting period can be found in note 5. Details of related party transactions can be found in note 11.

Albion VCTs Top Up Offers

As announced in the Annual Report and Financial Statements for the year ended 31 December 2023, the Board was pleased that the 2023/24 Offer was fully subscribed and closed, having raised £14.5 million.

The proceeds are being used to provide support to our existing portfolio companies and to enable us to take advantage of new and exciting investment opportunities as they arise. Details of the share allotments during the period can be found in note 7.

Shareholder seminar

The Board is pleased to report that the next Shareholder Seminar will be held in person at 11 Cavendish Square, London on 20 November 2024 and the Board will be delighted to see as many shareholders as possible at the event. The Board and Manager are keen to interact with shareholders and look forward to sharing with you further portfolio updates, as well as answering any questions. Places are limited and to reserve a place please email info@albion.capital with subject

heading "Shareholder Seminar" and include your full name. You will receive an email confirmation of your place, subject to availability.

Merger Discussions

On 24 July 2024, the Company announced, as part of a joint announcement with the other Albion managed VCTs, that it had entered into discussions regarding a possible merger with Albion Enterprise VCT PLC. If the merger proceeds, it is expected to achieve cost savings, administration efficiency and simplicity for shareholders. Further details of the merger will be made available in due course.

Prospects

The Board is encouraged by the positive results for the period, in particular the successful sale of Egress. Whilst we remain cautious of the risks and uncertainties the Company faces, we are confident that the investment strategy of targeting sectors such as mission critical software, technology and healthcare will continue to provide opportunities for long term capital growth. Importantly, the Company continues to provide funding to young and exciting companies with growth ambitions to the benefit of the UK economy, an important objective for VCTs.

Ben Larkin

Chairman

24 September 2024

PORTFOLIO OF INVESTMENTS

	% voting rights	As at 30 June 2024			Change in value for the period* £'000
		Cost £'000	Cumulative movement in value £'000	Value £'000	
Fixed asset investments					
Quantexa	2.1	2,051	25,802	27,853	5,570
Egress Software Technologies	6.0	2,332	15,450	17,782	7,248
Proveca	13.6	2,921	7,405	10,326	955
Oviva	3.2	2,601	3,032	5,633	1,398
Panaseer	4.1	2,525	733	3,258	-
Radnor House School (TopCo)	8.5	1,560	1,623	3,183	(222)
The Ewell Group	6.0	1,407	1,623	3,030	274
Healios	7.2	2,401	55	2,456	48
Gravitee TopCo	3.2	1,490	893	2,383	657
The Street by Street Solar Programme	12.4	1,291	856	2,147	(141)
Chonais River Hydro	4.6	1,705	377	2,082	11
Runa Network	2.4	1,710	364	2,074	-
Regenerco Renewable Energy	11.9	1,204	556	1,760	(70)
Convertr Media	6.2	992	599	1,591	(328)
Cantab Research (T/A Speechmatics)	1.6	1,337	178	1,515	45
Peppy Health	1.6	1,424	-	1,424	-
Imandra	1.8	1,115	176	1,291	65
Treefera	2.4	1,272	-	1,272	-
Aridhia Informatics	6.4	1,129	115	1,244	3
Threadneedle Software Holdings (T/A Solidatus)	2.2	1,209	-	1,209	103
Elliptic Enterprises	0.9	1,108	7	1,115	5
GX Molecular (T/A CS Genetics)	3.4	1,079	5	1,084	5
TransFICC	2.2	891	165	1,056	166
InCrowd Sports	4.7	786	269	1,055	-
Tem Energy	2.5	631	417	1,048	417
Locum's Nest	5.6	663	348	1,011	362
Alto Prodotto Wind	9.4	534	354	888	(6)
NuvoAir Holdings	1.6	878	(5)	873	(53)
Papaya Technologies	3.3	864	-	864	-
OpenDialog AI	3.4	857	-	857	-
Accelex Technology	1.9	546	259	805	-

	% voting rights	As at 30 June 2024			Change in value for the period* £'000
		Cost £'000	Cumulative movement in value £'000	Value £'000	
Fixed asset investments					
Instinct Digital	6.3	796	-	796	-
Beddlestead	8.6	1,026	(243)	783	(181)
Toqio FinTech Holdings	1.9	1,369	(620)	749	(620)
Trumpet Software	2.6	691	-	691	-
Seldon Technologies	2.9	1,002	(379)	623	(379)
OutThink	2.2	610	-	610	-
Perchpeek	1.9	597	-	597	239
GetLeast (T/A Kato)	3.1	534	-	534	-
Diffblue	2.7	509	-	509	-
Gridcog International	3.0	499	-	499	-
The Q Garden Company	16.6	466	(14)	452	(25)
PetsApp	2.0	425	-	425	-
Phasecraft	0.8	418	-	418	-
AVESI	10.5	340	46	386	(31)
5Mins AI	1.9	340	-	340	-
uMedeor (T/A uMed)	3.1	586	(273)	313	(337)
MHS 1	3.3	231	63	294	72
Dragon Hydro	5.5	175	101	276	(25)
Koru Kids	2.2	590	(316)	274	(44)
Kohort Software (previously Ramp Software)	2.0	267	-	267	-
Infact Systems	1.8	91	97	188	97
Mondra Global	0.1	166	5	171	5
Kennek Solutions	0.7	171	-	171	-
Greenenerco	4.0	89	66	155	-
Premier Leisure (Suffolk)	13.1	109	41	150	9
Erin Solar	4.3	120	(8)	112	(5)
Cisiv	5.9	686	(574)	112	(440)
Mirada Medical	2.7	909	(806)	103	-
Symetrica	0.3	102	(6)	96	-
PeakData	2.4	922	(827)	95	(462)
Neurofenix	3.5	523	(429)	94	(63)
Arecor Therapeutics PLC	0.2	89	(4)	85	(44)
Black Swan Data	4.7	3,307	(3,295)	12	(36)
Regulatory Genome Development	0.8	125	(125)	-	(99)
Total fixed asset investments		61,393	54,156	115,549	14,143

* As adjusted for additions and disposals during the year; including realised gains/(losses).

Portfolio of investments

Investment realisations in the period to 30 June 2024	Cost £'000	Opening value £'000	Disposal proceeds £'000	Total realised gain/(loss) £'000	Gain/(loss) on opening value £'000
Disposals:					
Arecor Therapeutics PLC	34	50	45	11	(5)
Brytlyt	416	51	8	(408)	(43)
DySIS Medical	1,037	3	-	(1,037)	(3)
Elements Software	3	-	-	(3)	-
Loan stock repayments and other:					
Alto Prodotto Wind	28	41	41	13	-
Greenenerco	4	6	6	2	-
Escrow adjustments*	-	-	(12)	(12)	(12)
Total	1,522	151	88	(1,434)	(63)

* These comprise fair value movements on deferred consideration on previously disposed investments

	£'000
Total change in value of investments for the year	14,143
Movement in accrued loan stock interest	44
Unrealised gains on fixed asset investments sub-total	14,187
Realised losses in the current period	(63)
Total gains on investments as per Income statement	14,124

RESPONSIBILITY STATEMENT

The Directors, Ben Larkin, Lyn Goleby, Lord O' Shaughnessy and Patrick Reeve, are responsible for the preparation of the Half-yearly Financial Report. In preparing these condensed Financial Statements for the period to 30 June 2024 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", give 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

Ben Larkin

Chairman

24 September 2024

CONDENSED INCOME STATEMENT

	Note	Unaudited six months ended 30 June 2024			Unaudited six months ended 30 June 2023			Audited year ended 31 December 2023		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	3	-	14,124	14,124	-	7,675	7,675	-	7,294	7,294
Investment income	4	1,115	-	1,115	684	-	684	1,508	-	1,508
Investment Manager's fees	5	(146)	(1,314)	(1,460)	(133)	(1,201)	(1,334)	(266)	(2,394)	(2,660)
Other expenses		(203)	-	(203)	(201)	-	(201)	(389)	-	(389)
Profit on ordinary activities before tax		766	12,810	13,576	350	6,474	6,824	853	4,900	5,753
Tax charge on ordinary activities		-	-	-	-	-	-	-	-	-
Profit and total comprehensive income attributable to shareholders		766	12,810	13,576	350	6,474	6,824	853	4,900	5,753
Basic and diluted return per share (pence)*	7	0.53	8.97	9.50	0.26	4.89	5.15	0.63	3.66	4.29

* adjusted for treasury shares

The accompanying notes on pages 20 to 26 form an integral part of this Half-yearly Financial Report.

Comparative figures have been extracted from the unaudited Half-yearly Financial Report for the six months ended 30 June 2023 and the audited statutory accounts for the year ended 31 December 2023.

The total column of this Condensed income statement represents the profit and loss account of the Company. The supplementary revenue and capital columns have been prepared in accordance with The Association of Investment Companies' Statement of Recommended Practice.

CONDENSED BALANCE SHEET

	Note	Unaudited 30 June 2024 £'000	Unaudited 30 June 2023 £'000	Audited 31 December 2023 £'000
Fixed asset investments		115,549	93,545	95,266
Current assets				
Trade and other receivables		92	2,531	2,745
Cash in bank and at hand		28,179	29,273	22,398
		28,271	31,804	25,143
Payables: amounts falling due within one year				
Trade and other payables		(1,058)	(958)	(776)
Net current assets		27,213	30,846	24,367
Total assets less current liabilities		142,762	124,391	119,633
Equity attributable to equity holders				
Called-up share capital	8	1,682	1,536	1,542
Share premium		49,193	34,277	34,759
Capital redemption reserve		20	-	-
Unrealised capital reserve		54,189	40,897	38,631
Realised capital reserve		4,069	6,125	6,817
Other distributable reserve		33,609	41,556	37,884
Total equity shareholders' funds		142,762	124,391	119,633
Basic and diluted net asset value per share (pence)*		95.91	91.75	88.70

*excluding treasury shares

The accompanying notes on pages 20 to 26 form an integral part of this Half-yearly Financial Report.

Comparative figures have been extracted from the unaudited Half-yearly Financial Report for the six months ended 30 June 2023 and the audited statutory accounts for the year ended 31 December 2023.

These Financial Statements were approved by the Board of Directors and authorised for issue on 24 September 2024, and were signed on its behalf by

Ben Larkin

Chairman

Company number: 03654040

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Called-up share capital	Share premium	Capital redemption reserve	Unrealised capital reserve	Realised capital reserve*	Other distributable reserve*	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 January 2024	1,542	34,759	-	38,631	6,817	37,884	119,633
Profit/(loss) and total comprehensive income for the period	-	-	-	14,187	(1,377)	766	13,576
Transfer of previously unrealised losses on disposal of investments	-	-	-	1,371	(1,371)	-	-
Purchase of own shares for cancellation	(20)	-	20	-	-	(1,705)	(1,705)
Issue of equity	160	14,868	-	-	-	-	15,028
Cost of issue of equity	-	(434)	-	-	-	-	(434)
Dividends paid	-	-	-	-	-	(3,336)	(3,336)
As at 30 June 2024	1,682	49,193	20	54,189	4,069	33,609	142,762
As at 1 January 2023	1,456	26,837	-	32,516	8,032	45,617	114,458
Profit and total comprehensive income for the period	-	-	-	7,283	(809)	350	6,824
Transfer of previously unrealised losses on disposal of investments	-	-	-	1,098	(1,098)	-	-
Purchase of shares for treasury	-	-	-	-	-	(1,399)	(1,399)
Issue of equity	80	7,639	-	-	-	-	7,719
Cost of issue of equity	-	(199)	-	-	-	-	(199)
Dividends paid	-	-	-	-	-	(3,012)	(3,012)
As at 30 June 2023	1,536	34,277	-	40,897	6,125	41,556	124,391
As at 1 January 2023	1,456	26,837	-	32,516	8,032	45,617	114,458
Profit and total comprehensive income for the year	-	-	-	5,473	(573)	853	5,753
Transfer of previously unrealised losses on disposal of investments	-	-	-	642	(642)	-	-
Purchase of shares for treasury	-	-	-	-	-	(2,480)	(2,480)
Issue of equity	86	8,140	-	-	-	-	8,226
Cost of issue of equity	-	(218)	-	-	-	-	(218)
Dividends paid	-	-	-	-	-	(6,106)	(6,106)
As at 31 December 2023	1,542	34,759	-	38,631	6,817	37,884	119,633

*Included within these reserves is an amount of £21,876,000 (30 June 2023: £26,789,000; 31 December 2023: £18,969,000) which is considered distributable. Over the next year an additional £10,361,000 will become distributable. This is due to the HMRC requirement that the Company cannot use capital raised in the past three years to make a payment or distribution to shareholders.

Comparative figures have been extracted from the unaudited Half-yearly Financial Report for the six months ended 30 June 2023 and the audited statutory accounts for the year ended 31 December 2023.

CONDENSED STATEMENT OF CASH FLOWS

	Unaudited six months ended 30 June 2024 £'000	Unaudited six months ended 30 June 2023 £'000	Audited year ended 31 December 2023 £'000
Cash flow from operating activities			
Loan stock income received	555	452	915
Deposit interest received	310	131	326
Income from fixed term funds received	198	95	254
Dividend income received	96	5	128
Investment Manager's fees paid	(1,340)	(1,247)	(2,596)
Other cash payments	(198)	(220)	(404)
Corporation tax paid	-	-	-
Net cash flow generated from operating activities	(379)	(784)	(1,377)
Cash flow from investing activities			
Purchase of fixed asset investments	(6,152)	(589)	(6,869)
Disposal of fixed asset investments	2,759	887	4,734
Net cash flow generated from investing activities	(3,393)	298	(2,135)
Cash flow from financing activities			
Issue of share capital	14,086	7,043	7,043
Cost of issue of shares	(21)	(19)	(39)
Equity dividends paid*	(2,807)	(2,508)	(5,105)
Purchase of own shares (including costs)	(1,705)	(1,248)	(2,480)
Net cash flow generated from financing activities	9,553	3,268	(581)
Increase/(decrease) in cash in bank and at hand	5,780	2,782	(4,093)
Cash in bank and at hand at start of period	22,398	26,491	26,491
Cash in bank and at hand at end of period	28,178	29,273	22,398

*The equity dividends paid shown in the cash flow are different to the dividends disclosed in note 6 as a result of the non-cash effect of the Dividend Reinvestment Scheme.

Comparative figures have been extracted from the unaudited Half-yearly Financial Report for the six months ended 30 June 2023 and the audited statutory accounts for the year ended 31 December 2023.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Basis of preparation

The Financial Statements have been prepared in accordance with applicable United Kingdom law and accounting standards, including Financial Reporting Standard 102 (“FRS 102”), 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 2022 and further detail on the valuation techniques used are outlined in note 2 below.

Company information can be found on page 4.

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, discounted cash flows 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,

other valuation techniques are employed to conclude on the fair value as at the measurement 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; or
- 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 (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 meeting the definition of a financing transaction are 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

Dividend income

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

Unquoted loan stock

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 deposit income

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

Fixed term funds income

Fixed term funds income is recognised on an accruals basis using the agreed rate of interest.

Investment management fee, performance incentive fee and 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;
- 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 accounts for the nominal value of the Company's shares.

Share premium

This accounts for the difference between the price paid for shares and the nominal value of those shares, less issue costs and transfers to the other distributable reserves.

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 diminutions in value (including gains recognised on the realisation of investment where consideration is deferred that are not distributable as a matter of law);
- finance income in respect of the unwinding of the discount on deferred consideration that is not distributable as a matter of law;
- 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, transfers from the share premium and capital redemption reserve, and other non-capital realised movements.

Dividends

Dividends by the Company are accounted for when the liability to make the payment (record date) has been established.

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.

3. Gains on investments

	Unaudited six months ended 30 June 2024 £'000	Unaudited six months ended 30 June 2023 £'000	Audited year ended 31 December 2023 £'000
Unrealised gains on fixed asset investments	14,187	7,283	5,473
Realised (losses)/gains on fixed asset investments	(63)	224	1,471
Unwinding of discount on deferred consideration	-	168	350
	14,124	7,675	7,294

4. Investment income

	Unaudited six months ended 30 June 2024 £'000	Unaudited six months ended 30 June 2023 £'000	Audited year ended 31 December 2023 £'000
Loan stock interest	511	420	839
Bank deposit interest	310	132	326
Income from fixed term funds	198	95	254
Dividend income	96	37	89
	1,115	684	1,508

5. Investment Manager's fees

	Unaudited six months ended 30 June 2024 £'000	Unaudited six months ended 30 June 2023 £'000	Audited year ended 31 December 2023 £'000
Investment management fee charged to capital	1,314	1,201	2,394
Investment management fee charged to revenue	146	133	266
	1,460	1,334	2,660

Further details of the Management agreement under which the investment management fee and performance incentive fee are paid are given in the Strategic report on page 18 of the Annual Report and Financial Statements for the year ended 31 December 2023.

During the period, services to a total value of £1,460,000 (30 June 2023: £1,334,000; 31 December 2023: £2,660,000) were purchased by the Company from Albion Capital Group LLP ("Albion"). At the financial period end, the amount due to Albion in respect of these services was £787,000 (30 June 2023: £690,000; 31 December 2023: £667,000). The total annual running costs of the Company are capped at an amount equal to 2.5% of the Company's net assets, with any excess being met by Albion by way of a reduction in management fees. During the period, the management fee was reduced by £16,000 as a result of this cap (30 June 2023: £10,000; 31 December 2023: £57,000).

Notes to the condensed Financial Statements

During the period, the Company was not charged by Albion in respect of Patrick Reeve's services as a Director (30 June 2023: £nil; 31 December 2023: £nil).

Albion, its Partners and staff (including Patrick Reeve) hold 1,299,385 Ordinary shares in the Company as at 30 June 2024.

Albion is, from time to time, eligible to receive arrangement fees and monitoring fees from portfolio companies. During the period ended 30 June 2024, fees of £121,000 attributable to the investments of the Company were paid pursuant to these arrangements (30 June 2023: £65,000; 31 December 2023: £153,000).

The Company entered into an agreement relating to the Albion VCTs' Prospectus Top Up Offers 2023/24 with the Company's investment manager, Albion, pursuant to which Albion received a fee of 3% of the gross proceeds of the Offers and out of which Albion will pay the costs of the Offers, as detailed in the Prospectus.

6. Dividends

	Unaudited six months ended 30 June 2024 £'000	Unaudited six months ended 30 June 2023 £'000	Audited year ended 31 December 2023 £'000
First dividend of 2.22p per share paid on 31 May 2024 (31 May 2023: 2.22p per share)	3,336	3,012	3,012
Second dividend of 2.29p per share paid on 29 September 2023	-	-	3,105
Unclaimed dividends	-	-	(11)
	3,336	3,012	6,106

In addition to the dividends summarised above, the Board has declared a second dividend for the year ending 31 December 2024 of 2.40 pence per share (total approximately £3,554,000), payable on 30 September 2024 to shareholders on the register on 13 September 2024. The Board has declared a special dividend of 3.00 pence per share, payable on 25 October 2024 to shareholders on the register on 4 October 2024.

7. Basic and diluted return per share

	Unaudited six months ended 30 June 2024		Unaudited six months ended 30 June 2023		Audited year ended 31 December 2023	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
Profit attributable to Ordinary shares (£'000)	766	12,810	350	6,474	853	4,900
Weighted average shares in issue	142,850,510		132,550,358		134,013,069	
Return per Ordinary share (pence)	0.53	8.97	0.26	4.89	0.63	3.66

The weighted average number of shares is calculated after adjusting for treasury shares of 19,309,045 (30 June 2023: 18,036,957; 31 December 2023: 19,309,045).

There are no convertible instruments, derivatives or contingent share agreements in issue so basic and diluted return per share are the same.

8. Called-up share capital

Allotted, called-up and fully paid Ordinary shares of 1 penny each	Unaudited 30 June 2024	Unaudited 30 June 2023	Audited 31 December 2023
Number of shares	168,155,702	153,611,717	154,178,742
Nominal value of allotted shares (£'000)	1,682	1,536	1,542
Voting rights (number of shares net of treasury shares)	148,846,657	135,574,760	134,869,697

During the period to 30 June 2024 the Company purchased 1,999,927 Ordinary shares for cancellation (nominal value £19,999) at a cost of £1,705,000). The total number of Ordinary shares held in treasury as at 30 June 2024 was 19,309,045 (30 June 2023: 18,036,957; 31 December 2023: 19,309,045) representing 11.5% of the Ordinary shares in issue as at 30 June 2024.

Under the terms of the Dividend Reinvestment Scheme, the following new Ordinary shares of nominal value 1 penny each, were allotted during the period to 30 June 2024:

Date of allotment	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)
31 May 2024	591,582	5	89.32	508	85.00

Under the terms of the Albion VCTs Prospectus Top Up Offers 2023/24, the following new Ordinary shares, of nominal value 1 penny each, were allotted during the period to 30 June 2024:

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)
22 March 2024	1,922,293	19	93.41	1,760	87.00
22 March 2024	371,463	4	93.89	340	87.00
22 March 2024	12,701,513	127	94.38	11,629	87.00
16 April 2024	101,424	1	93.41	93	87.00
16 April 2024	15,975	-	93.89	15	87.00
16 April 2024	272,637	3	94.38	250	87.00
	15,385,305			14,087	

9. Commitments and contingencies

As at 30 June 2024, the Company had no financial commitments (30 June 2023: £nil; 31 December 2023: £nil).

There were no contingencies or guarantees of the Company as at 30 June 2024 (30 June 2023: £nil; 31 December 2023: £nil).

10. Post balance sheet events

- Legal completion of the sale of Egress Technologies on 1 July 2024 with £16,861,000 funds received; and
- On 24 July 2024, the Company announced, as part of a joint announcement with the other Albion managed VCTs, that it had entered into discussions regarding possible mergers of the Albion VCTs. Further details of this will be made available in due course.

11. Related party transactions

Other than transactions with the Manager as disclosed in note 5, there are no other related party transactions or balances 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. 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 87 of those accounts.

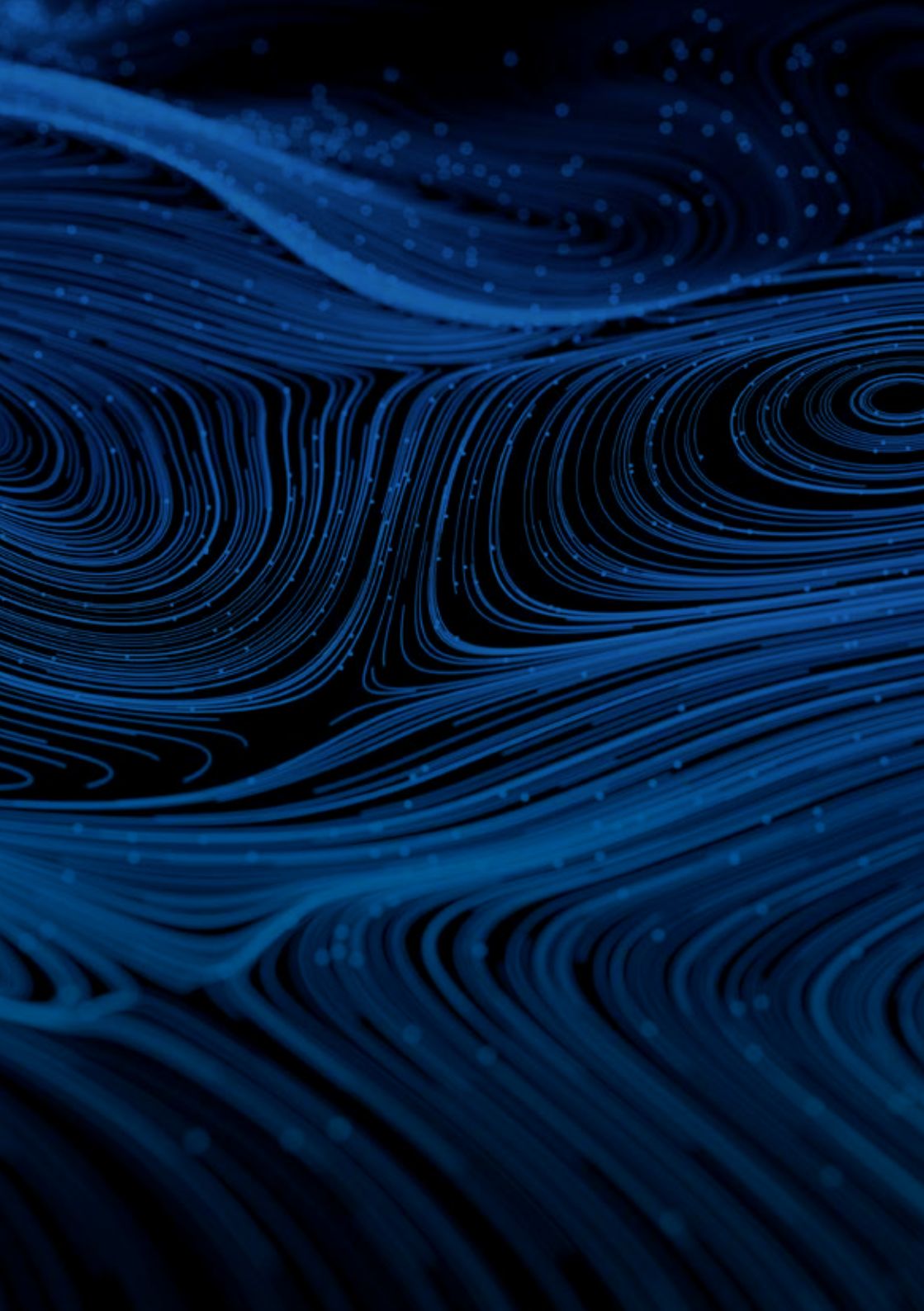
The portfolio of investments is diversified in terms of sector and the major cash outflows of the Company (namely investments, dividends and share buy-backs) are within the Company's control. Accordingly, after making diligent enquiries, the Directors have a reasonable expectation that the Company has adequate cash and liquid 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 in September 2014, and the subsequent updated Going concern, risk and viability guidance issued by the FRC in 2021.

13. Other information

The information set out in this 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 30 June 2024 and 30 June 2023 and is unaudited. The information for the year ended 31 December 2023, does not constitute statutory accounts within the terms of section 434 of the Companies Act 2006 but is derived from the audited statutory accounts for the financial year, which have been delivered to the Registrar of Companies. The Auditor reported on those accounts; their report was unqualified and did not contain a statement 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/vct-funds/AADV, where the Report can be accessed from the 'Financials' section.





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