

AlbionCapital

Albion Technology & General VCT PLC

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

2024



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COMPANY INFORMATION

Company name	Country of incorporation	Legal form
Albion Technology & General VCT PLC (the "Company")	United Kingdom	Public Limited Company
Directors	Company number	Auditor
C S Richardson (Chairman) P M Payn D Benda P Moorhouse P H Reeve	04114310	Johnston Carmichael LLP 7-11 Melville Street Edinburgh, EH3 7PE
Manager, company secretary, AIFM and registered office	Registrar	Corporate broker
Albion Capital Group LLP 1 Benjamin Street London, EC1M 5QL	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol, BS99 6ZZ	Panmure Liberum Limited Ropemaker Place, Level 12 25 Ropemaker Street London, EC2Y 9LY
Taxation adviser	Legal adviser	Depository
Philip Hare & Associates LLP 6 Snow Hill London, EC1A 2AY	Howard Kennedy LLP 1 London Bridge London, SE1 9BG	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 5854 (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: AATGchair@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:

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 these contacts are unable to provide financial or taxation advice.

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INVESTMENT OBJECTIVE AND POLICY

The Company's investment objective is to provide investors with a regular and predictable source of dividend income, combined with the prospect of long-term capital growth, through a balanced portfolio of predominantly unquoted growth and technology businesses in a qualifying Venture Capital Trust ("VCT").

Investment policy

The Company will invest in a broad portfolio of unquoted growth and technology businesses. 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 sectors and stages of maturity of portfolio companies.

VCT qualifying and non-qualifying investments

Application of the investment policy is designed to ensure that the Company continues to qualify and is approved as a VCT by HM Revenue and Customs ("VCT regulations"). The maximum amount invested in any one company is limited to HMRC annual investment limits. It is intended that normally at least 80% of the Company's funds will be invested in VCT qualifying investments. The VCT regulations also have an impact on the type of investments and qualifying sectors in which the Company can make an investment.

Funds held either prior to investing in VCT qualifying assets or for liquidity purposes will be held as cash on deposit, invested in floating rate notes or similar instruments with banks or other financial institutions with high credit ratings or invested in liquid open-ended equity funds providing income and capital equity exposure (where it is considered economic to do so). Investment in such open-ended equity funds will not exceed 7.5% of the Company's assets at the time of investment.

Risk diversification and maximum exposures

Risk is spread by investing in a number of different businesses within VCT qualifying industry sectors using a mixture of securities. The maximum the Company will invest in a single company is 15% of the Company's assets at cost at the time of investment. The value of an individual investment is expected to increase over time as a result of trading progress and a continuous assessment is made of investments' suitability for sale. It is possible that individual holdings may grow in value to a point where they represent a significantly higher proportion of total assets prior to a realisation opportunity being available.

Borrowing powers

The Company's maximum exposure in relation to gearing is restricted to 10% of the adjusted share capital and reserves. The Directors do not have any intention of utilising long-term gearing.

FINANCIAL CALENDAR

15 November 2024	Record date for second dividend for the year
6 December 2024	Payment date for second dividend for the year
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)
Opening net asset value	71.99	72.92	72.92
Capital return	4.57	4.59	2.05
Revenue return	0.42	0.15	0.44
Total return	4.99	4.74	2.49
Dividends paid	(1.80)	(1.82)	(3.72)
Impact of share capital movements	(0.09)	0.18	0.30
Net asset value	75.09	76.02	71.99

Total shareholder value

	Ordinary shares (pence per share)
Total dividends paid since inception	129.14
Net asset value as at 30 June 2024	75.09
Total shareholder value to 30 June 2024	204.23

In addition to the dividends paid above, the Board declared a second dividend for the year ending 31 December 2024 of 1.88 pence per Ordinary share to be paid on 6 December 2024 to shareholders on the register on 15 November 2024.

INTERIM MANAGEMENT REPORT



Clive Richardson
Chairman

Introduction

I am pleased to report the Company generated a strong total return for the six months ended 30 June 2024 of 4.99 pence per share which represents a 6.9% return on opening net asset value. We continue to see resilience and revenue growth from many of our portfolio companies despite a challenging macroeconomic environment with significant geopolitical instability. In addition, interest rates appear to have peaked and quoted company technology valuations have been less volatile.

Sale of Egress Software Technologies

One of the key valuation movements in the period was a £2.4 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 the sale delivered a return of over 7x cost.

Results and dividends

The net asset value per Ordinary share as at 30 June 2024 has increased from 71.99 pence to 75.09 pence during the six month period (30 June 2023: 76.02 pence) mainly due to valuation uplifts as discussed below.

In line with our dividend policy, targeting around 5% of NAV per annum, the Company paid a dividend of 1.80 pence per share during the period to 30 June 2024 (30 June 2023: 1.82 pence per share). The Company will pay a second dividend for the financial year ending 31 December 2024 of 1.88 pence per share on 6 December 2024 to shareholders on the register on 15 November 2024, being 2.5% of the latest reported NAV at 30 June 2024.

This will bring the total dividends paid for the year ending 31 December 2024 to 3.68 pence per share, which equates to a 5.1% yield on the opening NAV of 71.99 pence per share at 31 December 2023.

Performance and portfolio update

The total gain on investments for the period ended 30 June 2024 was £9.9 million (six months ended 30 June 2023: gain of £9.4 million; year ended 31 December 2023: gain of £6.0 million). In addition to the Egress valuation uplift described above, the other key positive movements in the period were the

£6.2 million valuation uplift of Quantexa and the £1.4 million uplift in Oviva. 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 offset by write downs in Toqio FinTech Holdings which decreased by £0.6 million, PeakData by £0.5 million and Cisiv by £0.4 million.

During the period, a total of £6.7 million was deployed into investments, of which £4.2 million was invested into five new portfolio companies, all of which are expected to require further investment as the companies prove themselves and grow. These are:

- £1.5 million (Albion VCTs: £7.1 million) into Treefera, a data platform for forestry and nature-based assets;
- £0.8 million (Albion VCTs: £4.0 million) into Papaya Technologies, a multi-sided marketplace for the EV ecosystem;
- £0.7 million (Albion VCTs: £4.0 million) into Instinct Digital, an investment communication platform for the asset management industry;
- £0.6 million (Albion VCTs: £3.2 million) into Trumpet Software, a digital sales room software and a collaboration platform for B2B interactions; and
- £0.6 million (Albion VCTs: £3.0 million) into GetLeast (T/A Kato), a platform that digitises workflows of commercial real estate.

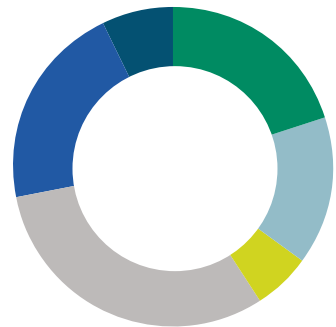
The Company also provided follow-on funding to its existing portfolio in the period, with £2.5 million invested across six existing portfolio companies.

Our top 3 portfolio companies now account for 30.3% of the Company's NAV (30 June 2023: 29.2%; 31 December 2023: 28.9%). Further details of the portfolio of investments can be found on pages 12 and 13.

Current portfolio sector allocation (including cash & net assets)

- Cash and other net assets 20% (22%)
- Healthcare (including digital healthcare) 15% (16%)
- Renewable energy 6% (7%)
- FinTech 31% (29%)
- Software & other technology 21% (18%)
- Other (including education) 7% (8%)

Comparatives for 31 December 2023 are in brackets



After adjusting for the sale of Egress on 1 July 2024, the Cash and other net assets sector increases by 4%, and the Software & other technology sector reduces by 4%.

Current portfolio sector allocation (excluding cash & net assets)

- Healthcare (including digital healthcare) 19% (22%)
- Renewable energy 8% (11%)
- FinTech 37% (30%)
- Software & other technology 27% (26%)
- Other (including education) 9% (11%)

Comparatives for 31 December 2023 are in brackets



Share buy-backs

It remains the Board's policy to buy-back shares in the market, subject to the overall constraint that such purchases are in the Company's interest. This includes the maintenance of sufficient cash resources for investment in new and existing portfolio companies and the continued payment of dividends to shareholders. It is the Board's intention that such buy-backs should be at around a 5% discount to NAV, in 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 stubborn inflation and high interest rates, and the ongoing impact of geopolitical tensions. The concentration risk to the technology sector is noted as technology company valuations have become more uncertain in the current economic climate. The Manager continually assesses the exposure to these risks and appropriate actions, where possible, are implemented.

In accordance with Disclosure Guidance and Transparency rules ("DTR"), the Board confirms that the principal risks and uncertainties facing the Company have not changed materially 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 M&A in the technology sector remains depressed, and so the nature of the principal risks remain unchanged. The Board considers that the present processes for mitigating those risks remain appropriate.

The principal risks faced by the Company are:

- Investment and performance (including technology investment) risk;
- Valuation risk;
- VCT approval and regulatory change risk;
- Cyber and data security risk;
- Reliance on key agents and personnel risk;
- Economic, political and social risk; and
- Discount 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 24 to 26, copies of which are available on the

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

Albion VCTs Prospectus Top Up Offer

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 £11.75 million.

As noted above, the proceeds of the Offer are being used to provide support to our existing portfolio companies and to enable us to take advantage of new investment opportunities as they arise. Details of the share allotments during the period can be found in note 9.

Transactions with the Manager

Details of the transactions that took place with the Manager in the period can be found in note 5. Details of related party transactions can be found in note 13.

Shareholder seminar

Albion Capital, the Manager, will host a shareholder seminar this year on 20 November 2024 at No. 11 Cavendish Square, London, W1G 0AN. The Board considers this to be an important means of engaging with shareholders, as it provides an opportunity for shareholders to interact with the Board and the Manager; shareholders are encouraged to attend. 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 KAY VCT PLC (formerly Kings Arms Yard 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.

Outlook

Although there remain uncertainties facing the Company including elevated interest rates and continued geopolitical tensions, the positive results for the period demonstrate the resilience of our portfolio. The Board remains confident in the investment strategy to focus on dynamic sectors with long term growth prospects such as technology and healthcare within which we maintain a diversified portfolio in terms of companies at different stages of maturity and across a variety of sub sectors. 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.

Clive Richardson

Chairman

24 September 2024

PORTFOLIO OF INVESTMENTS

Portfolio company	% voting rights	As at 30 June 2024			
		Cost £'000	Cumulative movement in value £'000	Value £'000	Change in value for the period* £'000
Quantexa	2.4	2,678	28,470	31,148	6,230
Proveca	8.6	2,007	4,567	6,574	605
Oviva	3.3	2,694	3,140	5,834	1,448
Egress Software Technologies	2.0	765	5,065	5,830	2,377
Radnor House School (TopCo)	14.8	2,710	2,819	5,529	(386)
Runa Network	4.1	2,748	728	3,476	-
The Ewell Group	6.7	1,547	1,798	3,345	301
Cantab Research (T/A Speechmatics)	3.4	2,901	384	3,285	98
Panaseer	4.1	2,524	733	3,257	-
Chonais River Hydro	15.7	2,169	1,003	3,172	38
Gravitee Topco (T/A Gravitee.io)	3.3	1,556	917	2,473	682
Elliptic Enterprises	2.0	2,429	15	2,444	11
Gharagain River Hydro	18.5	1,526	567	2,093	(32)
Healios	5.5	1,826	36	1,862	37
Convertr Media	6.9	1,105	667	1,772	(366)
TransFICC	3.3	1,275	330	1,605	330
Peppy Health	1.6	1,481	-	1,481	-
Treefera	2.7	1,475	-	1,475	-
The Street by Street Solar Programme	8.1	895	500	1,395	(91)
MHS 1	22.5	1,565	(204)	1,361	(145)
Locum's Nest	6.9	813	427	1,240	444
GX Molecular (T/A CS Genetics)	3.9	1,232	5	1,237	6
InCrowd Sports	5.5	918	312	1,230	-
Imandra	1.6	1,015	187	1,202	87
Tem-Energy	2.8	716	473	1,189	474
Regenerco Renewable Energy	7.9	822	348	1,170	(47)
Aridhia Informatics	5.4	950	96	1,046	2
Threadneedle Software Holdings (T/A Solidatus)	1.8	1,014	-	1,014	86
OpenDialog AI	3.8	968	-	968	-
Beddlestead	9.8	1,200	(266)	934	(206)
The Q Garden Company	33.4	934	(27)	907	(49)
NuvoAir Holdings	1.5	868	(5)	863	(52)
Accelex Technology	1.9	534	254	788	-
Toqio FinTech Holdings	2.0	1,400	(634)	766	(635)

Portfolio company	% voting rights	As at 30 June 2024			Change in value for the period* £'000
		Cost £'000	Cumulative movement in value £'000	Value £'000	
Papaya Technologies	2.9	761	-	761	-
Instinct Digital	5.8	729	-	729	-
OutThink	2.5	687	-	687	-
Alto Prodotto Wind	6.9	466	180	646	(5)
PerchPeek	2.0	635	-	635	254
Premier Leisure (Suffolk)	54.5	454	173	627	36
GetLeast (T/A Kato)	3.6	620	-	620	-
Trumpet Software	2.3	609	-	609	-
Diffblue	3.2	585	-	585	-
Gridcog International	3.4	570	-	570	-
Phasecraft	1.0	514	-	514	-
Seldon Technologies	2.3	796	(301)	495	(301)
PetsApp	2.3	487	-	487	-
Erin Solar	15.7	440	(28)	412	(20)
5Mins AI	2.2	390	-	390	-
AVESI	8.0	259	36	295	(23)
uMedeor (T/A uMed)	2.8	539	(255)	284	(305)
Kohort Software	2.1	277	-	277	-
Kennek Solutions	0.8	210	-	210	-
Koru Kids	1.6	443	(237)	206	(33)
Harvest AD	-	210	(7)	203	(26)
Infact Systems (T/A Infact)	1.9	96	103	199	102
Mirada Medical	4.6	1,321	(1,125)	196	-
Mondra Global	0.2	189	6	195	5
Greenenerco	3.1	69	52	121	1
Cisiv	5.9	695	(582)	113	(446)
Neurofenix	3.9	590	(484)	106	(71)
PeakData	2.4	943	(845)	98	(472)
Symetrica	0.2	91	(6)	85	-
Arecor Therapeutics PLC	0.2	70	(3)	67	(36)
Black Swan Data	6.5	4,714	(4,698)	16	(48)
Regulatory Genome Development	0.8	118	(118)	-	(94)
Total fixed asset investments		70,837	44,566	115,403	9,765

T/A – trading as

*As adjusted for additions and disposals during the period.

Portfolio of investments

Investment realisations in the period to 30 June 2024	Cost £'000	Opening carrying value £'000	Disposal proceeds £'000	Total realised gain/(loss) £'000	(Loss)/gain on opening value £'000
Disposals:					
Arecor Therapeutics PLC	27	40	36	9	(4)
Brytlyt	405	50	6	(399)	(44)
DySIS Medical	2,589	7	-	(2,589)	(7)
Loan stock repayments and other:					
Alto Prodotto Wind	20	30	30	10	-
Greenenerco	4	5	5	1	-
Escrow adjustments and other*	19	1	92	73	91
Total	3,064	133	169	(2,895)	36

* These comprise fair value movements on deferred consideration on previously disposed investments, de minimis investments and expenses which are incidental to the purchase or disposal of an investment.

	£'000
Total change in value of investments	9,765
Movement in loan stock accrued interest	50
Unrealised gains on fixed asset investments sub-total	9,815
Realised gains on fixed asset investments	36
Total gains on investments as per Income statement	9,851

RESPONSIBILITY STATEMENT

The Directors, Clive Richardson, Margaret Payn, David Benda, Peter Moorhouse and Patrick Reeve, are responsible for preparing 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”, 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

Clive Richardson

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	-	9,851	9,851	-	9,362	9,362	-	5,992	5,992
Investment income	4	1,249	-	1,249	713	-	713	1,687	-	1,687
Investment Manager's fees	5	(141)	(1,409)	(1,550)	(138)	(1,457)	(1,595)	(268)	(2,420)	(2,688)
Other expenses		(322)	-	(322)	(321)	-	(321)	(644)	-	(644)
Profit on ordinary activities before tax		786	8,442	9,228	254	7,905	8,159	775	3,572	4,347
Tax charge on ordinary activities		-	-	-	-	-	-	-	-	-
Profit and total comprehensive income attributable to shareholders		786	8,442	9,228	254	7,905	8,159	775	3,572	4,347
Basic and diluted return per share (pence)*	7	0.42	4.57	4.99	0.15	4.59	4.74	0.44	2.05	2.49

*Adjusted for treasury shares.

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 accompanying notes on pages 20 to 26 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 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		115,403	100,841	99,410
Current assets				
Trade and other receivables		141	3,419	3,434
Cash in bank and at hand		35,049	32,906	25,571
		35,190	36,325	29,005
Payables: amounts falling due within one year				
Trade and other payables	8	(6,505)	(1,751)	(970)
Net current assets		28,685	34,574	28,035
Total assets less current liabilities		144,088	135,415	127,445
Provisions falling due after one year		(258)	(248)	(123)
Net assets		143,830	135,167	127,322
Equity attributable to equity holders				
Called-up share capital	9	2,196	2,041	2,049
Share premium		28,239	15,958	16,468
Capital redemption reserve		18	-	-
Unrealised capital reserve		44,498	37,671	31,752
Realised capital reserve		12,223	14,941	16,527
Other distributable reserve		56,656	64,556	60,526
Total equity shareholders' funds		143,830	135,167	127,322
Basic and diluted net asset value per share (pence)*		75.09	76.02	71.99

*Excluding treasury shares.

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 accompanying notes on pages 20 to 26 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 24 September 2024 and were signed on its behalf by

Clive Richardson

Chairman

Company number: 04114310

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Unrealised capital reserve £'000	Realised capital reserve* £'000	Other distributable reserve* £'000	Total £'000
As at 1 January 2024	2,049	16,468	-	31,752	16,527	60,526	127,322
Profit/(loss) and total comprehensive income for the period	-	-	-	9,815	(1,373)	786	9,228
Transfer of previously unrealised losses on disposal of investments	-	-	-	2,931	(2,931)	-	-
Purchase of own shares for cancellation	(18)	-	18	-	-	(1,222)	(1,222)
Issue of equity	165	12,127	-	-	-	-	12,292
Cost of issue of equity	-	(356)	-	-	-	-	(356)
Dividends paid	-	-	-	-	-	(3,434)	(3,434)
As at 30 June 2024	2,196	28,239	18	44,498	12,223	56,656	143,830
As at 1 January 2023	1,905	5,534	-	24,828	19,879	69,101	121,247
Profit/(loss) and total comprehensive income for the period	-	-	-	8,787	(882)	254	8,159
Transfer of previously unrealised losses on disposal of investments	-	-	-	4,056	(4,056)	-	-
Purchase of own shares for treasury	-	-	-	-	-	(1,561)	(1,561)
Issue of equity	136	10,700	-	-	-	-	10,836
Cost of issue of equity	-	(276)	-	-	-	-	(276)
Dividends paid	-	-	-	-	-	(3,238)	(3,238)
As at 30 June 2023	2,041	15,958	-	37,671	14,941	64,556	135,167
As at 1 January 2023	1,905	5,534	-	24,828	19,879	69,101	121,247
Profit/(loss) and total comprehensive income for the year	-	-	-	3,632	(60)	775	4,347
Transfer of previously unrealised losses on disposal of investments	-	-	-	3,292	(3,292)	-	-
Purchase of shares for treasury	-	-	-	-	-	(2,767)	(2,767)
Issue of equity	144	11,231	-	-	-	-	11,375
Cost of issue of equity	-	(297)	-	-	-	-	(297)
Dividends paid	-	-	-	-	-	(6,583)	(6,583)
As at 31 December 2023	2,049	16,468	-	31,752	16,527	60,526	127,322

*Included within these reserves are amounts of £22,550,000 (30 June 2023: £28,406,000; 31 December 2023: £25,034,000) which are considered distributable at 30 June 2024. Over the next three years an additional £39,322,000 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.

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	662	484	981
Dividend income received	93	-	73
Income from fixed term funds received	198	95	254
Deposit interest received	346	147	463
Investment management fee paid	(1,419)	(1,204)	(2,651)
Other cash payments	(329)	(376)	(656)
Corporation tax paid	-	-	-
Net cash flow generated from operating activities	(449)	(854)	(1,536)
Cash flow from investing activities			
Purchase of fixed asset investments	(6,360)	(435)	(7,268)
Proceeds from disposals of fixed asset investments	3,480	1,257	6,057
Funds held pending legal completion of sale*	5,527	-	-
Net cash flow generated from investing activities	2,647	822	(1,211)
Cash flow from financing activities			
Issue of share capital	11,415	10,054	10,054
Cost of issue of equity	(21)	-	(39)
Dividends paid**	(2,892)	(2,723)	(5,524)
Purchase of own shares (including costs)	(1,222)	(987)	(2,767)
Net cash flow generated from financing activities	7,280	6,344	1,724
Increase/(decrease) in cash in bank and at hand	9,478	6,312	(1,023)
Cash in bank and at hand at start of period	25,571	26,594	26,594
Cash in bank and at hand at end of period	35,049	32,906	25,571

*This amount of £5,527,000 relates to the sale of Egress Software Technologies which completed on 1 July 2024 and was held as a creditor at 30 June 2024 as shown in note 8.

**The 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.

NOTES TO THE 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"), 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 no 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 prices of recent investment rounds, net assets and industry valuation benchmarks. Where the 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 the 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 meet the definition of a financing transaction and 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.

Provisions

Provisions relate to the performance incentive fee payable to the Manager. The provision requires management to make judgements and estimates under the Basis of Preparation. The performance incentive fee provision is the best estimate of the probable amounts payable in respect of the five-year performance measurement period for the performance incentive fee. The most significant assumption when calculating this amount, is that of future performance. This has been calculated by reference to the Company's five year rolling historic returns and has been corroborated by a portfolio return analysis using appropriate benchmarks.

Investment income

Equity income

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

Unquoted loan stock and other preferred income

Fixed returns on non-equity shares and debt securities are recognised when the Company's right to receive payment and expected 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.

Fixed term funds income

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

Bank deposit 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 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 or refundable in respect of the taxable profit or 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 for 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 shares.

Share premium

This 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 diminutions in value (including gains recognised on the realisation of investments where consideration is deferred and is 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;

Notes to the condensed Financial Statements

- expenses, together with the related taxation effect, charged in accordance with the above policies; and
- dividends paid to equity holders where paid out as 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 declared 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 early stage 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	9,815	8,787	3,632
Realised gains on fixed asset investments	36	367	1,927
Unwinding of discount on deferred consideration	-	208	433
	9,851	9,362	5,992

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	612	448	897
Bank deposit interest	346	147	463
Income from fixed term funds	198	95	254
Dividend income	93	23	73
	1,249	713	1,687

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	1,273	1,240	2,414
Investment management fee charged to revenue	141	138	268
Total investment management fee	1,414	1,378	2,682
Movement in provision for performance incentive fee charged to capital	136	217	6
	1,550	1,595	2,688

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 19 of the Annual Report and Financial Statements for the year ended 31 December 2023.

During the period, services for a total value of £1,514,000 (30 June 2023: £1,478,000; 31 December 2023: £2,882,000) were purchased by the Company from Albion Capital Group LLP ("Albion Capital") comprising £1,414,000 of management fees (30 June 2023: £1,378,000; 31 December 2023: £2,682,000) and £100,000 of administration fees (30 June 2023: £100,000; 31 December 2023: £200,000). At the financial period end, the amount due to Albion Capital in respect of these services disclosed as accruals was £828,000 (administration fee accrual £50,000, management fee accrual £778,000) (30 June 2023: £822,000; 31 December 2023: £678,000).

Currently a best estimate provision of £259,000 has been calculated and included in relation to potential performance incentive fees which arise from performance each year to 31 December 2028. Currently there is £nil expected to be paid for the year to 31 December 2024.

After the 2024 AGM, there was a payment of £155,000 relating to the performance fee earned to 31 December 2023. Further details can be found in note 10.

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

Albion Capital, its partners and staff (including Patrick Reeve), held 1,735,853 Ordinary shares in the Company as at 30 June 2024.

Albion Capital is, from time to time, eligible to receive arrangement fees and monitoring fees from portfolio companies. During the period to 30 June 2024, fees of £119,000 attributable to the investments of the Company were received by Albion Capital pursuant to these arrangements (30 June 2023: £81,000; 31 December 2023: £162,000).

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 3.0% 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 1.80p per share paid on 28 June 2024 (30 June 2023: 1.82p per share)	3,434	3,238	3,238
Second dividend of 1.90p per share paid on 29 December 2023	-	-	3,345
	3,434	3,238	6,583

The Directors have declared a dividend of 1.88 pence per Ordinary share (total approximately £3,601,000) payable on 6 December 2024, to shareholders on the register on 15 November 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 equity shares (£'000)	786	8,442	254	7,905	775	3,572
Weighted average shares in issue (adjusted for treasury shares)	184,900,837		172,268,564		174,822,608	
Return attributable per equity share (pence)	0.42	4.57	0.15	4.59	0.44	2.05

Notes to the condensed Financial Statements

The weighted average number of shares is calculated after adjusting for treasury shares of 28,037,873 (30 June 2023: 26,353,527; 31 December 2023: 28,037,873).

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

8. Payables: amounts falling due within one year

	Unaudited six months ended 30 June 2024 £'000	Unaudited six months ended 30 June 2023 £'000	Audited year ended 31 December 2023 £'000
Trade payables	61	588	34
Accruals and deferred income	917	1,163	936
Funds held pending legal completion of sale	5,527	-	-
	6,505	1,751	970

Funds held pending legal completion of sale relates to cash being received for the sale of Egress Software Technologies which completed on 1 July 2024.

The Directors consider that the carrying amount of payables is not materially different to their fair value.

9. Share capital

Allotted, called up and fully paid shares of 1 penny each	Unaudited 30 June 2024	Unaudited 30 June 2023	Audited 31 December 2023
Number of shares	219,593,502	204,149,764	204,885,821
Nominal value of allotted shares (£'000)	2,196	2,041	2,049
Voting rights (number of shares net of treasury shares)	191,555,629	177,796,237	176,847,948

During the period to 30 June 2024 the Company purchased 1,760,290 Ordinary shares (nominal value £17,603) for cancellation at a cost of £1,222,000. The total number of Ordinary shares held in treasury as at 30 June 2024 was 28,037,873 (30 June 2023: 26,353,527; 31 December 2023: 28,037,873) representing 12.8% 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)
28 June 2024	768,434	8	70.64	522	67.50

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	1,863,819	19	74.19	1,355	69.00
22 March 2024	419,447	4	74.57	305	69.00
22 March 2024	12,888,478	129	74.95	9,371	69.00
16 April 2024	214,637	2	74.19	156	69.00
16 April 2024	14,751	-	74.57	11	69.00
16 April 2024	298,405	3	74.95	217	69.00
	15,699,537	157		11,415	

10. Provisions and significant estimates

In accordance with the AIC SORP and FRS 102, a provision for a performance incentive fee ("PIF") is required to be estimated and accounted for in the financial statements. The PIF is calculated on a five-year rolling average performance basis, with a 5% hurdle applied to the opening net asset value each year, which is in line with our current dividend target. The first five year performance period took into account the audited results of the five years ending 31 December 2023, where £155,000 was paid following the adoption of these accounts after the 2024 AGM. There is currently £nil provision for the performance of the five year performance period to 31 December 2024.

Any PIF will only be paid on actual year end audited results, and this provision is the Board's best estimate of the potential obligation relating to the inclusion of realised performance from 1 January 2020 to 30 June 2024 in any future five-year rolling periods.

	Unaudited six months ended 30 June 2024 £'000	Unaudited six months ended 30 June 2023 £'000	Audited year ended 31 December 2023 £'000
Movement in provision			
Opening provision	123	272	272
Movement in provision	136	217	(149)
Closing provision	259	489	123
Payable within one year:	-	241	155
Payable in more than one year:	259	248	123

The most significant assumption when calculating this amount, is that of future performance. Results for the period from 1 January 2020 to 30 June 2024 are included in the calculation; a forecast has been used for current year performance and future years assume performance is achieved in line with the five-year historic rolling average. The provision included in the financial statements has been calculated on this basis and has been corroborated by a portfolio return analysis using appropriate benchmarks. Performance fees are only paid on actual final audited results for a five-year period.

The average return per annum over each rolling five-year period since the Company's inception in 2000 to the date of approval of the new performance fee arrangements was 5.85%. This smooths the performance through the various economic events and cycles seen since inception. This has resulted in a provision of £259,000 at 30 June 2024.

11. Commitments and contingencies

As at 30 June 2024, the Company had no financial commitments in respect of investments (30 June 2023 and 31 December 2023: £nil).

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

12. Post balance sheet events

Since 30 June 2024, the Company has had the following material post balance sheet events:

- Legal completion of the sale of Egress Software Technologies on 1 July 2024, for which £5,527,000 of funds had been received before 30 June 2024 and were held as a creditor in the Company at 30 June 2024; 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.

13. Related party transactions

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

14. 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 meetings and have been stress tested to allow for the forecast impact of the current economic climate and increasingly volatile geopolitical backdrop. The Board has revisited and updated its assessment of liquidity risk and concluded that it remains unchanged since the last Annual Report and Financial Statements. Further details can be found on pages 90 and 91 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.

15. 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 and is derived from the statutory accounts for that 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.

16. 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/AATG, where the Report can be accessed from the 'Financials' section.

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