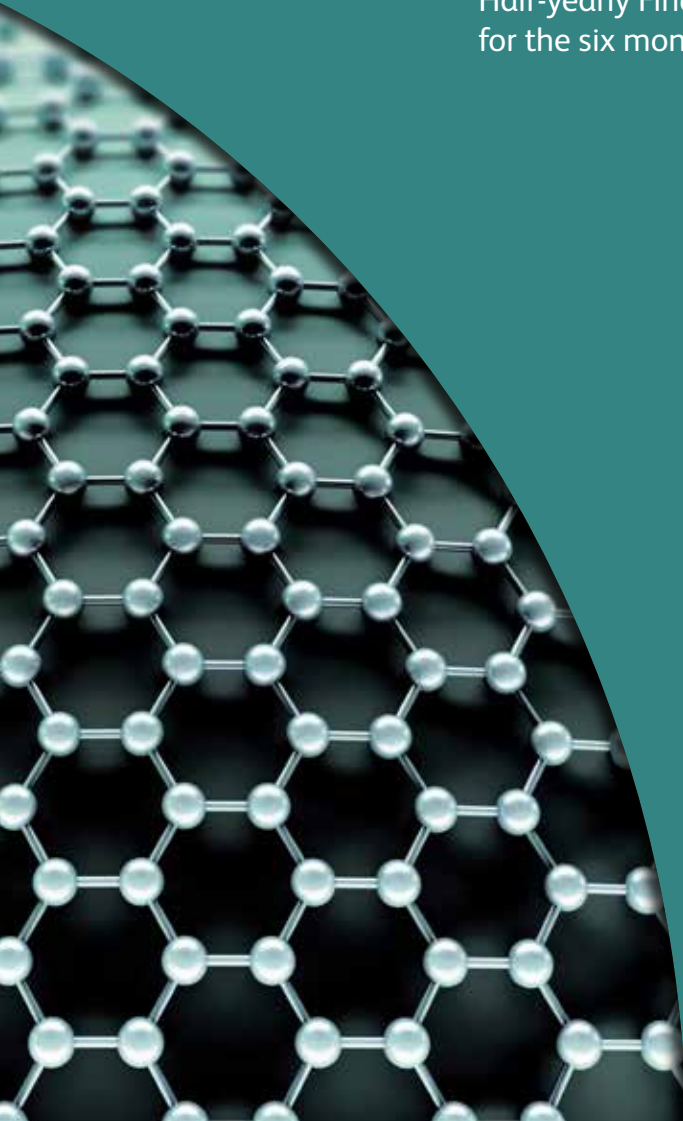


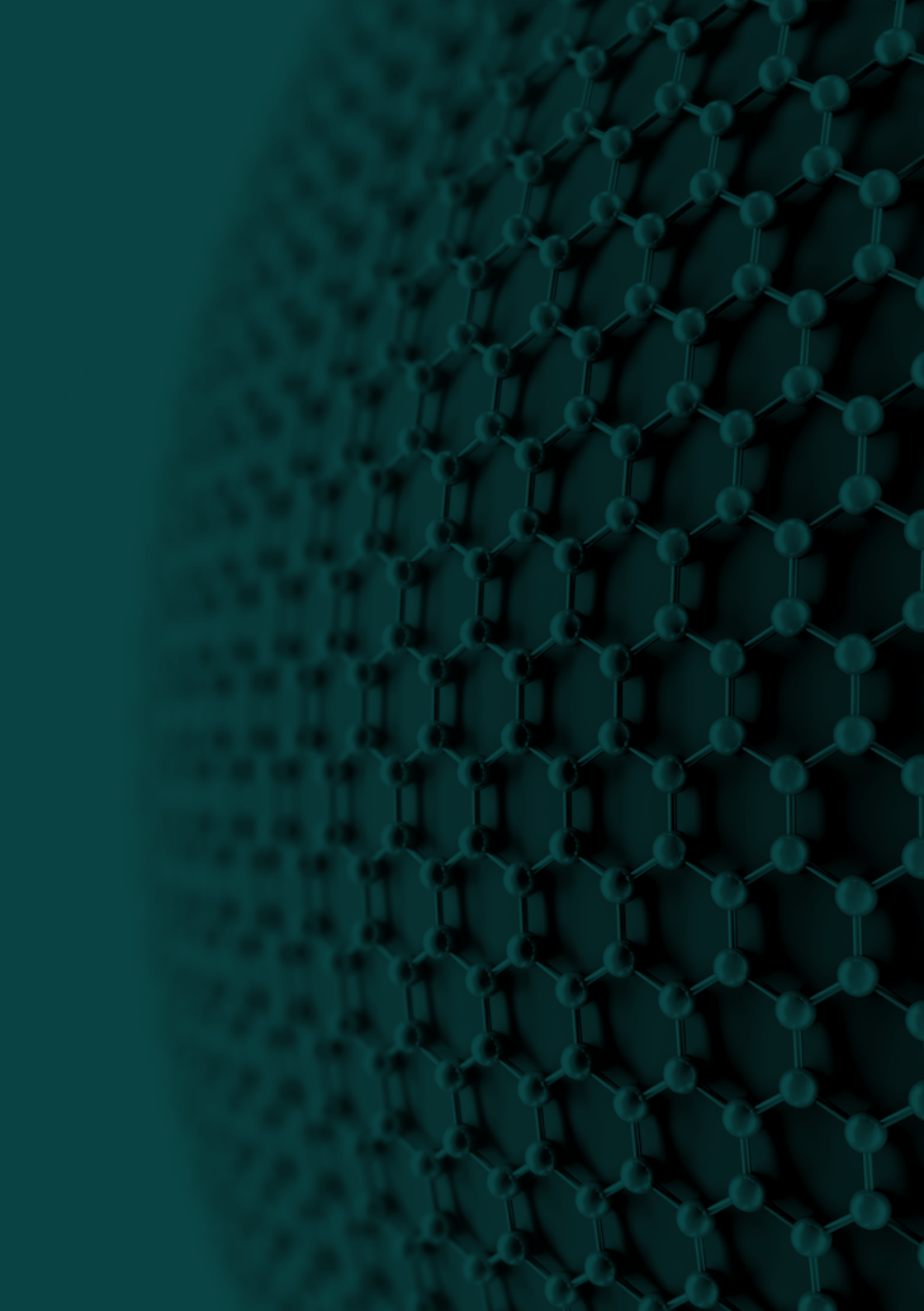
AlbionCapital

2024

Albion Enterprise VCT PLC

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





Albion Enterprise VCT PLC

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

AlbionCapital

COMPANY INFORMATION

Company name	Country of incorporation	Legal form
Albion Enterprise VCT PLC (the "Company")	United Kingdom	Public Limited Company
Directors	Company number	Auditor
C Burrows, Chairman P Latham P Reeve R Whitlock	05990732	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 Bridge House 181 Queen Victoria Street London, EC4V 4EG	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 5860 (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 by Computershare by registering on Computershare's website.

Shareholders can also contact the Chairman directly on: AAEVchair@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 OBJECTIVE AND POLICY

Albion Enterprise VCT PLC (the “Company”) is a Venture Capital Trust and the investment objective of the Company is to provide investors with a regular source of income, combined with the prospect of longer term capital growth.

Investment policy

The Company will invest in a broad portfolio of higher growth businesses across a variety of sectors of the UK economy including higher risk technology companies. 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 both in terms of sector and stage of maturity of company.

VCT qualifying and non-VCT 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 relevant HMRC annual investment limits. It is intended that normally at least 80 per cent. 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 investment.

Funds held 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 10 per cent. of the Company’s assets at the time of investment.

The Company shall be able to (i) continue to hold VCT assets that were previously acquired in accordance with the Company’s investment policy that applied at the time of investment and (ii) acquire such VCT assets through a merger with another VCT where such assets were previously acquired by that target VCT (in accordance with its investment policy that applied at the time of investment).

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 company is 15 per cent. of the Company’s assets at cost, thus ensuring a spread of investment risk. The value of an individual investment may increase over time as a result of trading progress and it is possible that it may grow in value to a point where it represents a significantly higher proportion of total assets prior to a realisation opportunity being available.

Gearing

The Company’s maximum exposure in relation to gearing is restricted to 10 per cent. of its adjusted share capital and reserves.

Changes to the Investment Policy

The Company will not make a material change to its published investment policy without obtaining the prior approval of its shareholders.

FINANCIAL CALENDAR

11 December 2024 (10 a.m.)	General Meeting for the proposed merger with Albion Development VCT PLC
7 February 2025	Record date for second dividend
28 February 2025	Payment of second dividend
31 March	Financial year end

FINANCIAL HIGHLIGHTS

Movements in net asset value	Unaudited six months ended 30 September 2024 (pence per share)	Unaudited six months ended 30 September 2023 (pence per share)	Audited year ended 31 March 2024 (pence per share)
Opening net asset value	125.77	128.60	128.60
Capital return/(loss)	7.82	(3.22)	2.55
Revenue return	0.69	0.35	0.75
Total return/(loss)	8.51	(2.87)	3.30
Dividends paid	(3.14)	(3.22)	(6.28)
Impact of share capital movements	0.07	0.02	0.15
Net asset value	131.21	122.53	125.77

Total shareholder value	Pence per share
Total dividends paid to 30 September 2024	78.29
Net asset value on 30 September 2024	131.21
Total shareholder value to 30 September 2024	209.50

A more detailed breakdown of the dividends paid per year can be found at www.albion.capital/vct-funds/AAEV under 'Dividend Payment History' in the 'Dividends' section.

In addition to the dividends summarised above, the Board has declared a second dividend for the year ending 31 March 2025, of 3.28 pence per share to be paid on 28 February 2025 to shareholders on the register on 7 February 2025.

Special dividend

The Board also declared a special dividend of 13.50 pence per share, which was paid on 25 October 2024 to shareholders on the register on 4 October 2024.

INTERIM MANAGEMENT REPORT



Christopher Burrows
Chairman

Introduction

In the six months to 30 September 2024, the Company generated a total return of 8.51 pence per share, representing a 6.8% increase on the opening net asset value (“NAV”). The Company’s portfolio has demonstrated 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.

The Board is encouraged that the continued support of the Government was highlighted in the recent Chancellor’s Budget speech stating that having extended the VCT scheme to 2035, they “will continue to work with leading entrepreneurs and venture capital firms to ensure that our policies support a positive environment for entrepreneurship in the UK”.

Results and dividends

The total return for the six months to 30 September 2024 was £9.5 million (30 September 2023: loss of £2.9 million; year ended 31 March 2024: gain of £3.3 million). The Company paid a first dividend of 3.14 pence per share during the period to 30 September 2024 (30 September 2023: 3.22 pence per share). As a result, the NAV has increased to 131.21 pence per share on 30 September 2024 (31 March 2024: 125.77 pence per share). After accounting for the special dividend of 13.50 pence per share paid on 25 October 2024 to shareholders on the register on 4 October 2024, the NAV is 117.69 pence per share.

In line with our variable dividend policy targeting a dividend around 5% of NAV per annum, the Company will pay a second interim dividend for the financial year ending 31 March 2025 of

3.28 pence per share on 28 February 2025 to shareholders on the register on 7 February 2025, being 2.5% of the 30 September 2024 NAV.

This will bring the ordinary dividends paid for the year ending 31 March 2025 to 6.42 pence per share, which equates to a 5.1% yield on the opening NAV of 125.77 pence per share. In addition, the Company paid a special dividend of 13.50 pence per share, following the sale of Egress Software Technologies.

Sale of Egress Software Technologies

One of the key valuation movements in the period was a £4.9 million uplift of Egress Software Technologies following its sale to KnowBe4, which completed on 1 July 2024 returning proceeds (including deferred consideration) of £25.7 million. 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.

Investment performance and progress

The total gain on investments for the six months to 30 September 2024 was £10.0 million (30 September 2023: loss of £2.1 million; year ended 31 March 2024: gain of £4.9 million). In addition to the disposal of Egress described above, the other key upward movements in the period were the £5.5 million uplift in Quantexa and the £1.1 million uplift in Oviva. These and others amongst our investee companies have been showing strong growth.

The challenging economic environment has resulted in a number of write-downs, the three most significant being Toqio FinTech Holdings by £0.6 million, Radnor House School by £0.5 million and uMedeor by £0.5 million.

Our top 3 portfolio companies (Quantexa, Proveca and Oviva) now account for 28.6% of the Company's NAV (30 September 2023: 36.1%; 31 March 2024: 36.4%).

During the period, a total of £5.8 million was deployed into investments of which £3.2 million

was invested into four new portfolio companies, all of which are expected to require further investment as the companies prove themselves and grow. These are:

- £0.9 million (Albion VCTs: £4.0 million) into Papaya Technologies, a multi-sided marketplace for the electric vehicle ecosystem;
- £0.9 million (Albion VCTs: £4.0 million) into Instinct Digital, an investment communication platform for the asset management industry;
- £0.8 million (Albion VCTs: £3.2 million) into Trumpet Software, a digital sales room and collaboration software platform for B2B sales interactions; and
- £0.6 million (Albion VCTs: £3.0 million) into GetLeast (T/A Kato), a platform that digitises workflows of commercial real estate industry participants.

The Company also provided follow-on funding to its existing portfolio in the period, with £2.6 million invested across eleven existing portfolio companies.

Further details of the portfolio of investments and investment realisations can be found on pages 12 to 14.

Investment portfolio by sector

- Cash and other net assets 34% (25%)
- FinTech 26% (22%)
- Software & technology 15% (28%)
- Healthcare (including digital healthcare) 18% (18%)
- Renewable energy 4% (4%)
- Other (including education) 3% (3%)

Comparatives for 31 March 2024 are shown in brackets.



Board composition

Maxwell Packe retired from the Board on 3 September 2024 having been the Company's chairman since its formation in 2006. We would like to thank Maxwell for his strong leadership over so many years. We will miss his thoughtful and well considered contributions to our Board discussions. We wish him well for the future.

As stated in the Circular on 12 November 2024, Patrick Reeve will step down from the Board of Albion Enterprise VCT PLC on the earlier of the merger date or 31 December 2024 but will remain chairman of Albion Capital Group. The Board thanks him for all his valuable contributions over the years.

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 net asset value, 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 March 2024. 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, performance, technology and valuation risk;
- Regulatory and compliance risk;
- VCT approval risk;
- Operational and internal control risk;
- Cyber and data security risk;
- Economic, political and social risk; and
- Liquidity 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 March 2024 on pages 23 to 25, copies of which are available on the Company's webpage on the Manager's website at www.albion.capital/vct-funds/AAEV 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 Mergers

On 12 November 2024, the Company issued a circular, jointly with the other Albion managed VCTs, proposing the merger of the Company with Albion Development VCT PLC. The circular also includes the Notice of the General Meeting to be held at 10:00 a.m. on 11 December 2024. The Company encourages all shareholders to vote on the resolutions to be proposed at the General Meeting in connection with the recommended proposals. Full details can be found in the Circular that is available at www.albion.capital/mergers.

If the merger proceeds, it is expected that it will bring benefits including cost savings for shareholders, a simplified fee structure across the Albion VCTs, reduced administration and streamlined fundraising offers.

Albion VCTs Top Up Offers

Your Board, in conjunction with the boards of two of the other VCTs managed by Albion Capital Group LLP, has launched a prospectus top up offer of new Ordinary shares for subscription in the 2024/25 tax year. Full details of the Offer are contained in the prospectus that is available at www.albion.capital/offers. The Offer will be open for applications on 6 January 2025.

The proceeds will be used to provide support to our existing portfolio companies and to enable us to take advantage of new investment opportunities.

Outlook

Although there remain many 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 Company's investment strategy to focus on dynamic sectors with long term growth prospects such as technology and healthcare. In line with that strategy, the Company has 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.

Christopher Burrows

Chairman
27 November 2024

PORTFOLIO OF INVESTMENTS

	% voting rights	On 30 September 2024			
		Cost £'000	Cumulative movement in value £'000	Value £'000	Change in value for the period* £'000
Fixed asset investments					
Quantexa	2.1	2,069	25,636	27,705	5,541
Proveca	11.6	2,487	6,172	8,659	465
Oviva	3.2	2,601	2,719	5,320	1,142
Gravitee TopCo (T/A Gravitee.io)	4.5	2,168	1,331	3,499	146
Healios	8.1	3,013	362	3,375	324
Radnor House School (TopCo)	9.4	1,729	1,429	3,158	(541)
The Ewell Group	6.3	1,477	1,622	3,099	396
Panaseer	3.0	1,836	533	2,369	-
Runa Network	2.7	1,871	414	2,285	-
Convertr Media	6.2	992	878	1,870	76
Regenerco Renewable Energy	12.5	1,261	580	1,841	-
The Street by Street Solar Programme	8.6	891	583	1,474	(60)
Cantab Research (T/A Speechmatics)	1.6	1,359	103	1,462	(46)
Elliptic Enterprises	1.1	1,373	12	1,385	5
Aridhia Informatics	7.0	1,244	140	1,384	57
Peppy Health	1.5	1,372	-	1,372	-
Treefera	2.6	1,371	-	1,371	-
Threadneedle Software Holdings (T/A Solidatus)	2.4	1,360	-	1,360	-
GX Molecular (T/A CS Genetics)	3.5	1,143	12	1,155	10
OpenDialog AI	4.4	1,139	-	1,139	-
TransFICC	2.3	938	194	1,132	194
Tem Energy	2.2	631	419	1,050	165
NuvoAir Holdings	2.2	1,271	(296)	975	(303)
InCrowd Sports	3.7	720	247	967	-
Papaya Technologies	3.6	944	-	944	-
Instinct Digital	8.1	943	-	943	-
Alto Prodotto Wind	11.1	613	313	926	(93)
Imandra	1.3	815	100	915	14
Greenenerco	28.6	526	353	879	(69)
Accelex Technology	2.7	782	47	829	(325)
Beddlestead	8.1	966	(187)	779	(73)
Locum's Nest	5.1	602	163	765	(8)

	% voting rights	On 30 September 2024			
		Cost £'000	Cumulative movement in value £'000	Value £'000	Change in value for the period* £'000
Fixed asset investments					
Trumpet Software	2.9	755	-	755	-
Diffblue	3.2	745	-	745	-
Toqio FinTech Holdings	1.8	1,279	(597)	682	(597)
OutThink	2.6	644	-	644	-
Kennek Solutions	2.2	607	-	607	-
Infact Systems	3.5	506	93	599	93
Perchpeek	1.9	591	-	591	237
GetLeast (T/A Kato)	3.2	576	-	576	-
Gridcog International	2.6	497	-	497	-
Phasecraft	0.8	455	-	455	-
PetsApp	2.4	450	-	450	-
Mondra Global	0.4	431	8	439	6
Seldon Technologies	3.1	1,046	(612)	434	(336)
5Mins AI	2.0	360	-	360	-
Koru Kids	2.5	694	(371)	323	(51)
Kohort Software (previously Ramp Software)	2.0	257	-	257	-
AVESI	5.5	179	20	199	(6)
Neurofenix	2.7	552	(453)	99	(73)
PeakData	3.2	980	(889)	91	(138)
Cisiv	6.8	799	(725)	74	(242)
uMedeor (T/A uMed)	3.2	603	(538)	65	(517)
Symetrica	0.2	63	(4)	59	-
MHS 1	1.2	83	(31)	52	(30)
Arecor Therapeutics PLC	0.2	93	(45)	48	(54)
Black Swan Data	3.5	2,237	(2,228)	9	-
Mirada Medical	5.0	1,487	(1,486)	1	(207)
Regulatory Genome Development	0.8	126	(126)	-	-
Total fixed asset investments		59,602	35,895	95,497	5,102

T/A = trading as

* As adjusted for additions and disposals during the period.

Portfolio of investments

Investment realisations in the period to 30 September 2024	Cost £'000	Opening carrying value £'000	Disposal proceeds £'000	Total realised gain £'000	Gain on opening value £'000
Disposals:					
Egress Software Technologies	3,365	20,795	25,660	22,295	4,865
Loan stock repayments, conversions and other:					
Greenenerco	46	65	65	19	-
Alto Prodotto Wind	41	60	61	20	1
Escrow adjustments*	-	-	6	6	6
Total fixed asset realisations	3,452	20,920	25,792	22,340	4,872

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

	£'000
Total change in value of investments for the period	5,102
Movement in loan stock accrued interest	51
Unrealised gains on fixed asset investments sub-total	5,153
Realised losses in the current period	4,872
Total gains on investments as per Income statement	10,025

RESPONSIBILITY STATEMENT

The Directors, Christopher Burrows, Pippa Latham, Patrick Reeve and Rhodri Whitlock, are responsible for preparing the Half-yearly Financial Report. In preparing these condensed Financial Statements for the period to 30 September 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).

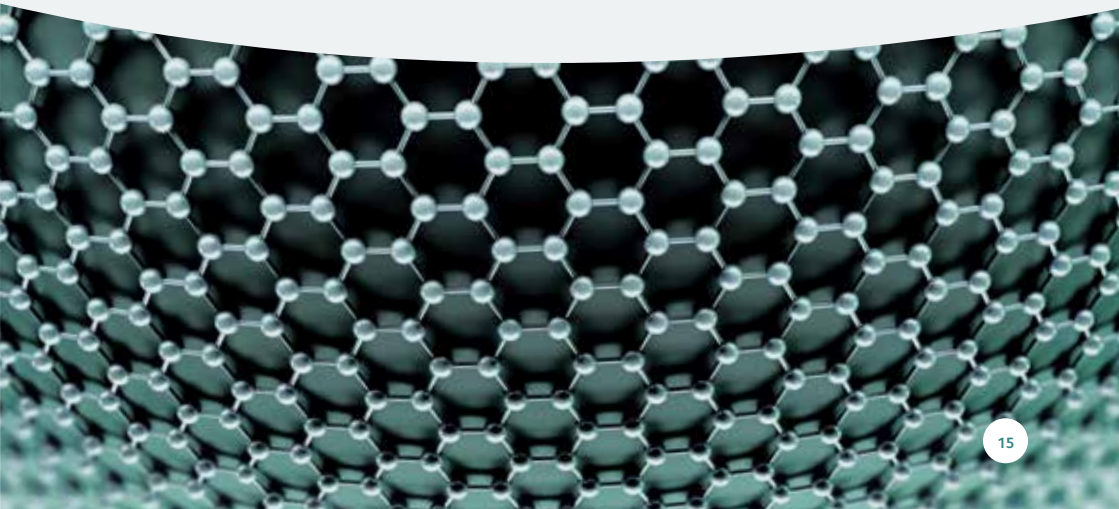
This Half-yearly Financial Report has not been audited or reviewed by the Auditor.

For and on behalf of the Board

Christopher Burrows

Chairman

27 November 2024



CONDENSED INCOME STATEMENT

	Note	Unaudited six months ended 30 September 2024			Unaudited six months ended 30 September 2023			Audited year ended 31 March 2024		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments	3	-	10,025	10,025	-	(2,122)	(2,122)	-	4,883	4,883
Investment income	4	1,289	-	1,289	818	-	818	1,697	-	1,697
Investment Manager's fees	5	(143)	(1,289)	(1,432)	(125)	(1,129)	(1,254)	(256)	(2,307)	(2,563)
Other expenses		(372)	-	(372)	(342)	-	(342)	(683)	-	(683)
Profit/(loss) on ordinary activities before taxation		774	8,736	9,510	351	(3,251)	(2,900)	758	2,576	3,334
Tax charge on ordinary activities		-	-	-	-	-	-	-	-	-
Profit/(loss) and total comprehensive income attributable to shareholders		774	8,736	9,510	351	(3,251)	(2,900)	758	2,576	3,334
Basic and diluted profit/(loss) per share (pence)*	7	0.69	7.82	8.51	0.35	(3.22)	(2.87)	0.75	2.55	3.30

* 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 September 2023 and the audited statutory accounts for the year ended 31 March 2024.

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

	Unaudited 30 September 2024 £'000	Unaudited 30 September 2023 £'000	Audited 31 March 2024 £'000
Note			
Fixed asset investments	95,497	95,126	105,513
Current assets			
Trade and other receivables	1,442	3,377	176
Cash in bank and at hand	49,666	26,317	36,314
	51,108	29,694	36,490
Payables: amounts falling due within one year			
Trade and other payables	(908)	(1,217)	(1,355)
Net current assets	50,200	28,477	35,135
Total assets less current liabilities	145,697	123,603	140,648
Equity attributable to equity holders			
Called-up share capital	8 1,292	1,163	1,284
Share premium	42,715	26,542	41,730
Unrealised capital reserve	35,863	40,432	48,179
Realised capital reserve	28,069	8,937	7,017
Other distributable reserve	37,758	46,529	42,438
Total equity shareholders' funds	145,697	123,603	140,648
Basic and diluted net asset value per share (pence)*	131.21	122.53	125.77

* 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 September 2023 and the audited statutory accounts for the year ended 31 March 2024.

These Financial Statements were approved by the Board of Directors, and authorised for issue on 27 November 2024 and were signed on its behalf by

Christopher Burrows

Chairman

Company number: 05990732

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Called-up share capital £'000	Share premium £'000	Unrealised capital reserve £'000	Realised capital reserve* £'000	Other distributable reserve* £'000	Total £'000
As at 1 April 2024	1,284	41,730	48,179	7,017	42,438	140,648
Profit and total comprehensive income for the period	-	-	5,153	3,583	774	9,510
Transfer of previously unrealised gains on disposal of investments	-	-	(17,469)	17,469	-	-
Issue of equity	8	1,019	-	-	-	1,027
Cost of issue of equity	-	(34)	-	-	-	(34)
Purchase of shares for treasury	-	-	-	-	(1,966)	(1,966)
Dividends paid	-	-	-	-	(3,488)	(3,488)
As at 30 September 2024	1,292	42,715	35,863	28,069	37,758	145,697
As at 1 April 2023	1,154	25,520	41,735	10,885	50,436	129,730
Profit/(loss) and total comprehensive income for the period	-	-	(2,242)	(1,009)	351	(2,900)
Transfer of previously unrealised losses on disposal of investments	-	-	939	(939)	-	-
Issue of equity	9	1,054	-	-	-	1,063
Cost of issue of equity	-	(32)	-	-	-	(32)
Purchase of shares for treasury	-	-	-	-	(1,011)	(1,011)
Dividends paid	-	-	-	-	(3,247)	(3,247)
As at 30 September 2023	1,163	26,542	40,432	8,937	46,529	123,603
As at 1 April 2023	1,154	25,520	41,735	10,885	50,436	129,730
Profit/(loss) and total comprehensive income for the year	-	-	5,053	(2,477)	758	3,334
Transfer of previously unrealised losses on disposal of investments	-	-	1,391	(1,391)	-	-
Issue of equity	130	16,699	-	-	-	16,829
Cost of issue of equity	-	(489)	-	-	-	(489)
Purchase of shares for treasury	-	-	-	-	(2,450)	(2,450)
Dividends paid	-	-	-	-	(6,306)	(6,306)
As at 31 March 2024	1,284	41,730	48,179	7,017	42,438	140,648

* Included within these reserves is an amount of £47,456,000 (30 September 2023: £25,812,000; 31 March 2024: £24,459,000) which is considered distributable. Over the next year an additional £12,816,000 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.

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 September 2023 and the audited statutory accounts for the year ended 31 March 2024.

CONDENSED STATEMENT OF CASH FLOWS

	Unaudited six months ended 30 September 2024 £'000	Unaudited six months ended 30 September 2023 £'000	Audited year ended 31 March 2024 £'000
Cash flow from operating activities			
Investment income received	372	377	846
Bank interest received	469	266	440
Income from fixed term funds received	324	115	324
Dividend income received	242	227	227
Investment Manager's fees paid	(1,394)	(1,267)	(2,499)
Other cash payments	(375)	(379)	(703)
Net cash flow generated from operating activities	(362)	(661)	(1,365)
Cash flow from investing activities			
Purchase of fixed asset investments	(5,802)	(2,865)	(8,862)
Proceeds from disposals of fixed asset investments	24,472	439	6,283
Net cash flow generated from investing activities	18,670	(2,426)	(2,579)
Cash flow from financing activities			
Issue of share capital	459	528	15,368
Cost of issue of equity	(19)	(19)	(40)
Equity dividends paid*	(2,931)	(2,725)	(5,298)
Purchase of own shares (including costs)	(2,465)	(1,240)	(2,632)
Net cash flow generated from financing activities	(4,956)	(3,456)	7,398
Increase/(decrease) in cash in bank and at hand	13,352	(6,543)	3,454
Cash in bank and at hand at start of period	36,314	32,860	32,860
Cash in bank and at hand at end of period	49,666	26,317	36,314

*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.

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 September 2023 and the audited statutory accounts for the year ended 31 March 2024.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Basis of accounting

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 not an active market, are valued using an appropriate valuation technique in accordance with the IPEV Guidelines. Indicators of fair value are derived using established methodologies including earnings multiples, revenue multiples, the level of third party offers received, cost or price of recent investment rounds, net assets and industry valuation benchmarks. Where price of recent investment is used as a starting point for estimating fair value at subsequent measurement dates, this has been benchmarked using an appropriate valuation technique permitted by the IPEV guidelines.
- In situations where cost or price of recent investment is used, consideration is given to the circumstances of the portfolio company since that date in determining fair value. This includes consideration of whether there

is any evidence of deterioration or strong definable evidence of an increase in value. In the absence of these indicators, 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;
- a significant adverse change either in the portfolio company's business or in the technological, market, economic, legal or regulatory environment in which the business operates; or
- market conditions have deteriorated, which may be indicated by a fall in the share prices of quoted businesses operating in the same or related sectors.

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

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

Current assets and payables

Receivables, payables and cash are carried at amortised cost, in accordance with FRS 102. Deferred consideration meets the definition of a financing transaction held at amortised cost, and interest will be recognised through capital over the credit period using the effective interest method. There are no financial liabilities other than payables.

Investment income

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.

Fixed term funds income

Income from fixed term funds 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; and
- expenses which are incidental to the purchase or disposal of an investment are charged through the realised capital reserve.

Taxation

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

Deferred tax is provided in full on all timing differences at the reporting date. Timing differences are differences between taxable profits and total comprehensive income as stated in the Financial Statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the Financial Statements. As a VCT the Company has an exemption from tax on capital gains. The Company intends to continue meeting the conditions required to obtain approval as a VCT in the foreseeable future. The Company therefore, should have no material deferred tax timing differences arising in respect of the revaluation or disposal of investments and the Company has not provided for any deferred tax.

Share capital and 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 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 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 2013 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, transfer 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/(losses) on investments

	Unaudited six months ended 30 September 2024 £'000	Unaudited six months ended 30 September 2023 £'000	Audited year ended 31 March 2024 £'000
Unrealised gains/(losses) on fixed asset investments	5,153	(2,242)	5,053
Realised gains/(losses) on fixed asset investments	4,872	(55)	(438)
Unwinding of discount on deferred consideration	-	175	268
	10,025	(2,122)	4,883

4. Investment income

	Unaudited six months ended 30 September 2024 £'000	Unaudited six months ended 30 September 2023 £'000	Audited year ended 31 March 2024 £'000
Loan stock interest	321	331	762
Bank deposit interest	403	266	505
Income from fixed term funds	323	115	324
Dividend income	242	106	106
	1,289	818	1,697

5. Investment Manager's fees

	Unaudited six months ended 30 September 2024 £'000	Unaudited six months ended 30 September 2023 £'000	Audited year ended 31 March 2024 £'000
Investment management fee charged to capital	1,289	1,129	2,307
Investment management fee charged to revenue	143	125	256
	1,432	1,254	2,563

Further details of the Management agreement under which the investment management fee and performance incentive fee are paid is given in the Strategic report on page 18 of the Annual Report and Financial Statements for the year ended 31 March 2024.

During the period, services of a total value of £1,575,000 (30 September 2023: £1,381,000; 31 March 2024: £2,822,000) were purchased by the Company from Albion Capital Group LLP; this includes £1,432,000 (30 September 2023: £1,254,000; 31 March 2024: £2,563,000) of management fee and £143,000 (30 September 2023: £127,000; 31 March 2024: £259,000) of administration fee. At the financial period end, the amount due to Albion Capital Group LLP in respect of these services disclosed within payables was £801,000 (30 September 2023: £676,000; 31 March 2024: £762,000).

Notes to the condensed Financial Statements

During the period, the Company was not charged by Albion Capital Group LLP in respect of Patrick Reeve's services as a Director (30 September 2023: £nil; 31 March 2024: £nil).

Albion Capital Group LLP, its partners and staff (including Patrick Reeve) held a total of 888,453 shares in the Company on 30 September 2024.

Albion Capital Group LLP is, from time to time, eligible to receive arrangement fees and monitoring fees from portfolio companies. During the period to 30 September 2024, fees of £85,000 attributable to the investments of the Company were received pursuant to these arrangements (30 September 2023: £57,000; 31 March 2024: £173,000).

6. Dividends

	Unaudited six months ended 30 September 2024 £'000	Unaudited six months ended 30 September 2023 £'000	Audited year ended 31 March 2024 £'000
First dividend of 3.14p per share paid on 30 August 2024 (31 August 2023: 3.22p per share)	3,488	3,247	3,247
Second dividend of 3.06p per share paid on 29 February 2024	-	-	3,062
Unclaimed dividends	-	-	(3)
	3,488	3,247	6,306

In addition to the dividends summarised above, the Board has declared a second dividend for the year ending 31 March 2025 of 3.28 pence per share (total approximately £3,707,000), payable on 28 February 2025 to shareholders on the register on 7 February 2025.

Special dividend

The Board also declared a special dividend of 13.50 pence per share, which was paid on 25 October 2024 to shareholders on the register on 4 October 2024.

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

	Unaudited six months ended 30 September 2024		Unaudited six months ended 30 September 2023		Audited year ended 31 March 2024	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
Return/(loss) attributable to equity shares (£'000)	774	8,736	351	(3,251)	758	2,576
Weighted average shares in issue	111,762,095		101,120,220		101,138,059	
Return/(loss) per Ordinary share (pence)	0.69	7.82	0.35	(3.22)	0.75	2.55

The weighted average number of shares is calculated after adjusting for treasury shares of 18,185,333 (30 September 2023: 15,395,005; 31 March 2024: 16,612,548).

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

	Unaudited 30 September 2024	Unaudited 30 September 2023	Audited 31 March 2024
Allotted, called-up and fully paid shares of 1 penny each			
Number of shares	129,223,229	116,271,342	128,442,503
Nominal value of allotted shares (£'000)	1,292	1,163	1,284
Voting rights (number of shares net of treasury shares)	111,037,896	100,876,337	111,829,955

During the period to 30 September 2024, the Company purchased 1,572,785 shares (30 September 2023: 836,639; 31 March 2024: 2,054,182) to be held in treasury at a nominal value of £1,573 and at a cost of £1,966,000. The total number of shares held in treasury on 30 September 2024 was 18,185,333 (30 September 2023: 15,395,005; 31 March 2024: 16,612,548) representing 14.1% of the shares in issue on 30 September 2024.

Under the terms of the Dividend Reinvestment Scheme Circular (dated 26 November 2009), the following new shares of nominal value 1 penny each were allotted during the period to 30 September 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)
30 August 2024	416,507	4	132.96	533	126.00

Under the terms of the Albion VCTs Prospectus Top Up Offers 2023/24 the following new shares of nominal value 1 penny each were allotted during the period to 30 September 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)
16 April 2024	82,167	1	128.70	104	119.50
16 April 2024	15,460	-	129.36	19	119.50
16 April 2024	266,592	3	130.03	336	119.50
	364,219			459	

9. Commitments and contingencies

On 30 September 2024, the Company had no financial commitments (30 September 2023: £nil; 31 March 2024: £nil).

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

10. Post balance sheet events

Since 30 September 2024, the company has had the following material post balance sheet events:

- As announced on 12 November 2024, the Company has issued a joint circular and prospectus along with the other Albion managed VCTs. Further details can be found in the Interim management report on page 11.
- A special dividend of 13.50 pence per share paid on 25 October 2024 to shareholders on the register on 4 October 2024.

Under the terms of the Dividend Reinvestment Scheme, the following new Ordinary shares of nominal value 1 penny each were allotted:

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)
25 October 2024	1,987,326	20	119.46	2,353	113.50

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 and have been stress tested to allow for the forecasted impact of the current economic climate and increasingly volatile geopolitical backdrop. 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 90 of those accounts.

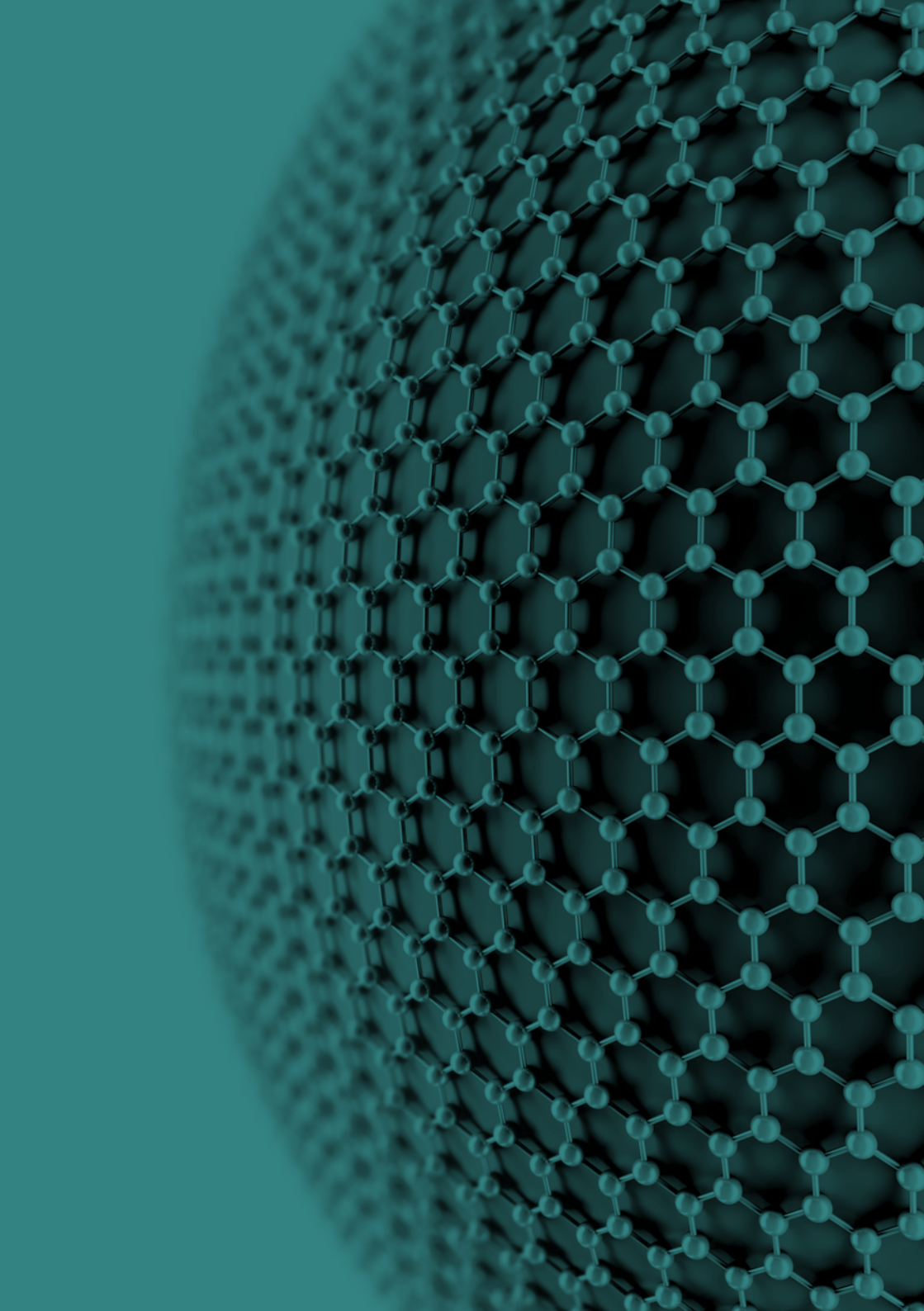
The portfolio of investments is diversified in terms of sector and the major cash outflows of the Company (namely investments, dividends and share buy-backs) are within the Company's control. Accordingly, after making diligent enquiries, the Directors have a reasonable expectation that the Company has 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 September 2024 and 30 September 2023, and is unaudited. The information for the year ended 31 March 2024 does not constitute statutory accounts within the terms of section 434 of the Companies Act 2006 but is derived from the 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 statements under s498 (2) or (3) of the Companies Act 2006.

14. Publication

This Half-yearly Financial Report is being sent to shareholders and copies will be made available to the public at the registered office of the Company, Companies House, the National Storage Mechanism and also electronically at www.albion.capital/vct-funds/AEEV, where the Report can be accessed from the 'Financials' section.





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