

# Half-Yearly Report

For the six months ended 31 March 2023



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# Financial Highlights

for the six months ended 31 March 2023

- Net Asset Value ("NAV") total return per share for the six months ended 31 March 2023, after adding back the dividends paid in the period, was -4.3%.
- £2.1 million of qualifying investments (£2 million new, £0.1 million follow-on) made in the period.
- Interim dividend of 3.0 pence per share declared for the six months ended 31 March 2023.
- The Offer for Subscription, launched on 24 January 2023, was over subscribed by 6 February 2023, and raised £14.6 million (after costs of £0.4 million).

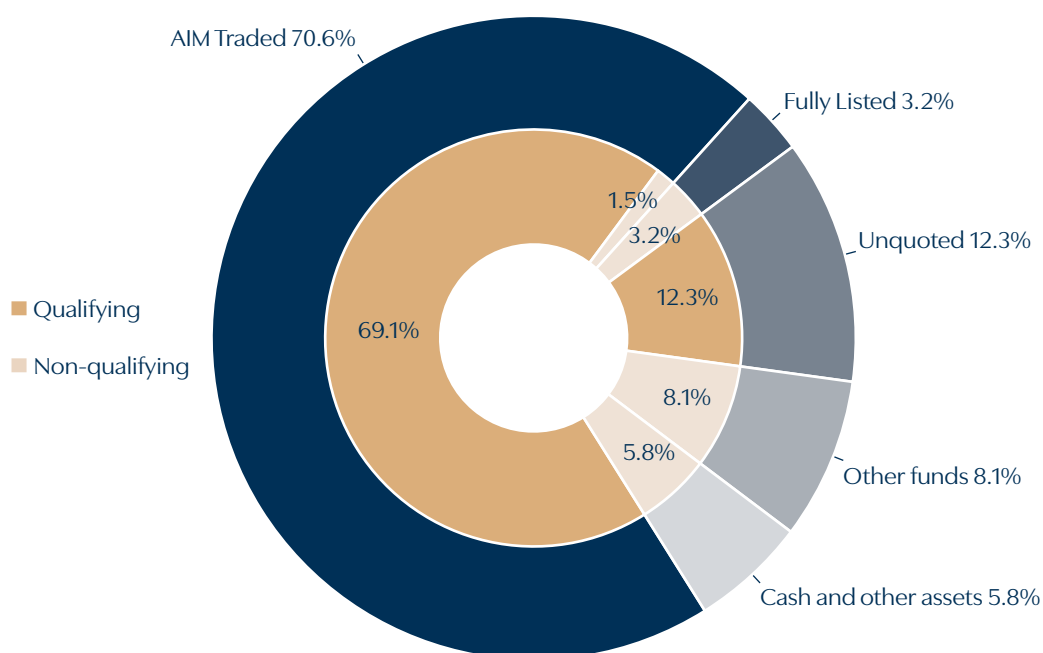
## Fund Performance

Ordinary Shares	Shareholders' Funds* (£million)	Net asset value per share (NAV) (p)	Cumulative dividends paid per share** (p)	Net asset value plus cumulative dividends paid per share** (p)	Share price (p)
31 March 2023	218.4	125.5	102.5	228.0	103.5
30 September 2022	221.1	134.8	99.0	233.8	126.5
31 March 2022	315.3	195.7	64.0	259.7	167.0
30 September 2021	370.8	248.6	53.5	302.1	219.0

\* Shareholders' funds/net assets as shown in the Condensed Statement of Financial Position on page 12.

\*\* Total dividends (including special dividends) paid since 30 September 2013.

## Percentage of Assets Held as at 31 March 2023



Valuation based on fair value

## Chair's Statement

I am pleased to present the unaudited Half-Yearly Report of the Company for the six-month period ended 31 March 2023.

As at 31 March 2023, the net assets of the Company were £218.4 million. This figure is £2.7 million lower than at the start of the current financial year. After accounting for the additional shares in issue following a successful Offer for Subscription and after adding back dividends paid in the period, the total return in the six-month period under review was -4.3%.

The decline in net asset value recorded in the first half of the Company's financial year is both disappointing and represents a period of relative underperformance. The FTSE AIM All-Share Index recorded a small positive total return of 1.1%.

Investor appetite for equity risk continued to wane throughout the first half of the financial year and this resulted in a significant de-rating of smaller, less liquid AIM stocks and a widening divergence of returns across the market capitalisation range. On average during the period, there were twenty-two companies listed on the AIM Index with a market capitalisation in excess of £1 billion. The value of these companies, represented 26% of the total value of the AIM Index and they posted an average total return of +20.4% over the six-month period under review. By contrast, there were 653 companies valued at a market capitalisation of £150m or less, in aggregate accounting for only 23% of AIM Index value. These smaller businesses posted an average total return of -9.8% over the same period. Such statistics illustrate the divergence in performance between smaller, earlier stage growth companies, where the majority of our investments must be directed, and the larger, more established businesses listed on the AIM Index.

Higher interest rates have weighed particularly heavily on early-stage growth companies, where valuations are typically more dependent on longer term expectations of profitability. This dynamic has placed significant pressure on the share prices of many AIM-listed companies. Larger, more established businesses, especially those listed on the FTSE 100 Index, again significantly outperformed companies at the lower end of the market capitalisation range.

Inevitably, there were also a small number of discouraging trading updates in the six months under review. Nonetheless, the period can best be characterised by the resilience and adaptability shown by most investee companies despite the extremely challenging operating conditions environment. The most notable exception was **The British Honey Company ("British Honey")**, a UK based producer of spirits, honey, and jams. A weak balance sheet, combined with poor operational management, exacerbated the mounting challenges posed by order delays, a difficult consumer environment and severe cost inflation. At the end of March, the Board of British Honey announced its intention to place the business into administration in order to avoid trading insolvently. Although British Honey has been an extremely disappointing investment, the impact on performance

in the period was minimal due to declines in British Honey's carrying value in previous periods. It is now highly unlikely that any meaningful recovery in value will be achieved.

Your Investment Manager continues to manage the portfolio in a prudent fashion with the aim of developing a diverse portfolio of high-quality companies capable of generating significant Shareholder returns over the long term. The team at Unicorn has extensive experience of investing in AIM listed businesses across the full spectrum of market conditions and they are well placed to successfully navigate the current challenging environment.

### Investment Performance

A review of the ten most meaningful contributions to performance in absolute terms (both positive and negative) follows.

**Hasgrove** (11.1% of net assets, +£5.4 million) is an unquoted company, whose sole operating subsidiary, Interact, is a fast-growing Software as a Service (SaaS) provider of corporate intranet solutions. Hasgrove reported strong results for its financial year ended 31 December 2022, during which revenues grew by 28% to £29.4 million and adjusted EBITDA increased by 22% to £10.1 million. Management also reported a strong start to trading in the current financial year, underpinned by high levels of recurring revenue from its core Interact software product. As a result, further growth is anticipated in the current financial year ended 31 December 2023, and the Fair Value of the Company's holding in Hasgrove has therefore been adjusted upwards to £24.3 million. This uplift represents an increase of £5.4 million compared to the assessed Fair Value as at the VCT's previous financial year ended 30 September 2022.

**Aurrigo International** (3.7% of net assets, +£4.8 million) is a leading international provider of transport technology solutions and is highly regarded as a specialist in autonomous and semi-autonomous solutions. Aurrigo International has delivered strong operational and financial performance following its IPO on AIM in September 2022. Since its IPO, Aurrigo has invested in the further development of its Autonomous and Aviation division and signed an agreement with Singapore's Changi Airport Group for the next development phase of its 'Auto-Dolly' baggage transportation solution.

**MaxCyte** (4.3% of net assets, -£4.5 million) is a US-based life sciences company that provides cell engineering and gene editing technologies to support drug discovery and cell therapy applications. During the period, MaxCyte released results for its financial year ended 31 December 2022, which highlighted a 31% growth in revenues to \$44.3 million. The aggregate potential value of all milestone payments is now reported to have increased to over \$1.55 billion from eighteen strategic platform licence (SPL) agreements. The management team expects further revenue growth of between 21% to 26% in its current financial year. MaxCyte remains well-funded with total cash and cash equivalents

of circa \$227 million as at 31 December 2022. However, sentiment towards biotech companies has deteriorated markedly in the past two years and MaxCyte has certainly not been immune from this process, despite encouraging operational and financial performance.

**Anpario** (1.7% of net assets, -£4.0 million) is an international manufacturer and distributor of natural animal feed additives for animal health and nutrition, with a focus on sustainable and eco-friendly solutions. Anpario reported a weaker operational and financial performance in recent months, announcing a 25% decline in its gross profits due to supply chain disruption and significant inflation in the cost of raw materials. Sales growth across Asia, Middle East & Africa, and the Americas has been offset by a decrease in European revenues. Despite this recent setback, the business, remains profitable, maintains a strong balance sheet, offers a broad range of products and is geographically diverse. Your Investment Manager believes that the share price is likely to recover strongly once the current headwinds abate.

**Abcam** (5.8% of net assets, -£3.0 million) is a UK-based life sciences company that produces and distributes research-grade antibodies and other biological reagents for use in scientific research and diagnostics. In December 2022, Abcam delisted from the AIM Index, and we consequently exchanged our UK listed shares for an equivalent value of American Depository Shares. Abcam had been dual listed on AIM and NASDAQ since October 2020. In March 2023, Abcam released results for its financial year ended 31 December 2022, which highlighted that profit growth had been constrained by two main factors; the implementation of a new ERP system, which disrupted sales in September and October, and sales performance in China that was disrupted by the regime's zero-COVID policy.

**Saietta** (0.5% of net assets, -£1.9 million) is a designer and manufacturer of axial flux motors for electric vehicles. Unfortunately, Saietta was forced to issue a profit warning in March 2023, due to significantly weaker than expected sales in its Comet (heavy-duty) and Propel (Marine) divisions. Meanwhile, orders for Saietta's light-duty integrated eDrive product have been expanding at pace, requiring significantly increased investment to ensure a successful transition to volume manufacturing. The Board of Saietta has confirmed its confidence that the business is in a position to fully finance the current financial year (2023/24), without recourse to further external fundraising. Saietta's cash balance as at 28 February 2023 was £11 million.

**Surface Transforms** (2.4% of net assets, -£1.8 million) designs and manufactures high-performance carbon ceramic brake discs for use in the automotive and aerospace industries. In January 2023, Surface Transforms reported on technical problems, which included an issue with one of its key furnaces. These problems have adversely affected output over the past six months, which was already under pressure due to industry-wide supply chain

constraints. These issues negatively affected turnover, have increased production costs, and have consequently resulted in a larger than expected operating loss for the company's financial year ended 31 December 2022. The management team has taken various steps to improve the manufacturing process, including the use of more readily available raw materials. These changes have been successfully implemented, and production issues therefore now appear to have been resolved.

**Engage XR** (0.3% of net assets, -£1.6 million) is a technology business focused on Virtual Reality. In December 2022, Engage XR issued a weaker than expected trading update, which reported on slow conversion of the group's sales pipeline. Engage XR had previously increased its cost base by expanding its sales, marketing, and support teams, which led to sharply higher losses in its financial year ended 31 December 2022. Management is now taking action to reduce the cost base in light of the more challenging trading environment.

**Animalcare** (1.2% of net assets, -£1.5 million) is an international animal health business. In March 2023, Animalcare announced results for its financial year ended 31 December 2022, which highlighted a modest decline in annual sales, primarily as a result of reduced antibiotic use in Spain. Animalcare has, however, made good progress in increasing its gross margins through sales of higher margin products and its Board expects to report on a return to revenue growth in the current financial year.

**Angle** (0.3% of net assets, -£1.3 million) is a world-leading liquid biopsy company. Angle has not been immune from the wider economic and market headwinds and the management team has therefore taken swift action to control the cost base, which has included the closure of its Canadian operations. These measures are expected to deliver cost savings of £2.6 million in 2023 and £4.0 million per annum thereafter, but have also resulted in one-off costs of circa £2 million. Angle ended 2022 with net cash of circa £32 million.

In aggregate, the eight largest detractors from performance delivered an unrealised capital loss of £19.6 million, while the two largest contributors to performance contributed £10.2 million to positive performance.

#### Investment Activity

Investment activity is deliberately tightly controlled when the outlook for equity markets looks unsettled. Consequently, there has been limited investment activity during the period under review.

One new VCT qualifying investment into Oxford Biodynamics was completed in the six-month period to the end of March, at an investment cost of £2.0 million. In addition to this new investment, one secondary investment was made in SulNOx at a cost of £0.1 million.

## Chair's Statement (continued)

The Investment Manager continues to engage with the management teams of our investee companies on a regular basis, in order to monitor their performance and ensure that they are navigating the currently tough economic conditions as effectively as possible.

It is also important to note that new opportunities to create long term value are not being overlooked and, although the IPO market is currently subdued, the near-term investment pipeline remains encouraging.

### Offer for Subscription

The Company's latest Offer for Subscription was launched on 24 January 2023 and opened for applications on 6 February 2023. The Offer reached full subscription of £15 million on 6 February 2023 and was closed shortly thereafter. On behalf of the Board, I would like to welcome all new Shareholders and to thank existing Shareholders for their continued support.

### Dividends

The Board has declared an interim dividend of 3.0 pence per share, for the six months ended 31 March 2023. This interim dividend will be paid on 11 August 2023 to Shareholders on the register on 14 July 2023. The shares will be quoted ex-dividend on 13 July 2023.

Dividend decisions are taken by the VCT Board and are always subject to a number of factors including; market conditions, satisfactory returns, and/or availability of cash and distributable reserves.

### Dividend Reinvestment Scheme ("DRIS")

On 14 February 2023, 560,504 Ordinary Shares were allotted at a price of 129.7 pence per share, being the latest published net asset value at 31 January 2023, to Shareholders who elected to receive Ordinary Shares under the DRIS as an alternative to the final cash dividend for the year ended 30 September 2022.

### Share Buybacks

During the period from 1 October 2022 to 31 March 2023, the Company bought back 1,587,397 of its own Ordinary Shares for cancellation, at an average price of 114.8 pence per share including costs.

As at 31 March 2023, there were 174,104,558 Ordinary Shares in issue.

### Material Transactions

Other than the Offer for Subscription, Share Buybacks and the purchase of investments described above, there were no material transactions in the six-month period ended 31 March 2023.

### VCT Status

The Company comfortably exceeded the VCT qualifying threshold required by HM Revenue & Customs, with approximately 99.4% (excluding new capital) of total assets by VCT value being invested in VCT qualifying companies at the end of the period under review. The Company has complied with all other HM Revenue & Customs regulations, and your Board has been advised by PwC that the Company has maintained its venture capital trust status.

### Summary & Outlook

Small AIM-listed businesses continue to experience significant pressures. Access to growth capital is difficult, debt funding costs are high and input costs, such as wages and raw materials, have spiralled upwards. Against this backdrop, it is unsurprising that investor enthusiasm for early-stage, loss-making companies remains fragile.

However, there are reasons to believe that the outlook is improving. Inflation appears to have peaked, which should negate the need for significant interest rate increases. Pressures on the global supply chain have eased, which is enabling businesses to fulfil vital orders. Despite the gloomy forecasts from most economists, the UK economy has so far managed to avoid falling into recession and, for the time being at least, stability also appears to have been restored in Westminster. UK quoted companies generally remain in good financial health and continue to demonstrate their operational and financial resilience.

The FTSE AIM All-Share Index has suffered a significant contraction in value over the past two years which, although understandable, has been disproportionate to other equity markets. Encouragingly, in the early weeks of the second half of the VCT's financial year, equity market conditions have shown tentative signs of recovery, perhaps in response to an increased level of interest from prospective acquirers of UK listed businesses. Merger & Acquisition and IPO activity has certainly picked up noticeably in recent weeks.

The Board believes that the Company's investment portfolio is well placed to deliver a strong recovery in performance as and when these positive trends gather momentum.

**Tim Woodcock**

Chair

30 May 2023

## Investment Objective

The Company's objective is to provide Shareholders with an attractive return from a diversified portfolio of investments, predominantly in the shares of AIM quoted companies, by maintaining a steady flow of dividend distributions to Shareholders from the income as well as capital gains generated by the portfolio.

It is also the objective that the Company should continue to qualify as a Venture Capital Trust, so that Shareholders benefit from the

taxation advantages that this brings. To achieve this at least 80% for accounting periods commencing after 6 April 2019 (previously 70%) of the Company's total assets are to be invested in qualifying investments of which 70% by VCT value (30% in respect of investments made before 6 April 2018 from funds raised before 6 April 2011) must be in ordinary shares which carry no preferential rights (save as permitted under VCT rules) to dividends or return of capital and no rights to redemption.

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## Investment Policy

In order to achieve the Company's investment objective, the Board has agreed an investment policy which requires the Investment Manager to identify and invest in a diversified portfolio, predominantly of VCT qualifying companies quoted on AIM that display a majority of the following characteristics:

- experienced and well-motivated management;
- products and services supplying growing markets;
- sound operational and financial controls; and
- potential for good cash generation, in due course, to finance ongoing development and support for a progressive dividend policy.

Asset allocation and risk diversification policies, including maximum exposures, are to an extent governed by prevailing VCT legislation. No single holding may represent more than 15% (by VCT value) of the Company's total investments and cash, at the date of investment.

There are a number of VCT conditions which need to be met by the Company which may change from time to time. The Investment Manager will seek to make qualifying investments in accordance with such requirements.

### Asset mix

Where capital is available for investment while awaiting suitable VCT qualifying opportunities, or is in excess of the 80% VCT qualification threshold for accounting periods commencing after 6 April 2019, it may be held in cash or invested in money market funds, collective investment vehicles or non-qualifying shares and securities of fully listed companies registered in the UK.

### Borrowing

To date the Company has operated without recourse to borrowing. The Board may, however, consider the possibility of introducing modest levels of gearing up to a maximum of 10% of the adjusted capital and reserves, should circumstances suggest that such action is in the interests of Shareholders.

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## Venture Capital Trust Status

The Company has satisfied the requirements for approval as a Venture Capital Trust (VCT) under section 274 of the Income Tax Act 2007 (ITA). It is the Directors' intention to continue to conduct the business of the Company so as to maintain compliance with that section.

# Unaudited Investment Portfolio Summary

as at 31 March 2023

	Book cost £'000	Valuation £'000	% of net assets by value*
<b>QUALIFYING INVESTMENTS</b>			
<b>AIM quoted investments</b>			
Tracsis	1,500	14,520	6.7
Abcam	1,161	12,748	5.8
MaxCyte	2,926	9,445	4.3
Aurrigo International	3,000	8,125	3.7
Avingtrans	996	6,806	3.1
Keywords Studios	303	6,801	3.1
Cohort	1,278	5,520	2.5
Mattioli Woods	1,626	5,503	2.5
Tristel	878	5,233	2.4
Surface Transforms	3,164	5,164	2.4
Access Intelligence	3,159	5,152	2.4
Avacta Group	932	4,773	2.2
AB Dynamics	793	4,650	2.1
Directa Plus	4,610	4,522	2.1
Idox	1,242	4,010	1.8
Feedback	4,000	3,643	1.7
Anpario	1,422	3,637	1.7
Instem	985	3,462	1.6
Belvoir Group	1,883	3,381	1.5
Arecor Therapeutics	2,778	2,997	1.4
Animalcare Group	2,401	2,568	1.2
Futura Medical	2,300	2,556	1.2
City Pub Group	2,250	1,705	0.8
Oxford Biodynamics	2,000	1,355	0.6
Ilika	1,528	1,294	0.6
LungLife AI	3,080	1,225	0.6
Verici DX	2,125	1,201	0.5
Smooove	1,500	1,181	0.5
Saietta Group	3,151	1,129	0.5
Destiny Pharma	2,500	1,121	0.5
47 investments each valued at less than 0.5% of net assets	58,493	15,565	7.1
	<b>119,964</b>	<b>150,992</b>	<b>69.1</b>



# Unaudited Investment Portfolio Summary (continued)

as at 31 March 2023

	Book cost £'000	Valuation £'000	% of net assets by value*
<b>QUALIFYING INVESTMENTS</b>			
<b>Unlisted investments</b>			
Hasgrove	1,303	24,259	11.1
nkoda Limited	2,497	962	0.5
Heartstone Inns	1,112	687	0.3
Phynova Group	1,500	430	0.2
LightwaveRF	2,616	279	0.1
Osirium Technologies - Loan Stock	500	250	0.1
6 investments each valued at less than 0.1% of net assets	4,904	–	–
	<b>14,432</b>	<b>26,867</b>	<b>12.3</b>
<b>TOTAL QUALIFYING INVESTMENTS</b>	<b>134,396</b>	<b>177,859</b>	<b>81.4</b>
<b>NON-QUALIFYING INVESTMENTS</b>			
Royal London Short-Term Money Market Fund Y (OEIC)	7,002	7,013	3.2
BlackRock Cash Fund Class D (Unit Trust)	7,000	7,011	3.2
Fully listed UK equities	8,357	6,932	3.2
Unicorn Ethical Fund (OEIC) Income	4,483	3,645	1.7
AIM quoted investments	4,883	3,409	1.5
Other unlisted investments each valued at less than 0.1% of net assets	556	–	–
	<b>32,281</b>	<b>28,010</b>	<b>12.8</b>
<b>TOTAL NON-QUALIFYING INVESTMENTS</b>	<b>32,281</b>	<b>28,010</b>	<b>12.8</b>
<b>TOTAL INVESTMENTS</b>	<b>166,677</b>	<b>205,869</b>	<b>94.2</b>
Cash and cash equivalents		13,851	6.4
Current assets		174	0.1
Current liabilities		(1,473)	(0.7)
<b>NET ASSETS</b>		<b>218,421</b>	<b>100.0</b>

\* Based on fair value not VCT carrying value.

# Responsibility Statement

## Directors' Statement of Principal Risks and Uncertainties

The important events that have occurred during the period under review and the key factors influencing the financial statements are set out in the Chair's Statement on pages 2 to 4.

In accordance with DTR 4.2.7, the Directors consider that, with the exception of those mentioned below, the principal risks and uncertainties facing the Company have not materially changed since the publication of the Annual Report and Accounts for the year ended 30 September 2022.

The principal risks faced by the Company include, but are not limited to:

- investment and strategic
- regulatory and tax
- operational
- fraud, dishonesty and cyber
- financial instruments
- economic and political

In addition, the Directors also assess the possibility of new and emerging risks.

A more detailed explanation of these risks and the way in which they are managed can be found in the Strategic Report on pages 31 and 32 and in the Notes to the Financial Statements on pages 79 to 81 of the 2022 Annual Report and Accounts – copies can be found via the Company's website [www.unicornaimvct.co.uk](http://www.unicornaimvct.co.uk).

## Directors' Statement of Responsibilities in Respect of the Financial Statements

In accordance with Disclosure and Transparency Rule (DTR) 4.2.10, Tim Woodcock (Chair), Charlotta Ginman (Senior Independent Director), Jeremy Hamer (Chair of the Audit Committee) and Josie Tubbs, the Directors, confirm that to the best of their knowledge:

- the condensed set of financial statements, which have been prepared in accordance with FRS 104 "Interim Financial Reporting", give a true and fair view of the assets, liabilities, financial position and loss of the Company for the period ended 31 March 2023, as required by DTR 4.2.4;
- this Half-Yearly Report includes a fair review of the information required as follows:
  - the interim management report included within the Chair's Statement and the Investment Portfolio Summary includes a fair review of the information required by DTR 4.2.7 being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties facing the Company for the remaining six months of the year; and
  - there were no related party transactions in the first six months of the current financial year that are required to be disclosed in accordance with DTR 4.2.8.

## Cautionary Statement

This report may contain forward looking statements regarding the financial condition and results of the Company, which are made in the light of current economic and business circumstances. Nothing in this report should be construed as a profit forecast.

This Half-Yearly Report was approved by the Board of Directors on 30 May 2023 and the above responsibility statement was signed on its behalf by:

**Tim Woodcock**  
Chair

30 May 2023

## Management of the Company

The Board has overall responsibility for the Company's affairs including the determination of its investment policy. Risk is spread by investing in a number of different businesses across different industry sectors. The Investment Manager, Unicorn Asset Management Limited, is responsible for managing sector and stock specific risk and the Board does not impose formal limits in respect of such exposures. However, in order to maintain compliance with HMRC rules and to ensure that an appropriate spread of investment risk is achieved, the Board receives and reviews comprehensive reports from the Investment Manager on a monthly basis. When the Investment Manager proposes to make any investment in an unquoted company, the prior approval of the Board is required. The Board continues to take the need for transparency and independence seriously. When a conflict arises involving a relationship between any Director and an investee or proposed investee company, that Director abstains from any discussion about or consideration of any such investment by the Company.

The Administrator, ISCA Administration Services Limited, provides Company Secretarial and Accountancy services to the Company.



# Environmental, Social and Governance ("ESG") Report

## for the six months ended 31 March 2023

During the last six months, the Manager has focused on embedding sustainability within the firm's culture, as well as further incorporating ESG within the investment process. The Manager is committed to a positive and proactive ESG approach with the aim of driving long-term multi-stakeholder value creation within our investee companies. The Manager's approach is underpinned by three key areas:

- Improving the sustainability of Unicorn Asset Management and its investee companies
- Improving the understanding of the potential risks within investee companies' operations by further developing our expertise in ESG analysis
- Improving long-term business resilience in order to protect the sustainability of shareholder returns

The Manager continues to exercise its responsibilities as a shareholder by voting in the best interests of all external investors. Our voting records are made publicly available to ensure full transparency.

The Manager's key focus area for 2023 is to support investee companies' efforts to develop transparent and comprehensive ESG reporting. In addition, we are actively encouraging investee companies to engage on broader issues related to climate change, focusing on; driving action towards a net zero emissions strategy, developing credible decarbonisation agendas and incorporating feasible carbon reduction initiatives. Unicorn Asset Management became carbon neutral in October 2022.

The VCT Board should expect robust accountability mechanisms from the Manager in order to ensure transparency regarding engagement with investee companies and how this is monitored over time. It is important that the Board understand the specific focus areas and key performance indicators being used to measure the efficacy of the Manager's engagement. The ESG team tracks interactions and notable ESG engagement with the management teams of investee companies and also monitors the VCT's emission profile on an ongoing basis.

# Unaudited Condensed Income Statement

for the six months ended 31 March 2023

	Notes	Six months ended 31 March 2023 (unaudited)			Six months ended 31 March 2022 (unaudited)			Year ended 30 September 2022 (audited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net unrealised losses on investments	7	–	(8,773)	(8,773)	–	(61,056)	(61,056)	–	(113,641)	(113,641)
Net gains on realisation of investments	7	–	7	7	–	921	921	–	12,771	12,771
Income	4	751	–	751	578	–	578	1,753	–	1,753
Investment management fees	2	(523)	(1,567)	(2,090)	(742)	(2,229)	(2,971)	(1,322)	(3,965)	(5,287)
Other expenses		(382)	–	(382)	(356)	–	(356)	(771)	–	(771)
<b>Loss on ordinary activities before taxation</b>		<b>(154)</b>	<b>(10,333)</b>	<b>(10,487)</b>	<b>(520)</b>	<b>(62,364)</b>	<b>(62,884)</b>	<b>(340)</b>	<b>(104,835)</b>	<b>(105,175)</b>
Tax on loss on ordinary activities	3	–	–	–	–	–	–	–	–	–
<b>Loss and total comprehensive income after taxation</b>		<b>(154)</b>	<b>(10,333)</b>	<b>(10,487)</b>	<b>(520)</b>	<b>(62,364)</b>	<b>(62,884)</b>	<b>(340)</b>	<b>(104,835)</b>	<b>(105,175)</b>
Basic and diluted earnings per share:										
Ordinary Shares	5	(0.09)p	(6.23)p	(6.32)p	(0.35)p	(41.38)p	(41.73)p	(0.22)p	(67.10)p	(67.32)p

All revenue and capital items in the above statement derive from continuing operations of the Company.

The Total column of this statement is the Statement of Total Comprehensive Income of the Company prepared in accordance with Financial Reporting Standards (“FRS”). The supplementary Revenue and Capital return columns are prepared in accordance with the Statement of Recommended Practice (“AIC SORP”) issued in July 2022 by the Association of Investment Companies.

Other than revaluation movements arising on investments held at fair value through Profit or Loss, there were no differences between the (loss)/profit as stated above and at historical cost.

The notes on pages 15 to 20 form part of these Half-Yearly financial statements.

# Unaudited Condensed Statement of Financial Position

as at 31 March 2023

	Notes	As at 31 March 2023 (unaudited) £'000	As at 31 March 2022 (unaudited) £'000	As at 30 September 2022 (audited) £'000
<b>Non current assets</b>				
Investments at fair value	1e,7	205,869	291,075	198,541
<b>Current assets</b>				
Debtors		174	156	515
Cash and cash equivalents		13,851	26,242	23,751
		14,025	26,398	24,266
<b>Creditors: amounts falling due within one year</b>		<b>(1,473)</b>	<b>(2,181)</b>	<b>(1,681)</b>
<b>Net current assets</b>		<b>12,552</b>	<b>24,217</b>	<b>22,585</b>
<b>Net assets</b>		<b>218,421</b>	<b>315,292</b>	<b>221,126</b>
<b>Share capital and reserves</b>				
Called up share capital		1,741	1,611	1,640
Capital redemption reserve		129	102	113
Share premium account		100,292	79,193	85,063
Capital reserve		46,267	147,402	55,038
Special reserve		59,207	66,176	68,338
Profit and loss account		10,785	20,808	10,934
<b>Equity Shareholders' funds</b>		<b>218,421</b>	<b>315,292</b>	<b>221,126</b>
<b>Basic and diluted net asset value per share of 1p each</b>				
Ordinary Shares	8	125.45p	195.74p	134.81p

The financial information for the six months ended 31 March 2023 and the six months ended 31 March 2022 have not been audited.

The notes on pages 15 to 20 form part of these Half-Yearly financial statements.

# Unaudited Condensed Statement of Changes in Equity

for the six months ended 31 March 2023

	Called up share capital £'000	Capital redemption reserve £'000	Share Premium account £'000	Unrealised capital reserve £'000	Special reserve* £'000	Profit and loss account* £'000	Total £'000
<b>Six months ended 31 March 2023</b>							
At 1 October 2022	1,640	113	85,063	55,038	68,338	10,934	221,126
Loss after taxation	–	–	–	(8,771)	–	(1,716)	(10,487)
Transfer to special reserve	–	–	–	–	(1,567)	1,567	–
Shares issued under Offer for Subscription, net of costs	111	–	14,508	–	–	–	14,619
Net proceeds from DRIS share issue	6	–	721	–	–	–	727
Shares purchased for cancellation and cancelled	(16)	16	–	–	(1,823)	–	(1,823)
Dividend paid	–	–	–	–	(5,741)	–	(5,741)
<b>At 31 March 2023</b>	<b>1,741</b>	<b>129</b>	<b>100,292</b>	<b>46,267</b>	<b>59,207</b>	<b>10,785</b>	<b>218,421</b>
<b>Six months ended 31 March 2022</b>							
At 1 October 2021	1,491	88	53,602	222,185	87,659	5,773	370,798
(Loss)/profit after taxation	–	–	–	(74,783)	–	11,899	(62,884)
Transfer to special reserve	–	–	–	–	(3,136)	3,136	–
Shares issued under Offer for Subscription, net of costs	127	–	24,258	–	–	–	24,385
Net proceeds from DRIS share issue	7	–	1,333	–	–	–	1,340
Shares purchased for cancellation and cancelled	(14)	14	–	–	(2,747)	–	(2,747)
Dividends paid	–	–	–	–	(15,600)	–	(15,600)
<b>At 31 March 2022</b>	<b>1,611</b>	<b>102</b>	<b>79,193</b>	<b>147,402</b>	<b>66,176</b>	<b>20,808</b>	<b>315,292</b>
<b>Year ended 30 September 2022</b>							
<b>At 1 October 2021</b>	<b>1,491</b>	<b>88</b>	<b>53,602</b>	<b>222,185</b>	<b>87,659</b>	<b>5,773</b>	<b>370,798</b>
(Loss)/profit after taxation	–	–	–	(167,147)	–	61,972	(105,175)
Transfer to special reserve	–	–	–	–	(4,872)	4,872	–
Shares issued under Offer for Subscription, net of costs	127	–	24,281	–	–	–	24,408
Net proceeds from DRIS share issues	47	–	7,180	–	–	–	7,227
Shares purchased for cancellation and cancelled	(25)	25	–	–	(4,440)	–	(4,440)
Dividends paid	–	–	–	–	(10,009)	(61,683)	(71,692)
<b>At 30 September 2022</b>	<b>1,640</b>	<b>113</b>	<b>85,063</b>	<b>55,038</b>	<b>68,338</b>	<b>10,934</b>	<b>221,126</b>

The financial information for the six months ended 31 March 2023 and the six months ended 31 March 2022 have not been audited.

The profit and loss account comprises the revenue reserve of £(825,000) and the realised capital reserve of £11,610,000.

\*The special reserve and profit and loss account are distributable to Shareholders. The special reserve is used to fund market purchases of the Company's own shares, to make distributions and to write-off existing and future losses.

The notes on pages 15 to 20 form part of these Half-Yearly financial statements.

# Unaudited Condensed Statement of Cash Flows

for the six months ended 31 March 2023

	Notes	Six months ended 31 March 2023 (unaudited) £'000	Six months ended 31 March 2022 (unaudited) £'000	Year ended 30 September 2022 (audited) £'000
<b>Operating activities</b>				
Investment income received		1,119	878	1,609
Investment management fees paid		(2,133)	(3,166)	(5,831)
Other cash payments		(440)	(363)	(778)
<b>Net cash outflow from operating activities</b>		<b>(1,454)</b>	<b>(2,651)</b>	<b>(5,000)</b>
<b>Investing activities</b>				
Purchase of investments	7	(16,100)	(6,535)	(9,813)
Sale of investments	7	8	23,938	79,022
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(16,092)</b>	<b>17,403</b>	<b>69,209</b>
<b>Net cash (outflow)/inflow before financing</b>		<b>(17,546)</b>	<b>14,752</b>	<b>64,209</b>
<b>Financing</b>				
Dividends paid	6	(5,014)	(14,244)	(64,433)
Shares issued under Offer for Subscription (net of transaction costs paid in the period)		14,881	24,855	24,407
Expenses of DRIS share issues		–	(16)	(32)
Shares repurchased for cancellation		(2,221)	(2,747)	(4,042)
<b>Net cash inflow/(outflow) from financing</b>		<b>7,646</b>	<b>7,848</b>	<b>(44,100)</b>
Net (decrease)/increase in cash and cash equivalents		<b>(9,900)</b>	22,600	20,109
Cash and cash equivalents at start of period		23,751	3,642	3,642
Cash and cash equivalents at end of period		13,851	26,242	23,751
<b>Reconciliation of operating loss to net cash outflow from operating activities</b>				
Loss for the period		(10,487)	(62,884)	(105,175)
Net unrealised losses on investments		8,773	61,056	113,641
Net gains on realisation of investments		(7)	(921)	(12,771)
Transaction costs		–	(5)	(5)
Decrease/(increase) in debtors and prepayments		341	298	(61)
Decrease in creditors and accruals		(72)	(186)	(613)
Reconciling items – dividends reinvested		(2)	(9)	(16)
<b>Net cash outflow from operating activities</b>		<b>(1,454)</b>	<b>(2,651)</b>	<b>(5,000)</b>

The financial information for the six months ended 31 March 2023 and the six months ended 31 March 2022 have not been audited.

The notes on pages 15 to 20 form part of these Half-Yearly financial statements.



# Notes to the Unaudited Financial Statements

for the six months ended 31 March 2023

## 1. Principal accounting policies

### a) Statement of compliance

The Company's Financial Statements for the six months to 31 March 2023 have been prepared under UK Generally Accepted Accounting Practice ("UK GAAP") and the Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ("the SORP") issued in July 2022 by the Association of Investment Companies.

The financial statements have been prepared in accordance with the accounting policies set out in the statutory accounts for the year ended 30 September 2022.

### b) Financial information

The financial information contained in this report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The financial information for the periods ended 31 March 2023 and 31 March 2022 have not been audited or reviewed by the Company's Auditor pursuant to the Auditing Practices Board guidance on such reviews. The information for the year to 30 September 2022 has been extracted from the latest published Annual Report and Financial Statements, which have been lodged with the Registrar of Companies, contained an unqualified auditors' report and did not contain a statement required under Section 498 (2) or (3) of the Companies Act 2006.

### c) Going concern

After due consideration, the Directors believe that the Company has adequate resources for the foreseeable future and that it is appropriate to apply the going concern basis in preparing the financial statements. As at 31 March 2023, the Company held cash balances of £13.9 million and a further £17.7 million is held in OEIC Funds and a Unit Trust. A large proportion of the Company's investment portfolio remains invested in AIM and fully listed equities which may be realised, subject to the need for the Company to maintain its VCT status. Cash flow projections covering a period of twelve months from the date of approving the financial statements have been reviewed and show that the Company has sufficient funds to meet both contracted expenditure and any discretionary cash outflows from buybacks and dividends. The Company has no external loan finance in place and is therefore not exposed to any gearing covenants.

### d) Presentation of the Income Statement

In order to better reflect the activities of a VCT and in accordance with the SORP, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Statement of Comprehensive Income. The revenue column of loss attributable to Shareholders is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Section 274 Income Tax Act 2007.

### e) Investments

All investments held by the Company are classified as "fair value through profit or loss", in accordance with FRS102. This classification is followed as the Company's business is to invest in financial assets with a view to profiting from their total return in the form of capital growth and income and in accordance with the Company's risk management and investment policy. In the preparation of the valuations of assets, in accordance with current IPEV guidelines, the Directors are required to make judgements and estimates that are reasonable and incorporate their knowledge of the performance of the investee companies.

- For investments actively traded on organised financial markets, fair value is generally determined by reference to Stock Exchange market quoted bid prices at the close of business on the balance sheet date. Purchases and sales of quoted investments are recognised on the trade date where a contract of sale exists whose terms require delivery within a time frame determined by the relevant market.
- Unquoted investments are reviewed at least quarterly to ensure that the fair values are appropriately stated and are valued in accordance with current IPEV guidelines, as updated in December 2018, which relies on subjective estimates. Fair value is established by assessing different methods of valuation, such as price of recent transaction, sales multiples, earnings multiples, discounted cash flows and net assets. Purchases and sales of unlisted investments are recognised when the contract for acquisition or sale becomes unconditional.

# Notes to the Unaudited Financial Statements (continued)

for the six months ended 31 March 2023

## 1. Principal accounting policies (continued)

- Where a company's underperformance against plan indicates a diminution in the value of the investment, provision against cost is made, as appropriate. Where it is considered the value of an investment has fallen permanently below cost, the loss is treated as a permanent impairment and as a realised loss, even though the investment is still held. The Board assesses the portfolio for such investments and, after agreement with the Investment Manager, will agree the values that represent the extent to which an investment loss has become realised. This is based upon an assessment of objective evidence of that investment's prospects, to determine whether there is potential for the investment to recover in value.
- Redemption premiums on loan stock investments are recognised at fair value when the Company receives the right to the premium and when considered recoverable.

### f) Capital reserves

#### (i) Realised (included within the Profit and Loss Account reserve)

The following are accounted for in this reserve:

- Gains and losses on realisation of investments;
- Permanent diminution in value of investments; and
- Transaction costs incurred in the acquisition of investments.

#### (ii) Unrealised capital reserve (Revaluation reserve)

Increases and decreases in the valuation of investments held at the period end are accounted for in this reserve, except to the extent that the diminution is deemed permanent.

In accordance with stating all investments at fair value through profit or loss, all such movements through both unrealised and realised capital reserves are shown within the Income Statement for the period.

#### (iii) Special reserve

The costs of share buybacks are charged to this reserve. In addition, any realised losses on the sale of investments, and 75% of the management fee expense, and the related tax effect, are transferred from the Profit and Loss Account reserve to this reserve. The reserve can also be used for distributions made by the Company.

## 2. Investment Management Fees

Unicorn Asset Management Limited ("UAML") receives an annual management fee, calculated and payable quarterly in arrears, of 2% of the net asset value of the Company, excluding the value of the investments in the OEIC which is also managed by UAML, up to net assets of £200 million, 1.5% of net assets in excess of £200 million and 1.0% of net assets in excess of £450 million. If the Company raises further funds during a quarter the net asset value for that quarter shall be reduced by an amount equal to the amount raised, net of costs, multiplied by the percentage of days in that quarter prior to the funds being raised.

The Directors have charged £1,567,000, being 75% of the investment management fees, to the capital reserve and the balance of 25% being £523,000 to revenue.

At 31 March 2023, £1,024,000 payable to the Investment Manager is included in creditors due within one year.

## 3. Taxation

The total allowable expenses exceed income hence there is no tax charge for the period.

#### 4. Income

	Six months ended 31 March 2023 (unaudited) £'000	Six months ended 31 March 2022 (unaudited) £'000	Year ended 30 September 2022 (audited) £'000
Dividends	608	513	1,525
Unicorn managed OEICs (including reinvested dividends)	65	74	201
Other OEICs	2	–	–
Bank interest	76	–	27
Loan stock interest	–	(9)	–
	<u>751</u>	<u>578</u>	<u>1,753</u>

#### 5. Basic and diluted earnings and return per share

	Six months ended 31 March 2023 (unaudited)	Six months ended 31 March 2022 (unaudited)	Year ended 30 September 2022 (audited)
Total earnings after taxation (£'000)	(10,487)	(62,884)	(105,175)
<b>Basic and diluted earnings per share (pence)</b>	<u>(6.32)</u>	<u>(41.73)</u>	<u>(67.32)</u>
Net revenue from ordinary activities after taxation (£'000)	(154)	(520)	(340)
<b>Basic and diluted revenue earnings per share (pence)</b>	<u>(0.09)</u>	<u>(0.35)</u>	<u>(0.22)</u>
Total capital return after taxation (£'000)	(10,333)	(62,364)	(104,835)
<b>Basic and diluted capital earnings per share (pence)</b>	<u>(6.23)</u>	<u>(41.38)</u>	<u>(67.10)</u>
<b>Weighted average number of shares in issue in the period</b>	<b>165,899,485</b>	<b>150,691,628</b>	<b>156,227,923</b>

There are no instruments in place that may increase the number of shares in issue in future. Accordingly, the above figures currently represent both basic and diluted earnings per share.

#### 6. Dividends

	Six months ended 31 March 2023 (unaudited) £'000	Six months ended 31 March 2022 (unaudited) £'000	Year ended 30 September 2022 (audited) £'000
<b>Amounts recognised as distributions to equity holders in the period:</b>			
Interim capital dividend of nil pence (2022: 3.0 pence) per share for the year ended 30 September 2022 paid on 11 August 2022	–	–	4,809
Special interim capital dividend of nil pence (2022: 32.0 pence) per share for the year ended 30 September 2022 paid on 11 August 2022	–	–	51,292
Final capital dividend of 3.5 pence (2022: 3.5 pence) per share for the year ended 30 September 2022 paid on 14 February 2023	5,741	5,200	5,200
Special interim capital dividend of nil pence (2022: 7.0 pence) per share for the year ended 30 September 2022 paid on 10 February 2022	–	10,400	10,400
Total dividends paid in the period*	<u>5,741</u>	<u>15,600</u>	<u>71,701</u>
Unclaimed dividends returned	–	–	(9)
<b>Total dividends</b>	<u><b>5,741</b></u>	<u><b>15,600</b></u>	<u><b>71,692</b></u>

\* The difference between total dividends paid and that shown in the Condensed Cash Flow Statement is £727,000, which is the amount of dividends reinvested under the Dividend Reinvestment Scheme ("DRIS").

## 7. Investments at fair value

	Fully listed £'000	Traded on AIM £'000	Unlisted shares £'000	Unlisted loan stock £'000	Other funds** £'000	Total £'000
Book cost at 30 September 2022	8,357	122,935	14,303	500	4,483	150,578
Unrealised (losses)/gains at 30 September 2022	(2,275)	47,514	11,392	(375)	(1,218)	55,038
Permanent impairment in value of investments	–	(2,442)	(4,633)	–	–	(7,075)
<b>Opening valuation at 30 September 2022</b>	<b>6,082</b>	<b>168,007</b>	<b>21,062</b>	<b>125</b>	<b>3,265</b>	<b>198,541</b>
Shares delisted	–	(188)	188	–	–	–
Purchases at cost	–	2,100	–	–	14,002	16,102
Sale proceeds	–	–	(8)	–	–	(8)
Net realised gains*	–	–	7	–	–	7
Movement in unrealised gains	850	(15,518)	5,368	125	402	(8,773)
<b>Closing valuation at 31 March 2023</b>	<b>6,932</b>	<b>154,401</b>	<b>26,617</b>	<b>250</b>	<b>17,669</b>	<b>205,869</b>
<b>Book cost at 31 March 2023</b>	<b>8,357</b>	<b>124,847</b>	<b>14,488</b>	<b>500</b>	<b>18,485</b>	<b>166,677</b>
<b>Unrealised (losses)/gains at 31 March 2023</b>	<b>(1,425)</b>	<b>31,996</b>	<b>16,762</b>	<b>(250)</b>	<b>(816)</b>	<b>46,267</b>
<b>Permanent impairment in value of investments</b>	<b>–</b>	<b>(2,442)</b>	<b>(4,633)</b>	<b>–</b>	<b>–</b>	<b>(7,075)</b>
<b>Closing valuation at 31 March 2023</b>	<b>6,932</b>	<b>154,401</b>	<b>26,617</b>	<b>250</b>	<b>17,669</b>	<b>205,869</b>

\* Transaction costs on the purchase and disposal of investments of £nil were incurred in the period.

\*\* Other funds include the Unicorn Ethical Fund and the Royal London Short Term Money Market Fund which are both OEICs and the BlackRock Cash Fund which is a Unit Trust. Further details are given on page 7.

### Reconciliation of cash movements in investment transactions

The difference between purchases per Note 7 above and that shown in the Condensed Cash Flow Statement is £2,000, which is the reinvested dividends in the Royal London Short-Term Money Market Fund Y.

## 7. Investments at fair value (continued)

### Fair value hierarchy

The table below sets out fair value measurements using FRS102 s11.27 fair value hierarchy. The Company has one class of assets, being at fair value through profit or loss.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>At 31 March 2023</b>				
Equity investments	161,333	–	26,617	187,950
Loan stock investments	–	–	250	250
Other funds*	17,669	–	–	17,669
<b>Total</b>	<b>179,002</b>	<b>–</b>	<b>26,867</b>	<b>205,869</b>
<b>At 31 March 2022</b>				
Equity investments	210,076	51,856	24,702	286,634
Loan stock investments	–	–	350	350
Open ended investment companies	4,091	–	–	4,091
<b>Total</b>	<b>214,167</b>	<b>51,856</b>	<b>25,052</b>	<b>291,075</b>
<b>At 30 September 2022</b>				
Equity investments	174,089	–	21,062	195,151
Loan stock investments	–	–	125	125
Open ended investment companies	3,265	–	–	3,265
<b>Total</b>	<b>177,354</b>	<b>–</b>	<b>21,187</b>	<b>198,541</b>

\* Other funds include the Unicorn Ethical Fund and the Royal London Short Term Money Market Fund which are both OEICs and the BlackRock Cash Fund which is a Unit Trust. Further details are given on page 7.

There are currently no financial liabilities at fair value through profit or loss.

Categorisation within the hierarchy has been determined on the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

**Level 1** – valued using quoted prices in active markets for identical assets.

**Level 2** – valued by reference to valuation techniques using directly observable inputs other than quoted prices included within Level 1.

**Level 3** – valued by reference to valuation techniques using inputs that are not based on observable market data.

The valuation techniques used by the Company are explained in the accounting policies in Note 1.

The fair value of unquoted investments, categorised as Level 3 investments, is established by assessing different methods of valuation, such as price of recent transaction, sales multiples, earnings multiples, discounted cash flows and net assets, therefore no assumptions are disclosed or sensitivity analysis provided.

## Notes to the Unaudited Financial Statements (continued)

for the six months ended 31 March 2023

### 7. Investments at fair value (continued)

A reconciliation of fair value measurements in Level 3 is set out below:

	Equity investments £'000	Loan stock investments £'000	Total £'000
Opening balance at 1 October 2022	21,062	125	21,187
Shares delisted	188	–	188
Sales	(8)	–	(8)
Total gains included in (losses)/gains on investments in the Condensed Income Statement			
– on assets sold	7	–	7
– on assets held at the period end	5,368	125	5,493
<b>Closing balance at 31 March 2023</b>	<b>26,617</b>	<b>250</b>	<b>26,867</b>

### 8. Net asset values

	At 31 March 2023 (unaudited)	At 31 March 2022 (unaudited)	At 30 September 2022 (audited)
Net assets	£218,421,000	£315,292,000	£221,126,000
Number of shares in issue	174,104,558	161,074,952	164,023,203
Net asset value per share	125.45p	195.74p	134.81p

### 9. Post Balance Sheet Events

There are no post balance sheet events to report.

### 10. Related party transactions

During the first six months of the financial year, no transactions with related parties have taken place which have affected the financial position or the performance of the Company.

## Shareholder Information

The Company's Ordinary Shares (Code: UAV) are listed on the London Stock Exchange. Shareholders can visit the London Stock Exchange website [www.londonstockexchange.com](http://www.londonstockexchange.com) for the latest news and share prices of the Company. The share price can be accessed through the Company's website [www.unicornaimvct.co.uk](http://www.unicornaimvct.co.uk) selecting the options Fund information then "Live Share Price".

### Net asset value per share

The Company's NAV per share as at 30 April 2023 was 129.3p. The Company announces its unaudited NAV per share on a monthly basis but only reviews the value of its unquoted investments quarterly.

### Dividends

The Board has declared an interim dividend in respect of the six months ended 31 March 2023 of 3.0 pence per share, payable on 11 August 2023 to Shareholders registered at the close of business on 14 July 2023. The ex-dividend date is 13 July 2023.

As disclosed in the Annual Report, the Company has previously decided to pay all dividends by bank transfer rather than by cheque. Shareholders have the following options available for future dividends:

- Complete a bank mandate form and receive dividends via direct credit to a UK domiciled bank account.
- Reinvest the dividends for additional shares in the Company through the Dividend Reinvestment Scheme (details below).

**For those Shareholders who previously received their dividends by cheque and who did not complete and return the mandate form, please contact the Registrar, City Partnership on 01484 240910 or by email: [registrars@city.uk.com](mailto:registrars@city.uk.com).**

### Dividend Reinvestment Scheme

Shareholders may elect to reinvest their dividends by subscribing for new shares in the Company. Shares will be issued at the latest published Net Asset Value prior to the allotment. For details of the scheme see the Company's website [www.unicornaimvct.co.uk/dividend-reinvestment-scheme](http://www.unicornaimvct.co.uk/dividend-reinvestment-scheme) or contact the scheme administrators, The City Partnership, on 01484 240910.

### Selling your shares

The Company's shares are listed on the London Stock Exchange and as such they can be sold in the same way as any other quoted company through a stockbroker. **Shareholders wishing to sell their shares are advised to contact the Company's stockbroker, Panmure Gordon (UK) Limited, by telephoning 020 7886 2716 or 2717 before agreeing a price with their stockbroker.** Shareholders are also advised to discuss their individual tax position with their financial adviser before deciding to sell their shares.

### Shareholder enquiries:

For general Shareholder enquiries, please contact ISCA Administration Services Limited (the Company Secretary) on 01392 487056 or by e-mail on [unicornaimvct@iscaadmin.co.uk](mailto:unicornaimvct@iscaadmin.co.uk).

For enquiries concerning the performance of the Company, please contact the Investment Manager, Unicorn Asset Management Limited, on 020 7253 0889 or by e-mail on [info@unicornam.com](mailto:info@unicornam.com).

For enquiries relating to your shareholding, please contact The City Partnership (UK) Limited on 01484 240910 or [registrars@city.uk.com](mailto:registrars@city.uk.com) or by post to the address on page 24. Alternatively, you can make changes to your account, such as a change of address, by logging on to <https://unicorn-aim.cityhub.uk.com>.

Electronic copies of this report and other published information can be found on the Company's website at [www.unicornaimvct.co.uk](http://www.unicornaimvct.co.uk).

### Change of Address

To notify the Company of a change of address please contact the Company's Registrar at the address on page 24.

### Fraud warning

**The Company has become aware that a small number of its Shareholders along with shareholders of other VCTs have received unsolicited telephone calls from people purporting to act on behalf of a client who is looking to acquire their VCT shares at an attractive price. The caller often says they already have a significant holding and are trying to obtain a 51% stake in the Company. We believe these calls are part of a "Boiler Room Scam". Typically, these unsolicited calls originate from outside the UK, although a UK address may be given and a UK telephone number provided. If the Shareholder wishes to proceed, they are sent a non-disclosure agreement to sign and return. If this is returned a payment may then be requested for a bond or insurance policy.**

**Shareholders are warned to be very suspicious if they receive any similar type of approach and are strongly advised never to respond to unsolicited calls and emails from people who are not known to them.**

**If you have any concerns, please contact the Company Secretary, ISCA Administration Services Limited on 01392 487056, or email [unicornaimvct@iscaadmin.co.uk](mailto:unicornaimvct@iscaadmin.co.uk).**

### Information rights for beneficial owners of shares

Please note that beneficial owners of shares who have been nominated by the registered holder of those shares to receive information rights under section 146 of the Companies Act 2006 are required to direct all communications to the registered holder of their shares, rather than to the Company's Registrar, The City Partnership (UK) Limited, or to the Company directly.

# Glossary

**AIM**

The Alternative Investment Market, a sub-market of the London Stock Exchange, designed to help smaller companies access capital from public markets.

**Alternative performance measures**

A financial measure of historical or future performance or financial position shown in the Key Performance Indicators on pages 22 and 23 of the 2022 Annual Report and Accounts.

**Cumulative dividends paid**

The total amount of dividend distributions paid by the Company, since 30 September 2013.

**Discount**

A discount to NAV is calculated by subtracting the mid-market share price from the NAV per share and the result is expressed as a percentage of the NAV per share.

**DRIS**

The Dividend Reinvestment Scheme which gives Shareholders the opportunity to reinvest future dividend payments by subscribing for additional Ordinary Shares.

**DTR**

The Disclosure and Transparency Rules contained within the Financial Conduct Authority's Handbook.

**EBITDA**

Earnings Before Interest, Tax, Depreciation and Amortisation. A metric used to evaluate a company's operating performance.

**Fair Value**

The amount for which it is assumed an asset or equity instrument could be exchanged between parties. For investments traded on a Stock Exchange market this is usually the closing bid price on the balance sheet date. The fair value of unquoted investments is determined in accordance with current IPEV guidelines.

**IPEV Guidelines**

The International Private Equity and Venture Capital Valuation ("IPEV") Guidelines as issued in December 2018 which set out recommendations, intended to represent current best practice, on the valuation of Private Capital Investments where they are reported at fair value by assessing different methods of valuation, such as price of recent transaction, earnings multiples, discounted cash flows and net assets.

**Net Assets**

The total value of all the Company's assets, at fair value, having deducted all liabilities at their carrying value.

**NAV**

Total Net Assets divided by the number of shares in issue at the date of calculation and usually expressed as an amount per share.

**NAV total return**

Comprises the NAV per share plus the cumulative dividends paid to the period end.

**Qualifying investments**

An investment in a company satisfying a number of conditions under the VCT legislation. Included among the many conditions are: the shares or securities in the company must have been originally issued to the VCT and held ever since, the company must be unquoted (which includes listing on AIM or the Aquis exchanges), have a permanent establishment in the UK and apply the money raised for the purposes of growth and development for a qualifying trade within a specified time period. There are also restrictions relating to the size and stage of the company as well as maximum investment limits.

**Unicorn Asset Management or Unicorn**

The Investment Manager of the Company as detailed in note 2.

**VCT**

A Venture Capital Trust as defined in the Income Tax Act 2007.

**VCT Value**

The value of an investment when acquired, rebased if the holding is added to which causes an increase or decrease in its value.

**80% test**

The requirement for the Company to hold a minimum of 80% of its total assets, by VCT value, in qualifying holdings.



## Summary of VCT Regulations

To assist Shareholders, the following is a summary of the most important rules and regulations that determine VCT approval.

**To maintain its status as a VCT, the Company must meet a number of conditions, the most important of which are that:**

- for accounting periods beginning on or after 6 April 2019 the Company must hold at least 80%, by VCT tax value\*, of its total investments (shares, securities and liquidity) in VCT qualifying holdings within approximately three years of a fundraising;
- all qualifying investments made by VCTs on or after 6 April 2018, together with qualifying investments made by funds raised on or after 6 April 2011, are in aggregate required to comprise at least 70% by VCT tax value in “eligible shares”, which carry no preferential rights (save as may be permitted under VCT rules) to dividends or return of capital and no rights to redemption;
- no investment in a single company or group of companies may represent more than 15% (by VCT tax value) of the Company’s total investments at the date of investment;
- the Company must pay sufficient levels of income dividend from its revenue available for distribution so as not to retain more than 15% of its income from shares and securities in a year;
- the Company’s shares must be listed on a regulated European stock market;
- non-qualifying investments can no longer be made, except for certain exemptions in managing the Company’s short-term liquidity; and
- VCTs are required to invest 30% of funds raised in an accounting period beginning on or after 6 April 2018 in qualifying holdings within 12 months of the end of the accounting period.

\* VCT tax value means as valued in accordance with prevailing VCT legislation. The value of an investment when acquired, rebased if the holding is added to, which causes an increase or decrease in its valuation. This may differ from the actual cost of each investment shown in the Investment Portfolio Summary on pages 6 and 7.

**Since 6 April 2019:**

- the period for reinvestment of proceeds on disposal of qualifying investments increased from 6 to 12 months.

**To be a VCT qualifying holding, new investments must be in companies:**

- which carry on a qualifying trade;
- which have no more than £15 million of gross assets at the time of investment and no more than £16 million immediately following investment from VCTs;
- whose maximum age is generally up to seven years (ten years for knowledge intensive businesses);
- that receive no more than an annual limit of £5 million and a lifetime limit of £12 million (for knowledge intensive companies the annual limit is £10 million and the lifetime limit is £20 million), from VCTs and similar sources of State Aided funding;
- that use the funds received from VCTs for growth and development purposes.

**In addition, VCTs may not:**

- offer secured loans to investee companies, and any returns on loan capital above 10% must represent no more than a commercial return on the principal; and
- make investments that do not meet the new ‘risk to capital’ condition (which requires a company, at the time of investment, to be an entrepreneurial company with the objective to grow and develop, and where there is a genuine risk of loss of capital).

## Corporate Information

### Directors (all non-executive)

Tim Woodcock (Chair)  
Charlotta Ginman  
Jeremy Hamer  
Josephine Tubbs

### Registered office:

Suite 8, Bridge House  
Courtenay Street  
Newton Abbot TQ12 2QS

### Secretary & Administrator

ISCA Administration Services Limited  
Suite 8, Bridge House  
Courtenay Street  
Newton Abbot TQ12 2QS  
01392 487056

### Company Registration Number

04266437

### Legal Entity Identifier

21380057QDV7D34E9870

### Website

[www.unicornaimvct.co.uk](http://www.unicornaimvct.co.uk)

To access the Company's website scan this QR code using the camera on your phone or smart device.



### Investment Manager

Unicorn Asset Management Limited  
First Floor Office  
Preacher's Court  
The Charterhouse  
Charterhouse Square  
London EC1M 6AU  
020 7253 0889

### VCT Tax Adviser

PricewaterhouseCoopers LLP  
1 Embankment Place  
London WC2N 6RH

### Stockbroker

Panmure Gordon (UK) Limited  
One New Change  
London EC4M 9AF

### Auditor

Johnston Carmichael  
7-11 Melville Street  
Edinburgh EH3 7PE

### Custodian

The Bank of New York Mellon  
One Canada Square  
London E14 5AL

### Bankers

National Westminster Bank plc  
City of London Office  
PO Box 12264  
1 Princes Street  
London EC2R 8BP

### Registrar

The City Partnership (UK) Limited  
The Mending Rooms  
Park Valley House  
Meltham Road  
Huddersfield HD4 7BH

### Solicitors

Shakespeare Martineau LLP  
No 1 Colmore Square  
Birmingham B4 6AA



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