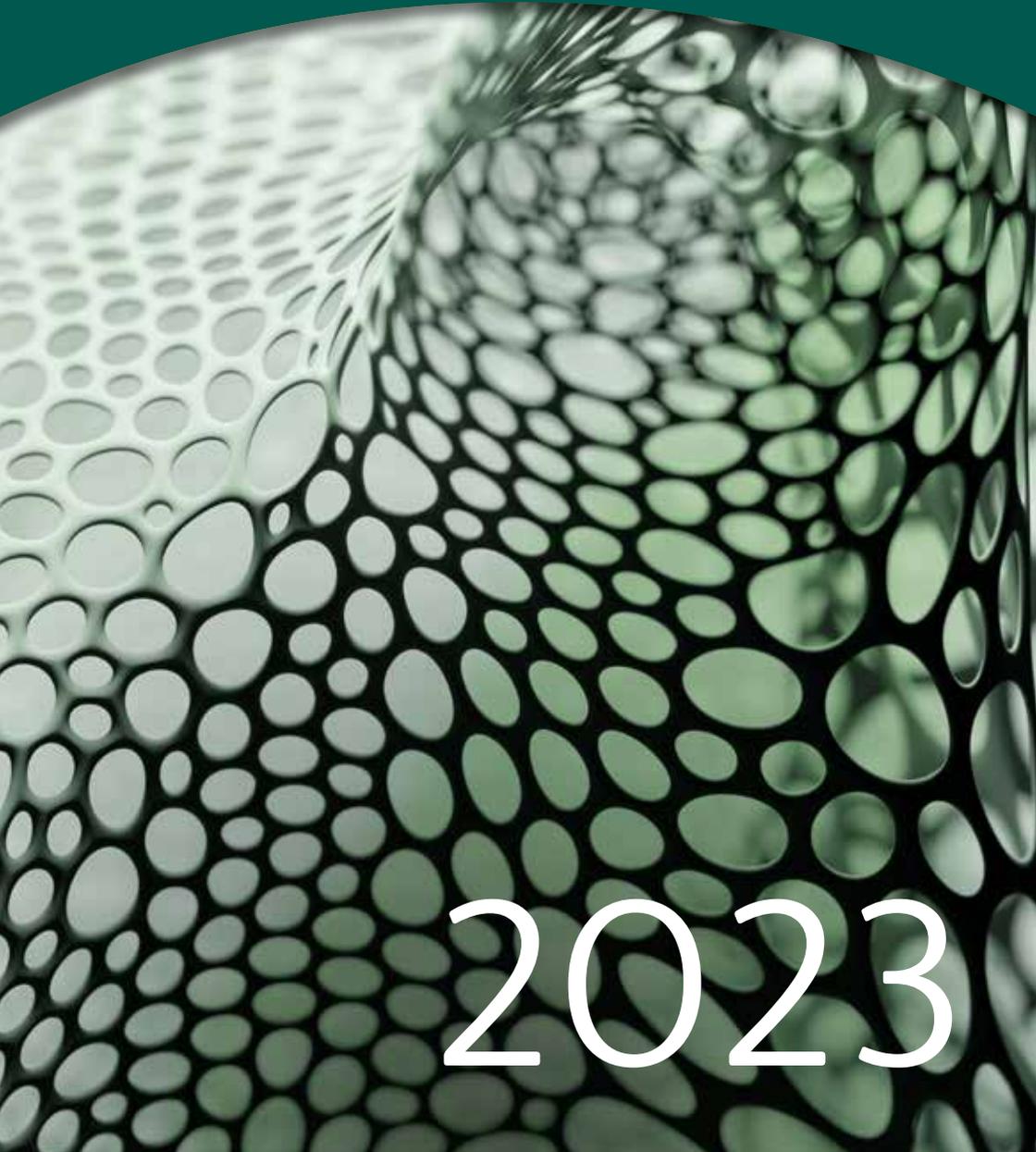


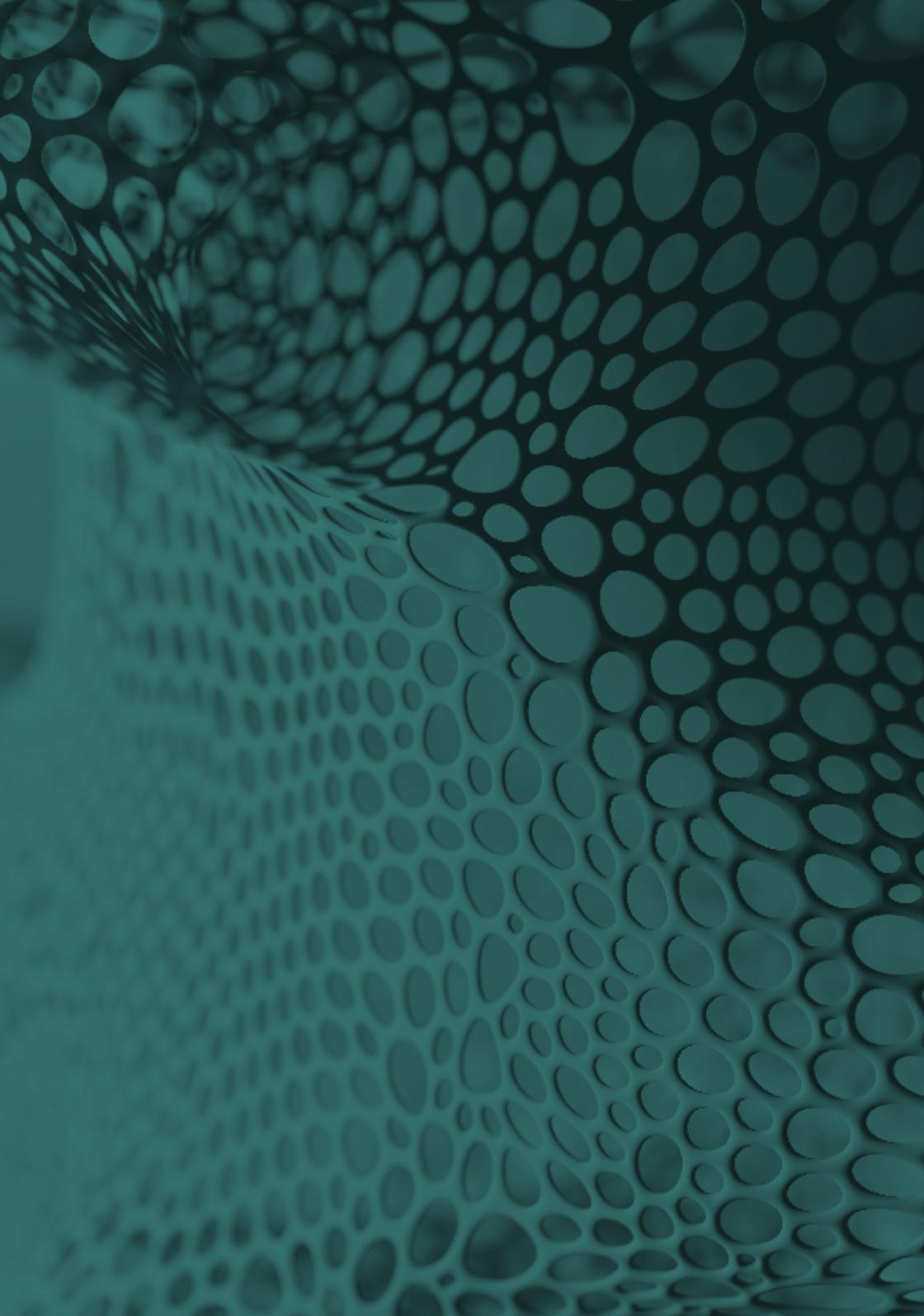
AlbionCapital

Crown Place VCT PLC

Half-yearly Financial Report (unaudited)
for the six months to 31 December 2023



2023



Crown Place VCT PLC

Half-yearly Financial Report (unaudited)
for the six months to 31 December 2023

COMPANY INFORMATION

Company name Crown Place VCT PLC (the "Company")	Country of incorporation United Kingdom	Legal form Public Limited Company
Directors James Agnew, Chairman Tony Ellingham (appointed 1 Sept 2023) Pam Garside Ian Spence	Company number 03495287	Auditor Johnston Carmichael LLP 7-11 Melville Street Edinburgh, EH3 7PE
Manager, company secretary, AIFM and registered office Albion Capital Group LLP 1 Benjamin Street London, EC1M 5QL	Registrar Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol, BS99 6ZZ	Corporate broker Panmure Gordon (UK) Limited 40 Gracechurch Street London, EC3V 0BT
Taxation adviser Philip Hare & Associates LLP 6 Snow Hill London, EC1A 2AY	Legal adviser Howard Kennedy LLP 1 London Bridge London, SE1 9BG	Depository Ocorian Depository (UK) Limited Level 5, 20 Fenchurch Street London, EC3M 3BY

Crown Place VCT PLC is a member of The Association of Investment Companies (www.theaic.co.uk)

Shareholder enquiries

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

Tel: 0370 873 5857 (UK national rate call, lines are open 8:30am – 5:30pm; Mon-Fri; calls are recorded)

Website: www.investorcentre.co.uk

Shareholders can access holdings and valuation information regarding any of their shares held with Computershare by registering on Computershare's website.

Shareholders can also contact the Chairman directly on: crownchair@albion.capital

Financial adviser enquiries

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

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 the above contacts are unable to provide financial or taxation advice.

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INVESTMENT POLICY

The Company invests in a broad portfolio of smaller, unquoted growth businesses across a variety of sectors including higher risk technology companies. Investments take the form of equity or a mixture of equity and loans.

Whilst allocation of funds is determined by the investment opportunities which are available, efforts are made to ensure that the portfolio is diversified both in terms of sector and stage of maturity of investee businesses. Funds held pending investment or for liquidity purposes will be held principally as cash on deposit.

Risk diversification and maximum exposures

Risk is spread by investing in a number of different businesses within Venture Capital Trust qualifying industry sectors using a mixture of securities, as permitted. The maximum amount which the Company will invest in a single portfolio company is 15% of the Company's assets at cost thus ensuring a spread of investment risk. The value of an individual investment may increase over time as a result of trading progress and it is possible that it may grow in value to a point where it represents a significantly higher proportion of total assets prior to a realisation opportunity being available.

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

FINANCIAL CALENDAR

8 March 2024	Record date for second dividend
28 March 2024	Payment date of second dividend
30 June 2024	Financial year end

FINANCIAL SUMMARY

Movements in net asset value

	Six months ended 31 December 2023 (pence per share)	Six months ended 31 December 2022 (pence per share)	Year ended 30 June 2023 (pence per share)
Opening net asset value	33.13	33.70	33.70
Capital (loss)/return	(1.39)	(1.20)	0.92
Revenue return	0.10	0.06	0.13
Total (loss)/return	(1.29)	(1.14)	1.05
Dividends paid	(0.83)	(0.84)	(1.63)
Impact from share capital movements	0.02	0.07	0.01
Closing net asset value	31.03	31.79	33.13

Total shareholder value	Pence per share
Shareholder return from launch to April 2005:	
Total dividends paid to 6 April 2005 ⁽ⁱ⁾	24.93
Decrease in net asset value	(56.60)
Total shareholder return to 6 April 2005	(31.67)

Shareholder return from April 2005 to 31 December 2023 (period that Albion Capital has been investment manager):	
Total dividends paid	44.08
Decrease in net asset value	(12.37)
Total shareholder return from April 2005 to 31 December 2023	31.71

Shareholder value since launch:	
Total dividends paid to 31 December 2023 ⁽ⁱ⁾	69.01
Net asset value as at 31 December 2023	31.03
Total shareholder value as at 31 December 2023	100.04

Notes

(i) Prior to 6 April 1999, Venture Capital Trusts were able to add 20% to dividends and figures for the period up until 6 April 1999 are included at the gross equivalent rate actually paid to shareholders.

In addition to the dividends above, the Board has declared a second dividend for the year ending 30 June 2024 of 0.78 pence per share to be paid on 28 March 2024 to shareholders on the register on 8 March 2024. Further details on the dividends paid by the Company can be found at www.albion.capital/funds/CRWN under 'Dividend History'.

INTERIM MANAGEMENT REPORT



James Agnew
Chairman

Results

In the six-month period to 31 December 2023, your Company delivered a total loss of 1.29 pence per share, representing a 3.9% decrease on the opening net asset value. This is a result of the difficult macroeconomic and geopolitical backdrop currently being faced. Despite the ongoing uncertainty, the Board remains encouraged by the prospects of the portfolio.

Following the payment of the 0.83 pence per share dividend during the period, the net asset value as at 31 December 2023 was 31.03 pence per share (30 June 2023: 33.13 pence per share).

Portfolio review

The total net loss on investments for the six months to 31 December 2023 was £3.2 million (31 December 2022: loss of £2.4 million). Our two hydro renewable energy assets, Chonais River Hydro and Gharagain River Hydro saw their valuations decrease by £1.1 million and £0.3 million respectively after a reduction in the forecast annual energy generation based on historic production. The challenging economic environment and the general decline in comparable market prices across the technology sector has resulted in the valuations of some of the technology and healthcare companies in the portfolio falling, including: a £0.6 million decrease in Threadneedle Software Holding (T/A Solidatus); and a £0.4 million decrease in Healios. These were partially offset by uplifts of £0.3 million in Oviva and £0.3 million in Proveca.

During the period the Company made a partial disposal of its holding in Quantexa delivering 9.4 times return on its weighted average cost on the shares sold. It also sold its investment in Ophelos, delivering a return of 2.1 times cost. Further information and other realisations in the period can be found in the realisations table on page 14.

During the period, the Company deployed a total of £4.9 million into new and existing investments (31 December 2022: £7.5 million), with £1.7m representing investments into five new portfolio companies, as listed below:

- £0.7 million into OpenDialog AI, which allows organisations to create and deploy AI powered chatbots and virtual assistants in a no-code environment, to allow for conversational experiences with customers and employees across a variety of communication channels;
- £0.4 million into GridCog International, a SaaS platform which provides project modelling software to plan, track and optimise Distributed Energy Resources (DERs) across multiple sites and asset types integrated together;

- £0.4 million into Phasecraft, which develops new algorithms to make use of early quantum computers for materials science problems;
- £0.1 million into Kennek Solutions, a vertical end to end software for non-bank lenders that allows them to manage the full value chain of lending in a single platform; and
- £0.1 million into Mondra Global, a provider of a proprietary environmental digital twin to automate environmental product Lifecycle Assessments (LCA), allowing global retailers to measure, manage and reduce carbon emissions in their supply chains.

Further investments were made into a number of existing portfolio companies to support their continuing growth, most notably: £0.6 million into Panaseer, a provider of cyber security services; and £0.6 million into Gravitee TopCo (T/A Gravitee.io), an API management platform.

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

Investment portfolio by sector

The chart on the right illustrates the composition of the portfolio by industry sector as at 31 December 2023.

- FinTech 28% (28%)
- Software & other technology 17% (13%)
- Healthcare 19% (17%)
- Renewable energy 7% (8%)
- Other (including education) 6% (6%)
- Cash and net assets 23% (28%)

Comparatives for 30 June 2023 are in brackets



Change of Auditor

As announced on 30 October 2023, following a formal audit tender process, the Company appointed Johnston Carmichael LLP (“Johnston Carmichael”) as Auditor with immediate effect. Johnston Carmichael will conduct the audit of the Annual Report and Financial Statements for the year ended 30 June 2024.

The Company and the Manager would like to express their appreciation and gratitude to BDO for its diligent service over the last 16 years.

Board composition

On 22 November 2023, Penny Freer retired from the Board and I became Chairman. I would like to thank Penny for her invaluable contribution, guidance and leadership throughout her time as Director, and wish her well in her future endeavours.

As part of the Board's succession planning, we were pleased to welcome Tony Ellingham as a Director on 1 September 2023 and with effect from 22 November 2023 Tony became the Audit & Risk Committee Chairman. Tony brings extensive finance experience with excellent knowledge of regulatory reporting particularly with public companies.

Dividends

In line with the variable dividend policy targeting an annual dividend yield of 5% on the prevailing net asset value, the first dividend for the current financial year of 0.83 pence per share was paid on 30 November 2023. A second dividend of 0.78 pence per share will be paid on 28 March 2024 to shareholders on the register on 8 March 2024, being 2.5% of the 31 December 2023 net asset value.

Risks and uncertainties

The Company faces a number of significant risks including high interest rates, high levels of inflation, the ongoing impact of geopolitical tensions and an expected period of low economic growth in the UK. Our investment portfolio, while concentrated principally in the technology and healthcare sectors, remains diversified in terms of both sub-sector and stage of maturity. As well as this, the Manager is continually assessing the exposure to these risks for each portfolio company and mitigating actions, where possible, are being implemented.

In accordance with the Disclosure Guidance and Transparency Rules ("DTR") 4.2.7, the Board confirms that the principal risks and uncertainties facing the Company have not materially changed from those identified in the Annual Report and Financial Statements for the year ended 30 June 2023. There remains high levels of uncertainty but this has not changed the nature of the principal risks. The Board considers that the present processes for mitigating those risks remain appropriate.

The principal risks faced by the Company are:

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

A detailed explanation of the principal risks facing the Company can be found in the Annual Report and Financial Statements for the year ended 30 June 2023 on pages 23 to 25, copies of which are available on the Company's webpage on the Manager's website at www.albion.capital/funds/CRWN under the 'Financial Reports and Circulars' section.

Share buy-backs

It remains the Board's primary objective to maintain sufficient resources for investment in existing and new portfolio companies and for the continued payment of dividends to shareholders. The Board's policy is to buy back shares in the market, subject to the overall constraint that such purchases are in the Company's interest, and it is the Board's intention for such share buy-backs to be in the region of a 5% discount to net asset value, so far as market conditions and liquidity permit.

During the period, the Company bought back a total of 4,068,839 shares, of which 2,502,101 shares are held in treasury and 1,566,738 shares have been cancelled. This was at a total cost of £1,265,000.

Transactions with the Manager

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

Albion VCTs Top Up Offers

Your Board, in conjunction with the Boards of four other VCTs managed by Albion Capital Group LLP, published a Prospectus Top Up Offer of new Ordinary Shares on 15 December 2023. The Offer launched to applications on 2 January 2024 and is expected to close no later than 30 September 2024 (unless fully subscribed by an earlier date or previously closed). The amount targeted to be raised by the Company is £7.5 million.

Move to electronic communications

The Board wishes to minimise the environmental impact of how the Company communicates with its shareholders. With this in mind, those shareholders that continue to receive physical copies of the Annual Report and other documentation, will receive a letter alongside this Half-Yearly Financial Report explaining the forthcoming move to electronic communications.

Outlook and prospects

The Board remains encouraged by the longer-term prospects for our portfolio companies. The elevated interest rate environment and ongoing geopolitical tensions, and their impact on corporate investment, will likely continue to weigh on the performance of the portfolio in the short-term, however we also expect the continuing technological innovation to create attractive long-term investment opportunities. Indeed, we are seeing an encouraging increase in exciting young companies looking for funding. Our focus on technology and healthcare, thus minimising exposure to discretionary consumer expenditure, is designed to help the Company weather uncertain times.

James Agnew

Chairman

28 February 2024

PORTFOLIO OF INVESTMENTS

Portfolio company	% voting rights	As at 31 December 2023			Change in value for the period* £'000
		Cost £'000	Cumulative movement in value £'000	Value £'000	
Quantexa	1.3	1,776	13,983	15,759	-
Proveca	5.6	1,643	3,371	5,014	269
Radnor House School (TopCo)	8.7	1,592	1,882	3,474	(100)
Oviva	1.9	1,766	1,107	2,873	309
Runa Network	2.7	2,152	588	2,740	109
The Ewell Group	5.1	1,240	1,141	2,381	(91)
Chonais River Hydro	14.0	1,549	827	2,376	(1,062)
Gravitee TopCo (T/A Gravitee.io)	3.1	1,724	292	2,016	-
Healios	5.0	1,877	10	1,887	(382)
Cantab Research (T/A Speechmatics)	1.8	1,521	150	1,671	(117)
Gharagain River Hydro	15.0	1,116	484	1,600	(327)
Panaseer	1.9	1,147	334	1,481	92
Egress Software Technologies	0.9	306	1,075	1,381	220
Convertr Media	4.3	680	636	1,316	10
Elliptic Enterprises	0.8	1,255	2	1,257	2
Seldon Technologies	3.5	1,193	-	1,193	-
Peppy Health	1.3	1,157	-	1,157	-
Threadneedle Software Holdings (T/A Solidatus)	2.0	1,239	(105)	1,134	(605)
TransFICC	2.4	1,066	-	1,066	(209)
Beddlestead	8.2	1,060	(33)	1,027	57
Toqio FinTech Holdings	2.0	1,017	-	1,017	-
Accelex Technology	2.3	655	311	966	78
The Street by Street Solar Programme	4.4	461	356	817	16
NuvoAir Holdings	1.7	707	59	766	(231)
OpenDialog AI	2.5	742	-	742	-
uMedeor (T/A uMed)	3.2	598	76	674	-
GX Molecular (T/A CS Genetics)	2.1	615	-	615	-
InCrowd Sports	2.4	374	157	531	(96)
Regenerco Renewable Energy	3.4	344	179	523	5
OutThink	2.0	505	-	505	-
Aridhia Informatics	2.3	442	44	486	10
Locum's Nest	4.1	482	(10)	472	32

Portfolio company	% voting rights	As at 31 December 2023			Change in value for the period* £'000
		Cost £'000	Cumulative movement in value £'000	Value £'000	
MHS 1	6.9	481	(17)	464	(47)
PerchPeek	2.4	755	(302)	453	(302)
Diffblue	1.8	425	-	425	-
GridCog International	2.2	423	-	423	-
PeakData	1.5	685	(271)	414	(311)
Alto Prodotto Wind	4.1	248	163	411	(15)
Phasecraft	0.6	358	-	358	-
PetsApp	1.9	354	-	354	-
5Mins AI	1.6	284	-	284	-
Koru Kids	1.4	434	(200)	234	(82)
Imandra	1.1	155	70	225	-
Cisiv	2.1	278	(54)	224	(66)
Ramp Software	1.5	217	-	217	-
Tem-Energy	1.5	193	-	193	-
AVESI	3.8	123	28	151	2
Kennek Solutions	0.5	147	-	147	-
Mondra Global	0.1	141	-	141	-
Arecor Therapeutics PLC	0.3	93	42	135	(35)
Neurofenix	2.1	432	(303)	129	(59)
Regulatory Genome Development	0.8	128	(27)	101	(71)
Mirada Medical	2.0	511	(424)	87	-
Infact Systems	1.4	75	-	75	-
Greenenerco	1.9	43	31	74	(3)
Brytlyt	2.3	499	(438)	61	(320)
Symetrica	0.2	57	(3)	54	-
Kew Green VCT (Stansted)	2.0	22	26	48	(3)
Black Swan Data	2.1	1,471	(1,449)	22	(1)
DySIS Medical	1.0	1,038	(1,035)	3	(166)
Other holdings		422	37	459	-
Total fixed asset investments		44,493	22,790	67,283	(3,490)

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

Portfolio of investments

Realisations in the period to 31 December 2023	Cost £'000	Opening carrying value £'000	Disposal proceeds £'000	Total realised gain/(loss) £'000	(Loss)/gain on opening value £'000
Disposals:					
Quantexa	21	1,177	1,176	1,155	(1)
Ophelos	521	956	1,069	548	113
Arecor Therapeutics PLC	50	91	76	26	(15)
uMotif	1,022	1	1	(1,021)	-
Limitless Technology	412	-	-	(412)	-
Loan stock repayments and other:					
Alto Prodotto Wind	13	19	19	6	-
Greenenerco	2	3	3	1	-
Escrow adjustments and other*	292	302	330	38	28
Total fixed asset investment realisations	2,333	2,549	2,674	341	125

* These comprise loan stock investments converted to equity and 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	(3,490)
Movement in loan stock accrued interest	38
Unrealised losses sub-total	(3,452)
Realised gains in current period	125
Finance income from the unwinding of discount on deferred consideration	125
Total losses on investments as per condensed income statement	(3,202)

RESPONSIBILITY STATEMENT

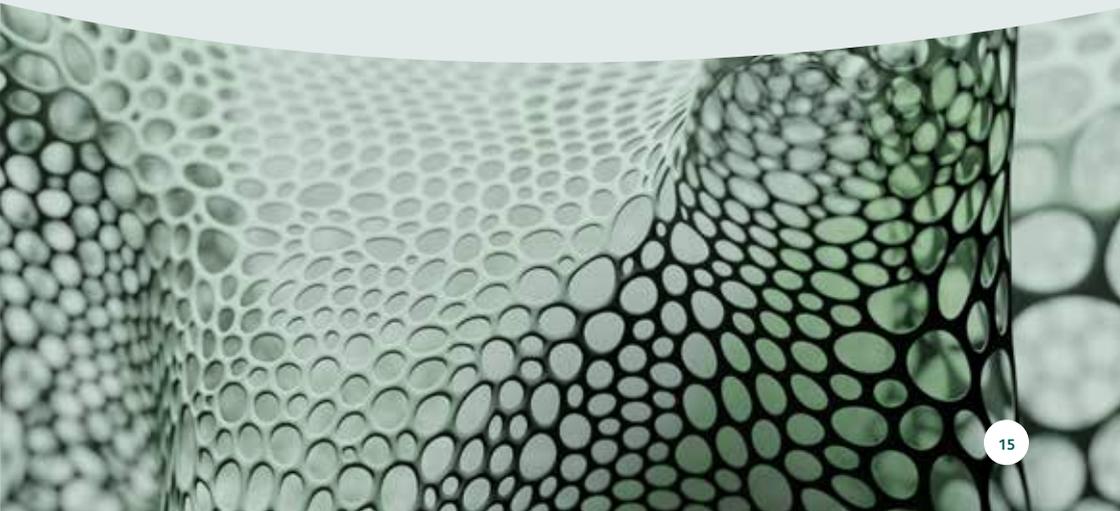
The Directors, James Agnew, Tony Ellingham, Pam Garside and Ian Spence, are responsible for preparing the Half-yearly Financial Report. In preparing these condensed Financial Statements for the period to 31 December 2023 we, the Directors of the Company, confirm that to the best of our knowledge:

- (a) the condensed set of Financial Statements, which has been prepared in accordance with Financial Reporting Standard 104 “Interim Financial Reporting”, gives a true and fair view of the assets, liabilities, financial position and profit and loss of the Company as required by DTR 4.2.4R;
- (b) the Interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- (c) the Interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties’ transactions and changes therein).

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

For and on behalf of the Board

James Agnew
Chairman
28 February 2024



CONDENSED INCOME STATEMENT

	Note	Unaudited six months ended 31 December 2023			Unaudited six months ended 31 December 2022			Audited year ended 30 June 2023		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments	3	-	(3,202)	(3,202)	-	(2,405)	(2,405)	-	3,846	3,846
Investment income	4	640	-	640	448	-	448	936	-	936
Investment Manager's fees	5	(80)	(717)	(797)	(76)	(679)	(755)	(153)	(1,380)	(1,533)
Other expenses		(273)	-	(273)	(213)	-	(213)	(432)	-	(432)
Profit/(loss) on ordinary activities before tax		287	(3,919)	(3,632)	159	(3,084)	(2,925)	351	2,466	2,817
Tax on ordinary activities		-	-	-	-	-	-	-	-	-
Profit/(loss) and total comprehensive income attributable to shareholders		287	(3,919)	(3,632)	159	(3,084)	(2,925)	351	2,466	2,817
Basic and diluted earnings/(loss) per Ordinary share (pence)*	7	0.10	(1.39)	(1.29)	0.06	(1.20)	(1.14)	0.13	0.92	1.05

* Adjusting for treasury shares.

Comparative figures have been extracted from the unaudited Half-yearly Financial Report for the six months ended 31 December 2022 and the audited statutory accounts for the year ended 30 June 2023.

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

The total column of this condensed income statement represents the profit and loss account of the Company. The supplementary revenue and capital columns are prepared under guidance published by The Association of Investment Companies.

CONDENSED BALANCE SHEET

	Unaudited 31 December 2023 £'000	Unaudited 31 December 2022 £'000	Audited 30 June 2023 £'000
Note			
Fixed asset investments	67,283	61,926	68,000
Current assets			
Trade and other receivables	1,808	1,667	1,684
Cash and cash equivalents	18,549	22,228	25,006
	20,357	23,895	26,690
Payables: amounts falling due within one year			
Trade and other payables	(542)	(499)	(721)
Net current assets	19,815	23,396	25,969
Total assets less current liabilities	87,098	85,322	93,969
Equity attributable to equity holders			
Called up share capital	8 3,265	3,070	3,269
Share premium	47,414	40,782	47,067
Capital redemption reserve	16	-	-
Unrealised capital reserve	22,735	19,680	26,402
Realised capital reserve	8,925	10,349	9,177
Other distributable reserve	4,743	11,441	8,054
Total equity shareholders' funds	87,098	85,322	93,969
Basic and diluted net asset value per share (pence)*	31.03	31.79	33.13

* Excluding treasury shares.

Comparative figures have been extracted from the unaudited Half-yearly Financial Report for the six months ended 31 December 2022 and the audited statutory accounts for the year ended 30 June 2023.

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

These Financial Statements were approved by the Board of Directors, and authorised for issue on 28 February 2024 and were signed on its behalf by:

James Agnew

Chairman

Company number: 03495287

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Unrealised capital reserve £'000	Realised capital reserve* £'000	Other distributable reserve* £'000	Total £'000
As at 1 July 2023	3,269	47,067	-	26,402	9,177	8,054	93,969
(Loss)/profit and total comprehensive income	-	-	-	(3,452)	(467)	287	(3,632)
Transfer of previously unrealised gains on disposal of investments	-	-	-	(215)	215	-	-
Dividends paid	-	-	-	-	-	(2,333)	(2,333)
Purchase of shares for treasury (including costs)	-	-	-	-	-	(791)	(791)
Purchase of shares for cancellation (including costs)	(16)	-	16	-	-	(474)	(474)
Issue of equity	12	367	-	-	-	-	379
Cost of issue of equity	-	(20)	-	-	-	-	(20)
As at 31 December 2023	3,265	47,414	16	22,735	8,925	4,743	87,098
As at 1 July 2022	2,905	35,522	-	20,384	12,729	14,299	85,839
(Loss)/profit and total comprehensive income	-	-	-	(2,460)	(624)	159	(2,925)
Transfer of previously unrealised losses on disposal of investments	-	-	-	1,756	(1,756)	-	-
Dividends paid	-	-	-	-	-	(2,130)	(2,130)
Purchase of shares for treasury (including costs)	-	-	-	-	-	(887)	(887)
Issue of equity	165	5,394	-	-	-	-	5,559
Cost of issue of equity	-	(134)	-	-	-	-	(134)
As at 31 December 2022	3,070	40,782	-	19,680	10,349	11,441	85,322
As at 1 July 2022	2,905	35,522	-	20,384	12,729	14,299	85,839
Profit/(loss) and total comprehensive income	-	-	-	3,803	(1,337)	351	2,817
Transfer of previously unrealised losses on disposal of investments	-	-	-	2,216	(2,216)	-	-
Dividends paid	-	-	-	-	-	(4,237)	(4,237)
Purchase of shares for treasury (including costs)	-	-	-	-	-	(2,359)	(2,359)
Issue of equity	364	11,854	-	-	-	-	12,218
Cost of issue of equity	-	(309)	-	-	-	-	(309)
As at 30 June 2023	3,269	47,067	-	26,402	9,177	8,054	93,969

* Included within these reserves is an amount of £9,077,000 (31 December 2022: £21,176,000; 30 June 2023: £12,804,000) which is considered distributable.

CONDENSED STATEMENT OF CASH FLOWS

	Unaudited six months ended 31 December 2023 £'000	Unaudited six months ended 31 December 2022 £'000	Audited year ended 30 June 2023 £'000
Cash flow from operating activities			
Loan stock income received	307	255	550
Income from fixed term funds received	170	50	145
Deposit interest received	171	29	138
Dividend income received	54	10	39
Investment Manager's fees paid	(823)	(1,337)	(2,081)
Other cash payments	(234)	(217)	(425)
Corporation tax paid	-	-	-
Net cash flow from operating activities	(355)	(1,210)	(1,634)
Cash flow from investing activities			
Purchase of fixed asset investments	(5,012)	(7,456)	(7,870)
Proceeds from disposals of fixed asset investments	2,324	547	1,139
Net cash flow from investing activities	(2,688)	(6,909)	(6,731)
Cash flow from financing activities			
Issue of share capital	-	5,075	11,226
Cost of issue of equity	(20)	-	(37)
Equity dividends paid*	(1,941)	(1,722)	(3,517)
Purchase of own shares for treasury or cancellation (including costs)	(1,442)	(1,030)	(2,325)
Net cash flow from financing activities	(3,403)	2,323	5,347
Decrease in cash and cash equivalents	(6,457)	(5,796)	(3,018)
Cash and cash equivalents at the start of the period	25,006	28,024	28,024
Cash and cash equivalents at the end of the period	18,549	22,228	25,006

*The equity dividend paid in the cash flow is different to the dividends disclosed in note 6 due to the non-cash effect of the Dividend Reinvestment Scheme.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

1. Basis of preparation

The condensed Financial Statements have been prepared in accordance with applicable United Kingdom law and accounting standards, including Financial Reporting Standard 102 (“FRS 102”), Financial Reporting Standard 104 – Interim Financial Reporting (“FRS 104”), and with the Statement of Recommended Practice “Financial Statements of Investment Trust Companies and Venture Capital Trusts” (“SORP”) issued by The Association of Investment Companies (“AIC”). The Financial Statements have been prepared on a going concern basis.

The preparation of the Financial Statements requires management to make judgements and estimates that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The most critical estimates and judgements relate to the determination of carrying value of investments at Fair Value Through Profit and Loss (“FVTPL”) in accordance with FRS 102 sections 11 and 12. The Company values investments by following the International Private Equity and Venture Capital Valuation (“IPEV”) Guidelines as updated in 2022 and further detail on the valuation techniques used are outlined in note 2 below.

The Half-yearly Financial Report has not been audited, nor has it been reviewed by the auditor pursuant to the FRC’s guidance on Review of interim financial information.

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

Investment income

Equity income

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

Unquoted loan stock income

Fixed returns on non-equity shares and debt securities are recognised when the Company's right to receive payment and expect settlement is established. Where interest is rolled up and/or payable at redemption then it is recognised as income unless there is reasonable doubt as to its receipt.

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 other expenses

All expenses have been accounted for on an accruals basis. Expenses are charged through the other distributable reserve except the following which are charged through the realised capital reserve:

- 90% of management fees and 100% of performance incentive fees, if any, are allocated to the realised capital reserve.
- 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

Notes to the condensed Financial Statements

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 reserve accounts for the nominal value of the shares.

Share premium

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

Capital redemption reserve

This reserve accounts for amounts by which the issued share capital is diminished through the repurchase and cancellation of the Company's own shares.

Unrealised capital reserve

Increases and decreases in the valuation of investments held at the period end against cost, are included in this reserve.

Realised capital reserve

The following are disclosed in this reserve:

- gains and losses compared to cost on the realisation of investments, or permanent diminution in value (including gains recognised on the realisation of investment where consideration is deferred that are not distributable as a matter of law);
- finance income in respect of the unwinding of the discount on deferred consideration that is not distributable as a matter of law;
- expenses, together with the related taxation effect, charged in accordance with the above policies; and
- dividends paid to equity holders where paid out by capital.

Other distributable reserve

The special reserve, treasury share reserve and the revenue reserve were combined in 2012 to form a single reserve named other distributable reserve.

This reserve accounts for movements from the revenue column of the Income statement, the payment of dividends, the buy-back of shares and other non-capital realised movements.

Dividends

Dividends by the Company are accounted for in the period in which the liability to make the payment has been established or approved at the Annual General Meeting.

Segmental reporting

The Directors are of the opinion that the Company is engaged in a single operating segment of business, being investment in smaller companies principally based in the UK.

3. (Losses)/gains on investments

	Unaudited six months ended 31 December 2023 £'000	Unaudited six months ended 31 December 2022 £'000	Audited year ended 30 June 2023 £'000
Unrealised (losses)/gains on fixed asset investments	(3,452)	(2,460)	3,803
Realised gains/(losses) on fixed asset investments	125	(51)	(178)
Unwinding of discount on deferred consideration	125	106	221
	(3,202)	(2,405)	3,846

4. Investment income

	Unaudited six months ended 31 December 2023 £'000	Unaudited six months ended 31 December 2022 £'000	Audited year ended 30 June 2023 £'000
Loan stock interest	270	299	569
Bank interest	170	29	138
Income from fixed term funds	160	50	145
Dividend income	40	70	84
	640	448	936

5. Investment management fees

	Unaudited six months ended 31 December 2023			Unaudited six months ended 31 December 2022			Audited year ended 30 June 2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	80	717	797	76	679	755	153	1,380	1,533

Further details of the management agreement under which the investment management fee is paid are given on page 18 of the Strategic report in the Annual Report and Financial Statements for the year ended 30 June 2023.

During the period, services of a total value of £822,000 (31 December 2022: £780,000; 30 June 2023: £1,583,000) were purchased by the Company from Albion Capital Group LLP; comprising £797,000 management fee and £25,000 administration fee. At the financial period end, the amount due to Albion Capital Group LLP disclosed as payable or accrued was £395,500 (administration fee: £12,500, management fee: £383,000) (31 December 2022: £388,500; 30 June 2023: £422,500).

Albion Capital Group LLP is, from time to time, eligible to receive arrangement fees and monitoring fees from portfolio companies. During the period to 31 December 2023, fees of £89,000 attributable to the investments of the Company were received pursuant to these arrangements (31 December 2022: £137,000; 30 June 2023: £299,000).

Albion Capital Group LLP, its partners and staff hold 2,413,255 Ordinary shares in the Company as at 31 December 2023.

6. Dividends

	Unaudited six months ended 31 December 2023 £'000	Unaudited six months ended 31 December 2022 £'000	Audited year ended 30 June 2023 £'000
First dividend of 0.83 pence per share paid on 30 November 2023 (30 November 2022: First dividend of 0.84 pence per share)	2,333	2,130	2,130
Second dividend of 0.79 pence per share paid on 31 March 2023	-	-	2,120
Unclaimed dividends	-	-	(13)
	2,333	2,130	4,237

In addition, the Board has declared a second dividend of 0.78 pence per share for the year ending 30 June 2024. This will be paid on 28 March 2024 to shareholders on the register on 8 March 2024. This is expected to amount to approximately £2,190,000.

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

	Unaudited six months ended 31 December 2023			Unaudited six months ended 31 December 2022			Audited year ended 30 June 2023		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
(Loss)/return attributable to equity shares (£'000)	287	(3,919)	(3,632)	159	(3,084)	(2,925)	351	2,466	2,817
Weighted average shares in issue (adjusting for treasury shares)	282,620,005			256,695,682			266,724,287		
(Loss)/return attributable per Ordinary share (pence) (basic and diluted)	0.10	(1.39)	(1.29)	0.06	(1.20)	(1.14)	0.13	0.92	1.05

The (loss)/return per share has been calculated after adjusting for treasury shares of 45,787,992 (31 December 2022: 38,617,058; 30 June 2023: 43,285,891).

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

8. Called up share capital

Allotted, called up and fully paid Ordinary shares of 1 penny each	Unaudited 31 December 2023	Unaudited 31 December 2022	Audited 30 June 2023
Number of shares	326,515,116	307,032,867	326,884,706
Nominal value of allotted shares (£'000)	3,265	3,070	3,269
Voting rights (number of shares net of treasury shares)	280,727,124	268,415,809	283,598,815

During the period to 31 December 2023 the Company purchased 4,068,839 Ordinary shares (nominal value £41,000) at a cost of £1,265,000. From this, 2,502,101 shares were purchased for treasury and 1,566,738 shares have been cancelled. The total number of Ordinary shares held in treasury as at 31 December 2023 was 45,787,992 (31 December 2022: 38,617,058; 30 June 2023: 43,285,891) representing 14.0% of the Ordinary shares in issue as at 31 December 2023.

Under the terms of the Dividend Reinvestment Scheme Circular dated 26 February 2009, the following new Ordinary shares of nominal value 1 penny per share were allotted during the period:

Allotment date	Number of shares allotted	Aggregate nominal value of shares (£'000)	Issue price (pence per share)	Net invested (£'000)	Opening market price on allotment date (pence per share)
30 November 2023	1,197,148	12	31.64	359	30.10

9. Contingencies and guarantees

As at 31 December 2023 the Company had no financial commitments in respect of investments (31 December 2022: £nil; 30 June 2023: £nil).

There are no external contingencies or guarantees of the Company as at 31 December 2023 (31 December 2022: £nil; 30 June 2023: £nil).

10. Post balance sheet events

Since 31 December 2023 the Company has not made any material investment transactions.

The Company received £1.7 million of deferred consideration from the historic disposal of G.Network Communications that was included in trade and other receivables at 31 December 2023.

11. Related party transactions

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

12. Going concern

The Board has conducted a detailed assessment of the Company's ability to meet its liabilities as they fall due. Cash flow forecasts are updated and discussed quarterly at Board level and have been stress tested to allow for the forecasted impact of the current economic climate and a volatile geopolitical backdrop. The Board has 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 pages 88 and 89 of those accounts.

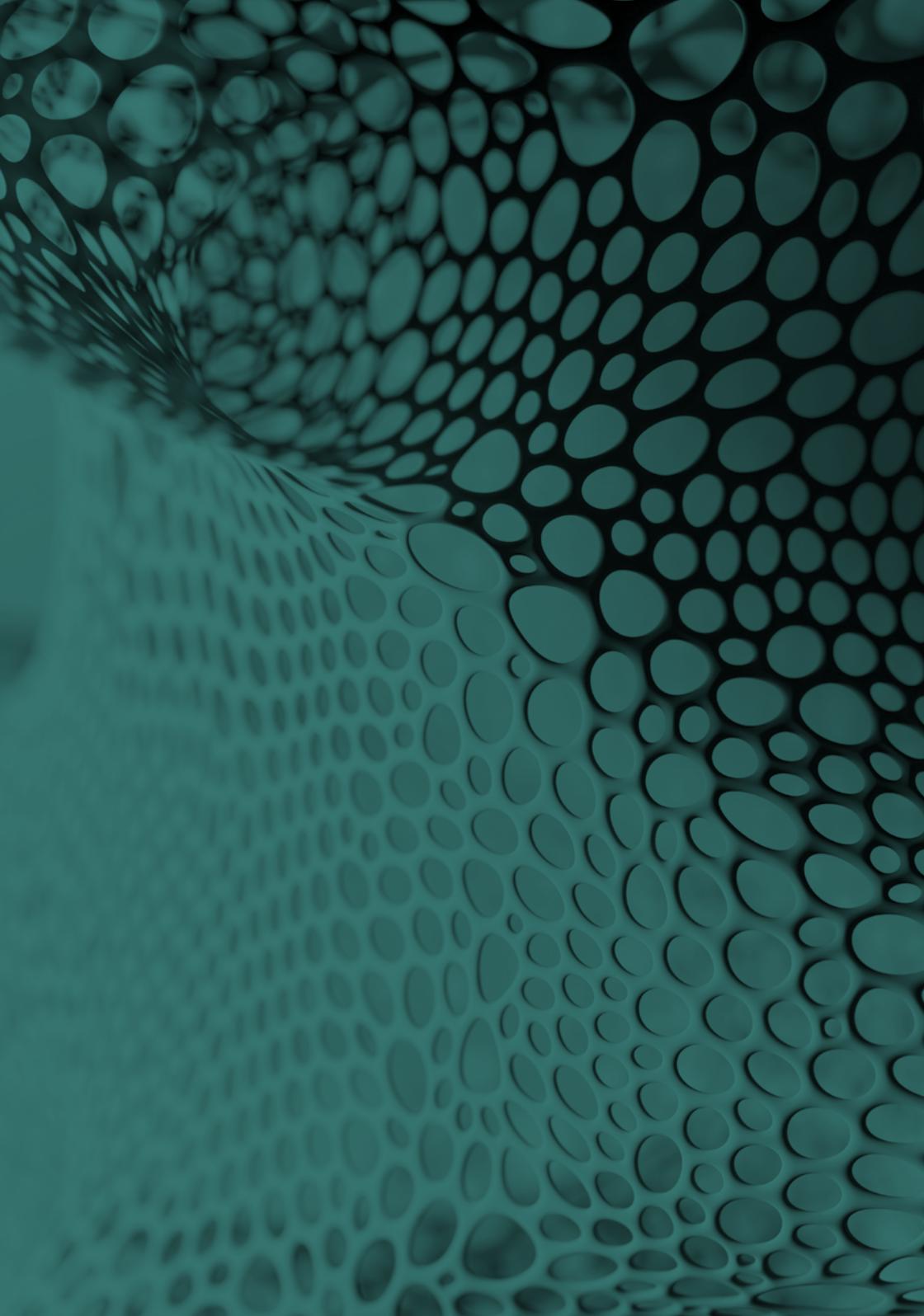
The portfolio of investments is diversified in terms of sector, and the major cash outflows of the Company (namely investments, dividends and share buy-backs) are within the Company's control. Accordingly, after making diligent enquiries, the Directors have a reasonable expectation that the Company has 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 the Half-yearly Financial Report does not constitute the Company's statutory accounts within the terms of section 434 of the Companies Act 2006 for the periods ended 31 December 2023 and 31 December 2022 and is unaudited. The financial information for the year ended 30 June 2023 does not constitute statutory accounts within the terms of section 434 of the Companies Act 2006 and is derived from the statutory accounts for the financial year, which have been delivered to the Registrar of Companies. The Auditor's report on those accounts was unqualified and did not contain statements under s498 (2) or (3) of the Companies Act 2006.

14. Publication

This Half-yearly Financial Report is being sent to shareholders and copies will be made available to the public at the registered office of the Company, Companies House, the National Storage Mechanism and also electronically at www.albion.capital/funds/CRWN.



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