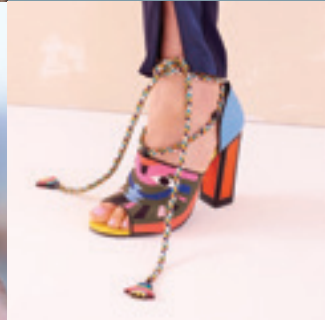


# pembroke

VCT plc



HALF-YEARLY REPORT  
for the six months ended 30 September 2018



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Corporate Information

# Investment Objective

Pembroke VCT plc (the "Company") is a generalist VCT focussed on early stage investments in the leisure and luxury brands sectors.

The Company invests in a diversified portfolio of small, principally unquoted companies, and selects those which Oakley Investment Managers LLP (the "Investment Adviser") believes will provide an opportunity for value appreciation.

The Board of Directors of the Company (the "Board") believes that the Company can benefit from leveraging the previous sector experience of the Investment Adviser and also that there are likely to be synergistic advantages from grouping similar businesses. Consequently, most investments fall within one of four sectors:

- Health and fitness
- Hospitality
- Apparel and Accessories
- Media and Technology





# Financial Summary

Six months ended 30 September 2018 (unaudited)	Ordinary shares	B Ordinary shares	Total
Net assets	£23,973,916	£37,048,804	£61,022,720
Number of shares in issue	18,095,005	32,986,647	51,081,652
Net asset value per share	132.49p	112.31p	n/a
Investment income	£189,512	£319,578	£509,090
<b>Profit/(loss) on ordinary activities before tax</b>			
Revenue	£68,841	£121,437	£190,278
Capital	£1,462,703	£1,584,392	£3,047,095
Total	£1,531,544	£1,705,829	£3,237,373
<b>Return per share</b>			
Revenue	0.30p	0.31p	n/a
Capital	8.16p	5.18p	n/a
Total	8.46p	5.49p	n/a

Year ended 31 March 2018 (audited)	Ordinary shares	B Ordinary shares	Total
Net assets	£22,442,372	£28,777,540	£51,219,912
Number of shares in issue	18,095,005	26,615,404	44,710,409
Net asset value per share	124.03p	108.12p	n/a
Investment income	£486,074	£538,457	£1,024,531
<b>Profit/(loss) on ordinary activities before tax</b>			
Revenue	£283,386	£228,919	£512,305
Capital	£1,992,393	£1,554,114	£3,546,507
Total	£2,275,779	£1,783,033	£4,058,812
<b>Return per share</b>			
Revenue	1.31p	0.74p	n/a
Capital	11.27p	6.36p	n/a
Total	12.58p	7.10p	n/a

Six months ended 30 September 2017 (unaudited)	Ordinary shares	B Ordinary shares	Total
Net assets	£20,479,828	£26,175,535	£46,655,363
Number of shares in issue	18,093,173	25,346,738	43,439,911
Net asset value per share	113.19p	103.27p	n/a
Investment income	£158,134	£234,660	£392,794
<b>Profit/(loss) on ordinary activities before tax</b>			
Revenue	£49,135	£55,659	£104,794
Capital	£(95,724)	£(82,737)	£(178,461)
Total	£(46,589)	£(27,078)	£(73,667)
<b>Return per share</b>			
Revenue	0.22p	0.18p	n/a
Capital	(0.48)p	(0.29)p	n/a
Total	(0.26)p	(0.11)p	n/a

# Chairman's Statement



I am pleased to present the half year report for the six-month period ended 30 September 2018.

After having successfully raised £52.9 million in our Ordinary Share and B Ordinary Share offers since February 2013, the Board agreed to launch a new share offer to raise up to £20 million in the B Ordinary Share class with an overallotment facility of a further £20 million. The Investment Adviser continues to see a strong pipeline of new opportunities, alongside a number of chances to invest profitably in existing portfolio companies where follow-on investments would accelerate their growth.

We have now invested £15.0 million from the Ordinary Share class and £24.7 million from the B Ordinary Share class in 32 companies.

During the period, the Total Return (NAV plus cumulative dividends paid) of the Ordinary Share class has risen from 132.63 pence per share at 31 March 2018 to 141.09 pence per share at 30 September 2018. The Total Return of the B Ordinary Share class has risen from 113.12 pence per share at 31 March 2018 to 117.31 pence per share at 30 September 2018.

## Investment overview

During the period, Pembroke has invested £2.5 million in two new companies (N Nursery & Family Club and Secret Food Tours) and £2.0 million into follow-on investments in seven companies (Boom Cycle, Alexa Chung, Bella Freud, Plenish, Kat Maconie, Sourced Market and La Bottega) from the B Ordinary Share class.

During the period, there were some revaluations to some of the portfolio companies resulting in total investments valued at £54.9 million at the end of the period, representing a 38% increase on cost of £39.7 million. For further details, refer to the Investment Adviser's Review and Investment Portfolio on pages 8 to 13.

## Dividends

In September 2018, the Company approved a dividend of 3 pence per Ordinary Share and 3 pence per B Ordinary Share which was paid on 31 October 2018. The Board retains its target of paying dividends of 3 pence per Ordinary Share and B Ordinary Share each year throughout the life of the Company, payable biannually in interim and final instalments.

## Results

The Company made a profit of £3.2 million in the period to 30 September 2018, representing a weighted profit per Ordinary Share of 8.46 pence and a weighted profit per B Ordinary Share of 5.49 pence.

Income arose from interest income, principally from loan notes provided to a number of the portfolio companies, totalling £0.5 million and investment revaluations of £3.4 million. This was offset by Company expenses and Investment Adviser fees of £0.7 million.

NAV at 30 September 2018 was £61.0 million, equivalent to 132.49 pence per Ordinary share and 112.31 pence per B Ordinary share. This includes the cost to NAV of the issue costs of the current Share offer.

## Outlook

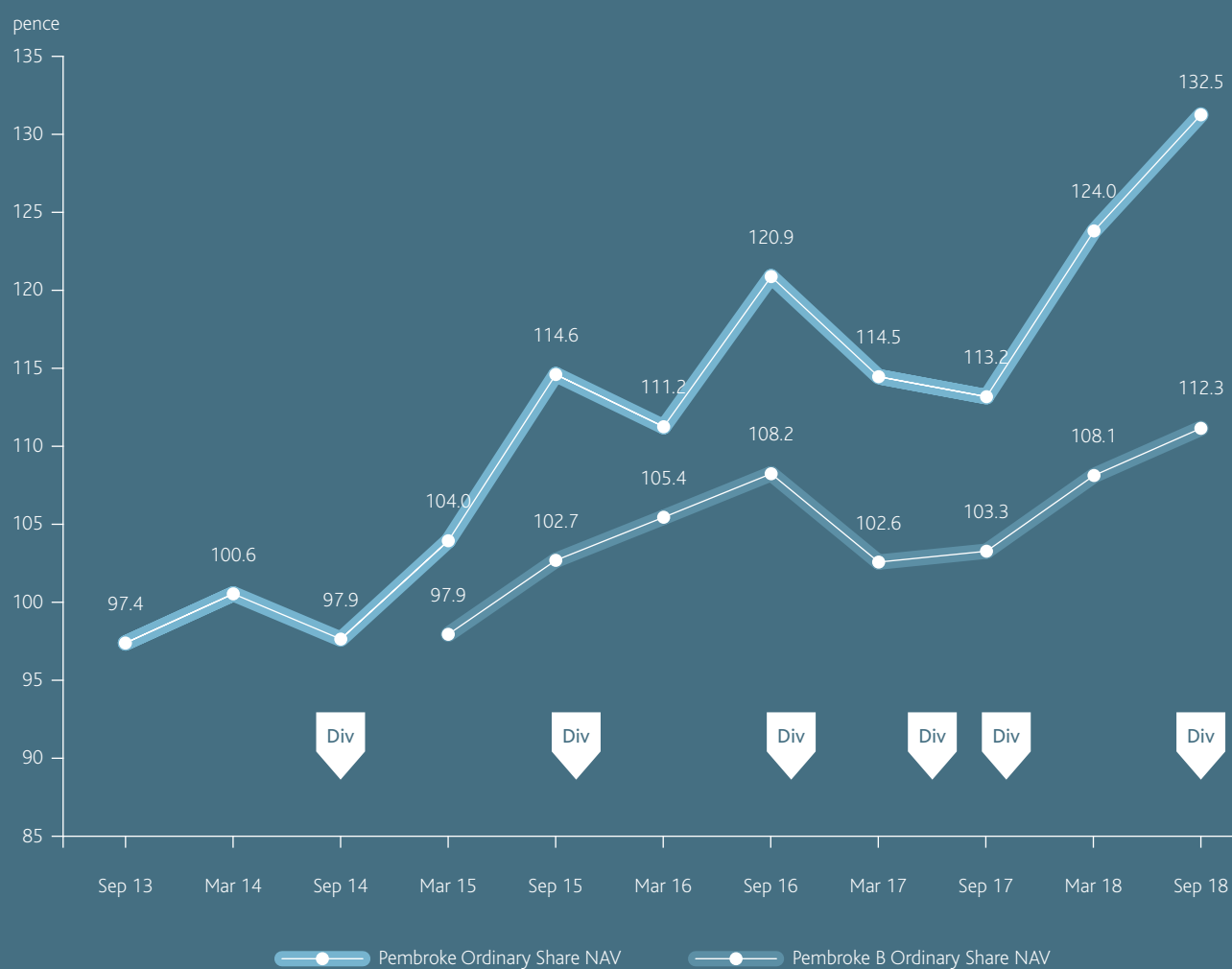
The Investment Adviser is positive about the current pipeline and sees a number of attractive opportunities to invest in the near future and beyond.

Jonathan Djanogly  
Chairman  
14 December 2018

If you have any questions relating to your investment, please contact the Company Secretary on 0131 243 7210 or email [info@pembrokevct.com](mailto:info@pembrokevct.com). For further information refer to the Company's website [www.pembrokevct.com](http://www.pembrokevct.com).



## Share performance and dividends





# Investment Adviser's Review

for the six months ended 30 September 2018



two new  
investments  
totalling  
£2.5 million

**32 investments with a cost of £39.7 million and a fair value of £55.9 million, representing a 41% increase over cost**

## Overview

The Company has invested a total of £4.5 million in the period from the B Ordinary Share class, making two new investments totalling £2.5 million and seven follow-on investments of £2.0 million in a mix of debt and equity.

At the end of the period, the portfolio comprised 32 investments with a cost of £39.7 million and a fair valuation of £55.9 million representing a 41% increase.

## Portfolio Review

The Company has made two new investments in the period from the B Ordinary Share class. £1.5 million was invested in N Nursery & Family Club, a nursery and family club in North East London. We also invested £1 million in Secret Food Tours, a food and drink themed walking tour operator based in cities all over the world.

The Company also committed further capital from the B Ordinary Share class to seven of its existing portfolio companies (Boom Cycle, Alexa Chung, Bella Freud, Plenish, Kat Maconie, Sourced Market and La Bottega) to support their continued growth plans.

## Investment Performance

There have been several investment revaluations to the portfolio. During the period, five companies had further funding rounds at increased valuations compared to previous rounds with these including Boom Cycle, Bella Freud, Bella Freud Parfum, Alexa Chung and Rated People. As such, we have increased the valuation of these companies to reflect this with all these rounds including further investment funds from third parties not connected with Pembroke. The valuations of two companies, KX Gyms and Stillking, were increased during the period as a result of improved performance and growth.





**follow-on investments  
in seven companies  
totalling £2.0 million**

Recent investments have been held at cost, as they have performed in line with the Investment Adviser's expectation to date.

Refer to the individual company profiles on pages 11 to 27 for further details on performance.

### Valuation

Investments held by the Company have been valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines. Through these guidelines, investments are valued as defined at 'fair value'. Ordinarily, unquoted investments will be valued at cost for a limited period following the date of acquisition, being the most suitable approximation of fair value unless there is an impairment or significant accretion in value during the period.

Portfolio valuations are prepared by the Investment Adviser, reviewed and approved by the Board half yearly and subject to audit annually.

All of the investments, including the new investments made in the reporting period, are described in more detail in the Investment Review.

Andrew Wolfson  
Chief Investment Officer  
14 December 2018

# Investment Portfolio

## Ordinary shares

	As at 30 September 2018		
	Cost £	Fair Value £	% of net assets
<b>Health and Fitness</b>			
Boom Cycle	429,460	333,874	1.4
KX Gym	700,000	1,467,495	6.1
Plenish	325,000	2,029,312	8.5
Dilly & Wolf	270,000	–	–
<b>Hospitality</b>			
Chilango	549,850	1,042,560	4.3
Five Guys UK	1,512,800	3,350,880	14.0
La Bottega	1,960,000	–	–
Chucs Bar & Grill	614,278	1,672,123	7.0
Second Home	525,074	3,251,356	13.5
Sourced Market	830,000	830,000	3.5
<b>Apparel and Accessories</b>			
Kat Maconie	320,000	711,254	3.0
Troubadour Goods	590,000	1,172,423	4.9
Bella Freud	400,000	1,612,738	6.7
Bella Freud Parfum	190,000	325,000	1.3
Chucs	990,039	–	–
<b>Media and Technology</b>			
Boat International Media	2,100,000	2,100,000	8.8
Rated People	585,738	579,150	2.4
Zenos Cars	500,000	–	–
Beryl	200,000	558,319	2.3
Stillking Films	1,451,770	2,615,534	10.9
Investments before interest	15,044,009	23,652,018	98.6
Interest rolled up in fixed income investments*	1,004,177	1,004,177	4.2
Total investments	16,048,186	24,656,195	102.8
Net current assets	(682,279)	(682,279)	(2.8)
Net assets	15,365,907	23,973,916	100.0

\*Added to investments in financial statements

# Investment Portfolio continued

## Ordinary shares

	As at 31 March 2018			As at 30 September 2017		
	Cost £	Fair Value £	% of net assets	Cost £	Fair Value £	% of net assets
<b>Health and Fitness</b>						
Boom Cycle	429,460	327,302	1.5	429,460	349,860	1.7
KX Gym	700,000	1,199,116	5.3	700,000	827,835	4.1
Plenish	325,000	2,029,312	9.0	325,000	1,416,375	6.9
Dilly & Wolf	270,000	–	–	270,000	–	–
<b>Hospitality</b>						
Chilango	549,850	1,042,560	4.6	549,850	729,792	3.6
Five Guys UK	1,512,800	3,350,880	15.0	1,512,800	3,179,495	15.5
La Bottega	1,960,000	–	–	1,960,000	885,808	4.3
Chucs Bar & Grill	614,278	1,672,123	7.4	614,278	591,729	2.9
Second Home	525,074	3,251,356	14.5	525,074	3,249,446	15.9
Sourced Market	830,000	830,000	3.7	830,000	903,612	4.4
<b>Apparel and Accessories</b>						
Kat Maconie	320,000	711,254	3.2	320,000	711,233	3.5
Troubadour Goods	590,000	1,172,423	5.2	590,000	1,171,722	5.7
Bella Freud	400,000	874,320	3.9	400,000	983,333	4.8
Bella Freud Parfum	190,000	127,000	0.6	190,000	122,500	0.6
Chucs	990,039	–	–	990,039	73,118	0.4
<b>Media and Technology</b>						
Boat International Media	2,100,000	2,100,000	9.4	2,100,000	1,741,491	8.5
Rated People	585,738	382,046	1.7	585,738	458,648	2.2
Zenos Cars	500,000	–	–	500,000	–	–
Beryl	200,000	558,319	2.5	200,000	284,920	1.4
Stillking Films	1,451,770	2,404,675	10.7	1,451,770	2,112,862	10.3
Investments before interest	15,044,009	22,032,686	98.2	15,044,009	19,793,779	96.7
Interest rolled up in fixed income investments*	822,684	822,684	3.7	638,544	638,544	3.1
Total investments	15,866,693	22,855,370	101.9	15,682,553	20,432,323	99.8
Net current assets	(412,998)	(412,998)	(1.9)	47,505	47,505	0.2
Net assets	15,453,695	22,442,372	100.0	15,730,058	20,479,828	100.0

\*Added to investments in financial statements



# Investment Portfolio continued

## B Ordinary shares

As at 30 September 2018

	Cost £	Fair Value £	% of net assets
<b>Health and Fitness</b>			
Boom Cycle	1,246,979	1,046,051	2.8
Plenish	1,550,035	1,952,553	5.3
Dilly & Wolf	125,000	–	–
KX Urban	986,455	986,455	2.7
<b>Hospitality</b>			
Chilango	85,000	121,429	0.3
Five Guys UK	570,400	1,263,641	3.4
La Bottega	1,000,000	450,000	1.2
Chucs Bar & Grill	2,342,963	2,747,989	7.4
Second Home	960,022	1,624,506	4.4
Sourced Market	1,816,767	1,816,767	4.9
Bel-Air	300,000	–	–
N Nursery & Family Club	1,500,100	1,500,100	4.1
Secret Food Tours	1,000,206	1,000,206	2.7
<b>Apparel and Accessories</b>			
Kat Maconie	425,000	425,000	1.2
Troubadour Goods	150,000	158,954	0.4
Bella Freud	1,300,000	1,942,799	5.2
Bella Freud Parfum	50,000	50,000	0.1
Chucs	225,000	100,000	0.3
ME+EM	800,000	974,548	2.6
Alexa Chung	2,040,510	3,750,358	10.1
Heist Studios	1,748,466	2,094,840	5.7
PlayerLayer	1,000,507	1,000,507	2.7
<b>Media and Technology</b>			
Boat International Media	1,300,000	1,300,000	3.5
Rated People	55,480	84,103	0.2
Zenos Cars	130,000	–	–
Beryl	352,697	984,585	2.7
Wishi Fashion	153,433	153,433	0.4
Unbolted	250,033	250,033	0.7
Stylindex	200,000	200,000	0.5
Popsa	1,000,078	1,000,078	2.7
Investments before interest	24,665,131	28,978,935	78.2
Interest rolled up in fixed income investments*	1,234,168	1,234,168	3.3
Total investments	25,899,299	30,213,103	81.5
Net current assets	6,835,701	6,835,701	18.5
Net assets	32,735,000	37,048,804	100.0

\*Added to investments in the financial statements

# Investment Portfolio continued

## B Ordinary shares

	As at 31 March 2018			As at 30 September 2017		
	Cost £	Fair Value £	% of net assets	Cost £	Fair Value £	% of net assets
<b>Health and Fitness</b>						
Boom Cycle	1,091,646	874,858	3.0	924,979	924,979	3.5
Plenish	1,050,035	1,452,543	5.0	1,050,035	1,054,621	4.0
Dilly & Wolf	125,000	–	–	125,000	–	–
KX Urban	986,455	986,455	3.4	980,000	980,000	3.7
<b>Hospitality</b>						
Chilango	85,000	121,429	0.4	85,000	85,000	0.3
Five Guys UK	570,400	1,263,641	4.4	570,400	1,198,986	4.6
La Bottega	950,000	400,000	1.4	650,000	100,000	0.4
Chucs Bar & Grill	2,342,963	2,747,989	9.5	1,045,011	935,192	3.6
Second Home	960,022	1,624,506	5.6	960,022	1,623,551	6.2
Sourced Market	1,566,767	1,566,767	5.5	1,066,767	978,592	3.7
Bel-Air	300,000	–	–	300,000	300,000	1.1
N Nursery & Family Club	–	–	–	–	–	–
Secret Food Tours	–	–	–	–	–	–
<b>Apparel and Accessories</b>						
Kat Maconie	345,000	345,000	1.2	200,000	200,000	0.8
Troubadour Goods	150,000	158,954	0.5	150,000	158,859	0.6
Bella Freud	950,000	1,041,133	3.6	800,000	800,000	3.1
Bella Freud Parfum	50,000	50,000	0.2	50,000	50,000	0.2
Chucs	225,000	100,000	0.4	225,000	26,882	0.1
ME+EM	800,000	974,418	3.4	800,000	974,403	3.7
Alexa Chung	1,488,961	1,977,500	6.9	988,961	1,338,961	5.1
Heist Studios	1,748,466	2,094,840	7.3	748,242	748,242	2.9
PlayerLayer	1,000,507	1,000,507	3.5	–	–	–
<b>Media and Technology</b>						
Boat International Media	1,300,000	1,300,000	4.5	1,300,000	1,300,000	5.0
Rated People	55,480	55,480	0.2	55,480	52,698	0.2
Zenos Cars	130,000	–	–	130,000	–	–
Beryl	352,697	984,585	3.4	352,697	413,134	1.6
Wishi Fashion	153,433	153,433	0.5	153,433	153,433	0.6
Unbolted	250,033	250,033	0.9	250,033	250,033	1.0
Stylindex	200,000	200,000	0.7	–	–	–
Popsa	1,000,000	1,000,000	3.5	–	–	–
Investments before interest	20,227,865	22,724,071	78.9	13,961,060	14,647,566	56.0
Interest rolled up in fixed income investments*	970,228	970,228	3.4	651,636	651,636	2.5
Total investments	21,198,093	23,694,299	82.3	14,612,696	15,299,202	58.5
Net current assets	5,083,241	5,083,241	17.7	10,876,333	10,876,333	41.5
Net assets	26,281,334	28,777,540	100.0	25,489,029	26,175,535	100.0

\*Added to investments in the financial statements

# Health and Fitness

Representing 11% and 16% respectively of the Ordinary share and B Ordinary share investment portfolios by cost



## PLENISH

Plenish, founded in 2012, is one of the leading cold-pressed juicing businesses in the UK, offering 100% raw organic (unpasteurised) juice. The company has supplemented its juice range with four varieties of nut milk, which have been well received by the wholesale and retail markets and are now stocked by many of the UK's major supermarkets.

Cost	£1,875,035
Valuation	£3,981,865
Interest rolled up in fixed income investment	£26,995
Basis of valuation	Last equity raise
Equity holding	32.7%
Investment in the period at cost	£500,000
Total income recognised in the period	£6,016





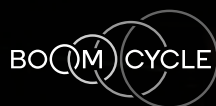
KX Urban (KX U) is a pay-as-you-go development of the established KX luxury gym brand. It offers a range of gym classes including Hiit & Run, Body Barre, yoga, boxing and spinning within a high quality gym environment with a healthy food and beverage offering. It opened its first site in London's Sloane Square in September 2017.

Cost	£986,455
Valuation	£986,455
Interest rolled up in fixed income investment	£81,987
Basis of valuation	Cost
Equity holding	10.3%
Investment in the period at cost	£nil
Total income recognised in the period	£33,140



KX Gym, founded in 2002, is a private members' gym and spa, which includes a restaurant and clubroom, located in Chelsea, London. KX offers members an exclusive holistic approach to wellbeing, incorporating fitness, diet and relaxation.

Cost	£700,000
Valuation	£1,467,495
Interest rolled up in fixed income investment	£nil
Basis of valuation	Multiples
Equity holding	11.8%
Investment in the period at cost	£nil
Total income recognised in the period	£nil



Boom Cycle is an indoor cycling concept which offers a fun, high-intensity cardiovascular workout. The business currently has four studios based in London (City, Holborn, Hammersmith and Battersea) where they combine indoor spin cycling with various exercises for both upper and lower body work-outs. Boom Cycle is one of the foremost dedicated spinning studios in London, and is on track to replicate the success of some of the larger players in the US.

Cost	£1,676,439
Valuation	£1,379,925
Interest rolled up in fixed income investment	£21,008
Basis of valuation	Last equity raise
Equity holding	35.0%
Investment in the period at cost	£153,333
Total income recognised in the period	£9,024





# Hospitality

Representing 40% and 39% respectively of the Ordinary share and B Ordinary share investment portfolios by cost



## FIVE GUYS UK

Five Guys was founded in 1986 in the US. The company serves a range of hand-made burgers made with fresh locally sourced beef and cooked on a grill, along with fresh-cut fries, served with a selection of toppings. It now has 90 outlets in the UK with the estate close to reaching maturity.

Cost	£2,083,200
Valuation	£4,614,521
Interest rolled up in fixed income investment	£717,046
Basis of valuation	Multiples
Equity holding	2.1%
Investment in the period at cost	£nil
Total income recognised in the period	£161,165





## Chilango

Chilango is a fast-casual Mexican restaurant chain concept based on successful US business models. There are currently 11 restaurants across high footfall areas of Central London, plus a Manchester outlet that will form the basis for the brand's regional roll-out.

Cost	£634,850
Valuation	£1,163,989
Interest rolled up in fixed income investment	£nil
Basis of valuation	Last equity raise
Equity holding	2.9%
Investment in the period at cost	£nil
Total income recognised in the period	£nil



## La Bottega

La Bottega is an Italian chain of delicatessens in London, which serve high quality authentic Italian food and coffee. Currently, there are three shops trading in London: Chelsea, South Kensington and Victoria.

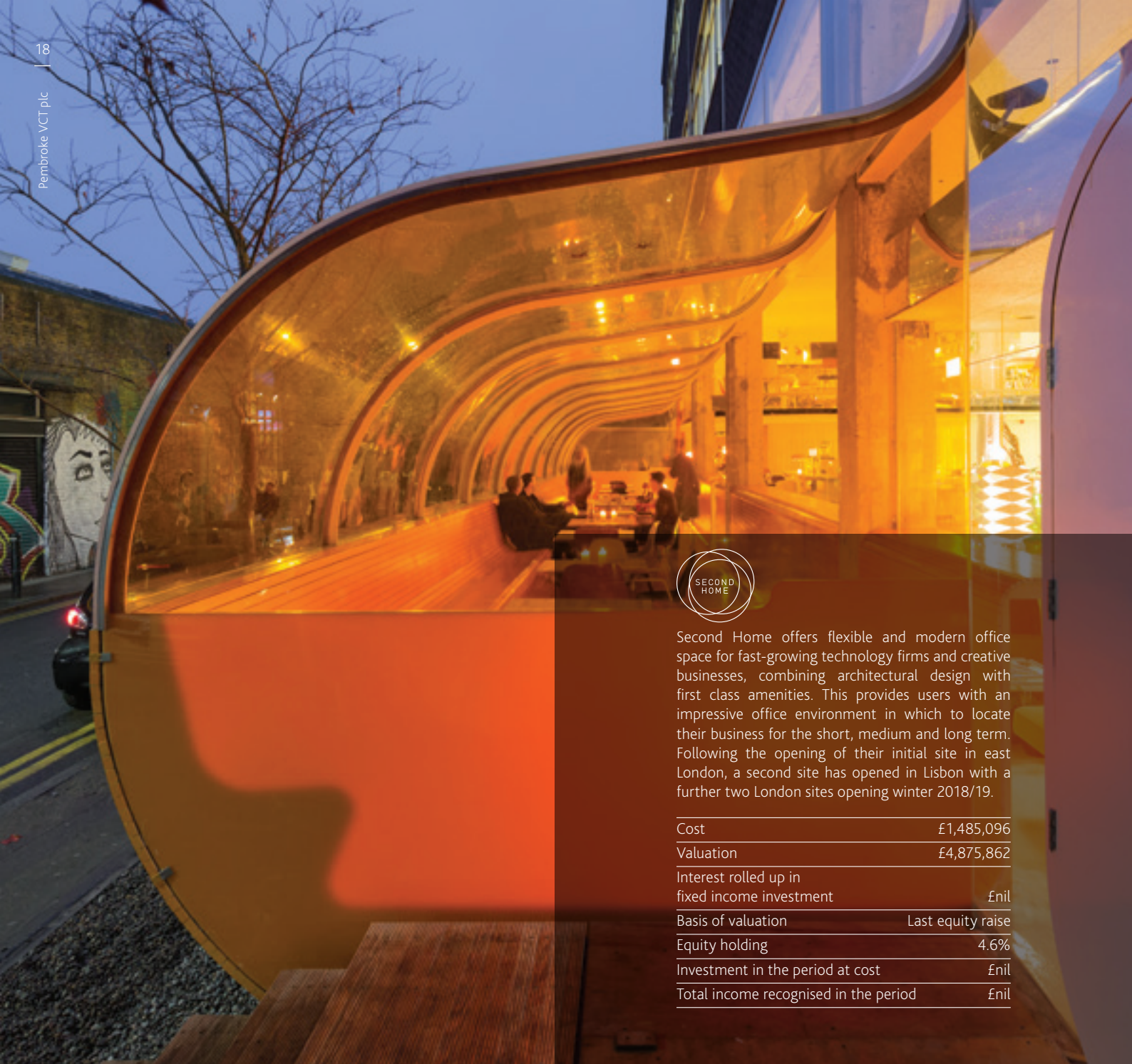
Cost	£2,960,000
Valuation	£450,000
Interest rolled up in fixed income investment	£nil
Basis of valuation	Cost less impairment
Equity holding	87.6%
Investment in the period at cost	£50,000
Total income recognised in the period	£2,020



Chucs Bar & Grill is a restaurant concept reflecting the style and branding of the Chucs retail brand. The first restaurant was opened on Dover Street in Mayfair, London in 2014, the second on Westbourne Grove, the third in Harrods in February 2018 and the fourth at the Serpentine Sackler Gallery in Hyde Park in March 2018. Chucs St. Tropez opened during the summer of 2018.

Cost	£2,957,241
Valuation	£4,420,112
Interest rolled up in fixed income investment	£427,446
Basis of valuation	Last equity raise
Equity holding	27.1%
Investment in the period at cost	£nil
Total income recognised in the period	£81,220





Second Home offers flexible and modern office space for fast-growing technology firms and creative businesses, combining architectural design with first class amenities. This provides users with an impressive office environment in which to locate their business for the short, medium and long term. Following the opening of their initial site in east London, a second site has opened in Lisbon with a further two London sites opening winter 2018/19.

Cost	£1,485,096
Valuation	£4,875,862
Interest rolled up in fixed income investment	£nil
Basis of valuation	Last equity raise
Equity holding	4.6%
Investment in the period at cost	£nil
Total income recognised in the period	£nil

## N NURSERY & FAMILY CLUB

N Nursery & Family Club is a seven-day-a-week neighbourhood club, which offers a nursery (N Nursery) during the week and a family club space (N Family Club) at weekends. N Nursery & Family Club is open 51 weeks per year, closing only between Christmas and New Year. To provide parents with a flexible offering, the nursery is open from 7.00 am to 7.00 pm.

Cost	£1,500,100
Valuation	£1,500,100
Interest rolled up in fixed income investment	£nil
Basis of valuation	Cost
Equity holding	13.0%
Investment in the period at cost	£1,500,100
Total income recognised in the period	£nil





## SOURCED MARKET

Sourced Market, launched in 2007, is a retail, café and restaurant concept that offers a curated selection of locally sourced fresh produce replicating the products and ambience found at a farmers' market. The company's flagship site is in St. Pancras International in King's Cross, has been complemented by three further London sites in Marylebone, Victoria and Barbican.

Cost	£2,646,767
Valuation	£2,646,767
Interest rolled up in fixed income investment	£46,973
Basis of valuation	Cost
Equity holding	30.8%
Investment in the period at cost	£250,000
Total income recognised in the period	£35,097



## Secret Food Tours

Secret Food Tours is a rapidly-growing food and beverage tour company that has developed a scalable and profitable approach to global expansion. Its flagship events centre on high-end food tours, culinary events and nightlife tours. The company has 60,000 customers per year and operates in 27 top-tier cities across three continents.

Cost	£1,000,206
Valuation	£1,000,206
Interest rolled up in fixed income investment	£nil
Basis of valuation	Cost
Equity holding	9.1%
Investment in the period at cost	£1,000,206
Total income recognised in the period	£nil





# Apparel and Accessories

Representing 17% and 31% respectively of the Ordinary share and B Ordinary share investment portfolios by cost



## BELLA FREUD

Bella Freud is a fashion designer producing a range of high-end men's and women's clothing, focussing on knitwear. Currently her products are available at her own flagship store on Chilton Street in London, online and through a range of luxury boutiques and department stores in the UK, Asia and the US.

Cost	£1,700,000
Valuation	£3,555,537
Interest rolled up in fixed income investment	£206,127
Basis of valuation	Multiples
Equity holding	37.9%
Investment in the period at cost	£350,000
Total income recognised in the period	£26,459

## TROUBADOUR

Troubadour Goods is a London-based luxury men's accessories brand specialising in designing and creating superior handcrafted leather and textile goods. The brand continues to grow through new wholesale accounts throughout Europe, America and Asia and continues to enhance its designs bringing together hardwearing textiles and its signature leather in modern, desirable luggage and business accessories.

Cost	£740,000
Valuation	£1,331,377
Interest rolled up in fixed income investment	£nil
Basis of valuation	Last equity raise
Equity holding	36.1%
Investment in the period at cost	£nil
Total income recognised in the period	£nil





## BELLA FREUD PARFUM

With the continuing success of her fashion brand, Bella Freud has launched a series of fragrances incorporating five scents blending modernity and heritage, including Je t'Aime Jane, Ginsberg is God and 1970. The scents are available in eau de parfum and candle format. Bella Freud Parfum is now stocked in a range of boutiques and department stores globally.

Cost	£240,000
Valuation	£375,000
Interest rolled up in fixed income investment	£46,093
Basis of valuation	Multiples
Equity holding	22.5%
Investment in the period at cost	£nil
Total income recognised in the period	£6,016



Chucs is a luxury brand of men's leisure wear. The company will seek routes to realise value in the Chucs brand through commercial partnerships with partners worldwide.

Cost	£1,215,039
Valuation	£100,000
Interest rolled up in fixed income investment	£nil
Basis of valuation	Cost less impairment
Equity holding	11.6%
Investment in the period at cost	£nil
Total income recognised in the period	£nil

## ME+EM

ME+EM, founded in 2008 by Clare Hornby, ME+EM is a contemporary womenswear brand founded, designing and producing its collections primarily through catalogues and online, with two London retail sites, Bayswater and Belgravia. The range now consists of dresses, knitwear, denim, separates and accessories. The brand targets women aged 30-55 who are busy and fashion conscious, offering a classic aesthetic embodying designer quality but at an affordable price.

Cost	£800,000
Valuation	£974,548
Interest rolled up in fixed income investment	£nil
Basis of valuation	Last equity raise
Equity holding	12.8%
Investment in the period at cost	£nil
Total income recognised in the period	£nil





## ALEXACHUNG

The iconic model and designer, launched her own fashion label in May 2017. It offers luxury womenswear and has already achieved substantial wholesale success across its first three seasonal collections. The business will produce four in-season collections per year internationally, with a large number of wholesale stockists in over 15 countries, supplemented by a direct online sales channel.

Cost	£2,040,510
Valuation	£3,750,358
Interest rolled up in fixed income investment	£nil
Basis of valuation	Last equity raise
Equity holding	20.2%
Investment in the period at cost (Including interest converted to capital of £27,616)	£551,549
Total income recognised in the period	£12,821

## KAT MACONIE

Kat Maconie, founded in 2008, designs and manufactures distinctive ladies' shoes which are sold online, in department stores and in boutiques globally. The company continues to garner new wholesale distributors and has recently collaborated with a major Korean television shopping channel, resulting in significant expansion in both product lines and sales in the Asian market.

Cost	£745,000
Valuation	£1,136,254
Interest rolled up in fixed income investment	£46,389
Basis of valuation	Last equity raise
Equity holding	22.3%
Investment in the period at cost	£225,000
Disposals in the period (repayment of loan)	£145,000
Total income recognised in the period	£24,539







# heist

Established in 2015, Heist is a premium hosiery manufacturer that seeks to redefine how tights can feel and wear. Its ambition is to evolve rapidly from being a London fashion editors' favourite to become the go-to shapewear brand for discerning women worldwide.

Cost	£1,748,466
Valuation	£2,094,840
Interest rolled up in fixed income investment	£nil
Basis of valuation	Cost
Equity holding	12.5%
Investment in the period at cost	£nil
Total income recognised in the period	£nil



## PLAYERLAYER

PlayerLayer designs and manufactures customised sports kit for universities, sports clubs and schools. Since it was founded in 2008, it has become a leader in the premium education market with annual sales of £5 million. Customers include universities, schools, local and professional clubs. The company recently signed a deal with Under Armour to provide all their team-branded sportswear in the UK.

Cost	£1,000,507
Valuation	£1,000,507
Interest rolled up in fixed income investment	£nil
Basis of valuation	Cost
Equity holding	6.1%
Investment in the period at cost	£nil
Total income recognised in the period	£nil

# Media and Technology

Representing 32% and 14% respectively of the Ordinary share and B Ordinary share investment portfolios by cost



## BOAT

Recognised as a significant worldwide media group serving the superyacht industry, Boat International Media provides information and services across traditional print, digital media and high quality events. In 2016 the team re-branded Show Boats magazine under the Boat International USA title.

Cost	£3,400,000
Valuation	£3,400,000
Interest rolled up in fixed income investment	£618,281
Basis of valuation	Fair value
Equity holding	21.6%
Investment in the period at cost	£nil
Total income recognised in the period	£102,280





## Rated people

Rated People, founded in 2005, is one of the UK's leading online market places for homeowners to find tradesmen for home improvement work. The company embarked on a new funding round in 2018 at an improved valuation, having implemented a number of cost saving initiatives and enhancing its customer service offering.

Cost	£641,218
Valuation	£663,253
Interest rolled up in fixed income investment	£nil
Basis of valuation	Last equity raise
Equity holding	1.5%
Investment in the period at cost	£nil
Total income recognised in the period	£nil

## beryl (formerly Blaze)

Beryl designs products which enhance bike safety. Their flagship product, the Laserlight, projects a laser image onto the ground ahead of the cyclist to alert other road users to the cyclist's presence. The company has entered the global cycle hire market with a broadened product offer, and its lights are featured in London's Santander Cycle fleet. The company is also in discussions with the organisers of a number of other large city cycle hire schemes globally.

Cost	£552,697
Valuation	£1,542,904
Interest rolled up in fixed income investment	£nil
Basis of valuation	Last equity raise
Equity holding	5.1%
Investment in the period at cost	£nil
Total income recognised in the period	£nil







## STYLINDEX

Stylindex is a platform that helps content producers find the best models, creative talent and production resources for photoshoots, videos and events. Stylindex's cloud-based platform allows brand teams to manage shoots and assets in one place.

Cost	£200,000
Valuation	£200,000
Interest rolled up in fixed income investment	£nil
Basis of valuation	Cost
Equity holding	5.1%
Investment in the period at cost	£nil
Total income recognised in the period	£nil

## STILLKING

Stillking Films is a prolific producer of commercials, TV series, feature films and music videos. The company has created commercials for many Dow Jones and FTSE advertisers and has co-produced a number of successful feature films including Casino Royale, Quantum of Solace, Narnia, Mission Impossible 4 and Mars, and created music videos for artists including Beyoncé, Kanye West, Blur, Madonna and One Direction.

Cost	£1,451,770
Valuation	£2,615,534
Interest rolled up in fixed income investment	£nil
Basis of valuation	Multiples
Equity holding	5.0%
Investment in the period at cost	£nil
Total income recognised in the period	£nil



## Unbolted

Unbolted provides a platform for peer-to-peer secured lending, offering short-term liquidity to individuals seeking bridging facilities or advance sale loans for personal or small business use.

Cost	£250,033
Valuation	£250,033
Interest rolled up in fixed income investment	£nil
Basis of valuation	Cost
Equity holding	4.2%
Investment in the period at cost	£nil
Total income recognised in the period	£nil





## Popsa

Popsa is a photobook app that, through the use of proprietary machine learning algorithms, has reduced the time it takes for customers to produce photobooks from two hours to an average of just six minutes. Popsa operates in a £5 billion industry that has been built on a clunky and frustrating process – by automating the selection of a customer's most relevant photos, Popsa's disruptive software avoids this frustration.

Cost	£1,000,078
Valuation	£1,000,078
Interest rolled up in fixed income investment	£nil
Basis of valuation	Cost
Equity holding	10.2%
Investment in the period at cost	£78
Total income recognised in the period	£nil

## WISHI

Wishi is an innovative fashion technology business that brings together personal styling and online wardrobe management functionality to help fully exploit an individual's current wardrobe and provide new clothing suggestions personalised to their look.

Cost	£153,433
Valuation	£153,433
Interest rolled up in fixed income investment	£nil
Basis of valuation	Cost
Equity holding	2.1%
Investment in the period at cost	£nil
Total income recognised in the period	£nil

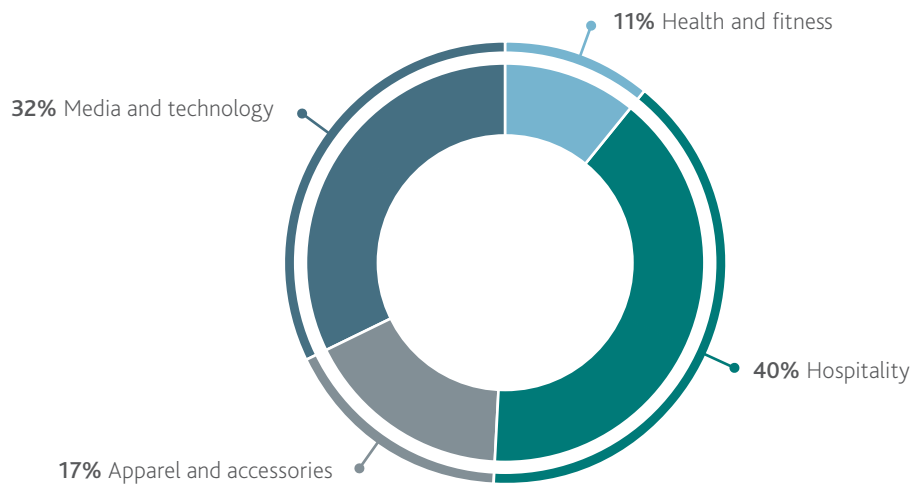


# Investment Portfolio

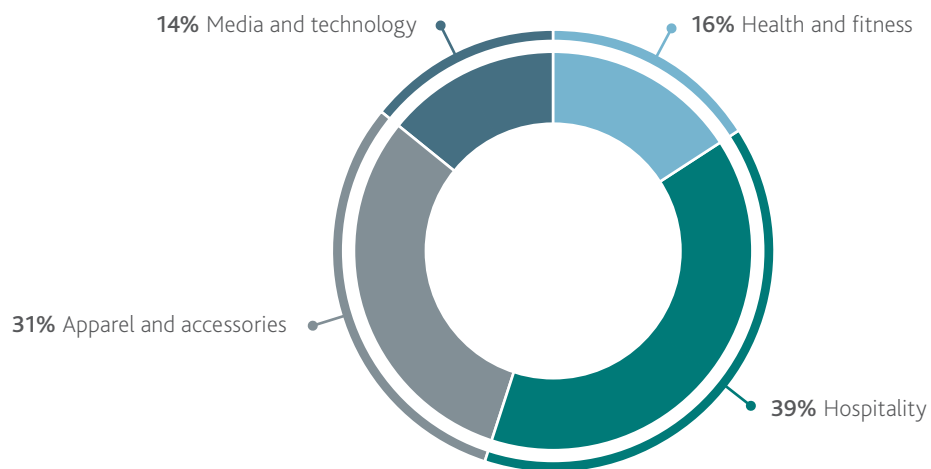
## Segment analysis

The charts below show the segmental breakdown of the investment portfolio based on cost at 30 September 2018.

### Ordinary share investment portfolio



### B Ordinary share investment portfolio





# Principal Risks and Uncertainties

The principal risks facing the Company are Venture Capital Trust Status risk and investment valuation and liquidity risk. These risks, and the way in which they are managed are described in more detail under the heading Risk management within the Strategic report of the Annual Report and Financial Statements for the year ended 31 March 2018.

The Company's assets consist of equity and fixed interest investments and cash. The main risks arising from the

Company's financial instruments are credit risk, investment valuation risk, interest rate risk and liquidity risk. These risks, and the way in which they are managed, are described in more detail in Note 20 to the Financial Statements in the Company's Annual Report and Financial Statements for the year ended 31 March 2018.

The Company's principal risks and uncertainties have not changed materially since the date of that report.

## Statement of Directors' Responsibilities in respect of the Half-Yearly Report

- The condensed set of financial statements has been prepared in accordance with the FRS 104 'Interim Financial Reporting';
- The Chairman's statement (constituting the interim management report) includes a fair review of the information required by DTR 4.2.7R of the "Disclosure Guidance and Transparency Rules", 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;
- The "Statement of Principal Risks and Uncertainties" above is a fair review of the information required by DTR 4.2.7R, being a description of the principal risks and uncertainties for the remaining six months of the year; and
- The financial statements include a fair review of the information required by DTR 4.2.8R of the "Disclosure Guidance and Transparency Rules", being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

For and on behalf of the Board  
Jonathan Djanogly  
Chairman  
14 December 2018

# Financial Statements



# Income Statement

for the six months ended 30 September 2018

For the six months ended 30 September 2018	Note	Revenue £	Capital £	Total £
Realised/unrealised gains and losses on investments		–	3,448,930	3,448,930
Income		509,090	–	509,090
Investment Adviser's fees		(133,945)	(401,835)	(535,780)
Other expenses		(184,867)	–	(184,867)
Profit before tax		190,278	3,047,095	3,237,373
Tax		(37,000)	37,000	–
Profit attributable to equity shareholders		153,278	3,084,095	3,237,373
<b>Return per share</b>				
Ordinary shares	3	0.30p	8.16p	8.46p
B Ordinary shares	3	0.31p	5.18p	5.49p

For the year ended 31 March 2018	Note	Revenue £	Capital £	Total £
Realised/unrealised gains and losses on investments		–	4,093,607	4,093,607
Income		1,024,531	–	1,024,531
Investment Adviser's fees		(172,500)	(517,500)	(690,000)
Other expenses		(339,726)	(29,600)	(369,326)
Profit before tax		512,305	3,546,507	4,058,812
Tax		(89,700)	89,700	–
Profit attributable to equity shareholders		422,605	3,636,207	4,058,812
<b>Return per share</b>				
Ordinary shares	3	1.31p	11.27p	12.58p
B Ordinary shares	3	0.74p	6.36p	7.10p

For the six months ended 30 September 2017	Note	Revenue £	Capital £	Total £
Realised/unrealised gains and losses on investments		–	45,000	45,000
Income		392,794	–	392,794
Investment Adviser's fees		(70,620)	(211,861)	(282,481)
Other expenses		(217,380)	(11,600)	(228,980)
Profit/(loss) before tax		104,794	(178,461)	(73,667)
Tax		(19,000)	19,000	–
Profit/(loss) attributable to equity shareholders		85,794	(159,461)	(73,667)
<b>Return per share</b>				
Ordinary shares	3	0.22p	(0.48)p	(0.26)p
B Ordinary shares	3	0.18p	(0.29)p	(0.11)p

The total column of this Income Statement represents the profit and loss account 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, "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP") revised in November 2014 and updated in February 2018. A separate Statement of comprehensive income has not been prepared as all comprehensive income is included in the Income Statement.

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

The accompanying notes on pages 42 and 43 are an integral part of the financial statements.



# Income Statement continued

Unaudited non-statutory analysis between Ordinary and B Ordinary shares

For the six months ended 30 September 2018	Ordinary shares			B Ordinary shares		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Realised/unrealised gains and losses on investments	–	1,619,332	1,619,332	–	1,829,598	1,829,598
Income	189,512	–	189,512	319,578	–	319,578
Investment Adviser's fees	(52,210)	(156,629)	(208,839)	(81,735)	(245,206)	(326,941)
Other expenses	(68,461)	–	(68,461)	(116,406)	–	(116,406)
Profit before tax	68,841	1,462,703	1,531,544	121,437	1,584,392	1,705,829
Tax	(13,000)	13,000	–	(24,000)	24,000	–
Profit attributable to equity shareholders	55,841	1,475,703	1,531,544	97,437	1,608,392	1,705,829

For the year ended 31 March 2018	Ordinary shares			B Ordinary shares		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Realised/unrealised gains and losses on investments	–	2,238,907	2,238,907	–	1,854,700	1,854,700
Income	486,074	–	486,074	538,457	–	538,457
Investment Adviser's fees	(82,171)	(246,514)	(328,685)	(90,329)	(270,986)	(361,315)
Other expenses	(120,517)	–	(120,517)	(219,209)	(29,600)	(248,809)
Profit before tax	283,386	1,992,393	2,275,779	228,919	1,554,114	1,783,033
Tax	(46,200)	46,200	–	(43,500)	43,500	–
Profit attributable to equity shareholders	237,186	2,038,593	2,275,779	185,419	1,597,614	1,783,033

For the six months ended 30 September 2017	Ordinary shares			B Ordinary shares		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Realised/unrealised gains and losses on investments	–	–	–	–	45,000	45,000
Income	158,134	–	158,134	234,660	–	234,660
Investment Adviser's fees	(31,908)	(95,724)	(127,632)	(38,712)	(116,137)	(154,849)
Other expenses	(77,091)	–	(77,091)	(140,289)	(11,600)	(151,889)
Profit/(loss) before tax	49,135	(95,724)	(46,589)	55,659	(82,737)	(27,078)
Tax	(9,000)	9,000	–	(10,000)	10,000	–
Profit/(loss) attributable to equity shareholders	40,135	(86,724)	(46,589)	45,659	(72,737)	(27,078)

# Condensed Balance Sheet

as at 30 September 2018

	Note	30.09.18 (unaudited) £	31.03.18 (audited) £	30.09.17 (unaudited) £
<b>Fixed assets</b>				
Investments		54,869,298	46,549,669	35,731,525
<b>Current assets</b>				
Debtors		4,480,453	1,792,460	1,638,569
Cash at bank and in hand		1,853,605	3,249,641	9,693,034
		6,334,058	5,042,101	11,331,603
Creditors: amounts falling due within one year		(180,636)	(371,858)	(407,765)
Net current assets		6,153,422	4,670,243	10,923,838
Net assets		61,022,720	51,219,912	46,655,363
<b>Capital and reserves</b>				
Called up share capital		510,816	447,104	434,399
Share premium account		35,405,213	28,903,490	27,526,580
Capital redemption reserve		1,429	1,429	500
Special reserve		13,283,325	13,283,325	14,241,799
Capital reserves		10,896,599	7,812,504	4,016,836
Revenue reserve		925,338	772,060	435,249
Total shareholders' funds		61,022,720	51,219,912	46,655,363
Net asset value per Ordinary share	4	132.49p	124.03p	113.19p
Net asset value per B Ordinary share		112.31p	108.12p	103.27p

The accompanying notes are an integral part of the Condensed Balance Sheet.



# Condensed Balance Sheet continued

Non-statutory analysis between Ordinary and B Ordinary share funds

	As at 30 September 2018		
	Ordinary shares £	B Ordinary shares £	Total £
<b>Fixed assets</b>			
Investments	24,656,195	30,213,103	54,869,298
<b>Current assets</b>			
Debtors	23,260	4,457,193	4,480,453
Cash at bank and in hand	(640,664)	2,494,269	1,853,605
	(617,404)	6,951,462	6,334,058
Creditors: amounts falling due within one year	(64,875)	(115,761)	(180,636)
Net current assets	(682,279)	6,835,701	6,153,422
Net assets	23,973,916	37,048,804	61,022,720
<b>Capital and reserves</b>			
Called up share capital	180,950	329,866	510,816
Share premium account	1,603,935	33,801,278	35,405,213
Capital redemption reserve	500	929	1,429
Special reserve	14,376,494	(1,093,169)	13,283,325
Capital reserve	7,458,462	3,438,137	10,896,599
Revenue reserves	353,575	571,763	925,338
Total shareholders' funds	23,973,916	37,048,804	61,022,720
Net asset value per share	132.49p	112.31p	n/a

# Condensed Balance Sheet continued

Non-statutory analysis between Ordinary and B Ordinary share funds

	As at 31 March 2018			As at 30 September 2017		
	Ordinary shares £	B Ordinary shares £	Total £	Ordinary shares £	B Ordinary shares £	Total £
<b>Fixed assets</b>						
Investments	22,855,370	23,694,299	46,549,669	20,432,323	15,299,202	35,731,525
<b>Current assets</b>						
Debtors	61,596	1,730,864	1,792,460	39,014	1,599,555	1,638,569
Cash at bank and in hand	(327,817)	3,577,458	3,249,641	207,171	9,485,863	9,693,034
	(266,221)	5,308,322	5,042,101	246,185	11,085,418	11,331,603
Creditors: amounts falling due within one year	(146,777)	(225,081)	(371,858)	(198,680)	(209,085)	(407,765)
Net current assets	(412,998)	5,083,241	4,670,243	47,505	10,876,333	10,923,838
Net assets	22,442,372	28,777,540	51,219,912	20,479,828	26,175,535	46,655,363
<b>Capital and reserves</b>						
Called up share capital	180,950	266,154	447,104	180,932	253,467	434,399
Share premium account	1,603,935	27,299,555	28,903,490	1,601,914	25,924,666	27,526,580
Capital redemption reserve	500	929	1,429	500	–	500
Special reserve	14,376,494	(1,093,169)	13,283,325	14,738,357	(496,558)	14,241,799
Capital reserve	5,982,759	1,829,745	7,812,504	3,857,442	159,394	4,016,836
Revenue reserves	297,734	474,326	772,060	100,683	334,566	435,249
Total shareholders' funds	22,442,372	28,777,540	51,219,912	20,479,828	26,175,535	46,655,363
Net asset value per share	124.03p	108.12p	n/a	113.19p	103.27p	n/a

# Statement of Changes in Equity

For the six months ended 30 September 2018	Called up share capital £	Non-distributable reserves			Distributable reserves			Total  Total reserves £
		Share premium £	Capital redemption reserve £	Capital reserve £	Special reserve £	Capital reserve £	Revenue reserve £	
Opening balance as at 1 April 2018	447,104	28,903,490	1,429	9,467,409	13,283,325	(1,654,905)	772,060	51,219,912
Shares issued	63,712	6,585,657	–	–	–	–	–	6,649,369
Share issue expenses	–	(83,934)	–	–	–	–	–	(83,934)
Profit/(loss) for the period	–	–	–	3,436,930	–	(352,835)	153,278	3,237,373
Closing balance as at 30 September 2018	510,816	35,405,213	1,429	12,904,339	13,283,325	(2,007,740)	925,338	61,022,720

For the year ended 31 March 2018	Called up share capital £	Non-distributable reserves			Distributable reserves			Total  Total reserves £
		Share premium £	Capital redemption reserve £	Capital reserve £	Special reserve £	Capital reserve £	Revenue reserve £	
Opening balance as at 1 April 2017	333,781	16,856,191	500	5,373,802	14,669,638	(1,197,505)	349,455	36,385,862
Shares issued	114,252	12,310,167	–	–	–	–	–	12,424,419
Shares bought back	(929)	–	929	–	(89,676)	–	–	(89,676)
Share issue expenses	–	(262,868)	–	–	–	–	–	(262,868)
Dividends paid	–	–	–	–	(1,296,637)	–	–	(1,296,637)
Profit/(loss) for the year	–	–	–	4,093,607	–	(457,400)	422,605	4,058,812
Closing balance as at 31 March 2018	447,104	28,903,490	1,429	9,467,409	13,283,325	(1,654,905)	772,060	51,219,912

For the six months ended 30 September 2017	Called up share capital £	Non-distributable reserves			Distributable reserves			Total  Total reserves £
		Share premium £	Capital redemption reserve £	Capital reserve £	Special reserve £	Capital reserve £	Revenue reserve £	
Opening balance as at 1 April 2017	333,781	16,856,191	500	5,373,802	14,669,638	(1,197,505)	349,455	36,385,862
Shares issued	100,618	10,901,678	–	–	–	–	–	11,002,296
Share issue expenses	–	(231,289)	–	–	–	–	–	(231,289)
Dividends paid	–	–	–	–	(427,839)	–	–	(427,839)
Profit/(loss) for the period	–	–	–	45,000	–	(204,461)	85,794	(73,667)
Closing balance as at 30 September 2017	434,399	27,526,580	500	5,418,802	14,241,799	(1,401,966)	435,249	46,655,363



# Statement of Changes in Equity continued

Non-statutory analysis between Ordinary and B Ordinary share funds

Ordinary Shares for the six months ended 30 September 2018	Called up share capital £	Non-distributable reserves			Distributable reserves			Total Total reserves £
		Share premium £	Capital redemption reserve £	Capital reserve £	Special reserve £	Capital reserve £	Revenue reserve £	
Opening balance as at 1 April 2018	180,950	1,603,935	500	6,971,203	14,376,494	(988,444)	297,734	22,442,372
Profit/(loss) for the period	–	–	–	1,619,332	–	(143,629)	55,841	1,531,544
Closing balance as at 30 September 2018	180,950	1,603,935	500	8,590,535	14,376,494	(1,132,073)	353,575	23,973,916

Ordinary Shares for the year ended 31 March 2018	Called up share capital £	Non-distributable reserves			Distributable reserves			Total Total reserves £
		Share premium £	Capital redemption reserve £	Capital reserve £	Special reserve £	Capital reserve £	Revenue reserve £	
Opening balance as at 1 April 2017	180,923	1,600,912	500	4,732,296	14,919,280	(788,130)	60,548	20,706,329
Shares issued	27	3,023	–	–	–	–	–	3,050
Dividends paid	–	–	–	–	(542,786)	–	–	(542,786)
Profit/(loss) for the year	–	–	–	2,238,907	–	(200,314)	237,186	2,275,779
Closing balance as at 31 March 2018	180,950	1,603,935	500	6,971,203	14,376,494	(988,444)	297,734	22,442,372

Ordinary Shares for the six months ended 30 September 2017	Called up share capital £	Non-distributable reserves			Distributable reserves			Total Total reserves £
		Share premium £	Capital redemption reserve £	Capital reserve £	Special reserve £	Capital reserve £	Revenue reserve £	
Opening balance as at 1 April 2017	180,923	1,600,912	500	4,732,296	14,919,280	(788,130)	60,548	20,706,329
Shares issued	9	1,002	–	–	–	–	–	1,011
Dividends paid	–	–	–	–	(180,923)	–	–	(180,923)
(Loss)/profit for the period	–	–	–	–	–	(86,724)	40,135	(46,589)
Closing balance as at 30 September 2017	180,932	1,601,914	500	4,732,296	14,738,357	(874,854)	100,683	20,479,828

# Statement of Changes in Equity continued

Non-statutory analysis between Ordinary and B Ordinary share funds

B Ordinary Shares for the six months ended 30 September 2018	Non-distributable reserves				Distributable reserves			Total
	Called up share capital £	Share premium £	Capital redemption reserve £	Capital reserve £	Special reserve £	Capital reserve £	Revenue reserve £	Total reserves £
Opening balance as at 1 April 2018	266,154	27,299,555	929	2,496,206	(1,093,169)	(666,461)	474,326	28,777,540
Share issue	63,712	6,585,657	–	–	–	–	–	6,649,369
Share issue expenses	–	(83,934)	–	–	–	–	–	(83,934)
Profit/(loss) for the period	–	–	–	1,817,598	–	(209,206)	97,437	1,705,829
Closing balance as at 30 September 2018	329,866	33,801,278	929	4,313,804	(1,093,169)	(875,667)	571,763	37,048,804

B Ordinary Shares for the year ended 31 March 2018	Non-distributable reserves				Distributable reserves			Total
	Called up share capital £	Share premium £	Capital redemption reserve £	Capital reserve £	Special reserve £	Capital reserve £	Revenue reserve £	Total reserves £
Opening balance as at 1 April 2017	152,858	15,255,279	–	641,506	(249,642)	(409,375)	288,907	15,679,533
Shares issued	114,225	12,307,144	–	–	–	–	–	12,421,369
Shares bought back	(929)	–	929	–	(89,676)	–	–	(89,676)
Share issue expenses	–	(262,868)	–	–	–	–	–	(262,868)
Dividends paid	–	–	–	–	(753,851)	–	–	(753,851)
Profit/(loss) for the year	–	–	–	1,854,700	–	(257,086)	185,419	1,783,033
Closing balance as at 31 March 2018	266,154	27,299,555	929	2,496,206	(1,093,169)	(666,461)	474,326	28,777,540

B Ordinary Shares for the six months ended 30 September 2017	Non-distributable reserves				Distributable reserves			Total
	Called up share capital £	Share premium £	Capital redemption reserve £	Capital reserve £	Special reserve £	Capital reserve £	Revenue reserve £	Total reserves £
Opening balance as at 1 April 2017	152,858	15,255,279	–	641,506	(249,642)	(409,375)	288,907	15,679,533
Share issue	100,609	10,900,675	–	–	–	–	–	11,001,284
Share issue expenses	–	(231,288)	–	–	–	–	–	(231,288)
Dividend paid	–	–	–	–	(246,916)	–	–	(246,916)
Profit/(loss) for the period	–	–	–	45,000	–	(117,737)	45,659	(27,078)
Closing balance as at 30 September 2017	253,467	25,924,666	–	686,506	(496,558)	(527,112)	334,566	26,175,535

# Cash Flow Statement

for the six months ended 30 September 2018

	Six months ended 30.09.18 (unaudited) £	Year ended 31.03.18 (audited) £	Six months ended 30.09.17 (unaudited) £
<b>Operating activities</b>			
Investment income received – qualifying	70,727	128,810	18,000
Deposit and similar interest received – non-qualifying	3,294	6,841	1,467
Investment Adviser's fees paid	(718,483)	(651,478)	(333,412)
Cash paid to and on behalf of Directors	(15,981)	(43,576)	(23,597)
Tax	–	(35,570)	(35,570)
Other cash payments	(148,863)	(438,240)	(134,773)
Net cash outflow from operating activities	(809,306)	(1,033,213)	(507,885)
<b>Cash flow from investing activities</b>			
Purchase of investments	(3,579,573)	(5,602,584)	(1,537,234)
Sale of investments	12,000	–	–
Long term loans made	(975,000)	(3,395,000)	(1,200,000)
Long term loans repaid	145,000	45,000	45,000
Net cash outflow from investing activities	(4,397,573)	(8,952,584)	(2,692,234)
Net cash outflow before financing	(5,206,879)	(9,985,797)	(3,200,119)
<b>Cash flow from financing activities</b>			
Net proceeds from share issues	3,810,843	12,467,074	11,166,315
Share buybacks paid	–	(89,676)	–
Equity dividend paid	–	(1,296,637)	(427,839)
Net cash inflow from financing	3,810,843	11,080,761	10,738,476
(Decrease)/increase in cash and cash equivalents	(1,396,036)	1,094,964	7,538,357
Net cash and cash equivalents at the beginning of the period	3,249,641	2,154,677	2,154,677
Net cash and cash equivalents at the end of the period	1,853,605	3,249,641	9,693,034

The accompanying notes are an integral part of the Cash Flow Statement.



# Cash Flow Statement continued

Non-statutory analysis between Ordinary and B Ordinary share funds

Six months ended 30.09.18

	Ordinary shares £	B Ordinary shares £	Total £
<b>Operating activities</b>			
Investment income received – qualifying	45,999	24,728	70,727
Deposit and similar interest received – non-qualifying	–	3,294	3,294
Investment Adviser’s fees paid	(289,469)	(429,014)	(718,483)
Cash paid to and on behalf of Directors	(6,173)	(9,808)	(15,981)
Tax	–	–	–
Other cash payments	(63,204)	(85,659)	(148,863)
Net cash outflow from operating activities	(312,847)	(496,459)	(809,306)
<b>Cash flow from investing activities</b>			
Purchase of investments	–	(3,579,573)	(3,579,573)
Disposal of investments	–	12,000	12,000
Long term loans made	–	(975,000)	(975,000)
Long term loans repaid	–	145,000	145,000
Net cash outflow from investing activities	–	(4,397,573)	(4,397,573)
Net cash outflow before financing	(312,847)	(4,894,032)	(5,206,879)
<b>Cash flow from financing activities</b>			
Net proceeds from share issues	–	3,810,843	3,810,843
Share buybacks paid	–	–	–
Equity dividends paid	–	–	–
Net cash inflow from financing	–	3,810,843	3,810,843
Decrease in cash and cash equivalents	(312,847)	(1,083,189)	(1,396,036)

# Cash Flow Statement continued

Non-statutory analysis between Ordinary and B Ordinary share funds

	Year ended 31.03.18			Six months ended 30.09.17		
	Ordinary shares £	B Ordinary shares £	Total £	Ordinary shares £	B Ordinary shares £	Total £
<b>Operating activities</b>						
Investment income received – qualifying	100,810	28,000	128,810	–	18,000	18,000
Deposit and similar interest received – non-qualifying	–	6,841	6,841	–	1,467	1,467
Investment Adviser's fees paid	(342,117)	(309,361)	(651,478)	(177,463)	(155,949)	(333,412)
Cash paid to and on behalf of Directors	(20,037)	(23,539)	(43,576)	(11,716)	(11,881)	(23,597)
Tax	(26,040)	(9,530)	(35,570)	(26,040)	(9,530)	(35,570)
Other cash payments	(154,355)	(283,885)	(438,240)	(51,356)	(83,417)	(134,773)
Net cash outflow from operating activities	(441,739)	(591,474)	(1,033,213)	(266,575)	(241,310)	(507,885)
<b>Cash flow from investing activities</b>						
Purchase of investments	–	(5,602,584)	(5,602,584)	–	(1,537,234)	(1,537,234)
Disposal of investments	–	–	–	–	–	–
Long term loans made	–	(3,395,000)	(3,395,000)	–	(1,200,000)	(1,200,000)
Long term loans repaid	–	45,000	45,000	–	45,000	45,000
Net cash outflow from investing activities	–	(8,952,584)	(8,952,584)	–	(2,692,234)	(2,692,234)
Net cash outflow before financing	(441,739)	(9,544,058)	(9,985,797)	(266,575)	(2,933,544)	(3,200,119)
<b>Cash flow from financing activities</b>						
Net proceeds from share issues	3,050	12,464,024	12,467,074	1,011	11,165,304	11,166,315
Share buybacks paid	–	(89,676)	(89,676)	–	–	–
Equity dividends paid	(542,786)	(753,851)	(1,296,637)	(180,923)	(246,916)	(427,839)
Net cash (outflow)/inflow from financing	(539,736)	11,620,497	11,080,761	(179,912)	10,918,388	10,738,476
(Decrease)/increase in cash and cash equivalents	(981,475)	2,076,439	1,094,964	(446,487)	7,984,844	7,538,357

# Notes to the Financial Statements

1. The half-yearly financial report covers the six months ended 30 September 2018. The Company applies FRS 102 and the AIC's Statement of Recommended Practice revised in November 2014 and updated in February 2018 as adopted for its financial year ended 31 March 2018. The financial statements for this six month period have been prepared in accordance with FRS 104 and on the basis of the same accounting policies as set out in the Company's Annual Report and Financial Statements for the year ended 31 March 2018.

The comparative figures for the financial year ended 31 March 2018 have been extracted from the latest published audited Annual Report and Financial Statements. Those accounts have been reported on by the Company's auditor and lodged with the Registrar of Companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

## 2. Going Concern

The Board of Directors is satisfied that the Company has adequate availability of funding in order to continue as a going concern. Therefore, the Company continues to adopt the going concern basis in preparing these Financial Statements.

3. Basic revenue return per Ordinary share is based on the net revenue gain after tax attributable to Ordinary shareholders for the period and the weighted average number of shares in issue during the period of 18,095,005 (31 March 2018: 18,093,800; 30 September 2017: 18,092,852).

Basic revenue return per B Ordinary share is based on the net revenue gain after tax attributable to B Ordinary shareholders for the period and the weighted average number of shares in issue during the period of 31,052,022 (31 March 2018: 25,114,084; 30 September 2017: 24,711,784).

4. The net asset value per Ordinary share at 30 September 2018 is based on net assets of £23,973,916 (31 March 2018: £22,442,372; 30 September 2017: £20,479,828) and the number of shares in issue of 18,095,005 (31 March 2018: 18,095,005; 30 September 2017: 18,093,173).

The net asset value per B Ordinary share at 30 September 2018 is based on net assets of £37,048,804 (31 March 2018: £28,777,540; 30 September 2017: £26,175,535) and the number of shares in issue of 32,986,647 (31 March 2018: 26,615,404; 30 September 2017: 25,346,738).

5. The Company has one reportable segment, being investing primarily in unquoted companies.
6. The Company is required to report the category of fair value measurements used in determining the value of its investments, to be disclosed by the source of inputs, using a three-level hierarchy:

### Quoted market prices in active markets – "Level 1"

Inputs to Level 1 fair values are quoted prices in active markets for identical assets. An active market is one in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company has no investments classified in this category.

### Valued using models with significant observable market parameters – "Level 2"

Inputs to Level 2 fair values are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. The Company has no investments classified in this category.

### Valued using models with significant unobservable market parameters – "Level 3"

Inputs to Level 3 fair values are unobservable inputs for the asset. Unobservable inputs may have been used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date (or market information for the inputs to any valuation models). As such, unobservable inputs reflect the assumptions the Company considers that market participants would use in pricing the asset. All the Company's investments are classified within this category.



## 7. Related party transactions

The Company retains Oakley Investment Managers LLP ("OIM") as its Investment Adviser and promoter for the 2018/19 share offer.

During the six months ended 30 September 2018, £535,780 (30 September 2017: £282,481) was payable to OIM for investment adviser services of which £50,188 (30 September 2017: £143,435) was owed to OIM as at the period end.

During the six months ended 30 September 2018, OIM acted as promoter for the 2018/19 offer. The fees in the period amounted to £40,225 (30 September 2017: £nil) out of which OIM cover the costs of the offer. The costs paid by the Company in the period amounted to £105,512 (30 September 2017: £nil), resulting in a balance of £65,287 owed from OIM to the Company at the period end (September 2017: Oakley Capital Limited ("OCL") owed the Company £nil).

OCL acted as promoter for the 2017/18 offer and previous offers. The fees in the period amounted to £164,195 (30 September 2017: £348,380) out of which OCL cover the costs of the offer. The costs paid by the Company in the period amounted to £36,495 (30 September 2017: £148,653), resulting in a balance of £99,482 owed from OCL to the Company at the period end (September 2017: OCL owed the Company £112,112).

The number of ordinary shares (all of which are held beneficially) by the Directors and certain members of the management team of the Investment Adviser are:

30 September 2018 shares held:		Ordinary shares	B Ordinary shares	Total
Jonathan Djanogly	Director	25,000	25,000	50,000
Laurence Blackall	Director	200,000	100,000	300,000
David Till	Director	100,000	90,569	190,569
Peter Dubens*	Director	400,000	956,063	1,356,063

\*Peter Dubens retired as Director on 28 August 2018.

Save as disclosed in this paragraph there is no conflict of interest between the Company, the duties of the Directors, the duties of the designated members of the Investment Adviser and their private interests and other duties.

8. Copies of the Half-Yearly Report are being sent to all shareholders. Further copies are available free of charge from the Company's registered office.

# Corporate Information

## Directors (all non-executive)

### Independent

Jonathan Simon Djanogly (Chairman)  
Laurence Charles Neil Blackall

### Non-independent

David John Till

All of the registered office and  
principal place of business

3 Cadogan Gate  
London  
SW1X 0AS  
[www.pembrokevct.com](http://www.pembrokevct.com)

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## Investment Adviser

Oakley Investment Managers LLP  
3 Cadogan Gate  
London  
SW1X 0AS

## Secretary

The City Partnership (UK) Limited  
110 George Street  
Edinburgh  
EH2 4LH

## Independent Auditor

Grant Thornton UK LLP  
30 Finsbury Square  
London  
EC2P 2YU

## Registrar

The City Partnership (UK) Limited  
c/o Share Registrars Limited  
The Courtyard  
17 West Street  
Farnham  
Surrey  
GU9 7DR

## Bankers

Barclays Bank plc  
1st Floor  
99 Hatton Garden  
London  
EC1N 8DN

## VCT Status Adviser

Philip Hare & Associates  
Suite C  
First Floor  
4-6 Staple Inn  
London  
WC1V 7QH

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## Reporting Calendar

for year ending 31 March 2019

### Results announced:

Interim – December 2018

Annual – July 2019







pembroke  
VCT plc

3 Cadogan Gate, London SW1X 0AS

Incorporated in England and Wales  
with registered number 08307631