

GUINNESS **VCT** PLC

HALF-YEARLY REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2023

27 NOVEMBER 2023

INVESTED IN SUCCESS

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HIGHLIGHTS

Investment Policy

Guinness VCT plc (the “Company”) is a generalist VCT seeking to invest in a diversified portfolio of businesses that the Manager believes will provide the opportunity for value appreciation. The Company will invest in growth companies across a range of sectors including technology, education, healthcare, manufacturing, retail, leisure and food & drink.

The Guinness VCT is focused on investing in companies that have already gained traction with a product, service or technology, in their respective markets. These companies seek to raise scale-up funds to further commercialise their product or service.

Key Data

	6 month period ended 30/09/2023	9 month period ended 31/03/2023
Net Asset Value (“NAV”)	£4,263,573	£2,491,913
Deemed value of redeemable preference shares	-	£50,000
Ordinary shares in issue	4,445,461	2,474,850
Redeemable preference shares in issue	-	50,000
NAV per share	95.91p	98.67p

CHAIR'S STATEMENT

Successful launch

I am very pleased to be writing to Shareholders to report on the continued progress of the Guinness VCT plc in the six months to the end of September 2023. During this period the Company closed the first Offer for Subscription with a total raise of £4.5m. We very much appreciate the investors' confidence in our ability to secure investments in some of the UK's most promising high-growth businesses.

First investments

Guinness Ventures identified five companies as suitable first investments for Guinness VCT plc with these investments completing in April. Each investment had co-investment from the Guinness EIS service, a key benefit of the overlap in investment strategies of the Guinness offerings. Furthermore, the investments show the benefits of a diversified investment strategy, providing investors with exposure to a range of business models and sectors.

New offer

We are delighted to have launched the latest offer for subscription with the publication of the prospectus in September. The first allotment took place in October with an initial £0.3m of subscription and we will look to make regular allotments through the remainder of the offer period. Details of discounts for early subscriptions and for existing shareholders can be found within the prospectus.

Outlook

Continued inflation, higher interest rates and international conflicts continue to affect investor confidence in both the public and private markets. The VCT market, however, has remained relatively resilient. Fundraising for the 2022/23 tax year exceeded £1 billion for the second year running; marking the industry's second highest fundraising year to date. Considering the Investment Manager's pipeline and experience in the tax-incentive investment industry, we are well placed to take advantage of investment opportunities that will arise ahead.

Ewen Gilmour

Non-executive Chair
27 November 2023

MANAGER'S REVIEW

A busy and successful start

It has been a busy and successful start to the Guinness VCT Plc. In the first half of the year:

- The VCT's first offer closed in June 2023 (raising £4.5m)
- An aggregate of £1.6m has been invested into five companies
- A new fundraising offer was launched in September with an initial allotment made at the end of October 2023

We are delighted to have made the first Guinness VCT investments. These five companies demonstrate our diversified investment approach with the businesses operating in software, retail, data aggregation, consumer education, advertising & marketing sectors. We will look to build on this to create a broad and balanced portfolio to generate shareholder returns.

Two of the new investments, Baby Mori and Dragonfly, were follow-ons into existing Guinness EIS portfolio companies. The team has therefore been able to track and monitor these businesses closely, gaining a deep understanding of underlying performance and believe there are strong opportunities for growth.

The other three companies were new to Guinness Ventures but also benefited from co-investment with the Guinness EIS portfolios. This approach permitted a significantly higher overall quantum of investment than would have been possible from the Company alone and provides investee companies with a better platform for growth.

Support for portfolio companies is also an important element of the Guinness approach to securing good returns, and the investment team work closely with company management to identify requirements and opportunities where the Guinness team and our extensive network can add value.

The future pipeline remains healthy with a supply of exciting scale-up companies reaching the appropriate stage of growth and maturity. Increasingly strong relationships with corporate finance advisers, accelerators and other investment firms are resulting in a growing number of high-quality referrals, with other opportunities originating from founders and co-investors in our own portfolio.

With interest rates at 15-year highs, the Company has used uninvested funds to diversify into liquid money market funds. This helps the Company generate value from uninvested funds whilst new qualifying investments are being sought.

We expect more funds to be deployed in the months ahead and I look forward to reporting on this activity in the annual report.

Shane Gallwey CFA

Head of Ventures, Guinness Asset Management Limited
27 November 2023

MANAGER'S REVIEW

INVESTMENT PORTFOLIO

As at 30 September 2023

	Cost (£)	Valuation (£)	% of total assets value
Baby Mori	350,100	350,100	8.2
Dragonfly Technology	200,000	200,000	4.7
Fable Data	350,000	350,000	8.2
PlotBox	350,000	350,000	8.2
BBC Maestro	349,995	349,995	8.2
Total Fixed Asset Investment	1,600,095	1,600,095	37.5
Net current assets	2,663,478	2,663,478	62.5
Net assets	4,263,573	4,263,573	100.0



Baby Mori Limited:

Baby Mori is a babywear and childrenswear retailer. Mori's products are made from their signature fabric, derived from organic cotton and bamboo, which is processed without the use of harmful chemicals. These fabrics are exceptionally soft and ideal for the sensitive skin of infants and toddlers. Baby Mori sells D2C via its own website in the UK, EU and USA, through third party wholesalers such as Harrods and Next, as well as its own retail stores in the UK. Mori's flagship store is located on Northcote Road in Clapham.

Company sector	Retail
Stage	Scale-up
Asset class	Equity
Initial investment date	27th April 2023

MANAGER'S REVIEW

INVESTMENT PORTFOLIO



Dragonfly Technology Solutions Limited:

Dragonfly AI, a spinout from Queen Mary's University, uses cutting edge neuroscience to accurately and instantly show what grabs audience's attention first across all forms of content. This enables companies and marketing agencies to optimise and improve the content they produce. Dragonfly has a number of high-profile clients and has already established a presence in the US.

Company sector	Advertising & Marketing
Stage	Scale-up
Asset class	Equity
Initial investment date	27th April 2023



Fable Data Limited:

Fable Data are a leading data aggregator and data science company, founded to help key institutions make better informed, data driven decisions. The management team recognised that vital decisions, affecting whole communities were being made with incomplete and stale data. Fable addresses this problem by providing award winning European transaction data to governments, central banks and universities, on a pro bono basis and commercialising consumer data for investment firms and corporates.

Company sector	Business Services
Stage	Scale-up
Asset class	Equity
Initial investment date	27th April 2023

MANAGER'S REVIEW

INVESTMENT PORTFOLIO



PlotBox Inc:

PlotBox is a cloud based deathcare management solution, facilitating the workflows of cemeteries and crematoria through a suite of features. Management systems across the cemetery industry have historically been disconnected and inefficient, resulting in extra work load and required training, frequent mistakes, poor customer services, higher operational costs and an inability to scale the sales process. PlotBox's solution attempts to innovate this industry to create an all in one centralised system for the mapping, sales and administration of cemetery management.

Company sector	Software & Technology
Stage	Scale-up
Asset class	Equity
Initial investment date	27th April 2023



Maestro Media Limited:

Maestro Media Limited, trading as BBC Maestro, is a celebrity-led e-learning company at the intersection of mass market online courses and video streamed entertainment. It offers 6-8 hour inspirational courses delivered by global celebrities, genre icons and specific subject matter experts including Julia Donaldson (successful children's books writer and author of The Gruffalo), Jed Mercurio (TV writer – The Bodyguard, Line of Duty), Billy Connolly (stand-up comedy) and Peter Jones (entrepreneurship).

Company sector	Education
Stage	Scale-up
Asset class	Equity
Initial investment date	27th April 2023

PRINCIPAL AND EMERGING RISKS

The Company's assets consist of equity and cash. Its principal risks include market risk, interest rate risk, credit risk and liquidity risk. Other risks faced by the Company include economic, investment and strategic, regulatory, reputational, operational and financial risks as well as the potential for loss of approval as a VCT.

These risks, and the way in which they are managed, are described under the heading Principal and Emerging Risks within the Strategic Report and in Note 18 to the Financial Statements for the period ended 31 March 2023.

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

In respect of the Half-yearly financial report

We confirm that to the best of our knowledge:

- the condensed set of financial statements which has been prepared in accordance with FRS 104 "Interim Financial Reporting" gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the Chair's Statement and Manager's Review (constituting the interim management report) include a true and fair review of the information required by DTR4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the period to 30 September 2023 and their impact on the condensed set of financial statements;
- the Statement of Principal and Emerged Risks on page 10 is a fair review of the information required by DTR4.2.7R, 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 DTR4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the period to 30 September 2023 and that have materially affected the financial position or performance of the Company during that period.

For and on behalf of the Board

On behalf of the Board

Ewen Gilmour

Non-executive Chair

27 November 2023

FINANCIAL STATEMENTS

INCOME STATEMENT

for the 6 month period ended 30 September 2023 (unaudited)

	Note	Revenue £	Capital £	Total £
Return on investment		-	(426)	(426)
Investment Manager's fee		(10,833)	(32,498)	(43,331)
Other expenses		(105,194)	-	(105,194)
Loss on ordinary activities before taxation		(116,027)	(32,924)	(148,951)
Taxation on ordinary activities		-	-	-
Loss and total comprehensive income attributable to shareholders		(116,027)	(32,924)	(148,951)
Return per share (pence)				
Ordinary share (pence)	6	(2.85)	(0.81)	(3.66)

INCOME STATEMENT

for the 9 month period ended 31 March 2023 (audited)

	Note	Revenue £	Capital £	Total £
Investment Manager's fee		(342)	(1,024)	(1,366)
Other expenses		(31,571)	-	(31,571)
Loss on ordinary activities before taxation		(31,913)	(1,024)	(32,937)
Taxation on ordinary activities		-	-	-
Loss and total comprehensive income attributable to shareholders		(31,913)	(1,024)	(32,937)
Return per share (pence)				
Ordinary share (pence)	6	(1.29)	(0.04)	(1.33)

The total column of this Income Statement represents the profit and loss account of the Company, prepared in accordance with Financial Reporting Standard 102 ("FRS 102"). 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 July 2022. A separate Statement of Comprehensive Income has not been prepared as all comprehensive income is included in the Income Statement.

All the items above derive from continuing operations of the Company.

The notes on pages 17 to 18 are an integral part of the financial statements.

STATEMENT OF CHANGE IN EQUITY

for the 6 month period ended 30 September 2023 (unaudited)

	Non-distributable reserves			Distributable reserves*		Total
	Called up share capital	Share premium	Capital reserve	Capital reserve	Revenue reserve	Total reserve
	£	£	£	£	£	£
Opening balance as at 1 April 2023	74,749	2,450,101	-	(1,024)	(31,913)	2,487,401
Total comprehensive income for the period	-	-	(426)	(32,498)	(116,027)	(148,951)
Contributions by and distributions to owners:						
Shares issued	19,706	1,960,744	-	-	-	1,980,450
Share issue expenses	-	(9,839)	-	-	-	(9,839)
Redeemable preference shares issued	(50,000)	-	-	-	-	50,000
Closing balance as at 30 September 2023	44,455	4,401,006	(426)	(33,522)	(147,940)	4,263,573

*There were no unrealised movements during the period, and the distributable reserve were £Nil.

The notes on pages 17 to 18 are an integral part of the financial statements.

STATEMENT OF CHANGE IN EQUITY

for the 9 month period ended 31 March 2023 (audited)

	Non-distributable reserves			Distributable reserves*		Total
	Called up share capital	Share premium	Capital reserve	Capital reserve	Revenue reserve	Total reserve
	£	£	£	£	£	£
Total comprehensive income for the period	-	-	-	(1,024)	(31,913)	(32,937)
Contributions by and distributions to owners:						
Shares issued	24,749	2,462,652	-	-	-	2,487,401
Share issue expenses	-	(12,551)	-	-	-	(12,551)
Redeemable preference shares issued	50,000	-	-	-	-	50,000
Closing balance as at 31 March 2023	74,749	2,450,101	-	(1,024)	(31,913)	2,491,913

*There were no unrealised movements during the period, and the distributable reserve were £Nil.

The notes on pages 17 to 18 are an integral part of the financial statements.

CONDENSED BALANCE SHEET

as at 30 September 2023

	30 September 2023	31 March 2023
	(unaudited)	(audited)
Note	£	£
Fixed assets		
Investments	1,600,095	-
Current assets		
Debtors	57,112	58,285
Money Market Investments	2,124,574	-
Cash at bank	619,725	2,487,400
	2,801,411	2,545,685
Current liabilities		
Creditors: amounts falling due within one year	(137,933)	(53,772)
Net current assets	2,663,478	2,491,913
Net assets	4,263,573	2,491,913
Capital and reserves		
Called up share capital	44,455	24,749
Share premium account	4,401,006	2,450,101
Redeemable preference shares	-	50,000
Capital reserves	(33,948)	(1,024)
Revenue reserves	(147,940)	(31,913)
Total shareholders' funds	6 4,263,573	2,491,913
Net asset value per Ordinary share (pence)	95.91	98.67

The notes on pages 17 to 18 are an integral part of the financial statements.

STATEMENT OF CASH FLOW

for the 6 month period ended 30 September 2023

	6 month period ended 30 September 2023 (unaudited) £	9 month period ended 31 March 2023 (audited) £
Cash flows from operating activities		
Investment Manager's fees	(23,125)	-
Cash paid to Directors	(16,253)	-
Other cash payments	(61,262)	-
Net cash outflow from operating activities	(100,640)	-
Cash flows from investing activities		
Net cash outflow from investing activities	(3,725,095)	-
Net cash outflow before financing	(3,725,095)	-
Cash flows from financing activities		
Proceeds from share issues	1,980,300	2,487,400
Share issues costs	(22,240)	-
Net cash inflow from financing	1,958,060	2,487,400
Reconciliation of net cash flow to movement in net cash		
(Decrease)/increase in cash during the period	(1,867,675)	2,487,400
Net cash at start of period	2,487,400	-
Reconciliation of profit before taxation to net cash outflow from operating activities:		
Loss before taxation for the period	(148,951)	(32,937)
Net (loss)/gain on investments	426	-
(Increase) in debtors	(48,827)	(8,285)
Increase in creditors and accruals	96,712	41,222
Net cash outflow from operating activities	(100,640)	-

The notes on pages 17 to 18 are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 September 2023

1. General information

The Company is a public limited company incorporated in England and Wales. The registered address is 18 Smith Square, London SW1P 3HZ. The principal activity is investing in un-listed growth companies.

2. Basis of accounting

The half-yearly financial report covers period ended 30 September 2023. The condensed financial statements for this period have been prepared in accordance with FRS 104 ("Interim financial reporting") and in accordance with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies" revised November 2014 ("SORP").

The comparative figures for the period ended 31 March 2023 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 auditors drew attention by way of emphasis without qualifying their report.

3. Going concern

The Board of Directors is satisfied that the Company has adequate availability to continue as a going concern and are satisfied that the Company has adequate resources to continue in business for the foreseeable future (being a period of 12 months from the date these Financial Statements were approved). In reaching this conclusion the Directors took into the account the nature of the Company's business and Investment Policy, its risk management policies, and the cash holdings. Thus, the Directors believe it is appropriate to continue to apply the going concern basis in preparing the financial statements.

4. Segmental reporting

The directors are of the opinion that the Company is engaged in a single segment of business, being investment business.

5. Earnings per share

Earnings per share is based on the loss attributable to shareholders for the 6 months period ended 30 September 2023 of £148,951 (31 March 2023: loss of £32,937) and the weighted average number of ordinary shares in issue during the period of 4,070,312 (31 March 2023: 2,474,850). There is no difference between basic and diluted earnings per share.

6. Net asset value per share

The net asset value per share at 30 September 2023 is based on net assets of £4,263,573 (31 March 2023: £2,491,913) and the number of ordinary shares in issue on 30 September 2023 of 4,445,461 (31 March 2023: 2,474,850). There is no difference between basic and diluted net asset value per share.

7. Related party transactions

The Company retains Guinness Asset Management Limited as its Investment Manager.

The Directors who held office at 30 September 2023 and their interests in the shares of the Company (including beneficial and family interests) were:

		30 September 2023	31 March 2023
		Shares held	Shares held
Ewen Gilmour	Director	30,000	30,000
Joanna Santinon	Director	20,000	5,000
Andrew Martin Smith	Director	40,000	40,000

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

8. Copies of the Half-yearly Report are being made available to all shareholders. Further copies are available free of charge from Guinness by telephoning 020 7222 3475 or by email vct@guinnessfunds.com.

CORPORATE INFORMATION

Directors (all non-executive)

Ewen Hamilton Gilmour (Chair)
Joanna Lesley Santinon
Andrew Everard Martin Smith

All of:
Registered Office at
18 Smith Square
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Secretary and Administrator

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VCT Tax Adviser

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Auditor

BDO LLP
55 Baker Street
London, W1U 7EU

Solicitors

Howard Kennedy LLP
No.1 London Bridge
London, SE1 9BG

Sponsor

Howard Kennedy Corporate Services LLP
No.1 London Bridge
London, SE1 9BG

Registrars and Receiving Agent

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Park Valley Mills
Meltham Road
Huddersfield, HD4 7BH

Manager and Promoter

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