

pembroke
VCT plc



HALF-YEARLY REPORT

for the six months ended 30 September 2016

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Investment Objective

Pembroke VCT plc (the "Company") is a generalist VCT focused on growth capital investments in the leisure and luxury brands sectors.

The Company invests in a diversified portfolio of small, principally unquoted companies, selecting 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 30.09.16			Year ended 31.03.16			Six months ended 30.09.15		
	Ordinary Shares (unaudited)	B Ordinary Shares (unaudited)	Total (unaudited)	Ordinary Shares (audited)	B Ordinary Shares (audited)	Total (audited)	Ordinary Shares (unaudited)	B Ordinary Shares (unaudited)	Total (unaudited)
Net assets	£21,870,039	£13,509,164	£35,379,203	£20,124,959	£8,558,027	£28,682,986	£20,787,726	£5,992,800	£26,780,526
Number of shares in issue	18,091,202	12,482,091	30,573,293	18,091,202	8,116,777	26,207,979	18,141,202	5,836,120	23,977,322
Net asset value per share	120.89p	108.23p	115.72p	111.24p	105.44p	109.44p	114.59p	102.68p	111.69p
Investment income	£300,572	£274,937	£575,509	£621,233	£183,441	£804,674	£290,462	£42,525	£332,987
Profit on ordinary activities before tax									
Revenue	£149,410	£145,959	£295,369	£368,902	£103,031	£471,933	£179,280	£8,150	£187,430
Capital	£1,595,670	£388,996	£1,984,666	£1,088,170	£530,538	£1,618,708	£1,750,816	£266,653	£2,017,469
Total	£1,745,080	£534,955	£2,280,035	£1,457,072	£633,569	£2,090,641	£1,930,096	£274,803	£2,204,899
Return per share									
Revenue	0.83p	1.28p	n/a	1.72p	1.47p	n/a	0.99p	0.16p	n/a
Capital	8.82p	3.42p	n/a	6.17p	9.32p	n/a	9.65p	5.28p	n/a
Total	9.65p	4.70p	n/a	7.89p	10.79p	n/a	10.64p	5.44p	n/a

Chairman's Statement

I am pleased to present the half year report for the six-month period ended 30 September 2016.

After having successfully raised £30.8 million in our Ordinary Share and B Ordinary Share offers since February 2013, the Board has agreed to launch a new share offer to raise up to £15 million in the B Ordinary Share class. The Investment Adviser continues to see a strong pipeline of new opportunities and alongside a number of chances to invest profitably in existing portfolio companies where follow-on investments would accelerate their growth.

We believe the Company is well placed to take advantage of the new VCT regulatory changes which came into effect in November 2015. Our investment strategy has not been materially affected by these changes, as we focus on providing development capital to high growth companies rather than management buy-out transactions, the main target of the regulatory changes.

We have now invested £15.7 million from the Ordinary Share class and £8.1 million from the B Ordinary Share class in 25 companies.

During the period the Total Return (NAV plus cumulative dividends paid) of the Ordinary Share class has risen from 114.84 pence per share at 31 March 2016 to 124.49 pence per share at 30 September 2016. The Total Return of the B Ordinary Share class has risen from 105.44 pence per share at 31 March 2016 to 108.23 pence per share at 30 September 2016. These returns do not include the final dividend for the year ending 31 March 2016 discussed further below.

Investment Overview

During the period, Pembroke has invested £1.0 million in two new companies (Bel-Air Inc and Alpha Charlie) and £2.5 million into follow-on investments in 11 companies (Second Home, Plenish, Dilly & Wolf, Chucs Bar & Grill, Bella Freud Retail, Bella Freud Parfum, Penfield, Boat International, Zenos and Blaze) from the B Ordinary Share class. Additionally, we made a further commitment of £0.7 million in line with prior arrangements (Five Guys) from the B Ordinary Share class.

There have been a number of revaluations of equity participation across the portfolio resulting in total investments valued at £30.2 million at the end of the period, representing a 24% increase on cost of £24.3 million (excluding short term loan debtors). For further details please see the Investment Adviser's Review and Investment Portfolio on pages 8 to 14.

Dividends

In September 2016 the Company approved a dividend of 2 pence per Ordinary Share and 2 pence per B Ordinary Share which was paid on 31 October 2016. The Board retains its target of paying dividends of 3 pence per 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 £2.3 million in the period to 30 September 2016, representing a weighted profit per Ordinary Share of 9.65 pence and a weighted profit per B Ordinary Share of 4.70 pence. Income arose from the unrealised revaluation of investments of £1.8 million, and interest income, principally from loan notes provided to a number of the portfolio companies, totalling £0.8 million. This was offset by Company expenses and Investment Adviser fees amounting, in total, to £0.5 million. Total expenses in the Company (including Investment Adviser fees) are capped at 0.5% of NAV per quarter. NAV at 30 September 2016 was £35.4 million, equivalent to 115.72 pence per share. This includes the cost to NAV of the issue costs of the B Ordinary Share offer, which were fixed at 2% of the gross proceeds raised.

Outlook

The Investment Adviser is positive about the current pipeline and sees a number of attractive opportunities to invest in 2017.

Jonathan Djanogly
Chairman

3 November 2016



If you have any questions relating to your investment please contact the company secretary on 0131 243 7210 or email info@pembrokevct.com. For further information refer to the Company's website www.pembrokevct.com.

Investment Adviser's Review

for the six months ended 30 September 2016

Overview

The Company has invested a total of £3.5 million this period from the Ordinary and B Ordinary Share class, making two new investments and 11 follow-on investments of £2.5 million in a mix of debt and equity. At the end of the period, the portfolio comprised 25 investments with a cost of £24.3 million and a fair valuation of £29.5 million representing a 21.2% increase.

Portfolio Review

The Company has made two new investments in this period from the B Ordinary Share totalling £1.0 million, in Bel-Air Inc (£0.3 million) and Alpha Charlie (£0.7 million) which are in the Hospitality and Apparel and Accessories segments respectively. Bel-Air Inc is a Californian-styled delicatessen concept offering distinctive fresh meats, fish and salads to the premium London lunchtime market and incorporating innovative technology to enhance customer satisfaction and retention. Alpha Charlie, founded by the model and designer Alexa Chung, is a new fashion brand that will offer accessible luxury womenswear and already boasts a substantial pre-collection order book. Its first collection is expected to launch in Spring 2017.

The Company also committed further capital of £2.5 million from the B Ordinary Share to 11 of its existing portfolio companies (Second Home, Plenish, Dilly & Wolf, Chucs Bar & Grill, Five Guys UK, Bella Freud Retail, Bella Freud Parfum, Penfield, Boat International, Zenos and Blaze) to support their continued growth plans.

The Company achieved its first exit during the period on the sale of Penfield Inc to a strategic buyer. Penfield had previously been written down owing to underperformance of the business, with the sale resulting in an overall loss on the Company's investment of £250,309. An early investment by the Ordinary Share class, the Company continued to fund Penfield through to its eventual sale using funds from the B Share class, resulting in a 34% loss on investment by the Ordinary Shares and a 6% loss on investment by the B Ordinary Shares.

Investment Performance

There have been a number of revaluations in the Company's portfolio in the period. Those that were revalued at a premium as a result of a recent funding round are Plenish, Second Home and Blaze. No assets have been revalued with reference to trading multiples as a result of current trading performance. Recent investments have been held at cost, as they have performed in line with the Investment Adviser's expectation to date.

The funding round recently closed by Second Home underlined its strong financial performance over the past 18 months, resulting in a valuation substantially in excess of that previously faced by the Ordinary and B Ordinary Share classes. La Bottega has undergone further operational restructuring with improvements to the sites' appearance and food offering. While like-for-like sales are now improving, the equity value, held by the Ordinary Share class only, has been reduced for prudence until the improvement is maintained across multiple periods.

Please read the individual company profiles below 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 quarterly 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.



Investment Portfolio

Ordinary Share

	As at 30 September 2016			As at 31 March 2016			As at 30 September 2015		
	Cost £	Fair value £	% of net assets	Cost £	Fair value £	% of net assets	Cost £	Fair value £	% of net assets
Health and Fitness									
Boom Cycle	429,460	412,487	1.9	429,460	412,487	2.1	429,460	429,460	2.1
KX Gym	700,000	733,344	3.3	700,000	733,344	3.7	700,000	623,092	3.0
Plenish	325,000	1,416,375	6.5	325,000	1,392,664	6.9	325,000	1,392,664	6.7
Dilly & Wolf	270,000	270,000	1.2	270,000	270,000	1.3	270,000	270,000	1.3
Hospitality									
Chilango	549,850	729,792	3.3	549,850	729,792	3.6	549,850	695,040	3.3
Five Guys UK	1,512,800	3,211,687	14.7	1,512,800	3,211,687	16.0	1,512,800	3,195,284	15.4
La Bottega	1,960,000	1,000,000	4.6	1,960,000	1,090,000	5.4	1,960,000	1,616,682	7.8
Chucs Bar & Grill	614,278	822,170	3.8	614,278	822,170	4.1	614,278	822,221	4.0
Second Home	525,074	3,249,446	14.9	525,074	1,433,633	7.1	525,074	833,349	4.0
Sourced Market	830,000	760,353	3.5	830,000	760,353	3.8	830,000	1,061,226	5.1
Apparel and Accessories									
Kat Maconie	320,000	711,233	3.3	320,000	711,233	3.5	320,000	711,236	3.4
Troubadour Goods	590,000	1,106,265	5.0	590,000	1,106,265	5.5	590,000	1,106,265	5.3
Bella Freud	400,000	983,333	4.5	400,000	983,333	4.9	350,000	933,333	4.5
Chucs Limited	990,039	340,000	1.6	990,039	340,000	1.7	990,039	340,000	1.6
Bella Freud Parfum	190,000	130,306	0.6	190,000	190,000	0.9	240,000	240,000	1.2
Penfield	—	—	—	614,400	404,817	2.0	614,400	525,060	2.5
Media and Technology									
Boat International Media	2,100,000	1,315,824	6.0	2,100,000	1,315,824	6.5	2,100,000	2,100,000	10.1
Rated People	585,738	486,053	2.2	585,738	486,053	2.4	585,738	139,790	0.7
Zenos Cars	500,000	500,000	2.3	500,000	500,000	2.5	500,000	550,550	2.6
Blaze	200,000	233,117	1.1	200,000	200,000	1.0	200,000	200,000	1.0
Stillking Films	1,451,770	1,542,641	7.0	1,451,770	1,542,641	7.7	1,451,770	1,451,771	7.0
Investments before interest	15,044,009	19,954,426	91.3	15,658,409	18,636,296	92.6	15,658,409	19,237,023	92.6
Interest rolled up in fixed income investments*		967,093	4.4		1,099,753	5.5		775,093	3.7
Total investments		20,921,519	95.7		19,736,049	98.1		20,012,116	96.3
Net current assets		948,520	4.3		388,910	1.9		775,610	3.7
Net assets		21,870,039	100.0		20,124,959	100.0		20,787,726	100.0

*Added to investments in Financial Statements.

Investment Portfolio continued
B Ordinary Share

	As at 30 September 2016			As at 31 March 2016			As at 30 September 2015		
	Cost £	Fair value £	% of net assets	Cost £	Fair value £	% of net assets	Cost £	Fair value £	% of net assets
Health and Fitness									
Plenish	350,001	354,587	2.6	250,000	250,000	2.9	250,000	250,000	4.2
Dilly & Wolf	125,000	125,000	0.9	100,000	100,000	1.2	100,000	100,000	1.7
Hospitality									
Chilango	85,000	85,000	0.6	85,000	85,000	1.0	—	—	—
Five Guys UK	570,400	1,211,124	9.0	570,400	1,211,124	14.2	570,400	860,142	14.4
La Bottega	400,000	400,000	3.0	250,000	250,000	2.9	250,000	250,000	4.2
Chucs Bar & Grill	745,011	745,011	5.5	375,011	375,011	4.4	125,000	125,000	2.1
Second Home	960,022	1,623,551	12.0	510,034	662,072	7.7	510,034	510,034	8.5
Sourced Market	250,000	250,000	1.9	250,000	250,000	2.9	—	—	—
Bel-Air	300,000	300,000	2.2	—	—	—	—	—	—
Apparel and Accessories									
Troubadour Goods	150,000	150,000	1.1	150,000	150,000	1.8	—	—	—
Penfield	—	—	—	324,733	232,790	2.7	324,733	324,733	5.4
Bella Freud	300,000	300,000	2.2	—	—	—	—	—	—
Chucs Limited	100,000	—	—	—	—	—	—	—	—
Bella Freud Parfum	50,000	50,000	0.4	—	—	—	—	—	—
Cheekfrills	205,000	—	—	205,000	—	—	205,000	205,000	3.4
ME+EM	450,000	539,028	4.0	200,000	289,028	3.4	200,000	200,000	3.3
Alpha Charlie	650,000	650,000	4.8	—	—	—	—	—	—
Media and Technology									
Boat International Media	1,100,000	1,100,000	8.1	500,000	500,000	5.8	500,000	500,000	8.3
Rated People	55,480	56,678	0.4	—	—	—	—	—	—
Zenos Cars	25,000	25,000	0.2	—	—	—	—	—	—
Blaze	352,697	338,019	2.5	290,000	290,000	3.4	290,000	290,000	4.8
Investments before interest	7,223,611	8,302,998	61.5	4,060,178	4,645,025	54.3	3,325,167	3,614,909	60.3
Interest rolled up in fixed income investments*		257,709	1.9		124,197	1.4		29,952	0.5
Total investments		8,560,707	63.4		4,769,222	55.7		3,644,861	60.8
Net current assets		4,948,457	36.6		3,788,805	44.3		2,347,939	39.2
Net assets		13,509,164	100.0		8,558,027	100.0		5,992,800	100.0

*Added to investments in Financial Statements.

Segment analysis

The charts below show the segment analyses of the investment portfolio based on cost at 30 September 2016.

Investments at cost:
Ordinary Share



- 11.5% Health and Fitness
- 39.8% Hospitality
- 16.6% Apparel and Accessories
- 32.2% Media and Technology

Investments at cost:
B Ordinary Share



- 6.6% Health and Fitness
- 45.8% Hospitality
- 26.4% Apparel and Accessories
- 21.2% Media and Technology

Investment Review



Investment Review for the six months ended 30 September 2016

Health and Fitness

Boom Cycle



Cost	£429,460
Valuation	£412,487
Interest rolled up in fixed income investment	—
Basis of valuation	Trading multiple
Equity holding	27.6%
Investment in the period at cost	—
Total income recognised in the period	£1,880
Short term loans and accrued interest	£27,897

Boom Cycle is an indoor cycling concept which offers a fun, high-intensity cardiovascular workout. The business currently has two studios, in Shoreditch and Holborn, with a third at the advanced planning stage, where indoor spin cycling is combined with various exercise classes for both upper and lower body work-outs. Boom Cycle is one of the first dedicated spinning studios in London, and it has the potential to replicate the success of some larger players in the US.

KX Gym



Cost	£700,000
Valuation	£733,344
Interest rolled up in fixed income investment	—
Basis of valuation	Trading multiple
Equity holding	11.8%
Investment in the period at cost	—
Total income recognised in the period	—
Short term loans and accrued interest	—

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. The business has performed in line with budget at a revenue level, with profitability ahead of the same period last year.

Plenish



Cost	£675,001
Valuation	£1,770,962
Interest rolled up in fixed income investment	£6,003
Basis of valuation	Price of recent investment
Equity holding	31.5%
Investment in the period at cost	£100,001
Total income recognised in the period	£6,000
Short term loans and accrued interest	—

Plenish, founded in 2012, is one of the leading cold-pressed juicing businesses in the UK, offering 100% raw organic (unpasteurised) juice. Cold-press juicing is a convenient way to pack a large amount of vegetables and fruit into your diet. The company offers both a full body cleanse package and off-the-shelf juice bottles. The company is currently selling through two main channels: online and through a range of retailers (Boots, Ocado, Selfridges, Planet Organic and Harvey Nichols). The business continues to trade well with strong revenue growth, and successfully completed a new funding round in May 2016 at a premium to fund the company's growing working capital requirements and new product development.

Dilly & Wolf



Cost	£395,000
Valuation	£395,000
Interest rolled up in fixed income investment	£26,008
Basis of valuation	Price of recent investment
Equity holding	27.0%
Investment in the period at cost	£25,000
Total income recognised in the period	£6,814
Short term loans and accrued interest	—

Founded in 2013, Dilly & Wolf is a premium snack brand producing tasty and nourishing food using globally inspired ingredients such as kabuki beans, quinoa and fava beans. Their flagship products are stocked in multiple retailers including Ocado and Natural Kitchen, and the business has successfully expanded into Marks & Spencer during 2016.

Hospitality

Chilango



Cost	£634,850
Valuation	£814,792
Interest rolled up in fixed income investment	—
Basis of valuation	Price of recent investment
Equity holding	3.0%
Investment in the period at cost	—
Total income recognised in the period	—
Short term loans and accrued interest	—

Chilango is a fast-casual Mexican restaurant chain concept based on successful US business models. There are currently eleven restaurants in Central London and one in Manchester. The team raised £2 million in a crowdfunded bond in 2014, followed by a crowdfunded equity round in 2015, which has helped build momentum and secure further sites in London and elsewhere in the UK.

Five Guys UK



Cost	£2,083,200
Valuation	£4,422,811
Interest rolled up in fixed income investment	£143,802
Basis of valuation	Trading multiple
Equity holding ¹	4.2%
Investment in the period at cost	—
Total income recognised in the period	£143,802
Short term loans and accrued interest	—

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 unlimited toppings. Pembroke has invested in the UK joint venture and currently there are 53 restaurants across the UK with further sites in the pipeline, including expansion into mainland Europe.

¹Equity holding is partnership interest.

La Bottega



Cost	£2,360,000
Valuation	£1,400,000
Interest rolled up in fixed income investment	£599,993
Basis of valuation	Fair value
Equity holding	40.0%
Investment in the period at cost	—
Total income recognised in the period	£128,776
Short term loans and accrued interest	—

La Bottega is an Italian chain of delicatessens in London, which serve high quality authentic Italian food and coffee. Currently, there are five shops trading in London, located in Chelsea, Belgravia, South Kensington, Ryder Street and Pont Street. Growing competition in the areas that La Bottega operates in have negatively impacted sales in the first half of the year. The company has embarked on a re-design process at several of the sites to modernise and improve the layout of the stores and take advantage of the evening on-trade. The company has also now launched a new and improved menu in conjunction with new suppliers offering a mixture of healthy and traditional Italian food.

Chucs Bar & Grill



Cost	£1,359,289
Valuation	£1,567,181
Interest rolled up in fixed income investment	£123,924
Basis of valuation	Fair value
Equity holding	26.6%
Investment in the period at cost	£390,000
Total income recognised in the period	£64,215
Short term loans and accrued interest	£319,134

Chucs Bar & Grill is a restaurant concept based on the style, branding and aspirations of the Chucs retail brand. The first restaurant opened on Dover Street in Mayfair, London in 2014, next door to the Chucs retail store. The second site enjoyed a gala opening on Westbourne Grove, London in February 2016 and has traded favourably since.

Second Home



Cost	£1,485,096
Valuation	£4,872,997
Interest rolled up in fixed income investment	–
Basis of valuation	Price of recent investment
Equity holding	4.2%
Investment in the period at cost	£449,988
Total income recognised in the period	£5,369
Interest forgiven in the period	£13,208
Short term loans and accrued interest	–

Second Home offers flexible and modern office space for fast-growing technology firms and creative businesses. Combining innovative architectural design with first class amenities, Second Home provides users with an impressive office environment in which to locate their business for the short, medium and long term. Their first site in Hanbury Street in East London is at full capacity and has expanded to add an additional 20,000 sq ft, utilising new equity funds raised at a premium in March 2015. The team also issued a convertible loan in 2015 and undertook a further equity round in Summer 2016 to fund new site expansion, with their next location at Holland Park, London scheduled to open in early 2017.

Sourced Market



Cost	£1,080,000
Valuation	£1,010,353
Interest rolled up in fixed income investment	£3,644
Basis of valuation	Trading multiple
Equity holding	20.7%
Investment in the period at cost	–
Total income recognised in the period	£12,000
Short term loans and accrued interest	–

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 first site in St. Pancras International in King's Cross has been complemented by a new flagship in London's Marylebone since Spring 2016. A further prominent London site has been secured for 2017. Both existing sites are trading well and Pembroke has made a further investment to participate in the growth of the brand as it rolls out its locations.

Bel-Air



Cost	£300,000
Valuation	£300,000
Interest rolled up in fixed income investment	–
Basis of valuation	Cost
Equity holding	7.7%
Investment in the period at cost	£300,000
Total income recognised in the period	–
Short term loans and accrued interest	–

Founded in 2015, a Californian-inspired café offering distinctive fresh meats, fish and salads to the premium London breakfast and lunchtime dining market. Its mission is to deliver delicious fresh food that is nutritious and packed with whole foods. All food is cooked from scratch, while the founder has incorporated innovative technology to enhance customer satisfaction and retention. Bel-Air's first site in Shoreditch is soon to be complemented by a second in a high footfall location in Central London.

Apparel and Accessories

Kat Maconie



Cost	£320,000
Valuation	£711,233
Interest rolled up in fixed income investment	–
Basis of valuation	Price of recent investment
Equity holding	44.1%
Investment in the period at cost	–
Total income recognised in the period	–
Short term loans and accrued interest	–

Kat Maconie, founded in 2008, designs and manufactures ladies' shoes which are sold online, in department stores and in boutiques globally. As a result of the growing success of the brand in China, the licensing partner in China has made two equity investments into the business to grow Kat Maconie as a brand in the UK and internationally. Wholesale orders from the US also continue to grow the brand's presence in this important market.

Troubadour Goods



Cost	£740,000
Valuation	£1,256,265
Interest rolled up in fixed income investment	—
Basis of valuation	Price of recent investment
Equity holding	44.1%
Investment in the period at cost	—
Total income recognised in the period	—
Short term loans and accrued interest	—

Troubadour Goods is a London-based luxury men's accessories brand specialising in designing and creating superior handcrafted leather goods. The brand continues to grow and is gaining new wholesale accounts throughout Europe, America and Asia. The brand continues to develop its product line and has incorporated a range of textiles alongside its signature leather into its latest collection.

Bella Freud



Cost	£700,000
Valuation	£1,283,333
Interest rolled up in fixed income investment	£52,129
Basis of valuation	Equity raise and trading multiples
Equity holding	27.8%
Investment in the period at cost	—
Total income recognised in the period	£43,322
Short term loans and accrued interest	£512,625

Bella Freud is a fashion designer and retailer producing a range of high-end men's and women's clothing, focusing on knitwear. Currently, her products are available at her own flagship store in Marylebone, London, through her e-commerce site and through a range of luxury boutiques and department stores in the UK, Asia and the US. In support of the company's overseas expansion plans, and in recognition of the substantial sales growth to date, Pembroke participated in a new fundraising round for the business in March 2016.

Bella Freud Parfum



Cost	£240,000
Valuation	£180,306
Interest rolled up in fixed income investment	£19,114
Basis of valuation	Trading multiples
Equity holding	22.5%
Investment in the period at cost	£50,000
Total income recognised in the period	£6,381
Short term loans and accrued interest	—

With the continuing success of her fashion brand, Bella Freud launched a series of fragrances incorporating five scents blending modernity and heritage, including Je t'aime Jane, Ginsberg is God, 1970 and the newly released Close to my Heart. The brand is now stocked through international retailers in the US, Hong Kong, Europe and Australia and has a product range which spans perfume, candles, scented matches and gift sets.

Chucs Limited



Cost	£1,090,039
Valuation	£340,000
Interest rolled up in fixed income investment	£61,012
Basis of valuation	Equity: cost less impairment Loans: cost plus accrued interest
Equity holding	11.6%
Investment in the period at cost	—
Total income recognised in the period	£24,771
Short term loans and accrued interest	£144,899

Chucs is a luxury brand of men's leisure wear. Chucs is sold through its retail stores on Dover Street and Westbourne Grove in London, via its seasonal shop in St Tropez and online. The equity value has been written down to nil at present and the business has been re-capitalised with equity funds from new investors, to back a newly appointed CEO who is revitalising the range, distribution and scope of the brand. Pembroke converted some of its outstanding loans into equity in the company in 2016 to benefit from potential upside to valuation.

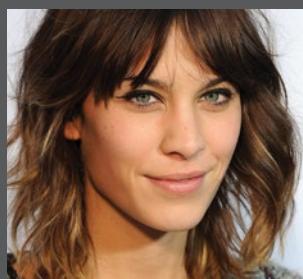
ME+EM



Cost	£450,000
Valuation	£539,028
Interest rolled up in fixed income investment	£4,274
Basis of valuation	Trading multiple
Equity holding	5.1%
Investment in the period at cost	£250,000
Total income recognised in the period	£4,384
Short term loans and accrued interest	—

ME+EM, founded in 2008, is a contemporary womenswear brand founded by Clare Hornby, designing and producing its collections primarily through catalogues and online, with one permanent retail site in Connaught Street, Bayswater, and a pop-up location on Elizabeth Street, 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. With strong future orders, Pembroke backed an additional working capital facility for the company to expand its inventory in 2016.

Alpha Charlie



Cost	£650,000
Valuation	£650,000
Interest rolled up in fixed income investment	—
Basis of valuation	Cost
Equity holding	17.6%
Investment in the period at cost	£650,000
Total income recognised in the period	—
Short term loans and accrued interest	—

Alexa Chung, the iconic model and designer, has founded her own fashion label. It will offer accessible luxury womenswear and already boasts a substantial pre-collection order book. Its first collection is expected to launch in Spring 2017.

Media and Technology

Boat International Media



Cost	£3,200,000
Valuation	£2,415,824
Interest rolled up in fixed income investment	£184,899
Basis of valuation	Trading multiples
Equity holding	21.6%
Investment in the period at cost	£600,000
Total income recognised in the period	£104,176
Short term loans and accrued interest	£537,282

Recognised as the pre-eminent worldwide media group serving the superyacht industry, Boat International Media provides information and services across traditional print, digital media and high-quality events. In 2014/15 the team re-launched the Boat International and Show Boats magazines, and a new digital website, which continues to see increases in traffic.

Rated People



Cost	£641,218
Valuation	£542,731
Interest rolled up in fixed income investment	—
Basis of valuation	Price of recent investment
Equity holding	2.1%
Investment in the period at cost	£55,480
Total income recognised in the period	—
Short term loans and accrued interest	—

Rated People, founded in 2005, is one of the UK's leading online market places for homeowners to find tradesmen for home improvement jobs. The company embarked on a new funding round in 2016 at an improved valuation, having implemented a number of cost saving initiatives and rebranding the company to better reflect its customer offering.

Zenos Cars



Cost	£525,000
Valuation	£525,000
Interest rolled up in fixed income investment	—
Basis of valuation	Cost
Equity holding	10.8%
Investment in the period at cost	£25,000
Total income recognised in the period	£9,024
Short term loans and accrued interest	£165,238

Zenos has created lightweight sports cars that provide thrilling driveability and performance at an affordable price point. Zenos is led by Mark Edwards, previously chief operating officer of Caterham cars. The company celebrated the delivery of its 100th E10 sports car in September 2016 having continued to receive excellent reviews from a range of automobile publications. It continues to work on the design of its roadster concept, with this second major model expected to open up the brand to a wider range of leisure and lifestyle drivers.

Blaze



Cost	£552,697
Valuation	£571,136
Interest rolled up in fixed income investment	—
Basis of valuation	Price of recent investment
Equity holding	7.2%
Investment in the period at cost	£62,697
Total income recognised in the period	—
Short term loans and accrued interest	—

Blaze designs products which enhance bike safety. Their flagship product is the Blaze Laserlight, which is the world's first and patented bike laserlight. It projects a laser image five to six metres on the ground ahead of the cyclist to alert other road users to their presence. Following a successful retail launch, the product is to be incorporated into the entire fleet of London's Santander Cycle Hire bicycles starting September 2016, with further international partnerships under discussion. The laserlight product has now been complemented with the 'Burner' front and rear LED lights at a premium but accessible price point, with additional new products in the pipeline for 2017.

Stillking Films



Cost	£1,451,770
Valuation	£1,542,641
Interest rolled up in fixed income investment	—
Basis of valuation	Trading multiple
Equity holding	5.0%
Investment in the period at cost	—
Total income recognised in the period	—
Short term loans and accrued interest	—

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



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 2016.

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 2016.

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

We confirm that to the best of our knowledge:

- 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 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" on page 28 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 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
3 November 2016



Income Statement

for the six months ended 30 September 2016

	Note	Six months ended 30.09.16 (unaudited)			Year ended 31.03.16 (audited)			Six months ended 30.09.15 (unaudited)		
		Revenue £	Capital £	Total £	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Realised/unrealised gains on investments		–	2,103,961	2,103,961	–	1,821,992	1,821,992	–	2,127,613	2,127,613
Income		575,509	–	575,509	804,674	–	804,674	332,987	–	332,987
Investment adviser's fees		(49,766)	(149,295)	(199,061)	(65,458)	(196,371)	(261,829)	(36,215)	(108,644)	(144,859)
Other expenses		(150,374)	–	(150,374)	(267,283)	(6,913)	(274,196)	(109,342)	(1,500)	(110,842)
Profit/(Loss) on ordinary activities before tax		375,369	1,954,666	2,330,035	471,933	1,618,708	2,090,641	187,430	2,017,469	2,204,899
Tax on ordinary activities		(80,000)	30,000	(50,000)	(75,000)	40,000	(35,000)	–	–	–
Profit attributable to equity shareholders		295,369	1,984,666	2,280,035	396,933	1,658,708	2,055,641	187,430	2,017,469	2,204,899
Return per share – basic and diluted										
Ordinary Share	4	0.83p	8.82p	9.65p	1.72p	6.17p	7.89p	0.99p	9.65p	10.64p
B Ordinary Share	4	1.28p	3.42p	4.70p	1.47p	9.32p	10.79p	0.16p	5.28p	5.44p

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

The revenue column of the Income Statement includes all income and expenses. The capital column accounts for the realised and unrealised profit or loss on investments and the proportion of the Investment Adviser fee charged to capital.

The total column of this statement is the Statement of Total Comprehensive Income of the Company prepared in accordance with Financial Reporting Standards ("FRS"). The supplementary revenue return and capital return columns are prepared in accordance with FRS. The supplementary revenue return and capital return columns are prepared in accordance with the Statement of Recommended Practice issued in November 2014 by the Association of Investment Companies ("AIC SORP").

Income Statement continued

Unaudited Non-Statutory Analysis between Ordinary and B Ordinary Shares

For the six months ended 30 September 2016	Ordinary Shares			B Ordinary Shares		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Realised/unrealised gains on investments	–	1,674,713	1,674,713	–	429,248	429,248
Income	300,572	–	300,572	274,937	–	274,937
Investment adviser's fees	(33,015)	(99,043)	(132,058)	(16,751)	(50,252)	(67,003)
Other expenses	(78,147)	–	(78,147)	(72,227)	–	(72,227)
Profit on ordinary activities before tax	189,410	1,575,670	1,765,080	185,959	378,996	564,955
Tax on ordinary activities	(40,000)	20,000	(20,000)	(40,000)	10,000	(30,000)
Profit attributable to equity shareholders	149,410	1,595,670	1,745,080	145,959	388,996	534,955

For the year ended 31 March 2016	Ordinary Shares			B Ordinary Shares		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Realised/unrealised gains on investments	–	1,237,145	1,237,145	–	584,847	584,847
Income	621,233	–	621,233	183,441	–	183,441
Investment adviser's fees	(49,659)	(148,975)	(198,634)	(15,799)	(47,396)	(63,195)
Other expenses	(202,672)	–	(202,672)	(64,611)	(6,913)	(71,524)
Profit on ordinary activities before tax	368,902	1,088,170	1,457,072	103,031	530,538	633,569
Tax on ordinary activities	(57,000)	30,000	(27,000)	(18,000)	10,000	(8,000)
Profit attributable to equity shareholders	311,902	1,118,170	1,430,072	85,031	540,538	625,569

For the six months ended 30 September 2015	Ordinary Shares			B Ordinary Shares		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Realised/unrealised gains on investments	–	1,837,871	1,837,871	–	289,742	289,742
Income	290,462	–	290,462	42,525	–	42,525
Investment adviser's fees	(29,018)	(87,055)	(116,073)	(7,197)	(21,589)	(28,786)
Other expenses	(82,164)	–	(82,164)	(27,178)	(1,500)	(28,678)
Profit on ordinary activities before tax	179,280	1,750,816	1,930,096	8,150	266,653	274,803
Tax on ordinary activities	–	–	–	–	–	–
Profit attributable to equity shareholders	179,280	1,750,816	1,930,096	8,150	266,653	274,803

Condensed Balance Sheet

as at 30 September 2016

Note	30.09.16 (unaudited) £	31.03.16 (audited) £	30.09.15 (unaudited) £
Fixed assets			
Investments	29,482,226	24,505,271	23,656,977
Current assets			
Debtors	3,324,338	2,105,465	493,070
Cash at bank and in hand	2,946,038	2,306,940	2,928,104
	6,270,376	4,412,405	3,421,174
Creditors: amounts falling due within one year	(373,399)	(234,690)	(297,625)
Net current assets	5,896,977	4,177,715	3,123,549
Net assets	35,379,203	28,682,986	26,780,526
Capital and reserves			
Called up share capital	305,733	262,080	239,773
Share premium account	13,824,943	9,452,414	7,260,760
Capital redemption reserve	500	500	–
Special reserve	15,281,104	15,281,104	15,443,847
Capital reserve	5,141,017	3,156,351	3,515,112
Revenue reserve	825,906	530,537	321,034
Total shareholders' funds	35,379,203	28,682,986	26,780,526
Net asset value per share	4	115.72p	109.44p
			111.69p

The accompanying notes are an integral part of the balance sheet.

Condensed Balance Sheet continued
Non-Statutory Analysis between the Ordinary and B Ordinary Share Funds

As at 30 September 2016	Ordinary £	B Ordinary £	Total £
Fixed assets			
Investments	20,921,519	8,560,707	29,482,226
Current assets			
Debtors	56,839	3,267,499	3,324,338
Cash at bank and in hand	1,112,998	1,833,040	2,946,038
	1,169,837	5,100,539	6,270,376
Creditors: amounts falling due within one year	(221,317)	(152,082)	(373,399)
Net current assets	948,520	4,948,457	5,896,977
Net assets	21,870,039	13,509,164	35,379,203
Capital and reserves			
Called up share capital	180,912	124,821	305,733
Share premium account	1,599,724	12,225,219	13,824,943
Capital redemption reserve	500	–	500
Special reserve	15,281,104	–	15,281,104
Capital reserve	4,212,138	928,879	5,141,017
Revenue reserve	595,661	230,245	825,906
Total shareholders' funds	21,870,039	13,509,164	35,379,203
Net asset value per share	120.89p	108.23p	115.72p

Condensed Balance Sheet continued
Non-Statutory Analysis between the Ordinary and B Ordinary Share Funds

As at 31 March 2016	Ordinary £	B Ordinary £	Total £
Fixed assets			
Investments	19,736,049	4,769,222	24,505,271
Current assets			
Debtors	58,604	2,046,861	2,105,465
Cash at bank and in hand	488,973	1,817,967	2,306,940
	547,577	3,864,828	4,412,405
Creditors: amounts falling due within one year	(158,667)	(76,023)	(234,690)
Net current assets	388,910	3,788,805	4,177,715
Net assets	20,124,959	8,558,027	28,682,986
Capital and reserves			
Called up share capital	180,912	81,168	262,080
Share premium account	1,599,724	7,852,690	9,452,414
Capital redemption reserve	500	–	500
Special reserve	15,281,104	–	15,281,104
Capital reserve	2,616,468	539,883	3,156,351
Revenue reserve	446,251	84,286	530,537
Total shareholders' funds	20,124,959	8,558,027	28,682,986
Net asset value per share	111.24p	105.44p	109.44p

Condensed Balance Sheet continued

Non-Statutory Analysis between the Ordinary and B Ordinary Share Funds

As at 30 September 2015	Ordinary £	B Ordinary £	Total £
Fixed assets			
Investments	20,012,116	3,644,861	23,656,977
Current assets			
Debtors	32,228	460,842	493,070
Cash at bank and in hand	997,127	1,930,977	2,928,104
	1,029,355	2,391,819	3,421,174
Creditors: amounts falling due within one year	(253,745)	(43,880)	(297,625)
Net current assets	775,610	2,347,939	3,123,549
Net assets	20,787,726	5,992,800	26,780,526
Capital and reserves			
Called up share capital	181,412	58,361	239,773
Share premium account	1,599,724	5,661,036	7,260,760
Special reserve	15,443,847	–	15,443,847
Capital reserves	3,249,114	265,998	3,515,112
Revenue reserves	313,629	7,405	321,034
Total shareholders' funds	20,787,726	5,992,800	26,780,526
Net asset value per share	114.59p	102.68p	111.69p

Statement of Changes in Equity

For the six months ended 30 September 2016	Share capital £	Share premium £	Capital redemption reserve £	Special reserve £	Capital reserve £	Revenue reserve £	Total £
Opening balance as at 1 April 2016	262,080	9,452,414	500	15,281,104	3,156,351	530,537	28,682,986
Net proceeds of share issue	43,653	4,372,529	–	–	–	–	4,416,182
Profit for the period	–	–	–	–	1,984,666	295,369	2,280,035
Closing balance as at 30 September 2016	305,733	13,824,943	500	15,281,104	5,141,017	825,906	35,379,203

For the year ended 31 March 2016	Share capital £	Share premium £	Capital redemption reserve £	Special reserve £	Capital reserve £	Revenue reserve £	Total £
Opening balance as at 1 April 2015	201,206	3,519,742	–	15,443,847	1,497,643	133,604	20,796,042
Net proceeds of share issue	61,374	5,932,672	–	–	–	–	5,994,046
Shares bought back	(500)	–	500	(53,896)	–	–	(53,896)
Dividend paid	–	–	–	(108,847)	–	–	(108,847)
Profit for the year	–	–	–	–	1,658,708	396,933	2,055,641
Closing balance as at 31 March 2016	262,080	9,452,414	500	15,281,104	3,156,351	530,537	28,682,986

For the six months ended 30 September 2015	Share capital £	Share premium £	Capital redemption reserve £	Special reserve £	Capital reserve £	Revenue reserve £	Total £
Opening balance as at 1 April 2015	201,206	3,519,742	–	15,443,847	1,497,643	133,604	20,796,042
Net proceeds of share issue	38,567	3,741,018	–	–	–	–	3,779,585
Profit for the period	–	–	–	–	2,017,469	187,430	2,204,899
Closing balance as at 30 September 2015	239,773	7,260,760	–	15,443,847	3,515,112	321,034	26,780,526

Statement of Changes in Equity continued

Ordinary Share for the six months ended 30 September 2016	Share capital £	Share premium £	Capital redemption reserve £	Special reserve £	Capital reserve £	Revenue reserve £	Total £
Opening balance as at 1 April 2016	180,912	1,599,724	500	15,281,104	2,616,468	446,251	20,124,959
Profit for the period	–	–	–	–	1,595,670	149,410	1,745,080
Closing balance as at 30 September 2016	180,912	1,599,724	500	15,281,104	4,212,138	595,661	21,870,039

B Ordinary Share for the six months ended 30 September 2016	Share capital £	Share premium £	Capital redemption reserve £	Special reserve £	Capital reserve £	Revenue reserve £	Total £
Opening balance as at 1 April 2016	81,168	7,852,690	–	–	539,883	84,286	8,558,027
Net proceeds of share issue	43,653	4,372,529	–	–	–	–	4,416,182
Profit for the period	–	–	–	–	388,996	145,959	534,955
Closing balance as at 30 September 2016	124,821	12,225,219	–	–	928,879	230,245	13,509,164

Statement of Changes in Equity continued

Ordinary Share for the year ended 31 March 2016	Share capital £	Share premium £	Capital redemption reserve £	Special reserve £	Capital reserve £	Revenue reserve £	Total £
Opening balance as at 1 April 2015	181,412	1,599,724	–	15,443,847	1,498,298	134,349	18,857,630
Shares bought back	(500)	–	500	(53,896)	–	–	(53,896)
Dividend paid	–	–	–	(108,847)	–	–	(108,847)
Profit for the year	–	–	–	–	1,118,170	311,902	1,430,072
Closing balance as at 31 March 2016	180,912	1,599,724	500	15,281,104	2,616,468	446,251	20,124,959

B Ordinary Share for the year ended 31 March 2016	Share capital £	Share premium £	Capital redemption reserve £	Special reserve £	Capital reserve £	Revenue reserve £	Total £
Opening balance as at 1 April 2015	19,794	1,920,018	–	–	(655)	(745)	1,938,412
Shares issued	61,374	6,083,346	–	–	–	–	6,144,720
Net proceeds of share issue	–	(150,674)	–	–	–	–	(150,674)
Profit for the year	–	–	–	–	540,538	85,031	625,569
Closing balance as at 31 March 2016	81,168	7,852,690	–	–	539,883	84,286	8,558,027

Statement of Changes in Equity continued

Ordinary Share for the six months ended 30 September 2015	Share capital £	Share premium £	Special reserve £	Capital reserve £	Revenue reserve £	Total £
Opening balance as at 1 April 2015	181,412	1,599,724	15,443,847	1,498,298	134,349	18,857,630
Profit for the period	–	–	–	1,750,816	179,280	1,930,096
Closing balance as at 30 September 2015	181,412	1,599,724	15,443,847	3,249,114	313,629	20,787,726

B Ordinary Share for the six months ended 30 September 2015	Share capital £	Share premium £	Special reserve £	Capital reserve £	Revenue reserve £	Total £
Opening balance as at 1 April 2015	19,794	1,920,018	–	(655)	(745)	1,938,412
Net proceeds of share issue	38,567	3,741,018	–	–	–	3,779,585
Profit for the period	–	–	–	266,653	8,150	274,803
Closing balance as at 30 September 2015	58,361	5,661,036	–	265,998	7,405	5,992,800

Cash Flow Statement for the six months ended 30 September 2016

	Six months ended 30.09.16 (unaudited) £	Year ended 31.03.16 (audited) £	Six months ended 30.09.15 (unaudited) £
Operating activities			
Investment income received – qualifying	501,143	13,123	7,207
Deposit and similar interest received – non-qualifying	1,595	3,594	5,098
Investment adviser's fees paid	(133,472)	(286,901)	–
Company secretarial and administration fees paid	–	(109,642)	(86,165)
Audit fees	(54,595)	–	(24,473)
Cash paid to and on behalf of Directors	(17,605)	(37,606)	(17,605)
Other cash payments	(26,621)	(183,186)	(73,359)
Net cash outflow from operating activities	270,445	(600,618)	(189,297)
Financial investment			
Purchase of investments	(2,097,873)	(2,062,036)	(1,727,025)
Sale of investments	552,898	–	–
Long-term loans made	(2,104,280)	(2,234,800)	(1,834,800)
Long-term loans repaid	464,400	100,000	100,000
Short-term loans made	(300,000)	(1,850,000)	(325,000)
Net cash outflow from financial investment	(3,484,855)	(6,046,836)	(3,786,825)
Net cash outflow before financing	(3,214,410)	(6,647,454)	(3,976,122)
Financing			
Net proceeds from share issues	3,853,508	5,901,985	3,689,344
Share buybacks paid	–	(53,626)	–
Equity dividend paid	–	(108,847)	–
Net cash inflow from financing	3,853,508	5,739,512	3,689,344
Increase/(decrease) in cash	639,098	(907,942)	(286,778)
Reconciliation of net cash flow to movement in net cash			
Net cash at start of period	2,306,940	3,214,882	3,214,888
Net cash at end of period	2,946,038	2,306,940	2,928,104
Increase/(decrease) in cash	639,098	(907,942)	(286,778)

The accompanying notes are an integral part of the statement.

Cash Flow Statement continued
Non-Statutory Analysis between the Ordinary and B Ordinary Share Funds

	Six months ended 30.09.16			Year ended 31.03.16			Six months ended 30.09.15		
	Ordinary £	B Ordinary £	Total £	Ordinary £	B Ordinary £	Total £	Ordinary £	B Ordinary £	Total £
Operating activities									
Investment income received – qualifying	430,151	70,992	501,143	13,123	–	13,123	7,207	–	7,207
Deposit and similar interest received – non-qualifying	82	1,513	1,595	2,010	1,584	3,594	4,731	367	5,098
Investment adviser's fees paid	(93,187)	(40,285)	(133,472)	(239,548)	(47,353)	(286,901)	–	–	–
Company secretarial and administration fees paid	–	–	–	(93,469)	(16,173)	(109,642)	(79,196)	(6,969)	(86,165)
Audit fees	(44,356)	(10,239)	(54,595)	–	–	–	(24,473)	–	(24,473)
Cash paid to and on behalf of Directors	(11,325)	(6,280)	(17,605)	(30,185)	(7,421)	(37,606)	(15,168)	(2,437)	(17,605)
Other cash payments	(13,923)	(12,698)	(26,621)	(143,938)	(39,248)	(183,186)	(58,164)	(15,195)	(73,359)
Net cash outflow from operating activities	267,442	3,003	270,445	(492,007)	(108,611)	(600,618)	(165,063)	(24,234)	(189,297)
Financial investment									
Purchase of investments	–	(2,097,873)	(2,097,873)	(136,658)	(1,925,378)	(2,062,036)	(136,658)	(1,590,367)	(1,727,025)
Sale of investments	106,583	446,315	552,898	–	–	–	–	–	–
Long-term loans made	–	(2,104,280)	(2,104,280)	(100,000)	(2,134,800)	(2,234,800)	(100,000)	(1,734,800)	(1,834,800)
Long-term loans repaid	250,000	214,400	464,400	100,000	–	100,000	100,000	–	100,000
Short-term loans made	–	(300,000)	(300,000)	–	(1,850,000)	(1,850,000)	–	(325,000)	(325,000)
Net cash outflow from financial investment	356,583	(3,841,438)	(3,484,855)	(136,658)	(5,910,178)	(6,046,836)	(136,658)	(3,650,167)	(3,786,825)
Net cash outflow before financing	624,025	(3,838,435)	(3,214,410)	(628,665)	(6,018,789)	(6,647,454)	(301,721)	(3,674,401)	(3,976,122)
Financing									
Net proceeds from share issues	–	3,853,508	3,853,508	(17,573)	5,919,558	5,901,985	(15,936)	3,705,280	3,689,344
Share buybacks paid	–	–	–	(53,626)	–	(53,626)	–	–	–
Equity dividends paid	–	–	–	(108,847)	–	(108,847)	–	–	–
Net cash inflow from financing	–	3,853,508	3,853,508	(180,046)	5,919,558	5,739,512	(15,936)	3,705,280	3,689,344
Increase/(decrease) in cash	624,025	15,073	639,098	(808,711)	(99,231)	(907,942)	(317,657)	30,879	(286,778)

Notes to the Financial Statements for the six months ended 30 September 2016

1. The half-yearly financial report covers the six months ended 30 September 2016. The Company applies FRS 102 and the AIC's Statement of Recommended Practice issued in November 2014 as adopted for its financial year ended 31 March 2016. 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 2016.

The comparative figures for the financial year ended 31 March 2016 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, 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. The profit per Ordinary Share is based on the profit attributable to Ordinary shareholders for the period and the weighted average number of shares in issue during the period of 18,091,202 (31 March 2016: 18,133,662; 30 September 2015: 18,141,202).

The profit per B Ordinary Share is based on the profit attributable to B Ordinary shareholders for the period and the weighted average number of shares in issue during the period of 12,482,091 (31 March 2016: 5,798,035, 30 September 2015: 5,049,581).

4. The net asset value per Ordinary Share at 30 September 2016 is based on net assets of £21,870,039 (31 March 2016: £20,124,959; 30 September 2015: £20,787,726) and the number of shares in issue of 18,091,202 (31 March 2016: 18,091,202; 30 September 2015: 18,141,202).

The net asset value per B Ordinary Share at 30 September 2016 is based on net assets of £13,509,164 (31 March 2016: £8,558,027, 30 September 2015: £5,992,800) and the number of shares in issue of 12,482,091 (31 March 2015: 8,116,777, 30 September 2015: 5,836,120).

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.

Peter Dubens, a non-executive Director of the Company, is a member of OIM. During the six months ended 30 September 2016, £199,061 (30 September 2015: £144,859) was payable to the Investment Adviser for investment adviser services of which £109,272 (30 September 2015: £213,612) was owed to the Investment Adviser at the period end.

Palmer Capital LLP ("Palmer"), of which Peter Dubens is a member, acted as promoter for the offer during the period. The fees in the period amounted to £85,218 (30 September 2015: £77,134) out of which Palmer cover the costs of the offer. The costs paid by the Company in the period amounted to £31,725 (30 September 2015: £46,172), resulting in a balance of £118,311 owed from Palmer to the Company at the period end (September 2015: Palmer owed the Company £8,752).

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 2016 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
Peter Dubens	Director	400,000	400,000	800,000
Stewart Porter	Investment adviser	75,000	–	75,000

Save as disclosed in this paragraph there is no conflict of interest between the Company, the duties of the Directors, the duties of the 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
Laurence Charles Neil Blackall

Non-independent

Peter Adam Daiches Dubens

All of the registered office and
principal place of business

3 Cadogan Gate
London
SW1X 0AS

www.pembrokevct.com

Investment Adviser

Oakley Investment Managers LLP
3 Cadogan Gate
London
SW1X 0AS

Secretary

The City Partnership (UK) Limited
Thistle House
21 Thistle Street
Edinburgh
EH2 1DF
Telephone: 0131 243 7210

Independent Auditor

Grant Thornton UK LLP
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

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 LLP
4-6 Staple Inn
London
WC1V 7QH

Reporting calendar

for year ending 31 March 2017

Results announced:

Interim – November 2016

Annual – July 2017



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VCT plc

3 Cadogan Gate, London SW1X 0AS
Company number: 08307631