



BLACKFINCH
VENTURES

Blackfinch Spring VCT plc
Half-yearly Report
For the six months ended 30 June 2023

Contents

Highlights	03
Chairman's Statement	04
Investment Manager's Review	06
Principal Risks and Uncertainties	26
Statement of Directors' Responsibilities	27
Income Statement	28
Statement of Changes in Equity	31
Condensed Balance Sheet	34
Statement of Cash Flows	35
Notes to the Financial Statements	36
Directors and Advisers	38

Highlights

Investment Policy

Blackfinch Spring VCT plc (the “Company”) will focus its investment in unquoted companies with some or all of the following characteristics:

- Early-stage and technology-enabled with a focus on research and development.
- The capability to grow quickly through disrupting their markets.
- Strong performance against previous investment round milestones.

Dividend Policy

The Company intends to pay: (1) a regular annual dividend commencing not earlier than in the financial year beginning 1 January 2024 equivalent to 5% of the Company’s Net Asset Value and (2) special dividends, where appropriate, from the proceeds of successful exits of portfolio companies that are not reinvested.

When the Company does pay dividends, because of the tax reliefs that are available for an investment in a Venture Capital Trust, the shareholders will enjoy the benefits of there being no income tax payable on the dividends received and no need to declare them in a tax return.

The intended dividends cannot be guaranteed. They are subject to the Board’s discretion and to the Company’s ability to pay dividends which is determined by the existence of realised profits, legislative requirements and sufficient cash reserves.

No forecast or projection is implied or should be inferred.

Key Data	Six month period ended 30 June 2023	Year ended 31 December 2022	Six month period ended 30 June 2022
Net Asset Value (“NAV”) (£’000)	£25,355	£19,267	£17,561
Shares in issue (’000)	27,016	21,207	18,844
NAV per ordinary share	93.85p	90.85p	93.19p
Share price	87.00p	85.00p	88.50p

Chairman's Statement

Overview

I am very pleased to be writing to Shareholders to report on the continued strong progress of the Blackfinch Spring VCT plc in the six months to the end of June 2023. During this period your Company allotted a further 5.8m shares. It brought the total raised under the current offer to £7.0m, just surpassing the £6.8m raised by the same date under the previous offer. We very much appreciate this continued investor confidence in our ability to secure good investments in some of the UK's most promising high-growth technology businesses.

New investments

You will be pleased to learn that investment activity has continued similarly strongly, with fourteen investments being made in the period for a total of £3.6m. Many were follow-on investments into well-performing portfolio companies, ensuring that they have the resources needed to continue scaling. Two new exciting scale-up companies were also added to the portfolio, in the Transport and Education technology sectors. They bring the total size of the portfolio to twenty-two high-growth businesses.

Global risks

The ongoing war in Ukraine and wider geopolitical tensions continue to weigh on the global economy. Inflation and interest rates remain high in many markets, not least the UK. However, it is exactly the agile, innovative businesses in which your Company invests that are often best able to deliver real value to customers in these circumstances, at the expense of legacy incumbents.

While some market sectors have seen more significant impacts, there is good diversification across the portfolio and most companies have again seen positive revenue growth in the period. Our Manager nonetheless continues to pay close attention to the potential macro-economic risks facing both current and potential investee businesses via a robust and regular internal risk assessment process.

Investment Growth

Following sharp declines in the valuations applied to listed technology firms during 2022, the valuations during the first half of 2023 remained low but more stable. There has consequently been only a small market reduction to factor into the Company's own portfolio valuations. This has allowed the underlying growth in the portfolio companies to feed through into higher investment valuations, driving an encouraging 8% increase in value for those companies held since the start of 2023.

Directorate Changes

Since the 30th June 2023, the Company has announced two changes to its board of directors, both taking effect from 14 August 2023 - the resignation of Kate Jones and the appointment of Dr Katrina Tarizzo. We are sad to be saying goodbye to Kate - she has been an invaluable member of the team, providing sound wisdom, advice and guidance, in particular as chair of the audit committee. We wish her every success in the future.

Dr Katrina Tarizzo is an experienced executive and non-executive main board director/ chair and early-stage investor with particular expertise in the financial services, internet technology and real estate sectors. She has a solid understanding of corporate governance and director obligations in both private and listed companies based in the UK, Channel Islands and overseas, is a Doctoral graduate of the London Business School, and is bi-lingual in English and Italian.

Katrina is, and has been since 2007, a Guernsey Financial Services Commission approved director of City Living PCC Limited, a company listed on the International Stock Exchange. We are delighted to welcome Katrina as a director of the company. She brings considerable skill and experience to the Board and I look forward to working with her over the coming years.

Outlook

Our Manager is reporting a healthy pipeline of potential new businesses with excellent growth potential for future investment. Coupled with the good performance of the existing portfolio, and continued strong inflows, it suggests that the future prospects for the Company remain positive despite the wider economic uncertainty. Accordingly, I look forward to my next report to Shareholders.

Peter LR Hewitt, JP FCSI

Non-executive Chairman

24 August 2023

For any matters relating to your shareholding in the Company, please contact The City Partnership (UK) Limited on 01484 240 910, or by email at registrars@city.uk.com. For any other matters, please contact Blackfinch Investments Limited ("Blackfinch") on 01452 717 070 or by email at enquiries@blackfinch.com. Blackfinch maintains a website for the Company <https://blackfinch.com/ventures/service/springvct/>

Investment Manager's Review

The months to the end of the tax year typically sees the peak of the Company's investment activity, and this year was no exception with thirteen investments completing on 31st March.

A further investment in June brought the total in the period to fourteen.

Two were new companies:

- **RideTandem** – a dynamic transport provider that partners with local taxi and minibus companies to provide businesses with shared transport for employees' commutes and other journeys – reducing cost, congestion and carbon footprint.
- **Up Learn** – a successful education business with a comprehensive, adaptive e-Learning platform that helps school students achieve better grades. With a strong track record at A-levels, it is investing to expand to the larger GCSE market.

The remaining investments were follow-on investments in established portfolio companies that were raising additional capital to extend their growth potential. Several were at appreciably higher valuations, reflecting their strong performance and potential for returns. These included the June investment, into portfolio company Odore, which was part of a funding round led by a third-party investor.

Some companies have seen a period of flatter growth in the face of more difficult market conditions. The recruitment sector has responded quickly to the downturn, resulting in a more challenging environment for both Placed and RecruitmentSmart. However, we expect the sector to pick up equally quickly when confidence in the economy returns. Similarly, Cyclr saw a drop in investment value during the period, though this is primarily a correction to the exuberance of its highly successful raise in 2022.

Other companies have performed extremely well, including Illuma. Its platform for ethical online advertising has seen superb revenue growth on the back of our recent investments. Meanwhile, the biggest valuation increase in the period was from Transreport, with its solution to enable public transport passengers who have restricted mobility to receive assistance on their journeys. The business has secured its first rail contract in Japan, its first airport contract, and it is in the midst of a large funding round that has already included strategic investment from a Japanese firm.

The future pipeline remains healthy with a steady supply of inspiring technology-enabled companies reaching the appropriate stage of growth and maturity, coupled with the resilience and leadership to handle the economic risks ahead. Many promising opportunities are being unearthed by the Blackfinch deal team, while strong relationships with other investment firms continue to result in high-quality referrals, along with those from our founders' networks.

Since the end of the period, a further investment has closed into a new company that continues to diversify the Company's portfolio. We expect more funds to be deployed in the months ahead and I look forward to reporting on this activity in the annual report.

Richard Cook

Founder and CEO Blackfinch Investments Limited

24 August 2023

Investment Manager's Review

Investment Portfolio

	As at 30 June 2023			As at 31 December 2022			As at 30 June 2022		
	Cost £'000	Valuation £'000	% of total assets value	Cost £'000	Valuation £'000	% of total assets value	Cost £'000	Valuation £'000	% of total assets value
Illuma Technology Ltd	1,218	2,063	8.1	1,130	1,835	9.5	700	700	4.0
Transreport Limited	770	1,711	6.8	770	1,020	5.3	770	1,113	6.3
Startpulsing Limited	1,575	1,575	6.2	1,400	1,485	7.7	1,200	1,553	8.8
Teamed Ltd	1,280	1,403	5.5	1,280	1,489	7.7	-	-	-
Watchmycompetitor.com Ltd	980	1,380	5.5	700	765	4.0	700	700	4.0
Cyclr Systems Limited	1,300	1,300	5.1	1,300	1,483	7.7	1,300	1,679	9.6
Staffcircle Ltd	1,263	1,263	5.0	1,000	1,000	5.2	1,000	1,000	5.7
Client Share Ltd	858	1,178	4.7	700	758	3.9	700	798	4.5
Brooklyn Supply Chain Solutions Ltd	1,163	1,163	4.6	900	900	4.7	900	1,029	5.9
Currensea Ltd	1,075	1,075	4.2	1,075	1,075	5.6	-	-	-
Odore Limited	830	922	3.6	430	430	2.2	430	430	2.4
Tended Ltd	875	881	3.5	700	706	3.7	200	200	1.2
Cultureshift Communications Ltd	780	868	3.4	500	500	2.6	500	621	3.5

Investment Manager's Review

Investment Portfolio Cont.

	As at 30 June 2023			As at 31 December 2022			As at 30 June 2022		
	Cost £'000	Valuation £'000	% of total assets value	Cost £'000	Valuation £'000	% of total assets value	Cost £'000	Valuation £'000	% of total assets value
Recruitment Smart Technologies Ltd	780	780	3.1	780	780	4.0	-	-	-
Measure Protocol Limited	680	680	2.7	400	412	2.1	400	400	2.3
Placed Recruitment Limited	600	600	2.4	600	600	3.1	600	600	3.4
Kokoon Technology Ltd	500	521	2.1	500	500	2.6	200	200	1.2
Spotless Water Ltd	459	516	2.0	459	496	2.6	459	637	3.6
Edozo Limited	463	514	2.0	200	200	1.0	200	214	1.2
Tangle Software Inc.	490	490	1.9	350	350	1.8	-	-	-
CollectiveTech Limited	440	440	1.7	-	-	-	-	-	-
Up Learn Limited	360	360	1.4	-	-	-	-	-	-
Total fixed asset investments	18,739	21,683	85.5	15,174	16,784	87.0	10,259	11,874	67.6
Net Current Assets	3,672	3,672	14.5	2,483	2,483	13.0	5,687	5,687	32.4
Net Assets	22,411	25,355	100.0	17,657	19,267	100.0	15,946	17,561	100.0

Investment Manager's Review

Portfolio Companies - Top Ten Holdings



Illuma Technology Ltd

Illuma is a digital advertising company that offers advanced technology designed to select the best websites on which to deploy adverts to generate the highest response rates. Its artificial intelligence learns in real-time, determining the optimum context in which to place any given advert. Illuma's product offers an alternative to traditional cookie-based targeting, which suffer from privacy concerns and Google's plans to remove cookies altogether. Since investment, Illuma has grown its revenue almost 4x, expanded to the US, and has secured large global customers such as Procter & Gamble and Sky.

Company sector	Advertising Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£1.22m
Blackfinch Spring VCT cost of investment in the period	£88k
Blackfinch Spring VCT total value of investment	£2.06m
Equity held by Blackfinch Spring VCT	10.5%
Initial investment date	August 2021

Investment Manager's Review

Portfolio Companies - Top Ten Holdings



Transreport Limited

Transreport's innovative technology platform makes it easy for people with reduced mobility to book and receive the special assistance they need for their journey. As well as this 'Passenger Assist' app, the company has developed a suite of platforms targeting the industry's digital transformation and has a strong vision to address a broader range of journeys spanning rail, air and road. Transreport has secured an exclusive, long-term contract with the entire British rail network. Since investment Transreport has grown its monthly revenue 2.5x, and expanded both internationally into Japan, and into airports. Transreport has also been very successful in gaining high profile recognition. The founder was invited to the 2023 G7 Business Summit where he met with the UK Prime Minister Rishi Sunak.

Company sector	Transport Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£770k
Blackfinch Spring VCT cost of investment in the period	-
Blackfinch Spring VCT total value of investment	£1.71m
Equity held by Blackfinch Spring VCT	7.2%
Initial investment date	December 2020

Investment Manager's Review

Portfolio Companies - Top Ten Holdings



Startpulsing Limited

Startpulsing Limited, trading as OnePulse, allows global brands to gain feedback on ideas in real time from a community of thousands. With responses coming in minutes, it helps companies carefully tailor their products and campaigns to ensure that customers are happy and engaged. It also allows consumers to directly impact the decision-making of companies they use every day whilst earning money and staying on top of product releases. Since investment, OnePulse has grown its monthly recurring revenue over 2.5x and secured new enterprise clients including Pepsi, Coinbase, and TikTok.

Company sector	Market Intelligence Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£1.58m
Blackfinch Spring VCT cost of investment in the period	£175k
Blackfinch Spring VCT total value of investment	£1.58m
Equity held by Blackfinch Spring VCT	11.9%
Initial investment date	March 2021

Investment Manager's Review

Portfolio Companies - Top Ten Holdings



Teamed Ltd

Teamed simplifies the process for companies hiring and managing employees internationally, without the need to set up entities abroad. Its Employee-as-a-Service solution allows employers to seamlessly manage the entire hiring and employee management process, from employment and compliance, to payroll, payments and localised benefits, all in one place. It saves employers the stress, time and cost of doing it all themselves. The core value proposition of Teamed is socially positive as it supports the hiring of employees in remote regions, where residents may otherwise not have access to such well paid jobs.

Company sector	HR Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£1.28m
Blackfinch Spring VCT cost of investment in the period	-
Blackfinch Spring VCT total value of investment	£1.40m
Equity held by Blackfinch Spring VCT	13.7%
Initial investment date	September 2022

Investment Manager's Review

Portfolio Companies - Top Ten Holdings



Watchmycompetitor.com Ltd

WatchMyCompetitor offers a business intelligence platform that enables organisations to monitor competitors, clients and key partners, tracking product launches, promotions and important business changes. The company's cloud-based platform uses machine learning technology to track the public developments of companies all over the world. Its dashboard summarises current insights, whilst daily feeds – automatically generated but curated by a human analyst – keep customers on top of any rapidly changing market events. Since investment, WatchMyCompetitor has grown its monthly revenue over 2x, and secured top-tier clients including Amazon, Hyundai and Virgin Media.

Company sector	Market Intelligence Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£980k
Blackfinch Spring VCT cost of investment in the period	£280k
Blackfinch Spring VCT total value of investment	£1.38m
Equity held by Blackfinch Spring VCT	9.1%
Initial investment date	August 2021

Investment Manager's Review

Portfolio Companies - Top Ten Holdings



Cyclr Systems Limited

Cyclr has a plug-and-play solution that helps software companies connect their product to data from third-party platforms. The solution avoids having to develop these 'integrations' from scratch, enabling clients to satisfy requests for new integrations far faster and at a fraction of the cost of developing them internally. Cyclr's solution to this problem is applicable globally, connects to over 400 of the world's most popular platforms, and its graphical, no-code approach sets it apart from the competition. Since investment, Cyclr has already tripled its revenue, launched a new product, and opened an office in Canada.

Company sector	Software Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£1.30m
Blackfinch Spring VCT cost of investment in the period	-
Blackfinch Spring VCT total value of investment	£1.30m
Equity held by Blackfinch Spring VCT	8.7%
Initial investment date	March 2021

Investment Manager's Review

Portfolio Companies - Top Ten Holdings



Staffcircle Ltd

StaffCircle is an agile business whose online human resources (HR) platform enables companies to engage and manage their staff, especially remote workers, or those without desk jobs. The platform allows effective communication through any device, from desktop computers to mobile phones, a flexibility which is proving invaluable for the accelerated trend towards remote working. It is led by a committed founder who has an impressive track record founding and exiting three previous start-ups. The company's platform has clearly differentiated market positioning and is steadily accumulating more and more customers.

Company sector	HR Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£1.26m
Blackfinch Spring VCT cost of investment in the period	£263k
Blackfinch Spring VCT total value of investment	£1.26m
Equity held by Blackfinch Spring VCT	9.7%
Initial investment date	April 2022

Investment Manager's Review

Portfolio Companies - Top Ten Holdings



Client Share Ltd

Clientshare specialises in increasing the strength of relationships between buyers and suppliers through its easy-to-use online technology platform. Its 'Service Governance' products help large organisations maintain strong relationships with their clients, and deliver the insights needed to tackle emerging problems. The effect is to increase customer retention and reduce churn. Having already secured enterprise customers such as HP and Compass Group prior to the Company's investment, Clientshare has subsequently grown in revenue over 2.5x, and secured additional major customers such as EY. The business has also planted over 5,200 trees in the 'Clientshare Forest', based on customers' use of its platform.

Company sector	Service Governance Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£858k
Blackfinch Spring VCT cost of investment in the period	£158k
Blackfinch Spring VCT total value of investment	£1.18m
Equity held by Blackfinch Spring VCT	10.2%
Initial investment date	March 2021

Investment Manager's Review

Portfolio Companies - Top Ten Holdings



Brooklyn Supply Chain Solutions Ltd

Trading as Brooklyn Vendor Assurance, the company has created a platform that allows the world's largest businesses to manage their supplier contracts. The solution maps and governs organisations in areas including risks, performance, ESG, and compliance. Brooklyn's customers include large enterprises such as Danske Bank and Sainsburys, with the product catering for the very complex needs of the world's largest organisations who spend millions on compliance and governance each year. Since investment, the company has expanded its deployments within existing enterprise clients, as well as securing new long-term contracts with organisations such as Cumberland Building Society. Brooklyn also has an ESG partnership with Positive Impact Commerce (PIC), with the company's platform enabling its customers to manage their suppliers' environmental performance, including automated scoring and tracking.

Company sector	Supply Chain Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£1.16m
Blackfinch Spring VCT cost of investment in the period	£263k
Blackfinch Spring VCT total value of investment	£1.16m
Equity held by Blackfinch Spring VCT	12.2%
Initial investment date	March 2021

Investment Manager's Review

Portfolio Companies - Top Ten Holdings



Currensea Ltd

Currensea is the UK's first travel-focused direct debit card which connects directly with a consumer's traditional high street current account. The product allows customers to spend money abroad at the lowest exchange fees, while removing the need to top up or set up a new bank account. The company also operates corporate and affinity partnerships, where participating organisations and charities can provide free branded cards to their members for mutual benefits. Since investment, Currensea has already grown revenue over 2.5x, and is preparing the launch of another debit card product. Currensea is a registered carbon neutral business, and card users can also choose to donate a percentage of their savings to one of its charity partners such as Plastic Bank, which removes plastic from the oceans, or the Dogs Trust.

Company sector	Financial Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£1.07m
Blackfinch Spring VCT cost of investment in the period	-
Blackfinch Spring VCT total value of investment	£1.07m
Equity held by Blackfinch Spring VCT	5.8%
Initial investment date	August 2022

Investment Manager's Review

Pipeline Overview

Company 1

A high-growth business with an innovative solution for mobile phone companies, providing them with virtual SIM card technology. It improves their customers' experience whilst giving more detailed insights on their behaviour. The company operates in a rapidly growing market in which it has already established a profitable niche, having tripled its revenue in 2022.

Company sector	Telecom Tech
Stage	Scale-up
Asset class	Equity

Investment Manager's Review

Pipeline Overview

Company 2

An impressive software company supplying online retailers with solutions to improve the customer experience both before and after a purchase. Its simple 'plug and play' interface integrates with common sales solutions, providing an end-to-end system to track orders and communicate with customers.

Company sector	Customer Experience Tech
Stage	Scale-up
Asset class	Equity

Investment Manager's Review

Pipeline Overview

Company 3

A pioneering company transforming the construction industry with 360° photography and advanced computer vision. Its platform matches views of what's been built with detailed digital models of the plans to confirm construction has been completed correctly and to specification. It is already displacing larger competitors and has doubled revenue over the last year.

Company sector	Property Tech
Stage	Scale-up
Asset class	Equity

Investment Manager's Review

Pipeline Overview

Company 4

A rapidly growing business that has created a platform connecting students with local events, fostering engagement and brand opportunities through its exclusive on-campus advertising. With long-term contracts from top web and data providers, the company has access to millions of students at universities around the world.

Company sector	Event Tech
Stage	Scale-up
Asset class	Equity

Investment Manager's Review

Pipeline Overview

Company 5

This innovative company has created a user-friendly online platform to handle utility bills in shared accommodation. Initially aimed at students, it streamlines the division and collection of bills between the occupants. Now expanding to renters and homeowners, it aims to transform shared living expense management, establishing itself as a leader in this thriving market.

Company sector	Utilities Tech
Stage	Scale-up
Asset class	Equity

Investment Manager's Review

Pipeline Overview

Company 6

This ingenious company revolutionises commercial kitchen operations with state-of-the-art AI and computer vision. Using a network of cameras, its solution monitors cooking and packing processes, improving restaurant performance, boosting service speed, and reducing errors. It already has pilots with numerous fast-food giants and has surpassed its competition in performance tests.

Company sector	Food Tech
Stage	Scale-up
Asset class	Equity

Principal Risks and Uncertainties

The Company's assets consist of equity and cash. The Company's 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 how they are managed, are described under the heading "Principal and Emerging Risks" in the Strategic Report and in Note 18 to the Financial Statements in the Company's Annual Report and Financial Statements for the period ended 31 December 2022.

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 Report

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with FRS 104 “Interim Financial Reporting”;
- The Chairman’s Statement and Investment Manager’s Review (constituting the interim management report) include a true and 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 six month period to 30 June 2023 and their impact on the condensed set of financial statements;
- The “Statement of Principal Risks and Uncertainties” on page 26 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 Company during that period.

For and on behalf of the Board

Peter LR Hewitt

Chairman

24 August 2023

Income Statement

for the six month period ended 30 June 2023

	Note	Revenue £'000	Capital £'000	Total £'000
Return on investments		-	1,336	1,336
Investment management fee		(75)	(228)	(303)
Other expenses		(209)	-	(209)
Loss on ordinary activities before taxation		(284)	1,108	(824)
Taxation on ordinary activities		-	-	-
Loss and total comprehensive income attributable to shareholders		(284)	1,108	(824)
Return per share (pence)				
Ordinary shares (pence)	6	(1.16)	4.52	3.36

Income Statement

for the year ended 31 December 2022 (audited)

	Note	Revenue £'000	Capital £'000	Total £'000
Return on investments		-	438	438
Investment management fee		(107)	(320)	(427)
Incidental investment expenses		-	-	-
Other expenses		(337)	-	(337)
Loss on ordinary activities before taxation		(444)	118	(326)
Taxation on ordinary activities		-	-	-
Loss and total comprehensive income attributable to shareholders		(444)	118	(326)
Return per share (pence)				
Ordinary shares (pence)	6	(2.48)	0.66	(1.82)

Income Statement

for the six month period ended 30 June 2022

	Note	Revenue £'000	Capital £'000	Total £'000
Return on investments		-	442	442
Investment management fee		(49)	(146)	(195)
Other expenses		(152)	-	(152)
Loss on ordinary activities before taxation		(201)	296	95
Taxation on ordinary activities		-	-	-
Loss and total comprehensive income attributable to shareholders		(201)	296	95
Return per share (pence)				
Ordinary shares (pence)	6	(1.24)	1.82	0.58

The total column of this Income Statement represents the profit and loss account of the Company. The supplementary revenue and capital columns have been prepared in accordance 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. There is no other comprehensive income other than the results for the period discussed above. Accordingly, a Statement of Total Comprehensive Income is not required.

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

The accompanying notes on pages 36 and 37 are an integral part of the statement.

Statement of Changes In Equity

for the six month period ended 30 June 2023 (unaudited)

	Non-distributable reserves			Distributable reserves		
	Share capital £'000	Share premium £'000	Capital reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total reserve £'000
Opening balance as at 1 January 2023	212	19,556	1,610	(1,103)	(1,008)	19,267
Total comprehensive income for the period	-	-	1,336	(228)	(284)	824
Contributions by and distributions to owners						
Share issues and buy backs	58	5,253	-	-	-	5,311
Share issue expenses	-	(47)	-	-	-	(47)
Closing balance as at 30 June 2023	270	24,762	2,946	(1,331)	(1,292)	25,355

Statement of Changes In Equity

for the year ended 31 December 2022 (audited)

	Non-distributable reserves			Distributable reserves		
	Share capital £'000	Share premium £'000	Capital reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total reserve £'000
Opening balance as at 1 January 2022	126	11,809	1,172	(783)	(564)	11,760
Total comprehensive income for the period	-	-	438	(320)	(444)	(326)
Contributions by and distributions to owners						
Share issues and buy backs	86	7,818	-	-	-	7,904
Share issue expenses	-	(71)	-	-	-	(71)
Closing balance as at 31 December 2022	212	19,556	1,610	(1,103)	(1,008)	19,267

Statement of Changes In Equity

for the six month period ended 30 June 2022 (unaudited)

	Non-distributable reserves		Distributable reserves			
	Share capital £'000	Share premium £'000	Capital reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total reserves £'000
Opening balance as at 1 January 2022	126	11,809	1,172	(783)	(564)	11,760
Total comprehensive income for the period	-	-	442	(146)	201	95
Contributions by and distributions to owners						
Share issues and buy backs	62	5,692	-	-	-	5,754
Share issue expenses	-	(48)	-	-	-	(48)
Closing balance as at 30 June 2022	188	17,453	1,614	(929)	765	17,561

The accompanying notes on pages 36 and 37 are an integral part of the statement.

Condensed Balance Sheet

as at 30 June 2023

	Note	30 June 2023 (unaudited) £'000	31 December 2022 (audited) £'000	30 June 2022 (unaudited) £'000
Fixed assets				
Investments held at fair value		21,683	16,784	11,874
Current assets				
Debtors		6	2	5
Cash at bank		3,933	2,685	5,848
		3,939	2,687	5,853
Current liabilities				
Creditors: amounts falling due within one year		(267)	(204)	(166)
Net current assets		3,672	2,483	5,687
Net assets		25,355	19,267	17,561
Capital and reserves				
Called up share capital		270	212	188
Share premium account		24,762	19,556	17,453
Capital reserve		1,615	507	685
Revenue reserve		(1,292)	(1,008)	(765)
Equity shareholders' funds	6	25,355	19,267	17,561
Net asset value per share (p)		93.85	90.85	93.19

The accompanying notes on pages 36 and 37 are an integral part of the balance sheet.

Statement of Cash Flows

for the six month period ended 30 June 2023

	Six month period ended 30 June 2023 (unaudited) £'000	Year ended 31 December 2022 (audited) £'000	Six month period ended 30 June 2022 (unaudited) £'000
Cash flows from operating activities			
Investment Manager's fees paid	(320)	(392)	(190)
Directors' fees	(20)	(61)	(31)
Other cash payments	(121)	(276)	(133)
Net cash outflow from operating activities	(461)	(729)	(354)
Cash flows from investing activities			
Purchase of investments	(3,562)	(9,385)	(4,470)
Net cash outflow from investing activities	(3,562)	(9,385)	(4,470)
Net cash outflow before financing	(4,023)	(10,114)	(4,824)
Cash flows from financing activities			
Proceeds from share issues	5,311	7,904	5,754
Share issues costs	(40)	(71)	(48)
Net cash inflow from financing	5,271	7,833	5,706
Reconciliation of net cash flow to movement in net cash			
(Decrease)/increase in cash and cash equivalents	1,248	(2,281)	882
Cash and cash equivalents at the beginning of the period	2,685	4,966	4,966
Cash and cash equivalent at the end of the period	3,933	2,685	5,848
Reconciliation of loss on ordinary activities before taxation to net cash outflow from operating activities			
Profit/(loss) on ordinary activities before taxation	823	(326)	95
Net (gain) on investments	(1,336)	(438)	(442)
(Increase)/decrease in debtors	(4)	2	(2)
Increase/(decrease) in creditors	56	33	(5)
Net cash outflow from operating activities	(461)	(729)	(354)

The accompanying notes on pages 36 and 37 are an integral part of the statement.

Notes to the Financial Statements

for the six months ended 30 June 2023

1. General information

The Company is a public limited company incorporated in England and Wales. The registered address is 1350-1360 Montpelier Court, Gloucester Business Park, Gloucester, England, GL3 4AH. The principal activity is investing in un-listed growth companies.

2. Basis of accounting

The half-yearly financial report covers the six month period ended 30 June 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 year ended 31 December 2022 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 directors have made an assessment of the Company’s ability 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 on which these financial statements were approved).

In reaching this conclusion the directors took into 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 profit attributable to shareholders for the six month period ended 30 June 2023 of £823,497 (30 June 2022: loss of £95,229) and the weighted average number of ordinary shares in issue during the period of 24,509,232 (30 June 2022: 16,277,777). 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 June 2023 is based on net assets of £25,354,656 (30 June 2022: £17,561,045) and the number of ordinary shares in issue on 30 June 2023 of 27,015,720 (30 June 2022: 18,844,394). There is no difference between basic and diluted net asset value per share.

7. Related party transactions

The Company retains Blackfinch Investments Limited as its Investment Manager. In addition to the investment management fee, Blackfinch Investments Limited also receives a secretarial and administration fee, paid quarterly. During the six month period ended 30 June 2023, £303,390 (30 June 2022: £195,134) and £36,452 (30 June 2022: £29,754) was charged by Blackfinch Investments Limited for investment management services and administration fees respectively.

At the end of the six month period ended 30 June 2023, £185,075 (30 June 2022: £Nil) was due to Blackfinch Investments Limited.

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

		30 June 2023	30 June 2022
		Shares held	Shares held
Peter Hewitt	Director	5,063	5,038
Kate Jones	Director	-	-
Reuben Wilcock	Director	3,298	3,282

Copies of the half-yearly report are being made available to all shareholders. Further copies are available free of charge from Blackfinch by telephoning 01452 717070 or by email to enquiries@blackfinch.com.

Directors and Advisers

Directors (all non-executive)

Peter Lionel Raleigh Hewitt (Chairman)

Dr Katrina Tarizzo

Dr Reuben Wilcock

Solicitors and Sponsor

Howard Kennedy Corporate Services LLP

No. 1 London Bridge

London, SE1 9BG

All of:

Registered Office at

1350-1360 Montpellier Court

Gloucester Business Park

Brockworth, Gloucester

Gloucestershire, GL3 4AH

Registrars

The City Partnership (UK) Limited

The Mending Rooms

Park Valley Mills

Meltham Road

Huddersfield, HD4 7BH

VCT Tax Adviser

Philip Hare & Associates LLP

6 Snow Hill

London

EC1A 2AY

Auditor

BDO LLP

55 Baker Street

London, W1U 7EU

Secretary

The City Partnership (UK) Limited

The Mending Rooms

Park Valley Mills

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Investment Manager, Promoter and Administrator

Blackfinch Investments Limited

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