



BLACKFINCH
VENTURES

Blackfinch Spring VCT plc
Half-yearly Report
For the six months ended 30 June 2022

Contents

Highlights	03
Chairman’s Statement	04
Investment Manager’s Review	06
Principal Risks and Uncertainties	30
Statement of Directors’ Responsibilities	31
Income Statement	32
Statement of Changes in Equity	35
Condensed Balance Sheet	38
Statement of Cash Flows	39
Notes to the Financial Statements	40
Directors and Advisers	42

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 but cannot guarantee 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. The Company’s ability to pay dividends is subject to the existence of realised profits, legislative requirements and the available cash reserves of the Company. No forecast or projection is implied or inferred.

Key Data	Six month period ended 30 June 2022	Year ended 31 December 2021	Six month period ended 30 June 2021
Net Asset Value (“NAV”)	£17,561,045	£11,759,947	£9,794,114
Shares in issue	18,844,394	12,633,843	10,809,654
NAV per ordinary share	93.19p	93.08p	90.60p
Share price	88.50p	85.00p	86.50p

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 2022. During this period your Company allotted a further 6,210,551 shares. It brought the total raised under the current offer to £6.8m, comparable to the £6.5m at the same date under the previous offer despite the present global uncertainties. We very much appreciate this continued investor confidence in our ability to secure investments in some of the UK's most promising high-growth technology businesses.

New Investments

With these additional funds in place, your Company has been able to continue its strong investment activity, with eight investments being made in the period for a total of £4.5m. Five were follow-on investments into strongly performing portfolio companies, all at increased valuations. The other three were into promising new technology-enabled businesses, in sectors from HR Tech to Market Research. They bring the total size of the portfolio to sixteen in less than two years since the first investment.

Technology Valuations

Public market valuations in the technology sector have seen a substantial decrease this year, which has fed through to private valuations. A few of the Company's investments at the end of last year have seen reduced values as a consequence, despite growing their own revenues. However, we are pleased to report that, across the portfolio, the value of holdings has increased since last year, with the high growth of portfolio companies outweighing the negative effects of the market.

Global Risks

The war in Ukraine and the deteriorating economic outlook brings new risks alongside the ongoing effects of the COVID-19 outbreak. As with the early COVID-19 lockdowns, some sectors are likely to be more affected than others, and consumer-facing businesses can expect to face the biggest challenges. However, there is good diversification in the Company's portfolio, which comprises exactly the dynamic, innovative businesses that are best placed to respond to such threats.

So far this year, all portfolio companies have made strong progress, and Blackfinch Investments Limited (the “Investment Manager” or “Manager”) is paying close attention to the potential risks faced by both existing and prospective investee companies. Encouragingly the Manager is still reporting a strong pipeline of potential new businesses with excellent growth potential despite the near-term economic environment.

Outlook

The Company has continued to make excellent progress towards its objectives this year. Whilst the economic risks ahead create challenges, they also force many organisations to re-assess their operations and to look for novel solutions from technology-enabled businesses such as those your Company funds and supports. As the Company scales up, we can expect to see further benefits in economies of scale and diversification. I very much look forward to the next report to Shareholders.

Peter LR Hewitt, JP FCSI

Non-executive Chairman

30th August 2022

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 www.blackfinch.ventures/vct

Investment Manager's Review

As usual, the period up to the end of the tax year saw the peak of the Company's investment activity, with a total of eight investments completed on 1st April.

An aggregate £2m was invested into three new companies. One of these, Staffcircle, was a Blackfinch EIS portfolio company that had performed extremely well over two years, and had reached the scale appropriate for the Company. Its founder is extremely experienced and the business offers exciting potential.

The other two new companies were Placed, a fast-growing business offering a CV-free recruitment platform focused on Gen Z employees; and Measure Protocol, which takes a highly ethical approach to collecting market research data from consenting consumers' mobile phones. Both have excellent growth potential, and they illustrate the increasing diversification within the Company's portfolio.

Encouragingly, the other five investments, for a total of £2.5m, were follow-ons into portfolio companies in which we had invested a year earlier. All had grown well and the new investments were at higher valuations, either driven by our valuation model or in some cases by external investors. Portfolio company Cyclr in particular ran a very effective Series A raise in which several other venture capital firms were competing amongst themselves to invest alongside us. This competition drove up the valuation to the benefit of our existing holding.

Other portfolio companies also made solid progress, increasing revenues and achieving planned milestones. Some companies saw their valuations reduced but only because of the external effect of sentiment in the public markets. Despite that effect, there was an overall net increase in portfolio valuations. This growth across the portfolio is set to continue in the second half of the year, subject to any further impact from public markets.

The future pipeline remains healthy with a constant supply of exciting 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 increasingly strong relationships with other investment firms are resulting in high-quality referrals, along with those from our founders' networks.

Since the end of the period, a further [four] investments have closed, [three] of which were into new companies that continue 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

30th August 2022

Investment Manager's Review

Investment Portfolio

	As at 30 June 2022			As at 31 December 2021		
	Cost (£)	Valuation (£)	% of total net assets value	Cost (£)	Valuation (£)	% of total net assets value
Brooklyn Supply Chain Solutions Ltd	900,000	1,028,717	5.86	500,000	527,720	4.50
Client Share Ltd	700,000	797,608	4.54	400,000	462,418	3.93
Cultureshift Communications Ltd	500,000	621,549	3.54	500,000	624,376	5.31
Cyclr Systems Limited	1,300,000	1,678,921	9.56	500,000	695,943	5.92
Edozo Limited	200,000	214,175	1.22	200,000	227,534	1.93
Illuma Technology Ltd	700,000	700,000	3.99	700,000	736,685	6.26
Kokoon Technology Ltd	200,000	200,000	1.13	200,000	200,000	1.70
Measure Protocol Limited	400,000	400,000	2.28	-	-	-
Movebubble Limited	-	-	-	549,997	-	-
Odore Limited	430,000	430,000	2.45	430,000	430,000	3.66
Placed Recruitment Limited	600,000	600,000	3.42	-	-	-
Spotless Water Ltd	459,278	636,920	3.63	459,278	706,055	6.00
Staffcircle Ltd	1,000,000	1,000,000	5.70	-	-	-
Startpulsing Limited	1,200,000	1,553,154	8.84	500,000	684,289	5.82
Tended Ltd	200,000	200,000	1.14	200,000	200,000	1.70
Transreport Limited	770,000	1,113,125	6.33	500,000	647,155	5.50
Watchmycompetitor.com Ltd	700,000	700,000	3.99	700,000	819,350	6.97
Total fixed asset investments	10,259,278	11,874,169	67.62	6,339,275	6,961,525	59.20
Net current assets	5,686,876	5,686,879	32.38	4,798,422	4,798,422	40.80
Net assets	15,946,154	17,561,045	100.00	11,137,697	11,759,947	100.00

Investment Manager's Review

Investment Portfolio Cont.

As at 30 June 2021

	Cost (£)	Valuation (£)	% of total net assets value
Brooklyn Supply Chain Solutions Ltd	500,000	500,000	5.11
Client Share Ltd	400,000	400,000	4.08
Cultureshift Communications Ltd	-	-	-
Cyclr Systems Limited	500,000	500,000	5.11
Edozo Limited	200,000	200,000	2.04
Illuma Technology Ltd	-	-	-
Kokoon Technology Ltd	-	-	-
Measure Protocol Limited	-	-	-
Movebubble Limited	549,997	549,997	5.61
Odore Limited	-	-	-
Placed Recruitment Limited	-	-	-
Spotless Water Ltd	459,278	459,278	4.68
Staffcircle Ltd	-	-	-
Startpulsing Limited	500,000	500,000	5.11
Tended Ltd	-	-	-
Transreport Limited	500,000	500,000	5.11
Watchmycompetitor.com Ltd	-	-	-
Total fixed asset investments	3,609,275	3,609,275	36.85
Net current assets	6,184,839	6,184,839	63.15
Net assets	9,794,114	9,794,114	100.00

Investment Manager's Review

Portfolio Companies



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 all aspects of their supplier contracts. The solution promotes governance throughout an organisation in areas including risks, performance, ESG, and compliance. Brooklyn's customers include large enterprises such as Danske Bank and Sainsburys, the product being notable in catering for the very complex needs of the world's largest organisations who spend millions on compliance and governance each year.

Company sector	Supply Chain Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£900,000
Blackfinch Spring VCT cost of investment in the period	£400,000
Blackfinch Spring VCT total value of investment	£1,028,717
Equity held by Blackfinch Spring VCT	9.6%
Initial investment date	March 2021

Investment Manager's Review

Portfolio Companies



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 offering targets information gaps in professional contracts and relationships, increasing customer retention, and reducing churn. Clientshare is helping support the 'Service Governance Space' and its customers include large enterprises such as EY, HP and Compass Group.

Company sector	Service Governance Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£700,000
Blackfinch Spring VCT cost of investment in the period	£300,000
Blackfinch Spring VCT total value of investment	£797,608
Equity held by Blackfinch Spring VCT	9.2%
Initial investment date	March 2021

Investment Manager's Review

Portfolio Companies

CULTURE SHIFT

Cultureshift Communications Ltd

Cultureshift is a purpose-driven company that is on a mission to improve workplace mental health, equality and wellbeing. Its software-as-a-service platform allows the reporting and effective management of incidents of bullying and harassment, whilst analytics and insights help companies reduce the frequency of such incidents and improve their overall culture. Having already established a significant position amongst universities, Cultureshift is making strong inroads into other sectors.

Company sector	HR Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£500,000
Blackfinch Spring VCT cost of investment in the period	£0
Blackfinch Spring VCT total value of investment	£621,549
Equity held by Blackfinch Spring VCT	7.7%
Initial investment date	August 2021

Investment Manager's Review

Portfolio Companies



Cyclr Systems Ltd

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 300 of the world's most popular platforms, and its graphical, no-code approach sets it apart from the competition.

Company sector	Software Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£1,300,000
Blackfinch Spring VCT cost of investment in the period	£800,000
Blackfinch Spring VCT total value of investment	£1,678,921
Equity held by Blackfinch Spring VCT	9.2%
Initial investment date	March 2021

Investment Manager's Review

Portfolio Companies



Edozo Limited

Edozo has created an online web platform that increases the accuracy and efficiency of commercial property research and valuation. Its innovative mapping tool can highlight boundaries in a single click and its valuation database is organically populated by a growing customer list. The company's long-term goal is to develop a completely automated commercial property valuation tool.

Company sector	Property Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£200,000
Blackfinch Spring VCT cost of investment in the period	£0
Blackfinch Spring VCT total value of investment	£214,175
Equity held by Blackfinch Spring VCT	2.4%
Initial investment date	June 2021

Investment Manager's Review

Portfolio Companies



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. It does so ethically without the use of cookies or users' personal data, unlike many competing technologies which it regularly outperforms in benchmark tests.

Company sector	Advertising Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£700,000
Blackfinch Spring VCT cost of investment in the period	£0
Blackfinch Spring VCT total value of investment	£700,000
Equity held by Blackfinch Spring VCT	8.7%
Initial investment date	August 2021

Investment Manager's Review

Portfolio Companies



Kokoon Technology Ltd

Kokoon is a sleep technology company whose well designed noise-cancelling headphones include bio-sensors that measure when you fall asleep, automatically fading out audio and introducing masking white noise to protect against disturbances. The connected app offers guided audio content, developed with sleep scientists, to help improve sleep and relaxation, helping users switch off. The company recently launched an award-winning new in-ear version of its headphones.

Company sector	Sleep Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£200,000
Blackfinch Spring VCT cost of investment in the period	£0
Blackfinch Spring VCT total value of investment	£200,000
Equity held by Blackfinch Spring VCT	1.8%
Initial investment date	July 2021

Investment Manager's Review

Portfolio Companies

MEASURE

Measure Protocol Limited

Measure Protocol enables leading technology companies to access highly granular customer experience data. Users on Measure Protocol's platform are asked to perform specific tasks for brands while their activity is captured through screen recording technology. The company's proprietary technology then uses image processing to extract behaviour and data, such as the layout of icons on a mobile phone screen.

Company sector	Market Research Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£400,000
Blackfinch Spring VCT cost of investment in the period	£400,000
Blackfinch Spring VCT total value of investment	£400,000
Equity held by Blackfinch Spring VCT	2.8%
Initial investment date	April 2022

Investment Manager's Review

Portfolio Companies

ODORE

Odore Limited

Odore is a subscription platform that provides brands with a unique insight into customer intentions and shopping habits. The company collects data from consumers that can be used to create personalised campaigns for particular demographics, thereby increasing conversion and retention rates. The data collected is a combination of web analytics coupled with 'zero party' data that a customer intentionally and proactively shares with the brand.

Company sector	Marketing Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£430,000
Blackfinch Spring VCT cost of investment in the period	£0
Blackfinch Spring VCT total value of investment	£430,000
Equity held by Blackfinch Spring VCT	4.3%
Initial investment date	December 2021

Investment Manager's Review

Portfolio Companies



Placed Recruitment Limited

Placed is an impressive recruitment technology business with an online platform built for the retail and hospitality sectors. Its modern CV-less app has strong appeal to the target Gen Z workforce. It is run by a highly committed founder who successfully navigated the significant impacts of the pandemic to achieve strong growth and several major enterprise customer sign-ups in the year prior to the investment.

Company sector	Recruitment Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£600,000
Blackfinch Spring VCT cost of investment in the period	£600,000
Blackfinch Spring VCT total value of investment	£600,000
Equity held by Blackfinch Spring VCT	3.8%
Initial investment date	April 2022

Investment Manager's Review

Portfolio Companies



Spotless Water Ltd

Spotless Water offers a self-service, technology-driven, ultra-pure water distribution network across the UK. Its platform allows window-cleaning businesses to fill up on ultra-pure water at easy-access filling stations throughout the country. Incredibly, this industry uses 40 million litres a day and additional verticals include car cleaning, dentistry, and even aquariums.

Company sector	Water Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£459,278
Blackfinch Spring VCT cost of investment in the period	£0
Blackfinch Spring VCT total value of investment	£636,920
Equity held by Blackfinch Spring VCT	3.8%
Initial investment date	October 2020

Investment Manager's Review

Portfolio Companies



StaffCircle Ltd

StaffCircle is a company with impressively consistent growth that has developed an employee relationship platform. 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	£1,000,000
Blackfinch Spring VCT cost of investment in the period	£1,000,000
Blackfinch Spring VCT total value of investment	£1,000,000
Equity held by Blackfinch Spring VCT	7.8%
Initial investment date	April 2022

Investment Manager's Review

Portfolio Companies



Startpulsing Ltd

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.

Company sector	Marketing Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£1,200,000
Blackfinch Spring VCT cost of investment in the period	£700,000
Blackfinch Spring VCT total value of investment	£1,553,154
Equity held by Blackfinch Spring VCT	10.4%
Initial investment date	March 2021

Investment Manager's Review

Portfolio Companies



Tended Ltd

Tended designs intelligent personal safety wearables. Its patent-pending technology uses machine learning to automatically monitor a user's safety and alert a key contact in the event of an accident or emergency. It saw considerable success during the pandemic with a reliable social distancing product, but now focuses primarily on the safety of lone workers in large organisations.

Company sector	Safety Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£200,000
Blackfinch Spring VCT cost of investment in the period	£0
Blackfinch Spring VCT total value of investment	£200,000
Equity held by Blackfinch Spring VCT	3.0%
Initial investment date	September 2021

Investment Manager's Review

Portfolio Companies



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 a journey. As well as this Passenger Assist app, the firm has developed a suite of products targeting the rail industry's digital transformation, and it has plans to address journeys spanning rail, air and road.

Company sector	Transport Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£770,000
Blackfinch Spring VCT cost of investment in the period	£270,000
Blackfinch Spring VCT total value of investment	£1,113,125
Equity held by Blackfinch Spring VCT	7.2%
Initial investment date	December 2020

Investment Manager's Review

Portfolio Companies



Watchmycompetitor.com Ltd

WatchMyCompetitor is a business intelligence software-as-a-service company that tells customers what their competitors are doing, from price adjustments to product launches and leadership changes. 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.

Company sector	Market Intelligence Tech
Stage	Scale-up
Asset class	Equity
Blackfinch Spring VCT total cost of investment	£700,000
Blackfinch Spring VCT cost of investment in the period	£0
Blackfinch Spring VCT total value of investment	£700,000
Equity held by Blackfinch Spring VCT	7.7%
Initial investment date	August 2021

Investment Manager's Review

Pipeline Overview

Company 1

An exciting fintech business offering consumers a debit card for travellers that removes the bulk of currency exchange costs. Unlike challenger banks, it connects directly to a user's existing high-street bank account, avoiding the need to open a new account or transfer money. The company is also securing long-term 'affinity card' partnerships with major charities, who will brand and market the cards.

Company sector	Fintech
Stage	Scale-up
Asset class	Equity

Investment Manager's Review

Pipeline Overview

Company 2

A very fast-growth “employment-as-a-service” company that enables its clients to employ talent anywhere in the world with a full local contract and benefits but without needing to establish their own local entity. The charismatic founder is taking full advantage of the market’s extremely rapid growth, as companies embrace increasingly distributed workforces in the aftermath of the pandemic.

Company sector	HR Tech
Stage	Scale-up
Asset class	Equity

Investment Manager's Review

Pipeline Overview

Company 3

An impressive recruitment tech business offering a comprehensive platform that uses artificial intelligence to filter applications. It reduces unconscious bias, making the hiring more equitable, while significantly reducing the time taken to recruit. Its technology is highly rated by clients, and uses AI technology to deliver demonstrably better results than competitors.

Company sector	Recruitment Tech
Stage	Scale-up
Asset class	Equity

Investment Manager's Review

Pipeline Overview

Company 4

An exciting early-stage company already delivering big benefits to eCommerce businesses, with its simple, centralised software tools to manage customer messages across multiple channels including shopping platforms and social media. The founders have excellent experience in the space and have already delivered very consistent initial growth.

Company sector	eCommerce Tech
Stage	Scale-up
Asset class	Equity

Investment Manager's Review

Pipeline Overview

Company 5

A dynamic business facilitating the rapid roll-out of home electric car chargers. Its online platform connects manufacturers, installers and end-customers, making it quicker and cheaper to get a charger at home, with much less hassle. The founder has prior experience running and exiting a successful start-up in a similar space, and he is growing this new business at an impressive speed.

Company sector	Electric Car 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, 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 19 to the Financial Statements in the Company's Annual Report and Financial Statements for the year ended 31 December 2021.

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 2022 and their impact on the condensed set of financial statements;
- the “Statement of Principal Risks and Uncertainties” on page 30 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

30th August 2022

Income Statement

for the six month period ended 30 June 2022

	Note	Revenue (£)	Capital (£)	Total (£)
Return on investments		-	442,644	442,644
Investment management fee		(48,784)	(146,350)	(195,134)
Other expenses		(152,281)	-	(152,281)
Loss on ordinary activities before taxation		(201,065)	296,294	95,229
Taxation on ordinary activities		-	-	-
Loss and total comprehensive income attributable to shareholders		(201,065)	296,294	95,229
Return per share (pence)				
Ordinary shares (pence)	6	(1.24)	1.82	0.58

Income Statement

for the year ended 31 December 2021 (audited)

	Note	Revenue (£)	Capital (£)	Total (£)
Return on investments		(549,997)	1,172,247	622,250
Investment management fee		(60,699)	(182,095)	(242,794)
Incidental investment expenses		-	7,500	7,500
Other expenses		(290,625)	-	(290,625)
Loss on ordinary activities before taxation		(901,321)	997,652	96,331
Taxation on ordinary activities		-	-	-
Loss and total comprehensive income attributable to shareholders		(901,321)	997,652	96,331
Return per share (pence)				
Ordinary shares (pence)	6	(9.30)	10.30	1.00

Income Statement

for the six month period ended 30 June 2021

	Note	Revenue (£)	Capital (£)	Total (£)
Investment management fee		(26,213)	(78,639)	(104,852)
Incidental investment expenses		-	7,500	7,500
Other expenses		(127,253)	-	(127,253)
Loss on ordinary activities before taxation		(153,466)	(71,139)	(224,605)
Taxation on ordinary activities		-	-	-
Loss and total comprehensive income attributable to shareholders		(153,466)	(71,139)	(224,605)
Return per share (pence)				
Ordinary shares (pence)	6	(1.95)	(0.91)	(2.86)

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 with the Statement of Recommended Practice, “Financial Statements of Investment Trust Companies and Venture Capital Trusts” (“SORP”) revised in November 2014 and updated in February 2018. 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 40 and 41 are an integral part of the statement.

Statement of Changes In Equity

for the year ended 30 June 2022 (unaudited)

	Non-distributable reserves			Distributable reserves		
	Share capital (£)	Share premium (£)	Capital reserve (£)	Capital reserve (£)	Revenue reserve (£)	Total reserve (£)
Opening balance as at 1 January 2022	126,338	11,808,700	1,172,247	(783,478)	(563,860)	11,759,947
Total comprehensive income for the period	-	-	442,644	(146,351)	(201,064)	95,229
Contributions by and distributions to owners						
Share issues and buy backs	62,106	5,691,990	-	-	-	5,754,096
Share issue expenses	-	(48,227)	-	-	-	(48,227)
Closing balance as at 30 June 2022	188,444	17,452,463	1,614,891	(929,829)	(764,924)	17,561,045

Statement of Changes In Equity

for the year ended 31 December 2021 (audited)

	Non-distributable reserves			Distributable reserves		
	Share capital (£)	Share premium (£)	Capital reserve (£)	Capital reserve (£)	Revenue reserve (£)	Total reserve (£)
Opening balance as at 1 January 2021	89,119	3,862,692	-	(58,886)	(212,536)	3,680,389
Total comprehensive income for the period	-	-	1,172,247	(724,592)	(351,324)	96,331
Contributions by and distributions to owners						
Share issues and buy backs	87,219	8,026,013	-	-	-	8,113,232
Share issue expenses	-	(80,005)	-	-	-	(80,005)
Redeemable preference shares	(50,000)	-	-	-	-	(50,000)
Closing balance as at 31 December 2021	126,338	11,808,700	1,172,247	(783,478)	(563,860)	11,759,947

Statement of Changes In Equity

for the six month period ended 30 June 2021 (unaudited)

	Non-distributable reserves		Distributable reserves		Total reserves (£)
	Share capital (£)	Share premium (£)	Capital reserve (£)	Revenue reserve (£)	
Opening balance as at 1 January 2021	89,119	3,862,692	(58,886)	(212,536)	3,680,389
Total comprehensive income for the period	-	-	(71,139)	(153,466)	(224,605)
Contributions by and distributions to owners					
Share issues and buy backs	68,978	6,378,566	-	-	6,447,544
Share issue expenses	-	(59,214)	-	-	(59,214)
Cancellation of fully repaid redeemable preference shares	(50,000)				(50,000)
Closing balance as at 30 June 2021	108,097	10,182,044	(130,025)	(366,002)	9,794,114

The accompanying notes on pages 40 and 41 are an integral part of the statement.

Condensed Balance Sheet

as at 30 June 2022

	Note	30 June 2022 (unaudited) £	31 December 2021 (audited) £	30 June 2021 (unaudited) £
Fixed assets				
Investments held at fair value		11,874,169	6,961,525	3,609,275
Current assets				
Debtors		5,250	3,261	13,722
Cash at bank		5,847,687	4,966,027	6,302,042
		5,852,937	4,969,288	6,315,764
Current liabilities				
Creditors: amounts falling due within one year		(166,061)	(170,866)	(130,925)
Net current assets				
		5,686,876	4,798,422	6,184,839
Net assets				
		17,561,045	11,759,947	9,794,114
Capital and reserves				
Called up share capital		188,444	126,338	108,097
Share premium account		17,452,463	11,808,700	10,182,044
Capital reserve		685,062	938,766	(130,025)
Revenue reserve		(764,924)	(1,113,857)	(366,002)
Equity shareholders' funds	6	17,561,045	11,759,947	9,794,114
Net asset value per share (p)		93.19	93.08	90.60

The accompanying notes on pages 40 and 41 are an integral part of the statement.

Statement of Cash Flows

for the six month period ended 30 June 2022

	Six month period ended 30 June 2022 (unaudited) £	Year ended 31 December 2021 (audited) £	Six month period ended 30 June 2021 (unaudited) £
Cash flows from operating activities			
Investment Manager's fees paid	(189,609)	(231,334)	(75,112)
Directors' fees	(30,804)	(54,741)	(20,084)
Other cash payments	(133,795)	(172,758)	(112,725)
Net cash outflow from operating activities	(354,208)	(458,833)	(207,921)
Cash flows from investing activities			
Purchase of investments	(4,470,000)	(5,080,000)	(2,350,000)
Net cash outflow from investing activities	(4,470,000)	(5,080,000)	(2,350,000)
Net cash outflow before financing	(4,824,208)	(5,538,833)	(2,557,921)
Cash flows from financing activities			
Proceeds from share issues	5,754,095	8,113,232	6,447,544
Share issues costs	(48,227)	(80,005)	(59,214)
Net cash inflow from financing	5,705,868	8,033,227	6,388,330
Increase in cash and cash equivalents	881,660	2,494,394	3,830,409
Cash and cash equivalents at the beginning of the period	4,966,027	2,471,633	2,471,633
Cash and cash equivalent at the end of the period	5,847,687	4,966,027	6,302,042
Reconciliation of loss on ordinary activities before taxation to net cash outflow from operating activities			
Loss on ordinary activities before taxation	95,229	96,331	(224,605)
Net (gain)/loss on investments	(442,644)	(622,250)	-
(Increase)/decrease in debtors	(1,989)	(12,194)	27,345
(Decrease)/increase in creditors	(4,804)	79,280	(10,661)
Net cash outflow from operating activities	(354,208)	(458,833)	(207,921)

The accompanying notes on pages 40 and 41 are an integral part of the statement.

Notes To The Financial Statements

for the six months ended 30 June 2022

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 unlisted growth companies.

2. Basis of accounting

The half-yearly financial report covers the six month period ended 30 June 2022. 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 2021 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 2022 of £95,229 (30 June 2021: loss of £224,605) and the weighted average number of ordinary shares in issue during the period of 16,277,777 (30 June 2021: 7,858,091). 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 2022 is based on net assets of £17,561,045 (30 June 2021: £9,794,114) and the number of ordinary shares in issue on 30 June 2022 of 18,844,394 (30 June 2021: 10,809,654). 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 of £60,000 per annum, paid quarterly. During the six month period ended 30 June 2022, £195,134 (30 June 2021: £104,852) and £29,754 (30 June 2021: £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 2022, £Nil (30 June 2021: £5,847) was due from Blackfinch Investments Limited.

The Directors who held office at 30 June 2022 and their interests in the shares of the Company (including beneficial and family interests) were:

		30 June 2022	30 June 2021
		Shares held	Shares held
Peter Hewitt	Director	5,038	5,013
Kate Jones	Director	-	-
Reuben Wilcock	Director	3,282	3,278

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

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)
Katie Jones
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,
England, EC1A 2AY

Auditor

BDO LLP
55 Baker Street
London, W1U 7EU

Secretary

The City Partnership (UK) Limited
The Mending Rooms,
Park Valley Mills,
Meltham Road,
Huddersfield HD4 7BH

Investment Manager, Promoter and Administrator

Blackfinch Investments Limited
1350-1360 Montpellier Court
Gloucester Business Park
Brockworth, Gloucester
Gloucestershire, GL3 4AH

