

FINANCIAL HIGHLIGHTS

Ordinary Shares (as at 30 September):	2018	2017
Net asset value per share	87.59p	80.82p
Cumulative distributions paid per share since launch	50.00p	46.00p
Total return per share	137.59p	126.82p
Annual Returns per share (basic and diluted):		
Revenue return	(0.19)p	(0.13)p
Capital return	11.81p	8.99p
Combined return	11.62p	8.86p
Dividends per share:		
Interim paid	1.75p	1.75p
Special dividend	1.00p	-
Final proposed/paid	2.65p	2.25p
Total dividend for year	5.40p	4.00p
Ongoing Expense Ratio*	1.87%	2.13%

* Calculated using the AIC's "Ongoing Charges" methodology.

CHAIRMAN'S STATEMENT

INTRODUCTION

I should like to start by welcoming any new shareholders who have joined us through the acquisition of Hargreave Hale AIM VCT 2 plc which completed on 23 March 2018, or through this year's fundraising activities.

PERFORMANCE

At 30 September 2018, the Net Asset Value (NAV) was 87.59 pence which after adjusting for the dividends paid gives a Total Return since inception of 137.59 pence. The earnings per share combined return for the year was 11.62 pence (comprising a revenue loss of 0.19 pence and capital gains of 11.81 pence). We are pleased to report that the NAV Total Return (NAV plus dividends paid) for the period was a gain of 13.3% compared to a gain of 10.8% in the FTSE AIM All-share Total Return Index in the year to 30 September 2018.

INVESTMENTS

The investment manager, Hargreave Hale Limited, invested £10.1 million in 18 Qualifying Companies during the year (a further £2.6 million was invested by Hargreave Hale AIM VCT 2 plc into Qualifying Companies between 1 October 2017 and the acquisition date). The fair value of Qualifying Investments at 30 September 2018 was £87.6 million invested in 75 AIM companies and 7 unquoted companies. £67.3 million was held in a mix of cash and non-qualifying equities; more detail can be found in the investment manager's report.

DIVIDEND

An interim dividend of 1.75 pence was paid on 31 July 2018 (Interim 2017: 1.75 pence).

Following a period of strong NAV growth and, in particular, the realisation of gains through the partial disposal of our investment in Zoo Digital, the Board was pleased to announce a special dividend of 1 penny per ordinary share on 19 September 2018. The dividend payment was made on 24 October 2018 to shareholders on the register on 28 September 2018.

A final dividend of 2.65 pence is proposed (2017: 2.25 pence) which, subject to shareholder approval at the Annual General Meeting, will be paid on 8 February 2019 to ordinary shareholders on the register on 18 January 2019.

The Directors continue to maintain their policy of targeting a tax free dividend yield equivalent to 5% of the year end NAV. The ability to pay dividends is also dependent on the Company's available reserves and cash resources, the Companies Act and the Listing Rules. The policy is non binding and at the discretion of the Board. Dividend payments may vary from year to year in

both quantum and timing. Dividends will vary with investment performance; in good years, the Directors may consider a higher dividend payment; in poor years, the Directors may reduce or even pay no dividend.

BUYBACKS

In total, 2,959,394 shares were purchased during the year at an average price of 80.67 pence per share. A further 1,410,686 shares have been purchased since the year end at an average price of 75.90 pence per share.

The Board continues to target a share price discount of 5% to the NAV per share (as measured against the mid-price) for market purchases. It should be emphasised that this target is non-binding and depends upon a range of factors, including the Company's liquidity, its shareholder permissions and market conditions.

The Company has a 5 year average share price discount on buybacks of 5.55%.

ACQUISITION OF HARGREAVE HALE AIM VCT 2 PLC AND OFFER FOR SUBSCRIPTION

The offer for subscription announced on 12 February 2018 was closed on 4 July 2018, £25 million was raised and 29.3 million new ordinary shares were issued.

On 23 March 2018, the Company announced the approval to acquire the above named company. The assets and liabilities of Hargreave Hale AIM VCT 2 were acquired by Hargreave Hale AIM VCT 1 in consideration for the issue of 68,680,227 ordinary shares of 1 pence each in the capital of the Company to Hargreave Hale AIM VCT 2 shareholders. The scheme shares were issued at a ratio of 1.458754 scheme shares for each Hargreave Hale AIM VCT 2 share held.

The acquisition was implemented on a relative unaudited NAV basis, adjusted for the anticipated costs of the scheme. The merger and roll-over values were based on the latest unaudited valuations of the companies' investments. The effect of the scheme was that Hargreave Hale AIM VCT 2 shareholders received Hargreave Hale AIM VCT 1 shares with the same total market value as at the scheme calculation date as their Hargreave Hale AIM VCT 2 shares. The total cost of undertaking the acquisition was £0.40 million of which £0.16 million was met by Hargreave Hale Limited.

COMPANY NAME CHANGE

With the acquisition now complete, the Board felt it appropriate to revise the name of your company to Hargreave Hale AIM VCT plc. The new name came into effect on 6 September 2018. There is no change to the company EPIC (stock market code), nor is there any need to make any change to your share certificates.

CURRENT OFFER FOR SUBSCRIPTION

The Directors of the Company announced on 19 September 2018 the launch of a new offer for subscription for shares to raise up to £20 million, together with an over-allotment facility of up to a further £10 million. The offer was approved by shareholders of the Company at a general meeting on 19 October 2018 and is open to both new and existing shareholders. On 28 November 2018, the Company announced it had received valid applications in excess of £20 million and accordingly, the Directors confirmed they were releasing £5 million of the available £10 million over-allotment facility. Since its launch, the offer has resulted in gross funds being received of £22.0 million and the issue of 27.3 million new shares in the Company to the date of this report.

COST EFFICIENCY

Your Board reviews costs incurred by the Company on a regular basis and are focused on maintaining a competitively low ongoing expense ratio. I am pleased to report that the year end ongoing expense ratio was 1.87% when calculated in accordance with the AIC's "Ongoing Charges" methodology. The methodology includes indirect costs including those incurred by underlying investment funds such as the Marlborough Special Situation Fund which we calculate to be equivalent to 0.09%. These fees are included to provide shareholders with a more accurate measure of the costs within the VCT. As the investment manager to the Company and the investment advisor to the Marlborough Special Situation Fund Hargreave Hale Limited makes a pro-rata adjustment to its investment management fee to ensure the VCT is not charged twice for their services. In the year to 30 September 2018 a reduction of £37,800 was made to the annual management fee with regards to this.

Total costs as measured under the EU rules and published in the Company's Key Information Document are also monitored by the Board. This measure is calculated using a different methodology and includes transaction costs therefore showing a higher figure than the published ongoing charge ratio.

CANCELLATION OF SHARE PREMIUM AND CAPITAL REDEMPTION RESERVE

At the general meeting of the Company held on 16 March 2018, a special resolution was passed approving the cancellation of the Company's share premium account and capital redemption reserve in order to create a pool of distributable reserves.

I am pleased to inform you that the cancellation of the share premium account and capital redemption reserve of the Company was confirmed by the High Court of Justice in England and Wales and accordingly, the amounts standing to the credit of the share premium account (£117.6m) and capital redemption reserve (£0.1m) of the Company as at 25 September 2018 have been cancelled.

HARGREAVE HALE LIMITED TAKEOVER AND TRADING NAME

In July 2017, it was announced that Canaccord Genuity Group Inc. through its UK and Europe based wealth management business Canaccord Genuity Wealth Management agreed to acquire Hargreave Hale Limited. The transaction was completed in September 2017. The fund management division of Hargreave Hale Limited is now known as 'Canaccord Genuity Fund Management' which is a trading name of Hargreave Hale Limited.

INVESTMENT MANAGEMENT FEE

As previously announced the Company and Hargreave Hale Limited, have agreed to increase the investment management fee payable from an amount equal to 1.5% of the Company's net assets to an amount equal to 1.7% of the Company's net assets. This increase has been made to obtain additional resource for the dedicated fund management team to support the adopted strategy of increasing our exposure to unquoted companies and will take effect from 1 April 2019.

VCT REGULATORY UPDATE

Through the budget delivered on 22 November 2017, the government announced substantial changes to the legislation governing the management of Venture Capital Trusts. Broadly speaking, the proposed changes are designed to bring greater focus to the scheme and encourage more investment into small British companies. These changes will come into effect in stages and some of these changes have now started to apply to your Company.

Some of these changes will have little or no impact on the management of your Company. The most significant of the changes will be the increase in the investment test with the minimum percentage of the Company that must be invested into Qualifying Companies increasing from 70% to 80% for accounting periods beginning on or after 6 April 2019. This becomes applicable for Hargreave Hale AIM VCT plc from 1 October 2019. To assist with this change, the period of disregard for the disposal of Qualifying Investments will be increased from 6 months to 12 months.

As described above, Venture Capital Trusts have up to three years to invest new funds into Qualifying Companies before those new funds are included within the investment test. The legislation includes an additional condition to encourage early investment into Qualifying Companies. The new condition requires 30% of the new funds to be invested into Qualifying Companies within 12 months of the end of the accounting period in which the VCT issues the new shares. This applies to all new funds raised by the Company on or after 1 October 2018.

VCT STATUS

For now, to maintain its status as a Venture Capital Trust, the Company is required to invest at least 70% of the net funds raised in any one accounting period, into Qualifying Companies by the start of the accounting period containing the third anniversary of the date on which the funds were raised, often referred to as the 'investment test'. I am pleased to report that we continue to perform well against this test and, at the period end, the investment test was 93.20% when measured using HMRC's methodology. The Company satisfied all other tests relevant to its status as a Venture Capital Trust.

KEY INFORMATION DOCUMENT

The EU's PRIIPs regulation came into effect in January of last year, the purpose of which is to increase customer protection by improving the functioning of financial markets. The regulation requires the Company to publish a Key Information Document (KID). Retail investors must now be directed to this before buying shares in the Company. The KID is published on the Company website at www.hargreaveaimvcts.co.uk/document-library.

The document has been prepared using the methodology prescribed in the PRIIPs regulation. Concerns have been expressed within the industry that;

1. the risk score may be understating the level of risk; and
2. investment performance scenarios may indicate future returns for shareholders that are too optimistic

It is hoped that these issues will be resolved in the future.

GENERAL DATA PROTECTION REGULATION

I am sure most of you are all too familiar with the new legislation concerning the protection of personal data that came into effect on 25 May 2018. We wrote to shareholders at the time and included copies of our privacy policy. A copy can be found on the Company website at www.hargreaveaimvcts.co.uk/document-library.

Through an enclosed form, we asked you to notify us of the details of any third parties such as your financial adviser that you would like us to share your data with. Thank you to those shareholders who have responded.

If you have not yet responded but would like your financial adviser to have access to information relating to your investment in the Company (number of shares held, value, dividend history, date of allotment etc), then please get in contact with us via email at aimvct@canaccord.com or by phone on 01253 754755 and request another form. We cannot share your shareholder information with your adviser without your active consent.

BOARD COMPOSITION

Your Directors review the composition and effectiveness of the Board at regular intervals to ensure that it continues to comply with the applicable regulations, is consistent with best practice and remains effective.

The new Corporate Governance Code came into effect on 1 January 2019 and for your Company will become effective on 1 October 2019. The AIC's Code of Corporate Governance is currently being drafted. Your Board will review its composition again once the code has been finalised.

As previously announced, I am delighted to welcome Ashton Bradbury to the board as a non-executive director appointed on 14 May 2018. Ashton was previously Head of Equities at Old Mutual Global Investors (now called Merian Global Investors) and is an experienced fund manager. His skills and experience are complementary to the existing non-executive team and I am grateful for his input which offers us a different perspective.

With the changing landscape of VCT regulations, your Board will continue to regularly review its structure and consider appropriate adjustments.

POST PERIOD END UPDATE

The well documented decline in global stock markets made for a difficult first quarter within the current financial year with the NAV declining from 87.59 pence to 73.05 pence in the 3 months to 31 December 2018, equivalent to a fall of 15.5% after adjusting for the 1 pence special dividend paid on 24 October 2018. A number of the Top 10 holdings have suffered steep falls in the share prices.

The investment manager has continued to deploy capital into qualifying companies in line with the budget, despite the challenges within the public markets. £2.9m has been invested into new qualifying investments. £0.4m was invested into a qualifying company held in the portfolio, with £2.5m invested into 3 new qualifying companies, including one IPO. All 4 investments were into public companies.

As of 4 January 2019, the share price of 69.50 pence represented a discount of 4.9% to the last published net asset value per share.

OUTLOOK

We certainly live in "interesting times". It is difficult to get away from the "Brexit" subject. It is impossible to know what the outcome of the various negotiations will be, which will result in uncertainty. Alas this has and will unsettle the stock markets. We can expect a turbulent ride in terms of our NAV until some clarity becomes evident. That said the outlook for most of our investments remains positive as mostly they are good, well run companies which will adapt to any new regulations to which they are exposed.

We adopted a strategy of increasing our exposure to unquoted companies and to that end your board agreed a very small increase in the management fee provided that the number of staff was increased. I am pleased to report that this has happened and we are seeing some very exciting opportunities. We expect to see a number of new unlisted investments in the forthcoming months. Whilst the current uncertainty may reduce the number of AIM IPOs in the short term, we expect further opportunities to arise from our existing portfolio.

Looking at Brexit it is easy to be a prophet of doom and gloom. Personally, I think the economy has held up very well given general uncertainty with employment at record levels and company profits reaching all-time highs. This should mean that careful stock selection in the area of the market in which we operate will be well rewarded, although it may take a little time to see the benefits.

SIR AUBREY BROCKLEBANK

Chairman

Date: 8 January 2019

STRATEGIC REPORT

The purpose of the strategic report is to inform shareholders on key matters and help them to assess how the Directors have performed in their duty to promote the success of the Company. The report has been prepared by the Directors in accordance with the requirements of Section 414A of the Companies Act 2006. The Company's independent auditor is required by law to report on whether the information given within the strategic report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

THE COMPANY AND ITS BUSINESS MODEL

The Company was incorporated and registered in England and Wales on 16 August 2004 under the Companies Act 1985, registered number 05206425.

The Company has been approved as a Venture Capital Trust by HMRC under Section 259 of the Income Taxes Act 2007. The shares of the Company were first admitted to the Official List of the UK Listing Authority and trading on the London Stock Exchange on 29 October 2004 and can be found under the TIDM code "HHV". The Company is premium listed.

In common with many other VCTs, the Company revoked its status as an investment company as defined in Section 266 of the Companies Act 1985 on 23 May 2006 to facilitate the payment of dividends out of capital profits.

The Company's principal activity is to invest in a diversified portfolio of qualifying small UK based companies, primarily trading on AIM, with a view to maximising tax free dividend distributions to shareholders.

The Company is an externally managed fund with a Board comprising of four non-executive directors, three of whom are independent. Hargreave Hale Limited acts as investment manager, administrator and custodian and provides the company secretary.

The Board has overall responsibility for the Company's affairs including the determination of its investment policy, however, the Board may exercise these responsibilities through delegation to Hargreave Hale as it considers appropriate.

The Directors have managed and continue to manage the Company's affairs in such a manner as to comply with Section 259 of the Income Taxes Act 2007.

INVESTMENT OBJECTIVES

The Company's investment objectives are:

- to invest in a diversified portfolio of small UK based companies on a high risk, medium term capital growth basis, primarily being companies which are traded on AIM and which have the opportunity for significant value appreciation;
- to invest in smaller companies which may not be readily accessible to private individuals and which also tend to be more risky;
- to maximise distributions to shareholders from capital gains and income generated from the Company's funds;
- targeted investment in equities which are non-qualifying investments on an opportunistic basis; and
- to maintain the Company's exposure to small companies through an initial investment of new capital into the Marlborough Special Situations Fund pending investment into qualifying companies.

ASSET ALLOCATION

The Company will have a range of investments in four distinct asset classes:

- equity investments in qualifying companies, referred to as "Qualifying Investments". Qualifying Investments will:
 - comprise qualifying holdings for a VCT as defined in Chapter 4 Part 6 of the Income Tax Act 2007;
 - primarily be made in AIM companies, but the Company's investment manager will also consider NEX-quoted companies (formally ISDX) and private companies that meet the investment criteria summarised below; and
 - vary in size typically from £250,000 to £3 million by cost;
- fixed income securities;

- bank deposits that are readily realisable; and
- non-qualifying equity exposure in the form of equity exposure to UK and international equities through targeted investments made on an opportunistic basis or through an investment into the Marlborough Special Situations Fund.

INVESTMENT MANAGER

The Company is managed by Hargreave Hale Limited which have been managing investments in UK Small and Micro Cap companies for 20 years and VCTs for 14 years. Hargreave Hale has a long-established reputation as a substantial investor in and a supporter of small British companies through the main market of the London Stock Exchange and AIM. As well as the Venture Capital Trust, the fund management team manages 6 unit trusts including the Marlborough Special Situations Fund, the Marlborough UK Micro-Cap Growth Fund and the Marlborough Multi-Cap Income Fund. The investments of the Company are co-managed by Giles Hargreave and Oliver Bedford with support from the rest of the Hargreave Hale fund management team. The breadth of the fund management team, the scale of investment into small companies and the investment manager's track record help attract deal flow.

In accordance with the investment policy, the Company has made investments in the Marlborough Special Situations Fund, which has returned 3,205% (equivalent to an average 19.1% per annum to 30 September 2018) since Giles Hargreave took responsibility for it in July 1998.

INVESTMENT STRATEGY

QUALIFYING INVESTMENTS

The investment manager will maintain a diversified and fully invested portfolio of Qualifying Investments. The primary purpose of the investment strategy is to ensure the Company maintains its status as a VCT. To achieve this, the Company must have 70% (80% for accounting periods beginning on or after 6 April 2019) of all funds raised from the issue of shares invested in Qualifying Investments throughout accounting periods of the VCT beginning no later than three years after the date on which those shares are issued.

Although VCTs are required to invest and maintain a minimum of 70% (80% for accounting periods beginning on or after 6 April 2019) of their funds invested in Qualifying Investments as measured by the VCT rules, it is likely that the investment manager will target a higher threshold of approximately 80% (85% for accounting periods beginning on or after 6 April 2019) in order to provide some element of protection against an inadvertent breach of the VCT rules. The Company's maximum exposure to a single Qualifying Investment is limited to 15% of net assets at cost.

The key selection criteria used in deciding which Qualifying Investments to make include, inter alia:

- the strength and credibility of the management team;
- the business plan;
- the risk/reward profile of the investment opportunity;
- the quality of the finance function and budgetary process;
- the strength of the balance sheet relative to anticipated cash flow from operations; and
- the existing balance of investments within the portfolio of Qualifying Investments.

The investment manager follows a stock specific, rather than sector specific, investment approach and is more likely to provide growth and development capital than seed capital.

The investment manager will primarily focus on investments in companies with a quotation on AIM. The investment manager will also invest in private companies or those planning to trade on AIM. The investment manager prefers to participate in secondary issues of companies with an established track record that can be more readily assessed and greater disclosure of financial performance. Secondary issues are often priced at an attractive discount to the market price.

NON-QUALIFYING INVESTMENTS

The Company will have non-qualifying direct equity exposure to UK and international equities through targeted investments made on an opportunistic basis. This will vary in accordance with the investment manager's view of the equity markets and may fluctuate between nil and 30% (by market value) of the net assets of the Company. The investment manager will also invest in fixed income securities and cash.

The investment manager will invest up to 75% of the net proceeds of any issue of new shares into the Marlborough Special Situations Fund subject to a maximum of 20% (8.9% as at 30 September 2018) of the gross assets of the Company. This will enable the Company to maintain its exposure to small companies indirectly, whilst the investment manager identifies opportunities to invest directly into small UK companies through a suitable number of Qualifying Investments.

The allocation between asset classes in the non-qualifying portfolio will vary depending upon opportunities that arise with a maximum exposure of 100% of the non-qualifying portfolio to any individual asset class.

To the extent that any future changes to the Company's investment policy are considered material, shareholder consent to such changes will be sought.

BUSINESS REVIEW

The chairman's statement and investment manager's report contain a balanced and comprehensive analysis of the business during the financial year and the position of the investments at the year end. The financial position of the Company at 30 September 2018 was strong with no debt or gearing.

KEY PERFORMANCE INDICATORS

At each board meeting, the Directors consider the following Key Performance Indicators (KPIs) to assess whether the Company is achieving its strategic objectives. The Directors believe these measures help shareholders assess how effectively the Company is applying its investment policy and are satisfied the results give a good indication the Company is achieving its investment objectives and policy. The KPIs are established industry measures.

Further commentary on the performance of these KPIs has been discussed in the chairman's statement and investment manager's report. In addition, the Board considers peer group comparative performance. Performance is also measured against the Company's closest benchmark the FTSE Aim All-share Total Return. The Director's consider this to be the most appropriate benchmark from a shareholder's perspective, however, due to the investment restrictions placed on a VCT it is not wholly comparable.

1. NET ASSET VALUE AND TOTAL RETURN

In the financial year under review, net assets increased from £66.0m to £154.8m. This increase was made up of £56.6m net assets acquired through the acquisition of Hargreave Hale AIM VCT 2 plc, £24.5m new shares issued through the offer for subscription, profit for the year of £15.0m, less buybacks of £2.4m and dividends paid of £4.9m. The net asset value per share increased from 80.82p to 87.59p resulting in a gain to ordinary shareholders of 10.77 pence per share (13.3%) after adjusting for dividends paid in the year. The total return increased by 8.5%. These results are in line with the Company's long-term objective to achieve capital growth and the Board is pleased with this performance.

2. ONGOING CHARGES RATIO

The ongoing charges of the Company for the financial year under review represented 1.87% (2017: 2.13%) of average net assets, which remains competitive when compared with other VCTs. This ratio is calculated using the AIC's "Ongoing Charges" methodology. Cost control and efficiency continues to be a key focus for your Board and they are satisfied with the result for the year.

3. EARNINGS PER SHARE (BASIC AND DILUTED)

The Company's earnings per share for the year ended 30 September 2018 was 11.62 pence per share (2017: 8.86 pence per share).

4. DIVIDENDS PER SHARE

The Board's policy is to target a tax free dividend yield equivalent to 5% of the year end NAV. The Board remains committed to maintaining a steady flow of dividend distributions to shareholders; however, dividends will vary with investment performance. The ability to pay dividends is dependent on the Company's available reserves and cash resources, the Companies Act and the Listing Rules. The policy is non-binding and at the discretion of the Board. Dividend payments may vary from year to year in both quantum and timing.

Total dividends of 4.00 pence per share were paid during the year including an interim dividend of 1.75 pence which was paid on 31 July 2018. A special dividend of 1.00 pence per share was announced on 19 September 2018 and payment was made on 24 October 2018.

A final dividend of 2.65p will be proposed at the Annual General Meeting.

5. PERCENTAGE INVESTED IN QUALIFYING COMPANIES

The investment test has increased from 88.59% to 93.20% in the year. The Company made 18 Qualifying Investments at a cost of £10.1m, 7 of which were investments into new Qualifying Companies. The fair value of the qualifying portfolio increased from £38.0m to £87.6m as a result of the above additions, the investments acquired through the acquisition of Hargreave Hale AIM VCT 2 and unrealised gains for the period. The Board is pleased with this result. The quantity and quality of qualifying investment dealflow can vary, however, the Board believes that the investment manager will invest a sufficient amount of capital into Qualifying Companies to meet the HMRC defined investment test on an ongoing basis.

For further details please refer to the investment managers report.

BORROWINGS

It is not the Company's present intention to have any borrowings. The Company does, however, have the ability to borrow a maximum amount up to 15% of the "Adjusted Capital and Reserves" amount (as such term is defined in the Articles of Association of the Company), which is effectively the aggregate of the nominal capital of the Company issued and paid up and the amount standing to the credit of the consolidated reserves of the Company, less specified adjustments, exclusions and deductions.

BUYBACKS

Share buybacks remain an important practice to improve liquidity in the Company's shares. In total, 2,959,394 shares were purchased during the year at an average price of 80.67 pence per share.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors acknowledge that they are responsible for the effectiveness of the Company's risk management and internal controls and periodically review the principal risks faced by the Company at the quarterly board meetings. The Board may exercise these responsibilities through delegation to Hargreave Hale Limited as it considers appropriate. The principal risks facing the Company relate to the Company's investment activities and include risks stated below:

Risk	Consequence	How the Board mitigates risk
Venture Capital Trust approval risk – the Company operates in a complex regulatory environment and faces a number of related risks. A breach of Section 259 of the Income Taxes Act 2007 or the Finance Act could result in the disqualification of the Company as a VCT.	Loss of VCT approval could lead to the Company losing its exemption from corporation tax on capital gains, shareholders losing their tax reliefs, and, in certain circumstances being required to repay the initial tax relief on their investment.	To reduce this risk, the Board has appointed the investment manager, who has significant experience in venture capital trust management and reports to the Board regularly throughout the year. In addition, to provide further formal assurance, the Board has appointed Philip Hare & Associates LLP to monitor compliance with regulations and provide half yearly compliance reports to the Board.
Investment risk – Many of the Company's investments are held in small, high risk companies which are either listed on AIM or privately held.	Investment in poor quality companies could reduce the capital and income return to shareholders. Events such as economic recession and movements in interest rates could adversely impact smaller company valuations. Investments in small companies are often illiquid and may be difficult to realise.	The investment manager maintains a broad portfolio of investments and holds regular company meetings to monitor investments and identify potential risk. Regular board meetings and dialogue with the Directors supports strong governance. Whilst tax legislation limits the Company's maximum exposure to a single Qualifying Investment to 15% of net assets (at cost), the investment manager's preference for portfolio diversification means that Qualifying Investments rarely exceed 5% of net assets. The funds liquidity is monitored on a monthly basis.

<p>Compliance risk – The Company is required to comply with the rules of the UK Listing Authority, the Companies Act, Accounting Standards, the General Data Protection Regulation and other legislation. The Company is also a small registered Alternative Investment Fund Manager (“AIFM”) and has to comply with the requirements of the AIFM Directive.</p>	<p>Failure to comply with these regulations could result in a delisting of the Company’s shares, financial penalties, a qualified audit report or loss of shareholder trust.</p>	<p>Board members have considerable experience of operating at senior levels within quoted businesses. They receive regular updates on new regulation from their auditors, lawyers and other professional bodies. Requirements are continually reviewed, and the Board seeks legal advice when appropriate.</p>
<p>Operational risk and outsourcing – Failure in the investment manager/administrator or other appointed third party systems and controls or disruption to its business.</p>	<p>Failures could put the assets of the Company at risk or result in reduced or inaccurate information being passed to the Board or shareholders. Quality standards may be reduced through lack of understanding or loss of control.</p>	<p>The Board reviews the system of internal controls, both financial and non-financial, operated by the Company and Hargreave Hale Limited. Hargreave Hale Limited has controls in place to ensure that the Company’s assets are safeguarded. It also has in place its own risk management system which is reviewed regularly to ensure controls remain effective. Documented internal policies and procedures manuals are reviewed by senior management. A documented business continuity plan and a regularly tested disaster recovery plan are in place to mitigate risk. Where tasks are outsourced to other third parties, reputable firms are used and performance is reviewed periodically.</p>
<p>Reputational risk – Inadequate or failed controls.</p>	<p>Realisation of this risk might result in breaches of regulations or loss of shareholder trust.</p>	<p>The investment manager operates a robust risk management system which is reviewed regularly to ensure controls remain effective in mitigating risks to the Company.</p>

Additional risks and further details of the above risks and how they are managed are explained in the financial statements. Trends affecting future developments are discussed in the chairman’s statement and the investment manager’s report.

LONG TERM VIABILITY STATEMENT

In accordance with provision C.2.2 of the UK Corporate Governance Code, the Directors have carried out a robust assessment of the principal risks relating to the Company. This assessment has been carried out over a longer period than the 12 months required by the ‘Going Concern’ provision. The Board conducted this review for a period of five years, which was selected because it:

- falls in line with the Company continuation vote and investors minimum holding period to retain tax relief; and
- covers a sufficient period for all funds raised to comply with HMRC investment test rules.

The Board considers the viability of the Company as part of its continuing programme of monitoring risk. The Company has a detailed risk control framework, documented procedures and forecasting model in place to reduce the likelihood and impact of risk taking that exceeds the agreed levels by the Board. These controls are reviewed by the Board and Hargreave Hale on a quarterly basis.

The Board has considered severe but reasonable scenarios and the effect of any mitigating actions, the potential impact of these risks on the business model, future performance and liquidity of the Company.

The Directors consider the Company to be viable for a further five years for the following reasons:

- the Company maintains a broad portfolio of investments including approximately £42.5 million invested in non-qualifying investments and a further £24.9 million in cash at the year end. The Company therefore has sufficient liquidity which is monitored monthly;
- the Company is well invested against the HMRC investment test and ended the year at 93.20% invested in qualifying companies. The Board anticipate that there will continue to be suitable Qualifying Investments available over the next five years;
- the ongoing expense ratio of the Company for the year end was 1.87%, which is competitive for the VCT sector;
- the financial position of the Company at 30 September 2018 was strong with no debt or gearing; and
- the Company has sufficient procedures in place to identify, monitor and control risk.

Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five years.

GENDER AND DIVERSITY

The Board comprises four male non-executive Directors with a diverse range of experience, skills, length of service and backgrounds. The Board confirms it will consider gender diversity when making future appointments and will always appoint the best person for the job. It will not discriminate on the grounds of gender, race, ethnicity, religion, sexual orientation, age or physical ability.

ENVIRONMENTAL RESPONSIBILITY

The Board conducts the Company's affairs responsibly and expects the investment manager to consider environmental matters when appropriate. The Company offers electronic communications where acceptable to reduce the volume of paper it uses.

EMPLOYEE, HUMAN RIGHTS, SOCIAL AND COMMUNITY ISSUES

The Board seeks to conduct the Company's affairs responsibly and expects the investment manager to consider employee, human rights, social and community issues when fulfilling their role. As an externally managed investment company with no employees, the Company does not maintain any specific policies in relation to these matters.

PROSPECTS

The prospects and future development of the Company are discussed in detail in the outlook section of the chairman's statement.

By order of the Board of Directors.

STUART BROOKES

Company Secretary

Date: 8 January 2019

INVESTMENT MANAGER

Established in 1897, Hargreave Hale has evolved into a leading UK small cap fund manager and provider of investment management and stockbroking services to individuals, families, corporate entities, charities, trusts, solicitors, accountants and intermediaries. Hargreave Hale has an award-winning fund management team of 16 people.

On 18 September 2017, Hargreave Hale was acquired by Canaccord Genuity Wealth Management, the UK & Europe based wealth management business of Canaccord Genuity Group Inc.

The investment portfolio is co-managed by Giles Hargreave and Oliver Bedford, with support from Hargreave Hale's fund management team of 16. The fund management team manages approximately £6.0 billion, including more than £4.5 billion invested in small companies (as at 30 September 2018). Along with the scale of the investment in small companies and their track record, the breadth of the team and their reach into the market help attract Qualifying Investment deal flow.

INVESTMENT MANAGER'S REPORT

INTRODUCTION

This report covers the 2017/18 financial year, 1 October 2017 to 30 September 2018. The investment manager's report contains references to movements in the Net Asset Value (NAV) per share and Total Return per share (NAV per share plus distributed earnings per share). Movements in the NAV per share do not necessarily mirror the earnings per share (EPS) reported in the accounts and elsewhere, which convey the profit after tax of the Company within the reported period as a function of the weighted average number of shares in issue for the period.

Investment performance measures contained in this report are calculated on a pence per share basis and include realised and unrealised gains and losses.

INVESTMENT REPORT

In contrast to the stability of last year, the year under review has included more uncertainty. Although the current market correction did not fully materialise until after the year end, elements of the UK market have been in a sustained downturn since the summer. The political landscape, at home and abroad, is contentious and increasingly confrontational. More recently,

commentators have started to question the capacity for the US economy to continue to grow, with the US yield curve hinting at a possible recession in late 2019 or 2020. US equities, in particular the large US technology companies, have had a substantial pullback, further damaging sentiment. In the UK, the economy has continued along its path of sub-trend growth.

More than ever, we continue to grapple with the potential direction and impact of Brexit on our portfolio. By and large, most companies continue to trade perfectly well. However, the uncertainty is clearly beginning to weigh on a small number of companies. With risks mounting, it seems inevitable that over the coming months, we will hear of more companies choosing to defer investment decisions, or of consumers taking a more cautious approach to discretionary spending. We have not observed Brexit related uncertainty influencing dealflow, although public market volatility has led to some companies choosing to defer their plans to float. It helps that we can now offer to meet their funding needs through a private (off-market) funding round. It is difficult to position the portfolio to meet an outlook which contains such a range of wildly different scenarios, but broadly speaking we are sitting in a more defensive posture with elevated cash balances and a focus on qualifying companies with robust non-secular/structural growth opportunities or, in the case of non-qualifying equities, higher quality FTSE 350 companies with support from structural growth, income or overseas earnings.

PERFORMANCE

In the twelve months to 30 September 2018, the NAV increased from 80.82p to 87.59p. A total of 4 pence per share was paid in dividends, giving investors a combined return of 10.77 pence per share, which translates to a gain of 13.3%. During the same period, the FTSE AIM All-Share Total Return gained 10.8%, whilst the FTSE 100 Total Return gained 6.1%.

The Qualifying Investments made a net contribution of 8.43 pence per share. The adjusting balance was the net of non-qualifying portfolio gains, running costs and investment income.

Learning Technologies Group was the top performing qualifying investment (+210.8%, +3.81 pence per share) delivering strong interim results in September 2018 and upgraded guidance which included the accelerated release of PeopleFluent synergies and continued growth in recurring revenues. Zoo Digital was the second largest contributor to positive performance (+229.7%, +3.45 pence per share), with the market responding positively to evidence of further traction in their new dubbing service. Creo (+174.1%, +1.74 pence per share), Craneware (+153.8%, +1.5 pence per share) and Ideagen (+98.8%, +1.16 pence per share) were also significant contributors over the period.

The biggest loss within the period came from Faron Pharmaceuticals (-87.5%, -1.32 pence per share) following the failure of the Phase III Traumakine trial. The double blinded multi-centre study failed to mirror the successful Phase II study with both arms of the study showing a below average mortality rate, with no discernible clinical benefit for those dosed with the active ingredient. Subsequent analysis has surfaced a possible link to the widespread use of steroids as part of the treatment regime, along with evidence that a patient's genetic profile may influence the efficacy of the drug. Further data from a second clinical trial is expected shortly. Other losses came from Laundrapp (-73.5%, -0.79 pence per share) which we wrote down to the price of its latest funding round, Animalcare (-48.0%, -0.69 pence per share), Portr (-59.5%, -0.69 pence per share) which is subject to continuing uncertainty and Eagle Eye (-45.5%, -0.63 pence per share).

We invested £10.1m into 18 Qualifying Companies over the period, including 11 further investments into existing Qualifying Companies (3 private), 5 IPOs and 2 secondary placings into listed companies

Within the qualifying portfolio we reduced our investments in Zoo Digital, Creo, Aquis and Learning Technologies. All 4 companies experienced strong runs in the market. We completely exited TP Group earlier in the year and have reduced our holdings in Genedrive and Imaginatik following prolonged periods of poor performance.

PORTFOLIO STRUCTURE

The VCT is comfortably through the HMRC defined investment test and ended the period at 93.2% invested as measured by the HMRC investment test. By market value, the VCT had a 56.6% weighting to Qualifying Investments.

The allocation to non-qualifying equity investments decreased from 19.6% to 18.5%. We continued to make use of the Marlborough Special Situations Fund as a temporary home for proceeds from fundraising; the allocation decreased from 10.9% to 9.0%. The non-qualifying investments contributed +3.13 pence per share to the overall gains. The period ended with no fixed income investments and an increase in the cash weighting from 12.1% to 16.1%.

The HMRC investment tests are set out in Chapter 3 of Part 6 Income Tax Act 2007, which should be read in conjunction with this section of the annual report. Funds raised by VCTs are first included in the investment tests from the start of the accounting period containing the third anniversary of the date on which the funds were raised. Therefore, the allocation of Qualifying

Investments as defined by the legislation can be different to the portfolio weighting as measured by market value relative to the net assets of the VCT.

POST PERIOD END UPDATE

The well documented decline in global stock markets made for a difficult first quarter within the current financial year with the NAV declining from 87.59 pence to 73.05 pence in the 3 months to 31 December 2018, equivalent to a fall of 15.5% after adjusting for the 1 pence special dividend paid on 24 October 2018. A number of the Top 10 holdings have suffered steep falls in the share prices.

We have continued to deploy capital into qualifying companies in line with the budget, despite the challenges within the public markets. £2.9m has been invested into new qualifying investments. £0.4m was invested into a qualifying company held in the portfolio, with £2.5m invested into 3 new qualifying companies, including one IPO. All 4 investments were into public companies.

As of 4 January 2019, the share price of 69.50 pence represented a discount of 4.9% to the last published net asset value per share.

For further information please contact:

STUART BROOKES

Company Secretary

Registered office:

Hargreave Hale AIM VCT plc,

41 Lothbury

London

EC2R 7AE

01253 754740

Date: 8 January 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

In respect of the financial statements

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. They are also responsible for ensuring that the annual report includes information required by the Listing Rules of the Financial Conduct Authority.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the financial statements and have elected to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP") (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK GAAP; subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a directors' report, a strategic report and directors' remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that the annual report and accounts, taken as a whole, are fair, balanced, and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

WEBSITE PUBLICATION

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO DTR4

Sir Aubrey Brocklebank (Chairman), David Brock, Oliver Bedford and Ashton Bradbury, the Directors confirm to the best of their knowledge that:

- The financial statements have been prepared in accordance with UK GAAP and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company; and
- The annual report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board

SIR AUBREY BROCKLEBANK BT

Chairman

Date: 8 January 2019

INCOME STATEMENT

	Year to 30 September 2018			Year to 30 September 2017			
	Note	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Net gain on investments held at fair value through profit or loss		-	16,519	16,519	-	7,349	7,349
Income		806	78	884	446	15	461
		806	16,597	17,403	446	7,364	7,810
Management fee		(416)	(1,249)	(1,665)	(216)	(648)	(864)
Other expenses		(633)	(109)	(742)	(325)	(49)	(374)
		(1,049)	(1,358)	(2,407)	(541)	(697)	(1,238)
(Loss)/gain on ordinary activities before taxation		(243)	15,239	14,996	(95)	6,667	6,572
Taxation		-	-	-	-	-	-
(Loss)/gain after taxation		(243)	15,239	14,996	(95)	6,667	6,572
(Loss)/gain per share basic and diluted	2	(0.19)p	11.81p	11.62p	(0.13)p	8.99p	8.86p

The total column of these statements is the income statement of the Company. All revenue and capital items in the above statements derive from continuing operations. There was no other comprehensive income other than the gain/loss for the year.

The accompanying notes are an integral part of these financial statements.

BALANCE SHEET

Company Registration Number 5206425 (In England and Wales)

As at 30 September 2018

	Note	2018 £000	2017 £000
Fixed assets			
Investments at fair value through profit or loss		130,105	58,125
Current assets			
Debtors		167	63
Cash at bank		24,860	8,007
		25,027	8,070
Creditors: amounts falling due within one year		(346)	(206)
Net current assets		24,681	7,864
Total assets less current liabilities		154,786	65,989
Capital and Reserves			
Called up share capital		1,767	816
Share premium		-	37,515
Capital redemption reserve		5	37
Special reserve		125,919	15,522
Capital reserve – realised		(2,774)	(4,644)
Capital reserve – unrealised		30,606	17,237
Revenue reserve		(737)	(494)
Total shareholders' funds		154,786	65,989
Net asset value per share (basic and diluted)	3	87.59p	80.82p

These financial statements were approved and authorised for issue by the Board of Directors on 8 January 2019 and signed on its behalf by

SIR AUBREY BROCKLEBANK BT

Chairman

8 January 2019

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ending 30 September 2018

Non-distributable reserves

Distributable reserves ⁽¹⁾

	Share Capital £000	Share Premium £000	Capital Redemption Reserve £000	Capital Reserve Unrealised £000	Special Reserve £000	Capital Reserve Realised £000	Revenue Reserve £000	Total £000
At 1 October 2017	816	37,515	37	17,237	15,522	(4,644)	(494)	65,989
Share buybacks	(29)	-	29	-	(2,387)	-	-	(2,387)
Share Issues	293	24,707	-	-	-	-	-	25,000
Issue Costs	-	(499)	-	-	-	-	-	(499)
Acquisition of Hargreave Hale AIM VCT 2 plc	687	55,919	-	-	-	-	-	56,606
Capital Reduction	-	(117,642)	(61)	-	117,703	-	-	-
Equity dividends paid	-	-	-	-	(4,919)	-	-	(4,919)
Realised gains on investments	-	-	-	-	-	3,150	-	3,150
Unrealised gains on investments	-	-	-	13,369	-	-	-	13,369
Management fee charged to capital	-	-	-	-	-	(1,249)	-	(1,249)
Income allocated to capital	-	-	-	-	-	78	-	78
Due diligence investments costs	-	-	-	-	-	(109)	-	(109)
Revenue loss after taxation for the year	-	-	-	-	-	-	(243)	(243)
Total gain after taxation	-	-	-	13,369	-	1,870	(243)	14,996
At 30 September 2018	1,767	-	5	30,606	125,919	(2,774)	(737)	154,786

Reserves available for distribution are capital reserve realised, special reserve and revenue reserve. Total distributable reserves at 30 September 2018 were £122.4 million. The accompanying notes are an integral part of these financial statements.

(1) The Income Taxes Act 2007 restricts distribution of capital from reserves created by the conversion of the share premium account into a special (distributable) reserve until the third anniversary of the share allotment that led to the creation of that part of the share premium account. As at 30 September 2018, £80.8 million of the special reserve is subject to this restriction.

For the year ending 30 September 2017

	Non-distributable reserves				Distributable reserves ⁽¹⁾			Total £000
	Share Capital £000	Share Premium £000	Capital Redemption Reserve £000	Capital Reserve Unrealised £000	Special Reserve £000	Capital Reserve Realised £000	Revenue Reserve £000	
At 1 October 2016	620	21,845	28	9,651	19,052	(3,725)	(399)	47,072
Share buybacks	(9)	-	9	-	(668)	-	-	(668)
Share Issues	205	16,013	-	-	-	-	-	16,218
Issue Costs	-	(343)	-	-	-	-	-	(343)
Equity dividends paid	-	-	-	-	(2,862)	-	-	(2,862)
Realised losses on investments	-	-	-	-	-	(237)	-	(237)
Unrealised gains on investments	-	-	-	7,586	-	-	-	7,586
Management fee charged to capital	-	-	-	-	-	(648)	-	(648)
Arrangement fee income	-	-	-	-	-	15	-	15
Due diligence investments costs	-	-	-	-	-	(49)	-	(49)
Revenue loss after taxation for the year	-	-	-	-	-	-	(95)	(95)

Total gain after taxation				7,586		(919)	(95)	6,572
At 30 September 2017	816	37,515	37	17,237	15,522	(4,644)	(494)	65,989

Reserves available for distribution are capital reserve realised, special reserve and revenue reserve. Total distributable reserves at 30 September 2017 were £10.4 million. The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

	2018	2017
	£000	£000
Total profit on ordinary activities before taxation	14,996	6,572
Realised (gain)/loss on investments	(3,150)	237
Unrealised (gain) on investments	(13,369)	(7,586)
(Increase) in debtors	(104)	(19)
Increase in creditors	140	15
Net cash (outflow) from operating activities	(1,487)	(781)
Purchase of investments	(18,487)	(22,657)
Sale of investments	13,016	10,453
Net cash used in investment activities	(5,471)	(12,204)
Share buybacks	(2,387)	(668)
Issue of share capital	25,000	15,875
Issue costs	(499)	-
Cash acquired on acquisition of Hargreave Hale AIM	6,616	-
VCT 2 plc		
Dividends paid	(4,919)	(2,862)
Net cash provided by financing activities	23,811	12,345
Net increase/(decreased) in cash	16,853	(640)
Opening cash	8,007	8,647
Closing cash	24,860	8,007

The accompanying notes are an integral part of these financial statements.

1. Basis of Preparation

The financial information set out in this preliminary announcement does not constitute the Company's statutory accounts for the years ended 30 September 2018 or 30 September 2017. Statutory accounts for the year ended 30 September 2017 have been filed with the Registrar of Companies and those of the year ended 30 September 2018 will be delivered to the Registrar in due course; both have been reported on by the independent auditors. The independent auditor's reports on the Statutory accounts for the years ended 30 September 2017 and 30 September 2018 were unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The accounts of the Company are prepared in accordance with Accounting Standards applicable in the United Kingdom. UK Generally Accepted Accounting Practice ("GAAP"), including Financial Reporting Standard 102 ("FRS 102") and with the

Companies Act 2006 and the Statement of Recommended Practice for “Financial Statements of Investment Trust Companies and Venture Capital Trusts” (AIC SORP) (2014), updated January 2017. The accounting policies used in preparing this preliminary announcement are consistent with those used in the preparation of the financial statements.

All investments are classified as fair value through profit or loss. Investments are measured initially and subsequently at fair value which is deemed to be bid market prices for listed investments and investments traded on AIM. Unquoted investments are valued using the most appropriate methodology recommended by the International Private Equity Venture Capital (“IPEV”) guidelines published in December 2015. The Board will consider future updates in due course.

Where the classification of a financial instrument requires it to be stated at fair value, this is determined by reference to the quoted bid price in an active market wherever possible. Where no such active market exists for the particular asset or liability, the Company holds the investment at cost for a period or the price at the most recent funding round where there is considered to be no change in fair value.

Valuations of unquoted investments are reviewed on a quarterly basis and more frequently if events occur that could have a material impact on the investment. Where cost is no longer considered appropriate, the Company will use a value indicated by a material arms-length transaction by an independent third party in the shares of a company. Where no such transaction exists, the Company will use the most appropriate valuation technique including discounted cash flow analysis, earnings multiples, net assets and industry valuation benchmarks. All inputs are market observable with the exception of level 3 financial instruments.

Investments are recognised and derecognised at trade date where a purchase or sale is under a contract whose terms require delivery within the time frame established by the market concerned. Purchases and sales of unlisted investments are recognised when the contract for acquisition or sale becomes unconditional. Transaction costs are included in the initial cost or deducted from the disposal proceeds as appropriate.

These investments will be managed and their performance evaluated on a fair value basis in accordance with a documented investment strategy and information about them is provided internally on that basis to the Board.

Gains and losses arising from changes in fair value (realised and unrealised) are included in the net profit or loss for the period as a capital item in the income statement and are taken to the unrealised capital reserve or realised capital reserve as appropriate.

If an investment has been impaired such that there is no realistic expectation that there will be a full return from the investment, the loss is treated as a permanent impairment and transferred to the capital reserve realised.

Other financial assets and liabilities comprise receivables, payables and cash which are measured at amortised cost. There are no financial liabilities other than payables.

The accounting policies adopted in these preliminary results have been consistently applied to all the years presented and are consistent with the policies used in the preparation of the statutory accounts for the years ended 30 September 2018 and 30 September 2017. The full statutory annual accounts will be published in January 2019. Copies may in due course be obtained during normal business hours from Hargreave Hale Limited, Talisman House, Boardmans Way, Blackpool, FY4 5FY.

The Annual General Meeting of the Company will be held at the Company’s registered office on 5 February 2019 at 11.30am.

2. Earnings per share (basic and diluted)

Revenue return per ordinary share is based on a net revenue loss on ordinary activities after taxation of £242,791 (2017 loss: £95,107) and on 129,091,888 (2017: 74,161,478) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

Capital return per ordinary share is based on a net capital profit of £15,239,153 (2017 profit: £6,667,203) for the year and on 129,091,888 (2017: 74,161,478) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

Total Return per ordinary share is based on a net profit of £14,996,362 (2017 profit: £6,572,097) for the year and on 129,091,888 (2017: 74,161,478) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

3. Net asset value per ordinary share

The net asset value per ordinary share at 30 September 2018 of 87.59 pence (2017: 80.82 pence) is based on net assets of £154,786,376 at the year end (2017: £65,988,872) and on 176,711,020 ordinary shares, being the number of shares in issue at year end (2017: 81,653,218).

4. Principal Risks and Uncertainties

The principal risks facing the Company relate to the Company's investment activities and include venture capital trust approval risk, investment risk, operational risk and outsourcing, compliance risk and reputational risk. Other risks faced by the Company include market risk, currency risk, interest rate risk and credit risk. These risks and the way in which they are managed are described in more detail in the Strategic Report.

5. Related party transactions

Hargreave Hale Limited

Hargreave Hale Limited is considered to be a related party to the Company. Oliver Bedford, a non-executive director of the Company and a member of its key management personnel, is an employee of Hargreave Hale Limited. In addition, Hargreave Hale Limited acts as investment manager, administrator and custodian to the Company and it provides the company secretary. All of the support functions performed by Hargreave Hale Limited are segregated by department and location and are independent of each other.

Hargreave Hale Limited, in its capacity as investment manager of the fund, receives annual fees of 1.5% per annum of the net asset value of the Company, calculated and payable quarterly in arrears. Fees for the year are £1,665,754 (2017: £864,075). A further £494,733 was paid to Hargreave Hale Limited under the terms of the offer agreement. In relation to the other support functions described above, Hargreave Hale Limited received fees of £151,737 (2017: £100,000). Of those combined fees, £212,338 (2017: £99,095) was still owed at the year end.

Hargreave Hale Limited has agreed to indemnify the Company against annual running costs (such costs excluding VAT, any performance incentive fee and any trail commissions payable by the Company) exceeding 3.5% of its net assets. No fees were waived between 1 October 2017 and 30 September 2018 under the indemnity.

The Company and Hargreave Hale Limited, the Company's investment manager, have agreed to increase the investment management fee payable to Hargreave Hale from an amount equal to 1.5% of the Company's net assets to an amount equal to 1.7% of the Company's net assets, with effect from 1 April 2019.

6. Shares Issued

During the year, the Company issued 29,336,969 ordinary shares (nominal value £293,370) in an offer for subscription, representing 35.9% of the opening share capital at prices ranging from 84.45p to 89.38p per share. Gross funds of £25,000,000 were received of which £498,733 was paid to Hargreave Hale Limited to settle introductory commission due of £4,000 and to cover the costs of the offer.

The Company issued a further 68,680,227 ordinary shares (nominal value £686,802) in relation to the acquisition of Hargreave Hale AIM VCT 2 plc. The cash received from the acquisition was £6,615,786.

7. Capital Structure

Share Capital

Ordinary shares are classed as equity. The ordinary shares in issue have a nominal value of one pence and carry one vote each. Substantial holdings in the Company are disclosed in the directors' report.

Share Premium

This reserve represents the difference between the issue price of shares and the nominal value of shares at the date of issue, net of related issue costs.

Capital Redemption Reserve

This reserve is used for the cancellation of shares bought back under the buyback facility.

Special Reserve

Distributable reserve used to pay dividends and re-purchase shares under the buyback facility.

Capital Reserve Realised

Gains/losses on disposal of investments, due diligence costs and income from private company investments, permanent impairment of financial assets and 75% of the investment management fee are accounted for in the capital reserve realised.

Capital Reserve Unrealised

Unrealised gains and losses on investments held at the year end arising from movements in fair value are taken to the capital reserve unrealised.

Revenue Reserve

Net revenue profits and losses of the Company.

INVESTMENT PORTFOLIO SUMMARY

ORDINARY SHARE FUND

AS AT 30 SEPTEMBER 2018

		As at 30 September 2018			As at 30 September 2017 ⁽³⁾					
	Net Assets % at 30/9/18	Book Cost £000	Cumulative Movement in value £000	Valuation £000	Book Cost £000	Cumulative Movement in value £000	Valuation £000	Change in Value for the year £000 ⁽⁴⁾	Market	COI ⁽¹⁾
Qualifying Investments										
Learning Technologies Group plc	5.56	2,586	6,020	8,606	663	1,018	1,681	5,002	AIM	Y
Zoo Digital Group plc	3.64	2,267	3,369	5,636	393	1,219	1,612	2,150	AIM	Y
Creo Medical Group plc	3.30	2,333	2,773	5,106	659	42	701	2,731	AIM	Y
Ideagen plc	2.65	1,992	2,113	4,105	410	555	965	1,558	AIM	Y
SCA Investments Ltd (Gousto)	2.29	2,486	1,061	3,547	1,002	(2)	1,000	1,063	Unlisted	Y
Craneware plc	2.09	125	3,109	3,234	125	1,149	1,274	1,960	AIM	Y
Quixant plc	1.67	1,209	1,378	2,587	160	1,370	1,530	8	AIM	Y
Beeks Financial Cloud Group plc	1.54	1,039	1,340	2,379	-	-	-	1,340	AIM	Y
Abcam plc	1.53	55	2,308	2,363	55	1,625	1,680	683	AIM	Y
Infinity Reliance Ltd (My 1st Years)	1.45	2,504	(252)	2,252	501	(1)	500	(251)	Unlisted	Y
Honest Brew Ltd	1.42	2,203	(3)	2,200	501	(1)	500	(2)	Unlisted	N
Aquis Exchange Ltd	1.36	765	1,347	2,112	401	(1)	400	1,348	AIM	Y
Cohort plc	1.21	619	1,257	1,876	619	1,267	1,886	(10)	AIM	Y
Loopup Group plc	1.19	1,204	637	1,841	236	401	637	236	AIM	Y
Hardide plc	1.15	1,637	143	1,780	786	146	932	(3)	AIM	Y
Science in Sport plc	1.12	1,480	251	1,731	778	203	981	48	AIM	Y
Zappar Ltd	1.03	1,602	(2)	1,600	902	(2)	900	-	Unlisted	N
FairFX Group plc	0.98	751	760	1,511	295	70	365	690	AIM	N
DP Poland plc	0.97	1,391	117	1,508	594	376	970	(259)	AIM	Y
Mexican Grill Ltd (A Preference Shares)	0.89	1,013	367	1,380	185	367	552	-	Unlisted	N

Portr Ltd	0.80	1,790	(559)	1,231	873	125	998	(684)	Unlisted	N
Eagle Eye Solutions Group plc	0.77	1,643	(448)	1,195	967	234	1,201	(682)	AIM	Y
Forbidden Technologies plc	0.76	852	321	1,173	-	-	-	321	AIM	N
Clearstar Inc	0.73	720	415	1,135	449	(134)	315	549	AIM	Y
ULS Technology plc	0.69	770	301	1,071	221	484	705	(183)	AIM	Y
AnimalCare Group plc	0.68	720	339	1,059	220	1,180	1,400	(841)	AIM	Y
EKF Diagnostics Holdings plc	0.68	565	488	1,053	300	160	460	328	AIM	Y
Maxcyte Inc Com Stk USD 0.01 (DI)	0.67	668	374	1,042	173	417	590	(43)	AIM	Y
Angle plc	0.64	1,159	(161)	998	348	(161)	187	-	AIM	N
Escape Hunt plc	0.63	1,130	(152)	978	618	26	644	(178)	AIM	Y
Everyman Media Group plc	0.60	600	324	924	171	184	355	140	AIM	Y
Osirium Technologies plc	0.55	859	(7)	852	301	(38)	263	31	AIM	Y
Cloudcall Group plc	0.48	1,138	(389)	749	259	52	311	(441)	AIM	Y
Surface Transforms plc	0.47	639	83	722	373	(15)	358	98	AIM	Y
K3 Business Technology Group plc	0.47	270	450	720	270	198	468	252	AIM	Y
KRM22 plc	0.43	621	48	669	-	-	-	48	AIM	Y
CentralNic Group plc	0.41	588	50	638	293	183	476	(133)	AIM	Y
Idox plc	0.41	135	497	632	135	1,027	1,162	(530)	AIM	Y
Belvoir Lettings plc	0.41	762	(133)	629	513	(127)	386	(6)	AIM	Y
i-nexus Global plc	0.41	701	(72)	629	-	-	-	(72)	AIM	Y
TrakM8 Holdings plc	0.40	486	139	625	106	277	383	(138)	AIM	N
Premaitha Health plc	0.40	521	99	620	432	(179)	253	278	AIM	N
Fulcrum Utility Services Ltd	0.40	580	40	620	-	-	-	40	AIM	Y
Gfinity plc	0.39	772	(172)	600	384	451	835	(623)	AIM	Y
Tristel plc	0.37	543	27	570	-	-	-	27	AIM	N
WANDisco plc	0.33	347	165	512	89	311	400	(146)	AIM	N
PCI-PAL plc	0.32	811	(311)	500	-	-	-	(311)	AIM	Y
Plastics Capital plc	0.32	478	19	497	250	45	295	(26)	AIM	N
Instem plc	0.32	297	196	493	297	(25)	272	221	AIM	Y
The Property Franchise Group plc	0.31	377	95	472	225	63	288	32	AIM	Y
Laundrapp Ltd	0.30	1,238	(770)	468	802	82	884	(852)	Unlisted	N
Vertu Motors plc	0.28	600	(170)	430	600	(127)	473	(43)	AIM	N
bigblu Broadband plc	0.27	347	73	420	154	104	258	(31)	AIM	Y
MYCELX Technologies Corporation plc	0.25	361	25	386	300	(171)	129	196	AIM	Y

Globaldata plc	0.22	173	167	340	173	136	309	31	AIM	Y
Mirriad Advertising plc	0.21	610	(283)	327	-	-	-	(283)	AIM	N
Faron Pharmaceuticals Oy	0.21	2,220	(1,897)	323	201	399	600	(2,296)	AIM	Y
Sanderson Group plc	0.19	298	4	302	-	-	-	4	AIM	Y
Ilika plc	0.19	507	(210)	297	218	(111)	107	(99)	AIM	Y
APC Technology Group plc	0.19	634	(338)	296	498	(343)	155	5	AIM	Y
Intercede Group plc	0.19	305	(18)	287	247	173	420	(191)	AIM	N
Fusion Antibodies plc	0.18	415	(129)	286	-	-	-	(129)	AIM	Y
Maxcyte Inc Com Stk USD0.01 (DI/REG S)	0.16	264	(18)	246	141	(18)	123	-	AIM	Y
Velocity Composites plc	0.14	624	(414)	210	332	(24)	308	(390)	AIM	Y
Laundrapp Ltd (Loan Notes)	0.13	200	-	200	-	-	-	-	Unlisted	N
Verona Pharma plc	0.13	221	(23)	198	127	29	156	(52)	AIM	Y
Lidco Group plc	0.11	307	(137)	170	220	(69)	151	(68)	AIM	N
Mexican Grill Ltd (Ordinary Shares)	0.10	113	40	153	21	40	61	-	Unlisted	N
Universe Group plc	0.09	210	(75)	135	210	30	240	(105)	AIM	N
TLA Worldwide plc	0.09	135	-	135	300	(75)	225	75	AIM	N
Pressure Technologies plc	0.08	170	(40)	130	170	(40)	130	-	AIM	Y
Omega Diagnostics Group plc	0.08	129	-	129	-	-	-	-	AIM	N
Reneuron Group plc	0.08	606	(487)	119	534	(368)	166	(119)	AIM	N
Medaphor Group plc	0.07	300	(189)	111	250	(172)	78	(17)	AIM	N
Porta Communications plc	0.07	106	-	106	505	(328)	177	328	AIM	N
Egdon Resources plc	0.06	158	(62)	96	158	(42)	116	(20)	AIM	Y
Paragon Entertainment Ltd	0.05	87	(9)	78	-	-	-	(9)	AIM	N
Mirada plc	0.04	96	(27)	69	65	-	65	(27)	AIM	N
Genedrive plc	0.04	68	-	68	140	(80)	60	80	AIM	N
Redcentric plc	0.03	42	5	47	42	-	42	5	AIM	Y
Tasty plc	0.03	40	-	40	288	(188)	100	188	AIM	N
Microsaic Systems plc	0.02	26	4	30	10	-	10	4	AIM	N
Midatech Pharma plc	0.02	53	(24)	29	37	-	37	(24)	AIM	Y
Mporium Group plc	0.02	33	(8)	25	23	-	23	(8)	AIM	N
Flowgroup plc	-	26	(26)	-	25	-	25	(26)	AIM	N
Imaginatik plc ⁽²⁾	-	-	-	-	323	(157)	166	157	AIM	Y
Fusionex International plc ⁽²⁾	-	-	-	-	138	(80)	58	80	Unlisted	N
Infoserve Group plc ⁽²⁾	-	-	-	-	-	-	-	-	Unlisted	N
Total - Qualifying Investments	56.61	62,525	25,123	87,648	24,784	13,139	37,923	11,984		

Non qualifying investments										
Marlborough Special Situations Fund	8.96	11,918	1,946	13,864	6,062	1,111	7,173	835	Unlisted	Y
Total unit trusts	8.96	11,918	1,946	13,864	6,062	1,111	7,173	835		
Royal Dutch Shell plc	1.04	1,327	286	1,613	652	36	688	250	Main	Y
BP plc	0.99	1,203	329	1,532	600	21	621	308	Main	N
NMC Health plc	0.88	1,014	344	1,358	426	344	770	-	Main	Y
Melrose Industries plc	0.84	1,455	(156)	1,299	926	(54)	872	(102)	Main	Y
Hilton Food Group plc	0.77	907	285	1,192	252	24	276	261	Main	Y
Fulcrum Utility Services Ltd	0.74	408	739	1,147	125	563	688	176	AIM	
JD Sports Fashion plc	0.72	855	265	1,120	463	31	494	234	Main	Y
Anglo American plc	0.71	931	172	1,103	422	33	455	139	Main	Y
On the Beach Group plc	0.64	846	144	990	391	140	531	4	Main	Y
Dechra Pharmaceuticals plc	0.63	951	28	979	461	191	652	(163)	Main	Y
Vesuvius plc	0.63	897	71	968	-	-	-	71	Main	Y
Sanne Group plc	0.62	1,019	(61)	958	511	86	597	(147)	Main	Y
Charter Court Financial Services Group plc	0.58	732	171	903	-	-	-	171	Main	Y
Ascential plc	0.58	768	133	901	326	43	369	90	Main	N
XP Power Ltd	0.42	660	(9)	651	292	13	305	(22)	Main	Y
Future plc	0.41	564	69	633	-	-	-	69	Main	Y
Oxford Biomedica plc	0.41	612	17	629	-	-	-	17	Main	Y
Wizz Air Holdings plc	0.38	622	(34)	588	220	123	343	(157)	Main	N
Halma plc	0.37	472	106	578	-	-	-	106	Main	Y
Micro Focus International plc	0.37	509	63	572	141	80	221	(17)	Main	N
Countryside Properties plc	0.36	585	(31)	554	-	-	-	(31)	Main	Y
Prudential plc	0.34	561	(33)	528	-	-	-	(33)	Main	N
FDM Group (Holdings) plc	0.31	489	(4)	485	-	-	-	(4)	Main	Y
Bakkavor Group plc	0.31	518	(35)	483	-	-	-	(35)	Main	Y
Quixant plc	0.31	159	319	478	159	336	495	(17)	Main	Y
Lloyds Banking Group plc	0.31	549	(75)	474	285	(14)	271	(61)	Main	Y
Horizon Discovery Group plc	0.30	374	94	468	261	84	345	10	AIM	Y
GVC Holdings plc	0.30	459	-	459	-	-	-	-	Main	Y
IntegraFin Holdings plc	0.29	279	173	452	-	-	-	173	Main	N
MYCELX Technologies Corporation plc	0.29	298	150	448	200	(80)	120	230	AIM	Y

Everyman Media Group plc	0.29	293	155	448	85	87	172	68	AIM	Y
Renishaw plc	0.28	415	12	427	276	10	286	2	Main	Y
Ricardo plc	0.27	472	(51)	421	-	-	-	(51)	Main	Y
Cohort plc	0.27	368	47	415	-	-	-	47	AIM	Y
Just Eat plc	0.26	409	(7)	402	82	18	100	(25)	Main	N
Clipper Logistics plc	0.25	482	(96)	386	234	28	262	(124)	Main	N
Fisher (James) & Sons plc	0.25	355	25	380	-	-	-	25	Main	Y
Zotefoams plc	0.21	323	(4)	319	-	-	-	(4)	Main	Y
GoCompare.com Group plc	0.16	324	(81)	243	-	-	-	(81)	Main	Y
Mexican Grill Ltd (A Preference Shares)	0.10	135	13	148	128	13	141	-	Unlisted	N
Regent Pacific Group Ltd	0.08	201	(85)	116	150	(72)	78	(13)	Non UK Listed	N
The Fulham Shore plc	0.05	69	6	75	38	6	44	-	AIM	Y
Amerisur Resources plc	0.05	212	(141)	71	167	(106)	61	(35)	AIM	Y
Eagle Eye Solutions Group plc	0.04	87	(18)	69	44	19	63	(37)	AIM	Y
Egdon Resources plc	0.03	47	6	53	-	-	-	6	AIM	Y
Reneuron Group plc	0.02	119	(84)	35	104	(44)	60	(40)	AIM	N
Midatech Pharma plc	0.01	39	(17)	22	25	-	25	(17)	AIM	Y
Mexican Grill Ltd (Ordinary Shares)	0.01	26	(7)	19	26	(7)	19	-	Unlisted	N
Hargreave Hale AIM VCT plc ⁽²⁾	-	-	1	1	-	-	-	1	Main	Y
Genagro Ltd ⁽²⁾	-	-	-	-	-	-	-	-	Unlisted	Y
Total - Non-qualifying investments	18.48	25,399	3,194	28,593	8,472	1,952	10,424	1,242		
Total - Non-qualifying investments	27.44	37,317	5,140	42,457	14,534	3,063	17,597	2,077		
Total investments	84.05	99,842	30,263	130,105	39,318	16,202	55,520	14,061		
Cash at bank	16.06			24,860						
Prepayments & accruals	(0.11)			(179)						
Net assets	100.00			154,786						

(1) COI – Co investments with other funds managed by Hargreave Hale at 30 September 2018.

(2) These are actual holdings of less than £500.

(3) Pre-acquisition of Hargreave Hale AIM VCT 2 plc.

(4) The change in fair value has been adjusted for additions and disposals in the year and as such does not reconcile to the unrealised total Note 7 to the Annual Report and Financial Statements for the year ended 30 September 2018. The difference is £692k which is the total of ten full investment disposals in the year.

The comparative cost and valuations for 30 September 2017 do not agree to the Annual Report and Financial Statements for the year ended 30 September 2017 as the above list does not include brought forward investments that were fully disposed in the year.

TOP TEN INVESTMENTS

As at 30 September 2018 (by market value)

The top 10 equity investments are shown below; each is valued by reference to the bid price, or in the case of unquoted companies, values are either based on the last arm's length transaction or valuation techniques, such as earnings multiples. Forecasts, where given, are drawn from a combination of broker research and/or Bloomberg consensus forecasts and exclude amortisation, share based payments and exceptional items. Forecasts are in relation to a period end for which the company results are yet to be released. Forecasts are not shown for private companies. The net asset figures are drawn from audited accounts and net cash values are from published accounts in most cases.

Learning Technologies Group plc			165.5p
Investment date	November 2014	Forecasts for the year to	December 2018
Equity Held	0.78%	Turnover (£'000)	97,800
Av Purchase Price	49.7p	Profit/(loss) before tax (£'000)	21,700
Cost (£'000)	2,586	Net Cash (£'000)	1,048
Valuation (£'000)	8,606	Net Assets December 2017 (£'000)	76,841

COMPANY DESCRIPTION

Learning Technologies Group provides a comprehensive and integrated range of e-learning services and technologies to corporate and government clients. The Group offers end-to-end learning and talent solutions ranging from strategic consultancy, through a range of content and platform solutions to analytical insights that enable corporate and government clients to meet their performance objectives.

Zoo Digital Group plc			122.0p
Investment date	April 2017	Forecasts for the year to	March 2019
Equity Held	6.21%	Turnover (\$'000)	33,700
Av Purchase Price	49.1p	Profit/(loss) before tax (\$'000)	1,700
Cost (£'000)	2,267	Net Cash (\$'000)	(1,901)
Valuation (£'000)	5,636	Net Assets March 2018 (\$'000)	2,655

COMPANY DESCRIPTION

Zoo Digital is a leading provider of cloud-based dubbing, subtitling, localisation and distribution services for the global entertainment industry. Zoo's clients are some of the best-known brands in the world including major Hollywood studios, global broadcasters and independent distributors. Zoo's point of difference in the marketplace is its development and use of innovative cloud technology that ensures that content is localised in any language and delivered to all the major online platforms such as Amazon, iTunes, Google and Hulu with reduced time to market, higher quality and lower costs.

Creo Medical Group plc			222.0p
Investment date	December 2016	Forecasts for the year to	December 2018
Equity Held	1.92%	Turnover (£'000)	-
Av Purchase Price	101.4p	Profit/(loss) before tax (£'000)	(11,042)
Cost (£'000)	2,333	Net Cash (£'000)	5,917
Valuation (£'000)	5,106	Net Assets June 2017 (£'000)	14,653

COMPANY DESCRIPTION

Creo Medical is a medical device company focused on the emerging field of surgical endoscopy, a recent development in minimally invasive surgery. Creo Medical was founded in 2003, initially to target the treatment of cancers through use of high frequency microwave energy and dynamic matching techniques.

Ideagen plc			159.0p
Investment date	December 2014	Forecasts for the year to	April 2019
Equity Held	1.18%	Turnover (£'000)	42,800
Av Purchase Price	77.2p	Profit/(loss) before tax (£'000)	11,400
Cost (£'000)	1,992	Net Cash (£'000)	782
Valuation (£'000)	4,105	Net Assets April 2018 (£'000)	50,484

COMPANY DESCRIPTION

Ideagen is a supplier of compliance-based information management software with operations in the UK and the United States. The company specialises in enterprise governance, risk and compliance and healthcare solutions for organisations operating within highly regulated industries. Ideagen provides complete content lifecycle solutions that enable organisations to meet their regulatory and quality compliance standards, helping them to reduce costs and improve efficiency.

SCA Investments Ltd (Gousto) (unquoted)			5.299.0p
Investment date	July 2017	Results for the year to	December 2017
Equity Held	2.24%	Turnover (£'000)	23,204
Av Purchase Price	3,714.1	Profit/(loss) before tax (£'000)	(13,426)
Cost (£'000)	2,486	Net Cash (£'000)	17,700
Valuation (£'000)	3,547	Net Assets December 2017 (£'000)	18,781
Income recognised in period (£)	0		

COMPANY DESCRIPTION

Founded in February 2012, Gousto is an e-commerce company offering recipe kit boxes which include fresh ingredients for step-by-step chef designed recipes to be made at home. Shoppers select meals from a variety of options on Gousto's e-commerce platform. Gousto then delivers the pre-proportioned ingredients to the doorstep, along with instructions on how to prepare the meal.

Craneware plc			3,300.0p
Investment date	September 2007	Forecasts for the year to	June 2019
Equity Held	0.37%	Turnover (\$'000)	79,200
Av Purchase Price	127.6p	Profit/(loss) before tax (\$'000)	23,900
Cost (£'000)	125	Net Cash (\$'000)	52,833
Valuation (£'000)	3,234	Net Assets June 2018 (\$'000)	51,646

COMPANY DESCRIPTION

Craneware develops and sells billing software analysis tools for the United States healthcare services sector. The company's software automates the checking process, aids in cash flow and revenue generation, and ensures accurate submission of claims and management of compliance risks.

Quixant plc			425.0p
Investment date	May 2013	Forecasts for the year to	December 2018
Equity Held	1.09%	Turnover (\$'000)	123,000
Av Purchase Price	189.7p	Profit/(loss) before tax (\$'000)	18,600
Cost (£'000)	1,368	Net Cash (\$'000)	2,544
Valuation (£'000)	3,065	Net Assets December 2017 (\$'000)	47,260

COMPANY DESCRIPTION

Quixant designs and manufactures complete advanced hardware and software solutions for the pay-to-play gaming industry. Quixant's specialised products provide an all-in-one solution, based on PC technology but with additional hardware features and operating software developed specifically to address the requirements of the gaming industry.

Beeks Financial Cloud Group plc			126.0p
Investment date	November 2017	Forecasts for the year to	June 2019
Equity Held	3.72%	Turnover (£'000)	8,000
Av Purchase Price	55.0p	Profit/(loss) before tax (£'000)	2,100
Cost (£'000)	1,039	Net Cash (£'000)	2,090
Valuation (£'000)	2,379	Net Assets June 2018 (£'000)	4,844

COMPANY DESCRIPTION

Beeks Financial Cloud Group PLC operates as a cloud computing organisation. The Company focuses on providing a cloud platform for trading applications to connect to venues in financial cities and data centers. Beeks Financial Cloud Group serves financial market worldwide.

Abcam plc			1,432.0p
Investment date	October 2005	Forecasts for the year to	June 2019
Equity Held	0.08%	Turnover (£'000)	265,000
Av Purchase Price	33.3p	Profit/(loss) before tax (£'000)	86,700
Cost (£'000)	55	Net Cash (£'000)	90,200
Valuation (£'000)	2,363	Net Assets June 2018 (£'000)	351,700

COMPANY DESCRIPTION

Abcam is a global life sciences company providing highly validated antibodies and other binders and assays to the research and clinical communities to help advance the understanding of biology and cause of disease. The company's customers include universities, research institutes, and pharmaceutical and biotechnology companies in countries around the world.

Cohort plc			395.0p
Investment date	February 2006	Results for the year to	April 2019
Equity Held	1.42%	Turnover (£'000)	125,000
Av Purchase Price	170.2p	Profit/(loss) before tax (£'000)	16,100
Cost (£'000)	987	Net Cash (£'000)	4,669
Valuation (£'000)	2,291	Net Assets April 2018 (£'000)	74,930

COMPANY DESCRIPTION

Cohort plc provides electronic and surveillance technology solutions. The Company offers electronic warfare operational support, secure communication systems and networks, test systems, and data management. Cohort serves defense and security, transport, offshore energy, and other commercial markets.

Investments held within the portfolio are listed and headquartered in the UK with the exception of the following:

	Listed	Headquartered	Registered
<i>Listed investments:</i>			
Clearstar Inc	UK	Cayman Islands	Cayman Islands
Faron Pharmaceuticals Oy	UK	Finland	Finland
Fulcrum Utility Services Ltd	UK	UK	Cayman Islands
GVC Holdings plc	UK	Isle of Man	UK
Maxcyte Inc Com Stk USD 0.01 (DI)	UK	USA	USA
Maxcyte Inc Com Stk USD 0.01 (DI/REG S)	UK	USA	USA
MYCELX Technologies Corporation plc	UK	USA	USA
Paragon Entertainment Ltd	UK	UK	Cayman Islands
Regent Pacific Group Ltd	Hong Kong	Hong Kong	Cayman Islands

Royal Dutch Shell plc	UK	Netherlands	UK
Sanne Group plc	UK	Jersey	Jersey
WANDisco plc	UK	UK and USA	Jersey
Wizz Air Holdings plc	UK	Switzerland	Jersey
XP Power Ltd	UK	Singapore	Singapore
<i>Unlisted private investments:</i>			
Fusionex International plc	-	UK	Jersey
Genagro Ltd	-	Jersey	Jersey

STUART BROOKES
Company Secretary

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Date: 8 January 2019