
HARGREAVE HALE AIM VCT 1 plc

**Unaudited Interim Results for the
six month period ending 31 March 2017**



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FINANCIAL HIGHLIGHTS

Ordinary Shares (as at 31 March):	31 March 2017	31 March 2016	30 September 2016*
Net asset value per share	78.12p	73.91p	75.93p
Cumulative distributions paid per share since launch	44.25p	40.25p	42.00p
Total return per share	122.37p	114.16p	117.93p
Earnings per share (basic and diluted):			
Revenue return	(0.14)p	(0.20)p	(0.11)p
Capital return	4.12p	1.72p	5.69p
Combined return	3.98p	1.52p	5.58p
Dividends per share:			
Interim proposed/paid	1.75p	1.75p	1.75p
Final paid	-	-	2.25p
Ongoing Expense Ratio**	1.83%	2.23%	1.99%
Performance Benchmark: FTSE AIM All-share Index (rebased to 100 at 29 October 2004)	96.42	82.93	84.98

* 30 September 2016 financial highlights represent annual results

** Calculated as total expenses (annualised for half yearly results) minus ad hoc legal costs and adjusted for trail commission written off, divided by period end net assets

INVESTMENT OBJECTIVE

The objective of the VCT is to achieve long term capital growth and to maximise tax free distributions to shareholders by investing in a diversified portfolio of small UK companies primarily traded on AIM. At least 70% of the Company's funds must be invested in qualifying holdings within three years of raising the funds. The balance of the Company's funds will be invested in liquid assets (such as fixed income securities and bank deposits) and non-qualifying equity investments on an opportunistic basis. The Company is managed as a Venture Capital Trust in order that shareholders in the Company may benefit from the tax relief available.

CHAIRMAN'S STATEMENT

INTRODUCTION

In the first half of the financial year the Net Asset Value (NAV) per share increased from 75.93 pence to 78.12 pence equivalent to an increase of 5.8% after adding back the 2.25 pence dividend distributed in January 2017. During the same period the FTSE 100 Total Return Index rose 8.1% and the FTSE AIM All Share Total Return Index rose 14.3%.

RESULTS

The gain per share for the six month period was 3.98 pence per share (comprising revenue losses of 0.14 pence and capital gains of 4.12 pence). At 31 March 2017 the total return since inception of the fund was 122.37 pence.

INVESTMENTS

The investment manager, Hargreave Hale Limited, invested a further £3.44 million in 9 qualifying companies during the period of which 6 were AIM companies and 3 unquoted. The fair value of qualifying investments at 31 March 2017 was £33.33 million invested in 69 AIM companies and 10 unquoted companies. The balance of the funds was held in a mix of cash and non-qualifying equities.

At 31 March 2017 the VCT was 87.30% invested as measured by HMRC.

DIVIDEND

A final dividend for the year ended 30 September 2016 of 2.25 pence was paid on 17 January 2017.

The directors continue to maintain a policy of distributing at least 5% of the year end NAV to shareholders. An interim dividend of 1.75 pence (2016: 1.75p) will be paid on 30 June 2017, with an ex-dividend date of 8 June 2017 and a record date of 9 June 2017.

BUYBACKS

We have been able to maintain our policy of offering our shareholders an efficient exit route through the buyback scheme. In total, 318,221 shares were repurchased during the six month period ending 31 March 2017 at a weighted average price of 74.59 pence per share. Since the period a further 206,867 shares have been repurchased at a weighted average price of 76.07 pence.

The Board continues to target a share price discount of 5% of the NAV per share (as measured against the mid-price) for market purchases. It should be emphasised that this target is non-binding and dependent on circumstances, including the Company's liquidity from time to time and market conditions.

JOINT OFFER FOR SUBSCRIPTION - 2015

On 17 November 2016 the joint offer for subscription for new shares in Hargreave Hale AIM VCT 1 plc and Hargreave Hale AIM VCT 2 plc (launched in December 2015) was closed with £12.46 million raised for Hargreave Hale AIM VCT 1 plc.

JOINT OFFER FOR SUBSCRIPTION - 2016

The Directors of the Company announced on 14 December 2016 the launch of a new joint offer for subscription for shares in both Hargreave Hale AIM VCTs to raise up to £10 million in the Company and up to £10 million in Hargreave Hale AIM VCT 2 plc. The offer was approved by shareholders of the Company at a general meeting on 12 January 2017 and was open to both new and existing shareholders.

On 9 March 2017 Hargreave Hale AIM VCT 1 plc announced that it had received applications in excess of £10 million and, accordingly, the directors of Hargreave Hale AIM VCT 1 plc announced that they intended to utilise the £5 million Over-Allotment Facility.

On 15 March 2017 the Company announced that the offer was fully subscribed, resulting in gross funds being received of £15 million and the issue of 18.96 million new shares in the Company.

I am pleased to report that an immediate effect is that the ongoing expense ratio has dropped from 1.99% in September 2016 to 1.83% as at 31 March 2017.

VCT REGULATION

In order to comply with EU regulations regarding State Aid, the VCT rules were subject to substantial changes in the budget on 8 July 2015, which came into effect on 18 November 2015. In the round we do not think these rules have greatly affected the Company, although we will no longer be able to make non-qualifying investments in companies listed on AIM or UK government bonds. We are able to continue to invest via the Marlborough Special Situations Fund and we are free to invest in companies listed on the main market.

BOARD CHANGES

Giles Hargreave resigned as a director of the Company on 13 December 2016. I would like to take this opportunity to thank Giles for all his hard work on the Board. Following the resignation of Giles Hargreave, Oliver Bedford was appointed as a non-executive director of the Company on 13 December 2016. I am pleased to report that Giles still works for the manager and that we still benefit from his expertise and sagacity.

ELECTRONIC COMMUNICATIONS

Following approval at a general meeting on 12 January 2017, the Company has adopted electronic communications. Your Board believes this is beneficial to the Company and its shareholders and will result in substantial cost savings and improved timeliness and transparency of communications.

AUDIT TENDER

As announced in the annual report and accounts for the year ended 30 September 2016 a mandatory audit tender is required in the current year. I am pleased to confirm the process is underway and a further update will be given in due course.

OUTLOOK

The outcome of the American elections and Brexit vote does not appear to have had an adverse effect on the stock markets and the drop in the value of sterling seems to have a beneficial effect on exports and the balance of trade. After the results of recent polls around the world I am reluctant to publish my views on the outcome of the forthcoming election!

For the next two years it seems that we will suffer the media's fascination with the Brexit negotiations. Given that the EU has only managed to negotiate one trade deal, Canada, in the last 10 or so years it is hard to believe that the UK will achieve much in two. This will have little effect in the short term but may make the markets more volatile in the longer term. We continue to invest in companies with good management and robust business plans that we hope will weather any storms. Furthermore we are seeing more private equity opportunities in sound companies with future growth and these will not be affected by the vagaries of the market.

SIR AUBREY BROCKLEBANK BT.
Chairman

Date: 24 May 2017

INVESTMENT MANAGER'S REPORT

INTRODUCTION

This report covers the first half of the 2016/17 financial year, 1 October 2016 to 31 March 2017. The 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 for the company within the reported period as a function of the weighted average number of shares in issue for the period.

INVESTMENT REPORT

The period under review was a strong period for equities with markets taking Trump's election as the US President as a substantial positive despite the many political uncertainties that accompanied his victory. Politics aside, global economic growth was robust, with US GDP growth and low interest rates leading developed markets higher.

Although not new news, ongoing weakness in sterling helped UK equities continue their strong run with foreign earnings providing a welcome earnings kicker for export orientated companies. By and large, VCT regulations channel us into small domestically focussed growth stories, so we were unable to fully benefit from the trend that persisted through much of the first quarter of the financial year, although we did derive some benefit through companies such as Abcam and Craneware, as well as parts of our non-qualifying portfolio. The positive mood within the major indices filtered down the chain and the second quarter saw a beneficial uptick in risk sentiment within smallcap equities, which favoured our qualifying investments.

The second half of the financial year has already thrown up a number of risks and surprises, the French and UK elections being the most recent examples. Doubtless there will be more; however, for now the UK economy feels strong enough and, although we have seen some evidence of weakness within the housing market and elements of the casual dining sub-sector, by and large the macro picture remains workable. We expect the UK consumer to be more challenged this year as real wage growth turns negative, with some weakness already showing up in consumer confidence data. But in the round, we find most companies to be positive about the outlook and there seems to be reasonable demand for new capital to support their growth and development.

PERFORMANCE

In the six months to 31 March 2017, the NAV increased from 75.93 pence to 78.12 pence. A total of 2.25 pence per share was paid in dividends, giving investors a total return of 4.44 pence per share, which translates to a gain of 5.8%. During the same period the FTSE AIM All-Share Total Return gained 14.3%, whilst the FTSE 100 Total Return gained 8.1%.

The qualifying investments made a net contribution of 2.86 pence per share with 34 out of the 79 making gains, 11 unchanged and 34 losing ground. The balance was the net of non-qualifying portfolio gains, running costs and investment income.

Cohort was the top performing qualifying investment (+38.7%, +0.90 pence per share). The company confirmed the outlook for the year ending April 2017 and announced a series of material contract wins. The company has a significant net cash balance and remains well positioned to benefit from structural growth in defence spending on specific technologies and platforms. Animalcare also performed well (+55.4%, +0.82 pence per share). The company delivered a very strong trading update in January, prompting analysts to upgrade numbers. Product development and international sales are translating through to growth in revenues and profits. Maxcyte (+219.3%, +0.73 pence per share), Quixant (+40.7%, +0.55 pence per share) and Learning Technologies Group (+29.7%, +0.48 pence per share) were all also significant contributors over the period.

The biggest (unrealised) losses within the period came from TrakM8 (-60.0%, -0.88 pence per share) and K3 Business Technology (-29.0%, -0.48 pence per share). TrakM8 announced a material profit downgrade after contract deferrals left the company exposed to an overhead that was oversized relative to the revised revenue outcome. K3 Business Technology was another company to report softer market conditions and lengthening sales cycles. Other losses came from Instem Life (-42.0%, -0.34 pence per share) and Tasty (-51.7%, -0.30 pence per share), all of which pared back their profit guidance.

We invested £3.44m into 9 qualifying companies over the period, including 3 further investments into existing qualifying companies; 3 IPOs and 3 additional private investments.

Within the qualifying portfolio, several investee companies experienced strong runs in the market, which led us to make partial disposals in Abcam, Craneware, Creo, Directa Plus, DP Poland, ECSC, Loop Up, Maxcyte and Surface Transforms.

PORTFOLIO STRUCTURE

The VCT is comfortably through the HMRC defined investment test and ended the period at 87.30% invested as measured by the HMRC investment test. By market value, the VCT had a 52.4% weighting to qualifying investments.

The allocation to non-qualifying equity investments increased marginally from 15.4% to 18.9%. We continued to make use of the Marlborough Special Situations Fund as a temporary home for proceeds from fundraising, lifting the allocation from 4.7% to 10.2%. The non-qualifying investments contributed +2.03 pence per share to the overall gains. We sold our remaining fixed income investment and kept cash steady at 18.8%.

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 investment manager's 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 HALF YEAR UPDATE

Deal flow has been good since period end with 4 new qualifying investments made, 1 as a follow-on investment into an existing qualifying holding and 3 into new qualifying companies. We also have several deals in the pipeline which we expect to complete in the coming weeks.

NAV performance has also been good post period end, with the net asset per share gaining 4.4% to 81.55 pence.

STUART BROOKES

Company Secretary

Hargreave Hale AIM VCT 1 plc
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Date: 24 May 2017

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INVESTMENT PORTFOLIO SUMMARY

as at 31 March 2017

Qualifying investments	Cost £000	Valuation £000	Valuation %	Net Assets %	Sector
Cohort plc	619	2,042	3.94	3.21	Industrials
Animalcare Group plc	220	1,660	3.20	2.61	Health Care
Portr Ltd**	873	1,425	2.75	2.24	Information Technology
Abcam Plc	55	1,362	2.63	2.14	Health Care
Quixant plc	160	1,322	2.55	2.08	Consumer Discretionary
Learning Technologies Group plc	663	1,310	2.53	2.06	Information Technology
Science in Sport plc	778	1,270	2.45	2.00	Consumer Staples
Idox plc	135	1,261	2.43	1.98	Information Technology
Craneware plc	125	1,181	2.28	1.86	Health Care
Ideagen plc	410	941	1.82	1.48	Information Technology
Zappair Ltd**	902	900	1.74	1.42	Information Technology
DP Poland plc	343	875	1.69	1.38	Consumer Discretionary
Mexican Grill Ltd (A Preference Shares)**	185	769	1.49	1.21	Consumer Discretionary
K3 Business Technology Group plc	270	750	1.45	1.18	Information Technology
Creo Medical Group plc	659	701	1.35	1.10	Health Care
Maxcyte Inc	173	652	1.26	1.02	Health Care
Gfinity plc	326	569	1.10	0.90	Information Technology
ULS Technology plc	221	536	1.04	0.84	Information Technology
TLA Worldwide plc	300	525	1.01	0.83	Consumer Discretionary
Faron Pharmaceuticals Oy	260	519	1.00	0.82	Health Care
Hardide plc	786	518	1.00	0.81	Materials
Infinity Reliance Ltd (My 1st Years)**	501	500	0.97	0.79	Consumer Discretionary
Vertu Motors plc	600	483	0.93	0.76	Consumer Discretionary
Eagle Eye Solutions Ltd	541	474	0.92	0.75	Information Technology
EKF Diagnostics Holdings plc	300	425	0.82	0.67	Health Care
ECSC Group plc	251	420	0.81	0.66	Information Technology
Aquis Exchange Ltd**	401	400	0.77	0.63	Information Technology
TrakM8 Holdings plc	106	374	0.72	0.59	Information Technology
Premaitha Health plc	432	363	0.70	0.57	Health Care
Belvoir Lettings plc	513	357	0.69	0.56	Real Estate
Loopup Group plc	236	354	0.68	0.56	Information Technology
CentralNic Group plc	293	340	0.66	0.53	Information Technology
Surface Transforms plc	273	332	0.64	0.52	Industrials
Property Franchise Group plc	225	326	0.63	0.51	Real Estate
Instem plc	297	314	0.61	0.49	Health Care
Plastics Capital plc	250	308	0.59	0.48	Materials
Intercede Group plc	247	307	0.59	0.48	Information Technology
Laundrapp Ltd**	301	300	0.58	0.47	Information Technology
Globaldata plc	173	293	0.56	0.46	Information Technology
Satellite Solutions Worldwide Group plc	154	283	0.55	0.45	Telecommunication Services
Freeagent Holdings plc	185	264	0.51	0.42	Information Technology

Qualifying investments (continued)	Cost £000	Valuation £000	Valuation %	Net Assets %	Sector
Everyman Media Group plc	171	258	0.50	0.41	Consumer Discretionary
Universe Group plc	210	240	0.46	0.38	Information Technology
Clearstar Inc	449	236	0.46	0.37	Health Care
Angle plc	348	236	0.45	0.37	Industrials
Electrical Geodesics Inc	200	231	0.45	0.36	Health Care
Reneuron Group plc	534	226	0.44	0.36	Health Care
Kalibrate Technologies plc	323	224	0.43	0.35	Information Technology
WANDisco plc	89	209	0.40	0.33	Information Technology
Tasty plc	288	208	0.40	0.33	Consumer Discretionary
Cloudcall Group plc	259	200	0.39	0.31	Telecommunication Services
Osirium Technologies plc	301	192	0.37	0.30	Information Technology
Ilika plc	218	186	0.36	0.29	Industrials
Pressure Technologies plc	170	176	0.34	0.28	Energy
APC Technology Group plc	498	168	0.32	0.26	Information Technology
Porta Communications plc	505	164	0.32	0.26	Consumer Discretionary
Verona Pharma plc	127	161	0.31	0.25	Health Care
Imaginatik plc	254	134	0.26	0.21	Information Technology
Audioboom plc	166	131	0.25	0.21	Information Technology
Egdon Resources plc	158	131	0.25	0.21	Energy
Mirada plc	618	129	0.25	0.20	Information Technology
Fusionex International plc	138	125	0.24	0.20	Information Technology
Flowgroup plc	577	119	0.23	0.19	Industrials
Lidco Group plc	220	114	0.22	0.18	Health Care
TP Group plc	185	108	0.21	0.17	Industrials
Medaphor Group plc	251	106	0.20	0.17	Consumer Discretionary
Midatech Pharma plc	200	90	0.17	0.14	Health Care
Mexican Grill Ltd (Ordinary Shares)**	21	86	0.17	0.13	Consumer Discretionary
Synairgen plc	140	78	0.15	0.12	Health Care
Directa Plus plc	60	76	0.15	0.12	Materials
Mycelx Technologies Corporation plc (Com SHS \$0.025 + (D1) shares)	300	71	0.14	0.11	Industrials
Genedrive plc	140	70	0.14	0.11	Health Care
Redcentric plc	214	46	0.09	0.07	Information Technology
Mporium Group plc	301	42	0.08	0.07	Information Technology
Haydale Graphene Industries plc	35	36	0.07	0.06	Materials
Microsaic Systems plc	51	23	0.04	0.04	Information Technology
Brigantes Energy Ltd*	-	-	-	-	Energy
Infoserve Group plc*	-	-	-	-	Consumer Discretionary
Invocas Group plc*	-	-	-	-	Consumer Discretionary
<i>Total Qualifying Investments</i>	<i>23,461</i>	<i>33,335</i>	<i>64.35</i>	<i>52.44</i>	

Non-Qualifying investments	Cost £000	Valuation £000	Valuation %	Net Assets %	Sector
MFM Special Situations Fund**	6,062	6,459	12.47	10.16	
<i>Total – Unit Trusts</i>	<i>6,062</i>	<i>6,459</i>	<i>12.47</i>	<i>10.16</i>	
Melrose Industries plc	592	913	1.76	1.44	Industrials
Fulcrum Utility Services Ltd	125	804	1.55	1.26	Utilities
FCFM Group Ltd**	300	565	1.09	0.89	Financials
Dechra Pharmaceuticals plc	461	536	1.03	0.84	Health Care
Atkins (WS) plc	462	524	1.01	0.82	Industrials
Sanne Group plc	370	518	1.00	0.81	Financials
BP plc	506	503	0.97	0.79	Energy
NMC Health plc	426	495	0.96	0.78	Health Care
Royal Dutch Shell plc	473	481	0.93	0.76	Energy
Quixant plc	159	427	0.83	0.67	Consumer Discretionary
Merlin Entertainments plc	386	417	0.81	0.66	Consumer Discretionary
On the Beach Group plc	376	417	0.80	0.66	Consumer Discretionary
RPC Group plc	445	376	0.73	0.59	Materials
Medica plc	271	371	0.72	0.58	Health Care
JD Sports Fashion plc	265	347	0.67	0.55	Consumer Discretionary
Ascential plc	326	345	0.67	0.54	Consumer Discretionary
Just Eat plc	329	340	0.66	0.53	Information Technology
DFS Furniture plc	331	293	0.57	0.46	Consumer Discretionary
Taylor Wimpey plc	299	280	0.54	0.44	Consumer Discretionary
Horizon Discovery Group plc	261	273	0.53	0.43	Health Care
Lloyds Banking Group plc	285	265	0.51	0.42	Financials
Finsbury Food Group plc	140	249	0.48	0.39	Consumer Staples
Clipper Logistics plc	234	245	0.47	0.39	Consumer Discretionary
Hilton Food Group plc	252	245	0.47	0.39	Consumer Discretionary
Micro Focus International plc	152	228	0.44	0.36	Information Technology
Wizz Air Holdings plc	220	197	0.38	0.31	Consumer Discretionary
Mexican Grill Ltd (A Preference Shares)**	128	196	0.38	0.31	Consumer Discretionary
Learning Technologies Group plc	76	176	0.34	0.28	Information Technology
Sportech plc	130	163	0.31	0.26	Consumer Discretionary
Eurocell plc	119	138	0.27	0.22	Industrials
Everyman Media Group plc	85	125	0.24	0.20	Consumer Discretionary
Regent Pacific Group Ltd	150	111	0.21	0.17	Health Care
Reneuron Group plc	104	82	0.16	0.13	Health Care
Amerisur Resources plc	167	62	0.12	0.10	Energy
The Fulham Shore plc	38	61	0.12	0.10	Consumer Discretionary
Midatech Pharma plc	134	60	0.12	0.09	Health Care
Audioboom plc	59	42	0.08	0.07	Information Technology
Eagle Eye Solutions Ltd	44	42	0.08	0.06	Information Technology
Plexus Holdings plc	125	36	0.07	0.06	Energy

Non-Qualifying investments (continued)	Cost £000	Valuation £000	Valuation %	Net Assets %	Sector
Mycelx Technologies Corporation plc (Com SHS \$0.025 REG S+ shares)	200	27	0.05	0.04	Industrials
Mexican Grill Ltd (Ordinary Shares)**	26	26	0.05	0.04	Consumer Discretionary
<i>Total – Non-Qualifying equities</i>	<i>10,031</i>	<i>12,001</i>	<i>23.18</i>	<i>18.89</i>	
<i>Total –Non-Qualifying Investments</i>	<i>16,093</i>	<i>18,460</i>	<i>35.65</i>	<i>29.05</i>	
Total investments	39,554	51,795	100.00	81.49	
Cash at bank		11,930		18.77	
Prepayments & Accruals		(162)		(0.26)	
Net Assets		63,563		100.00	

* Unquoted Company holding of less than £500

**Unquoted Companies

The majority of listed investments held within the portfolio are listed, headquartered and registered in the UK with the exception of the following:

	Listed	Headquartered	Registered
<i>AIM listed Investments:</i>			
Audioboom plc	UK	UK	Jersey
Clearstar Inc	UK	Cayman Islands	Cayman Islands
Electrical Geodesics Inc	UK	USA	USA
Faron Pharmaceuticals Oy	UK	Finland	Finland
Fulcrum Utility Services Ltd	UK	UK	Cayman Islands
Fusionex International plc	UK	UK	Jersey
Maxcyte Inc	UK	USA	USA
Mycelx Technologies Corporation plc (Com SHS \$0.025 + (D1) shares)	UK	USA	USA
Mycelx Technologies Corporation plc (Com SHS \$0.025 REG S+ shares)	UK	USA	USA
Regent Pacific Group Ltd	UK	Hong Kong	UK
Royal Dutch Shell plc	UK	Netherlands	UK
Sanne Group plc	UK	Jersey	Jersey
WANDisco plc	UK	UK	Jersey
Wizz Air Holdings plc	UK	Jersey	Jersey
<i>Unlisted private companies:</i>			
Aquis Exchange Ltd	-	UK	UK
Brigantes Energy Ltd	-	UK	UK
FCFM Group Ltd	-	UK	UK
Laundrapp Ltd	-	UK	UK
Mexican Grill Ltd	-	UK	UK
Infinity Reliance Ltd (My 1st Years)	-	UK	UK
Infoserve Group plc	-	UK	UK
Invocas Group plc	-	UK	UK
Portr Ltd	-	UK	UK
Zappar Ltd	-	UK	UK
<i>Authorised unit trust:</i>			
MFM Special Situations Fund	-	UK	UK

TOP TEN INVESTMENTS

As at 31 March 2017 (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. The net cash values are drawn from published accounts in most cases.

Cohort plc			Price	430.0p
Investment date	February 2006	Forecasts for the year to		April 2017
Equity held	1.16%	Turnover (£'000)		123,100
Av Purchase Price	130.2p	Profit/(loss) before tax (£'000)		14,300
Cost (£'000)	619	Net Cash (£'000)		9,911
Valuation (£'000)	2,042	Net Assets April 2016 (£'000)		70,789

COMPANY DESCRIPTION

Cohort, through its subsidiary, provides a range of technical services to clients in the defence and security sectors.

Quixant plc			Price	380.0p
Investment date	May 2013	Forecasts for the year to		December 2017
Equity held	0.70%	Turnover (\$'000)		102,300
Av. Purchase Price	69.3p	Profit/(loss) before tax (\$'000)		15,800
Cost (£'000)	319	Net Cash (\$'000)		(69)
Valuation (£'000)	1,749	Net Assets December 2016 (\$'000)		34,306

COMPANY DESCRIPTION

Quixant designs and manufactures complete advanced hardware and software solutions for the pay-for-play gaming and slot machine 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.

Animalcare Group plc			Price	415.0p
Investment date	December 2007	Forecasts for the year to		June 2017
Equity held	1.88%	Turnover (£'000)		15,900
Av. Purchase Price	55.0p	Profit/(loss) before tax (£'000)		3,600
Cost (£'000)	220	Net Cash (£'000)		7,012
Valuation (£'000)	1,660	Net Assets June 2016 (£'000)		22,515

COMPANY DESCRIPTION

Animalcare Group markets and sells a wide range of pharmaceutical and other premium products and services to vets and vet wholesalers.

Learning Technologies Group plc			Price	41.5p
Investment date	November 2014	Forecasts for the year to	December 2017	
Equity held	0.66%	Turnover (£'000)	49,600	
Av. Purchase Price	20.6p	Profit/(loss) before tax (£'000)	10,000	
Cost (£'000)	739	Net Cash (£'000)	(8,486)	
Valuation (£'000)	1,486	Net Assets December 2016 (£'000)	30,710	

COMPANY DESCRIPTION

Learning Technologies provides a comprehensive and integrated range of e-learning services and technologies to corporate and government clients. LTG is making good progress towards its goal of establishing a substantial global organisation of specialist digital learning businesses from Europe, US, Latin America and Asia to form a market-leading technologies agency.

Portr Ltd			Price	1058.0p
Investment date	July 2015	Results for the year to	December 2015	
Equity held	5.14%	Turnover (£'000)	–	
Av Purchase Price	648.0p	Profit/(loss) before tax (£'000)	–	
Cost (£'000)	873	Net Cash (£'000)	816	
Valuation (£'000)	1,425	Net Assets December 2015 (£'000)	819	
Income recognised in period (£)	0			

COMPANY DESCRIPTION

Portr runs AirPortr, London's same day luggage transfer service. In its most basic form they deliver luggage from London Airports to your hotel, office or home and vice versa. They recently launched an off airport check in solution in partnership with British Airways, allowing you to check in your bag from your house, hotel or office for an outbound flight from London airports.

Abcam plc			Price	825.5p
Investment date	October 2005	Forecasts for the year to	June 2017	
Equity held	0.08%	Turnover (£'000)	215,700	
Av Purchase Price	33.4p	Profit/(loss) before tax (£'000)	63,700	
Cost (£'000)	55	Net Cash (£'000)	76,429	
Valuation (£'000)	1,362	Net Assets June 2016 (£'000)	261,190	

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 biotechnology companies in countries around the world.

Science in Sport plc			Price	88.0p
Investment date	April 2014	Forecasts for the year to	December 2017	
Equity held	3.33%	Turnover (£'000)	15,200	
Av. Purchase Price	53.9p	Profit/(loss) before tax (£'000)	(1,700)	
Cost (£'000)	778	Net Cash (£'000)	6,130	
Valuation (£'000)	1,270	Net Assets December 2016 (£'000)	10,819	

COMPANY DESCRIPTION

Science in Sport manufactures and sells sports nutrition products. The company develops and distributes food, nutritional supplements, and beverages formulated to hydrate, energise, recover, and enhance sports performance.

Idox plc			Price	70.0p
Investment date	May 2007	Forecasts for the year to	October 2017	
Equity held	0.44%	Turnover (£'000)	98,100	
Av Purchase Price	7.5p	Profit/(loss) before tax (£'000)	21,800	
Cost (£'000)	135	Net Cash (£'000)	(25,048)	
Valuation (£'000)	1,261	Net Assets October 2016 (£'000)	65,232	

COMPANY DESCRIPTION

Idox is a supplier of specialist information management solutions and services to the public sector and to highly regulated asset intensive industries around the world in the wider corporate sector.

Craneware plc			Price	1205.0p
Investment date	September 2007	Forecasts for the year to	June 2017	
Equity held	0.36%	Turnover (\$'000)	56,700	
Av Purchase Price	128.0p	Profit/(loss) before tax (\$'000)	17,200	
Cost (£'000)	125	Net Cash (\$'000)	45,098	
Valuation (£'000)	1,181	Net Assets June 2016 (\$'000)	93,779	

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 managing compliance risks.

Mexican Grill Ltd			Price	8550.0p
Investment date	October 2009	Results for the year to	December 2015	
Equity held	3.54%	Turnover (£'000)	21,314	
Av Purchase Price	2,849.9p	Profit/(loss) before tax (£'000)	(475)	
Cost (£'000)	360	Net Cash (£'000)	(668)	
Valuation (£'000)	1,077	Net Assets December 2015 (£'000)	4,337	
Income recognised in period (£)	0			

COMPANY DESCRIPTION

Mexican Grill is a private company that operates 36 fast casual California-Mexican restaurants that provide fresh, made to order cuisine for eat in or take-away, making it among the largest chains within its niche.

Co-Investment

As at 31 March 2017, other funds managed by Hargreave Hale Ltd were also invested in all of the investments held within the Company's portfolio with the exception of the following: Infoserve Group plc, Invocas Group plc, Redcentric plc, Universe Group plc and Vertu Motors plc.

For further information please contact:

STUART BROOKES

Company Secretary

Hargreave Hale AIM VCT 1 plc
01253 754740

Date: 24 May 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

in respect of the half-yearly financial report

In accordance with Disclosure Transparency Rule (DTR) 4.2.10, Aubrey Brocklebank Bt (Chairman), David Brock and Oliver Bedford, the Directors, confirm that to the best of their knowledge:

- The half yearly financial results have been prepared in accordance with UK GAAP and give a true and fair review of the assets, liabilities, financial position and profit of the Company as at 31 March 2017 as required by DTR 4.2.4;
- The interim management report included within the chairman's statement, investment manager's report, investment portfolio summary and notes to the half yearly report includes a fair review of the information required by the Financial Conduct Authority Disclosure and Transparency Rules, being;
 - an indication of the important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements;
 - a description of the principal risks and uncertainties for the remaining six months of the year; and
 - a description of related party transactions that have taken place in the first six months of the current financial year, that may have materially affected the financial position or performance of the Company during that period and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board of Directors.

SIR AUBREY BROCKLEBANK BT.
Chairman

Date: 24 May 2017

CONDENSED INCOME STATEMENT

for the six month period to 31 March 2017 (unaudited)

	For the six month period to 31 March 2017 (unaudited)			For the six month period to 31 March 2016 (unaudited)		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Realised gains on investments held at fair value through profit or loss	-	757	757	-	714	714
Unrealised gains on investments held at fair value through profit	-	2,590	2,590	-	413	413
Income	175	15	190	145	-	145
	175	3,362	3,537	145	1,127	1,272
Management fee	(94)	(282)	(376)	(70)	(211)	(281)
Other expenses	(187)	(32)	(219)	(180)	-	(180)
	(281)	(314)	(595)	(250)	(211)	(461)
(Loss)/gain on ordinary activities before taxation	(106)	3,048	2,942	(105)	916	811
Taxation	-	-	-	-	-	-
(Loss)/gain on ordinary activities after taxation	(106)	3,048	2,942	(105)	916	811
(Loss)/gain per share basic and diluted (Note 2)	(0.14)p	4.12p	3.98p	(0.20)p	1.72p	1.52p

The total column of this statement is the income statement of the Company. All revenue and capital items in the above statement derive from continuing operations. The Company has no other comprehensive income other than the results for the six month period as set out above. The accompanying notes are an integral part of these financial statements.

CONDENSED INCOME STATEMENT

for the year ended 30 September 2016 (audited)

	For the year to 30 September 2016 (audited)		
	Revenue £000	Capital £000	Total £000
Realised gains on investments held at fair value through profit or loss	-	249	249
Unrealised gains on investments held at fair value through profit or loss	-	3,396	3,396
Income	369	-	369
	369	3,645	4,014
Management fee	(156)	(467)	(623)
Other expenses	(276)	-	(276)
	(432)	(467)	(899)
(Loss)/gain on ordinary activities before taxation	(63)	3,178	3,115
Taxation	-	-	-
(Loss)/gain after taxation	(63)	3,178	3,115
(Loss)/gain per share basic and diluted (Note 2)	(0.11)p	5.69p	5.58p

The total column of this statement is the income statement of the Company. All revenue and capital items in the above statement derive from continuing operations. The Company has no other comprehensive income other than the results for the year as set out above. The accompanying notes are an integral part of these financial statements.

CONDENSED BALANCE SHEET

as at 31 March 2017 (unaudited)

	31 March 2017 (unaudited) £000	31 March 2016 (unaudited) £000	30 September 2016 (audited) £000
Fixed assets			
Investments at fair value through profit or loss	51,795	34,786	38,572
Current assets			
Prepayments and accrued income	40	25	44
Cash at bank	11,930	6,806	8,647
	11,970	6,831	8,691
Creditors: amounts falling due within one year			
Accruals and deferred income	(202)	(194)	(191)
Net current assets	11,768	6,637	8,500
Net assets	63,563	41,423	47,072
Capital and Reserves			
Called up share capital	814	560	620
Share premium	36,863	17,280	21,845
Capital redemption reserve	31	25	28
Special reserve	17,386	20,335	19,052
Capital reserve - realised	(3,267)	(3,003)	(3,725)
Capital reserve - unrealised	12,241	6,667	9,651
Revenue reserve	(505)	(441)	(399)
Total shareholders' funds	63,563	41,423	47,072
Net asset value per share basic and diluted (Note 4)	78.12p	73.91p	75.93p

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

CONDENSED STATEMENT OF CHANGES IN EQUITY

for the six month period to 31 March 2017 (unaudited)

Ordinary Shares	Share capital £000	Share premium £000	Capital redemption reserve £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
At 1 October 2016	620	21,845	28	19,052	(3,725)	9,651	(399)	47,072
Share buybacks	(3)		3	(236)				(236)
Share issues	197	15,361						15,558
Issue costs		(343)						(343)
Equity dividends paid				(1,430)				(1,430)
Realised gain on investments					757			757
Unrealised gain on investments						2,590		2,590
Management fee charged to capital					(282)			(282)
Arrangement fee income					15			15
Due diligence investment costs					(32)			(32)
Revenue (loss) after taxation for the period							(106)	(106)
Total gain/(loss) after taxation					458	2,590	(106)	2,942
At 31 March 2017	814	36,863	31	17,386	(3,267)	12,241	(505)	63,563

Reserves available for distribution are capital reserve realised, special reserve and revenue reserve. Total distributable reserves at 31 March 2017 were £13.61 million. The accompanying notes are an integral part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY

for the six month period to 31 March 2016 (unaudited)

Ordinary Shares	Share capital £000	Share premium £000	Capital redemption reserve £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
At 1 October 2015	482	10,987	16	22,044	(3,506)	6,254	(336)	35,941
Share buybacks	(9)		9	(631)				(631)
Share issues	87	6,412						6,499
Issue costs		(119)						(119)
Equity dividends paid				(1,078)				(1,078)
Realised gain on investments					714			714
Unrealised gain on investments						413		413
Management fee charged to capital					(211)			(211)
Revenue (loss) after taxation for the period							(105)	(105)
Total gain/(loss) after taxation					503	413	(105)	811
At 31 March 2016	560	17,280	25	20,335	(3,003)	6,667	(441)	41,423

Reserves available for distribution are capital reserve realised, special reserve and revenue reserve. Total distributable reserves at 31 March 2016 were £16.89 million. The accompanying notes are an integral part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2016 (audited)

Ordinary Shares	Share capital £000	Share premium £000	Capital redemption reserve £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
At 1 October 2015	482	10,987	16	22,044	(3,506)	6,254	(336)	35,941
Share buybacks	(12)		12	(846)				(846)
Share issues	150	11,093						11,243
Issue costs		(235)						(235)
Equity dividends paid				(2,146)				(2,146)
Realised gain on investments					248			248
Unrealised gain on investments						3,397		3,397
Management fee charged to capital					(467)			(467)
Revenue (loss) after taxation for the period							(63)	(63)
Total (loss)/gain after taxation					(219)	3,397	(63)	3,115
At 30 September 2016	620	21,845	28	19,052	(3,725)	9,651	(399)	47,072

Reserves available for distribution are capital reserve realised, special reserve and revenue reserve. Total distributable reserves at 30 September 2016 were £14.93 million. The accompanying notes are an integral part of these financial statements.

CONDENSED STATEMENT OF CASH FLOWS

for the six month period to 31 March 2017 (unaudited)

	31 March 2017 (unaudited) £000	31 March 2016 (unaudited) £000	30 September 2016* (audited) £000
Total gain on ordinary activities after taxation	2,942	811	3,115
Realised (gain) on investments	(757)	(714)	(248)
Unrealised (gain) on investments	(2,590)	(413)	(3,397)
Decrease/(increase) in debtors	4	7	(12)
Increase/(decrease) in creditors	11	(14)	(17)
Net cash (outflow) from operating activities	(390)	(323)	(559)
Cash flows from investing activities			
Purchase of investments	(14,270)	(7,290)	(13,410)
Sale of investments	4,394	5,984	10,836
Net cash (outflow) from investing activities	(9,876)	(1,306)	(2,574)
Cash flows from financing activities			
Proceeds from share issues	15,558	6,499	11,243
Share issue costs	(343)	(119)	(235)
Share buybacks	(236)	(631)	(846)
Dividends paid	(1,430)	(1,078)	(2,146)
Net cash from financing activities	13,549	4,671	8,016
Increase in cash	3,283	3,042	4,883
Analysis of net funds			
Opening cash	8,647	3,764	3,764
Cash movement	3,283	3,042	4,883
Closing cash	11,930	6,806	8,647

* 30 September 2016 cash flow represents annual results

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

EXPLANATORY NOTES

for the six month period to 31 March 2017 (unaudited)

1. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the period, is set out below:

Basis of preparation

The Company has prepared its half-yearly financial results for the six month period ending 31 March 2017 in accordance with Financial Reporting Standard 104 (FRS104) and the Statement of Recommended Practice for “Financial Statements of Investment Trust Companies and Venture Capital Trusts” (the SORP).

The same accounting policies and methods of computation are followed in the half-yearly financial results as compared with the most recent annual financial statements.

Investments

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.

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 where there is considered to be no change in fair value.

Valuations of unquoted investments are reviewed on a six monthly 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 C 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 book 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.

Financial Instruments – fair value measurement hierarchy

FRS 102 requires certain disclosures which require the classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement.

The fair value hierarchy has the following levels:

Level	Methodology
(a)	The best evidence of fair value is a quoted price for an identical asset in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the current bid price.
(b)	When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the entity can demonstrate that the last transaction price is not a good estimate of fair value (e.g. because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.
(c)	If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

	Level (a) Investments £'000	Level (b) Investments £'000	Level (c) Investments £'000	Total Investments £'000
Six months ended 31 March 2017(unaudited)	40,169	6,459	5,167	51,795
Year ended 30 September 2016 (audited)	33,149	2,206	3,217	38,572
Six months ended 31 March 2016(unaudited)	30,659	1,495	2,632	34,786

Key judgements and estimates

The preparation of the financial statements requires the Board to make judgements and estimates that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Key estimation uncertainties mainly relate to the fair valuation of unquoted investments, which are based on historical experience and other factors that are considered reasonable including the transfer price of the most recent transaction on an arm's length basis. The estimates are under continuous review with particular attention paid to the carrying value of the investments. The process of estimation is also affected by the determination of the fair value hierarchy.

Income

Equity dividends are taken into account on the ex-dividend date, net of any associated tax credit. Fixed returns on non-equity shares and debt securities are recognised on a time apportionment basis so as to reflect the effective yield, provided there is no reasonable doubt that payment will

be received in due course. All other income, including deposit interest receivable, is recognised on an accruals basis. All revenue and capital items in the unaudited income statement derive from continuing operations. There are no other items of comprehensive income other than those disclosed in the unaudited income statement.

Expenditure

All expenditure is accounted for on an accruals basis. 75% of management fees are allocated to the capital reserve realised and 25% to the revenue account in line with the Board's expected long term split of investment returns in the form of capital gains to the capital column of the income statement. All other expenditure is charged to the revenue account.

Trail commission

Trail commission previously due is held as a creditor until such time as claims are made by the relevant intermediary and supporting documentation provided. If claims are not received these amounts are written off after a period of six years.

Capital reserves

Realised profits and losses on the disposal of investments, due diligence costs and income in relation to private company investments, losses realised on investments considered to be permanently impaired and 75% of investment management fees are accounted for in the capital reserve realised.

Increases and decreases in the valuation of investments held at the year end are accounted for in the capital reserve unrealised.

Operating segments

There is considered to be one operating segment as reported to the chief operating decision maker being investment in equity and debt securities.

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not yet reversed at the balance sheet date. Deferred tax assets are only recognised to the extent that recovery is probable in the foreseeable future.

Current tax is expected tax payable on the taxable revenue for the period using the current tax rate. The tax effect of different items of income and expenditure is allocated between capital and revenue on the same basis as the particular item to which it relates.

Approved VCTs are exempt from tax on capital gains from the sale of fixed asset investments. The Directors intend that the Company will continue to conduct its affairs to maintain its VCT status, no deferred tax has been provided in respect of any capital gains or losses arising from the revaluation or disposal of investments.

Dividends

Only dividends recognised during the year are deducted from revenue or capital reserves. Final and interim dividends are recognised in the accounts when the Company's liability to pay them has been established.

Summary of dividends paid in the six months to 31 March 2017 and the financial year ending 30 September 2016 are detailed below:

	Six months ended 31 March 2017 (unaudited) £'000	Year ended 30 September 2016 (audited) £'000
Final capital dividend of 2.25 pence per share for the year ended 30 September 2015 paid on 20 January 2016	–	1,079
Interim capital dividend of 1.75 pence per share for the half year ended 31 March 2016 paid on 8 July 2016	–	1,067
Final capital dividend of 2.25 pence per share for the year ended 30 September 2016 paid on 17 January 2017	1,430	–
Total	1,430	2,146

Functional currency

In accordance with FRS 102 s.30, the Company is required to nominate a functional currency, being the currency in which the Company predominantly operates. The Board has determined that sterling is the Company's functional currency. Sterling is also the currency in which these accounts are presented.

Repurchase of shares to hold in treasury

The cost of repurchasing shares into treasury, including the related stamp duty and transaction costs is charged to special reserve and dealt with in the statement of changes in equity. Share repurchase transactions are accounted for on a trade date basis. Where shares held in treasury are subsequently cancelled, the nominal value of those shares is transferred out of share capital and into capital redemption reserve.

Should shares held in treasury be reissued, the sale proceeds will be treated as a realised profit up to the amount of the purchase price of those shares and will be transferred to capital reserves. The excess of the sale proceeds over the purchase price will be transferred to share premium.

Contingencies, guarantees and financial commitments

There were no contingencies, guarantees or financial commitments of the Company at 31 March 2017.

Legal form and principal activities

The Company was incorporated and registered in England and Wales on 16 August 2004 under the Companies Act 1985, registered number 5206425.

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.

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 three non-executive directors. Hargreave Hale Limited acts as investment manager, administrator and custodian to the Company and provide 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.

The Company's registered office is Accurist House, 44 Baker Street, London, W1U 7AL.

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.

Reserves

A description of each of the reserves follows:

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 returns and losses of the Company.

2. EARNINGS PER SHARE (BASIC AND DILUTED)

The gain per ordinary share of 3.98 pence at 31 March 2017 (31 March 2016: 1.52 pence and 30 September 2016: gain 5.58 pence) is based on a net gain for the period of £2,942,172 (31 March 2016: gain £810,996 and 30 September 2016: gain £3,115,012) and the weighted average number of ordinary shares in issue over the period of 73,942,080 (31 March 2016: 53,331,291 and 30 September 2016: 55,810,087).

3. CAUTIONARY STATEMENT

The results should not be taken as a guide to the results for the financial period ending 30 September 2017. This report may contain forward looking statements with regards to the financial condition and results of the Company, which are made in the light of current economic and business circumstances. Nothing in this report should be considered as a profit forecast.

4. NET ASSET VALUE PER SHARE

The net asset value per ordinary share at 31 March 2017 of 78.12 pence (31 March 2016: 73.91 pence and 30 September 2016: 75.93 pence) after deducting the 2.25 pence dividend paid in January 2017 is based on net assets of £63,562,650 (31 March 2016: £41,422,656 and 30 September 2016: £47,071,964) and on 81,370,569 shares (31 March 2016: 56,044,604 shares and 30 September 2016: 61,995,274 shares), being the number of ordinary shares in issue as at 31 March 2017.

5. PUBLICATION OF NON-STATUTORY ACCOUNTS

The financial information contained in the 31 March 2017 income statement, balance sheet, statement of cash flows and statement of changes in equity does not constitute full financial statements and has not been audited.

6. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the Company relate to the Company's investment activities and include venture capital trust approval, investment, discount volatility, compliance, economic, fraud, operational, reputational, liquidity and outsourcing 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 Company's annual report and accounts for the year ended 30 September 2016. The Company's principal risks and uncertainties have not changed materially since the date of that report.

7. TRANSACTIONS IN SHARES

Buybacks

In total, the Company repurchased 318,221 shares during the six month period ending 31 March 2017 at a total cost of £236,079. The repurchased shares represent 0.51% of ordinary shares in issue on 1 October 2016. The acquired shares have been cancelled.

Share issues

In total, the Company issued 19,693,516 new shares (nominal value £196,935) during the six month period ending 31 March 2017 raising net proceeds of £15,214,886.

8. RELATED PARTY TRANSACTIONS

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 assets of the Company, calculated and payable quarterly in arrears. Fees for the half-year are £376,830 (2016: £281,241). In relation to the other support functions described above, Hargreave Hale Limited also provides administration services, custody services, company secretarial services and one non-executive director and received fees of £50,000 in the period (2016: £40,000) in relation to these services. Of those fees, £90,032 (2016: £48,972) was still owed at the half-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 the payment of which is the responsibility of the Company) exceeding 3.5% of its net assets. No fees were waived by Hargreave Hale in the first half of the financial year under the indemnity.

During the half year, the Company issued 19,693,516 ordinary shares (nominal value £196,935) in a joint offer for subscription which resulted in gross funds being received of £15,545,734. As marketing adviser and receiving agent to the Company, and in return for covering the costs of the joint offer, Hargreave Hale Limited was entitled to 3.5% of the gross proceeds (£544,101), often referred to as the 'premium'. From this, Hargreave Hale Limited paid for the allotment of additional shares to investors with a value of £213,253 and introducer commission of £740, resulting in net fees payable to Hargreave Hale of £330,108.

9. GOING CONCERN

After making enquires, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

10. POST BALANCE SHEET EVENTS

Issue of equity

Following the period end, the offer for subscription resulted in an additional 844,468 ordinary shares being issued, raising gross proceeds of £671,931.

Buybacks

Since the period end, a further 206,867 ordinary shares have been repurchased at a total value of £158,516.

New investments

The Company has invested in the following new companies since the period end:

Qualifying companies

An investment of £618k has been made in Dorcaster plc, £501k in Zoo Digital Group plc and £332k in Velocity Composites plc.

SHAREHOLDER INFORMATION

The Company's ordinary shares (Code: HHV) are listed on the London Stock Exchange. Shareholders can visit the London Stock Exchange website, www.londonstockexchange.com, for the latest news and share prices of the Company. Further information for the Company can be found on its website at www.hargreaveaimvcts.co.uk.

NET ASSET VALUE PER SHARE

The Company's NAV per share as at 19 May 2017 was 81.55 pence per share. The Company publishes its unaudited NAV per share on a weekly basis.

DIVIDENDS

The board has approved the payment of an interim dividend of 1.75 pence in respect of the six months ended 31 March 2017.

Shareholders who wish to have future dividends paid directly into their bank account rather than sent by cheque to their registered address can complete a mandate for this purpose. Mandates can be obtained by contacting the Company's Registrar, Equiniti.

SELLING YOUR SHARES

Hargreave Hale AIM VCT 1 plc operates a share buy-back policy to improve the liquidity in its ordinary shares. Share buy-back policies are subject to the Act, the Listing Rules and tax legislation, which may restrict the VCTs' ability to buy shares back in. The policy is non-binding and is at the discretion of the Board.

The buy-back policy targets a 5% discount to the last published NAV per share as announced on the London Stock Exchange through a regulatory news service provider. The discount is measured against the mid-price per share as listed on the London Stock Exchange and reflects the price at which the Company buys its shares off the market makers. The Company publishes its unaudited NAV per share on a weekly basis.

VCT share disposals settle two business days post trade if the shares are already dematerialised or placed into CREST ahead of the trade, or ten days post trade if the stock is held in certificated form.

VCT share disposals are exempt of capital gains tax when the disposal is made at arms' length, which means a shareholder must sell their shares to a market maker through a stockbroker or another share dealing service. Hargreave Hale has particular expertise in the sale of VCT shares and is able to act for VCT shareholders who wish to sell their shares. However, you are free to nominate any stockbroker or share dealing service to act for you. If you would like Hargreave Hale to act for you as their client (as opposed to a shareholder in the Company) then please contact Andrew Pang for further information (020 7009 4900, andrew.pang@hargreave.com).

Please note that Hargreave Hale will need to be in possession of the share certificate and a completed CREST transfer form before executing the sale. If you have lost your share certificate, then you can request a replacement certificate from the Company's registrar Equiniti. The registrar will send out an indemnity form, which you will need to sign. The indemnity form will also need to be countersigned by a UK insurance company or bank that is a member of the Association of British Insurers. Since indemnification is a form of insurance, the indemnifying body will ask for a payment to reflect their risk. Fees will reflect the value of the potential liability.

SHAREHOLDER ENQUIRIES:

For general Shareholder enquiries, please contact Hargreave Hale Limited on 01253 754700 or by e-mail to aimvct@hargreave.com.

For enquiries concerning the performance of the Company, please contact the investment manager on 0207 009 4937 or by e-mail to aimvct@hargreave.com.

Electronic copies of this report and other published information can be found on the Company's website at www.hargreaveaimvcts.co.uk.

CHANGE OF ADDRESS

To notify the Company of a change of address please contact the Company's Registrar at the address on page 32.

COMPANY INFORMATION

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COMPANY REGISTRATION NUMBER

05206425 in England and Wales



HARGREAVE HALE AIM VCT 1 PLC
(INCORPORATED IN ENGLAND AND WALES
UNDER THE COMPANIES ACT 1985
WITH REGISTERED NUMBER 05206425)