

Seneca Growth Capital VCT Plc

Unaudited Half-Yearly Report
For the Six Months Ended 30 June 2020

Company Number: 04221489
Registered Address: 12 The Parks, Haydock, Merseyside, WA12 0JQ

Financial Headlines

Ordinary Shares

30.20p

Net Asset Value per share at 30 June 2020

52.25p

Cumulative dividends paid to date

82.45p

Total return per share since launch

B Shares

89.30p

Net Asset Value per share at 30 June 2020

4.50p

Cumulative dividends paid to date

93.80p

Total return per share since launch

Financial Summary

	Six months to 30 June 2020		Six months to 30 June 2019		Year to 31 December 2019	
	Ordinary share pool	B share pool	Ordinary share pool	B share pool	Ordinary share pool	B share pool
Net assets (£'000s)	2,450	6,558	2,729	5,359	2,463	5,921
Return on ordinary activities after tax (£'000s)	(13)	(90)	(281)	102	(547)	(168)
Earnings per share (p)	(0.2)	(1.7)	(3.5)	2.1	(6.7)	(3.2)
Net asset value per share (p)	30.2	89.3	33.6	99.5	30.4	93.1
Dividends paid since inception (p)	52.25	4.50	52.25	1.5	52.25	3.0
Total return (NAV plus cumulative dividends paid) per share (p)	82.45	93.80	85.85	101.0	82.65	96.1
Dividends declared for the period (p)	0.0	1.5	18.0	1.5	28.0	3.0

Chairman's Statement

I am pleased to present the unaudited results for the six months ended 30 June 2020.

Following the launch of our B share class in 2018, we announced a further fundraising in July 2019 and are pleased that we have raised £1,800k under the offer. This offer is now closed, and we expect to issue a further prospectus shortly to enable the Company to continue to raise funds for the ongoing development of the B share portfolio. I would like to welcome all new investors and thank existing shareholders who have continued to support the Company.

Despite the unprecedented economic climate and general turmoil of financial markets occasioned by the Covid-19 pandemic ("C-19"), I am encouraged that the NAVs of both the Ordinary and B share portfolios have remained relatively stable.

The Net Asset Value ("NAV") per Ordinary share reduced from 30.4p to 30.2p during the period and the NAV per B share reduced from 93.1p to 89.3p.

In the Ordinary share portfolio, our investment in Omega Diagnostics Group Plc ("Omega") gained significant traction following its involvement in a partnership to develop a C-19 antibody test. The share price has risen substantially since the year end when it was 14p and this has allowed us to realise some long-awaited gains to offset the reduction in value of other Ordinary share portfolio investments. The Board have therefore decided to declare an interim dividend of 8p per Ordinary share as detailed below.

The diversification of the B share portfolio was increased by four new investments, one of which has already been sold, achieving a two times cash return and delivering a profit of £136k. The B share pool NAV has also benefited from increases in the share prices of its two remaining AIM quoted investee companies; however the payment of a dividend of 1.5p per share in the period as well as the effect of running costs and some portfolio provisions have led to the reduction in B share NAV.

Further details in respect of the results and the Company's Ordinary and B share portfolios are set out below.

Ordinary share portfolio

Results

The decrease in NAV per Ordinary share for the six-month period to 30 June 2020 amounted to 0.2p (June 2019: reduction 3.5p).

As noted above, the share price of Omega shares showed significant gains and we decided to realise the majority of our investment. We sold 1,893,868 shares at prices ranging from 30.1p to 61.1p and averaged 36.5p. This has realised £691k for the portfolio representing a profit over original cost of £420k. We have retained 400,000 shares in Omega.

Unfortunately, the price of Scancell Holdings Plc ('Scancell') shares has continued to decline and was 5.2p at 30 June 2020 compared to 7.0p at the year end. On 22 July Scancell announced a fundraising to raise £15 million at a price of 5.5p per share. This has introduced a significant new Institutional investor (Redmile Group LLC) which, in our view, underlines our confidence of Scancell's future. In addition, we have had to make a full provision against the remaining value of OR Productivity Limited (31 December 2019: £233k) as well as reducing the value of Fuel 3D Technologies Limited, both to represent the values of these investments based on their recent fundraises. Although we have maintained the value of Arcor at the price of the last fundraising in 2018, it continues to make excellent technical and commercial progress.

The effect of these transactions has been a reduction in Ordinary share NAV during the period of 0.2p per share (30 June 2019: negative 3.5p). The aggregate impact of these changes is net of the corresponding reduction in the accrued Ordinary share pool performance fee, which was £50k as at 30 June 2020 (30 June 2019: £119k).

As shareholders will recall, the Ordinary share portfolio does not bear any general running costs until July 2021.

Portfolio review

The Ordinary share portfolio now comprises two AIM listed holdings, as referred to above, and six unquoted holdings.

The AIM listed holdings represented 62% of the Ordinary share portfolio at 30 June 2020. The bid prices of both of these holdings have seen significant volatility over recent months and in particular since 30 June 2020 where both holdings have risen in value. It is not our policy to update the market following these fluctuations unless there are abnormal events (e.g. sale of a significant holding) but shareholders are advised to review the current Ordinary share NAV taking account of the latest bid price of each holding, net of Performance Fee calculated as set out in the in the latest Annual Report, which can be accessed on the Company's website at www.senecavct.co.uk.

In addition, the Ordinary share portfolio holds £1,158k in cash. It is the Board's policy that we retain a certain level of cash to pay running costs after July 2021 as well as to support existing investee companies. However, we have decided that it would not be in shareholders' interests to support recent fundraisings. As referred to above, the Board have therefore decided to declare an interim dividend of 8p per Ordinary share as detailed below returning £649k of our cash balance to Ordinary shareholders.

B share portfolio

Results

The decrease in NAV for the six-month period to 30 June 2020 amounted to 3.8p per B share (30 June 2019: 0.4p increase). This decrease is the result of the combination of the dividend payment of 1.5p per B share made in the period, a negative revenue return of 1.3p per B share (30 June 2019: negative revenue return of 0.7p) and a negative capital return of 0.4p per B share (30 June 2019: positive capital return of 2.8p). The remaining movement is a function of the increasing number of B Shares in issue throughout the period, with the return per share being calculated using a weighted average number of shares.

The negative revenue return of 1.3p per B share was principally a result of the impact of the Company's running costs on the B share pool. The Company's running expenses are however capped at 3% of the B share NAV until July 2021 (thereafter general expenses will be allocated to the Ordinary share pool and the B share pool pro-rata to their respective NAVs with expenses so allocated subject to a cost cap of 3% of each share pool's NAV).

The negative capital return of 0.4p per B share is a result of the net reduction in the aggregate carrying value of the B share pool's quoted and unquoted investee companies, offset by the profit generated on the sale of two of the B share pool's AIM quoted investments, being OptiBiotix Health Plc (partial exit) ("OptiBiotix") and Genedrive Plc (full exit) ("Genedrive") as further detailed below.

Portfolio review

The Company's Investment Manager, Seneca Partners Limited ("Seneca") have made four additions to the B share portfolio in the six months to 30 June 2020, totalling £1,061kas follows:-

- Ten80 Group Limited – a remote working platform in which we invested £400k
- Bright Network (UK) Limited – an 'HR Tech' Platform in which we invested £235k
- OptiBiotix Health Plc – a developer of microbial strains, compounds and formulations in which we invested £300k (since part realised)
- Genedrive Plc – a molecular diagnostics company in which we invested £126k (now sold)

With the AIM market demonstrating a heightened level of volatility during the period as a result of the impact of C-19, Seneca took the opportunity to realise just over half of its shareholding in OptiBiotix (an investment made during the period), selling 160,000 shares and realising a gain of £92k on the disposal (1.5x cash return in just 2 months following the original investment) in addition to selling its full holding in Genedrive (another investment made in the period) which is the B share pool's first full exit and generated a profit of £136k versus original cost (2.0x cash return).

The period also saw an increase in the bid price of the B share pool's remaining AIM quoted investments: the SkinBioTherapeutics Plc share price increased to 16.75p as at 30 June 2020 (from 14p as at 31 December 2019) and the OptiBiotix share price increased to 49p as at 30 June 2020 (compared to a cost price of 40p per share).

As a result of the impact of C-19, we also took the decision in the period to make a provision against the carrying value of three of the B share pool's five unquoted portfolio companies, being Silkfred Ltd ("Silkfred"), Qudini Ltd ("Qudini"), and Fabacus Holdings Ltd ("Fabacus"). Our view was that the discretionary consumer spending to which Silkfred is exposed (online women's fashion platform), and the retail sector exposure notable across the customer bases of Qudini (retail queue management software) and Fabacus (supply chain data intelligence platform) meant that these businesses were at increased risk of being adversely impacted by the C-19 pandemic in the short term. The initial aggregate value of the provisions introduced in relation to these three B share pool investments was £514k (equivalent to 34% of original investment cost); however we have already seen a material recovery in the trading levels of Silkfred and as such the provision in relation to that investment has been reduced from £250k to £125k and therefore the aggregate provision in relation to the B share unquoted investment portfolio has been reduced to £389k as at 30 June 2020.

Seneca are working closely with the investee companies in the B share portfolio to ensure that they can weather the current uncertain environment which will include assessing any need they may have for further finance. We remain confident that the portfolio retains its potential to provide attractive growth for shareholders over the medium term.

Dividend

As noted above, the Board have decided to declare an interim dividend of 8p per Ordinary share. This will increase the total dividends paid to date to 60.25p.

The dividend will be paid on Friday, 28 August 2020 to shareholders on the register on Friday, 14 August 2020, with an ex-dividend date of 13 August 2020.

Fundraising

Having launched the Company's B share class in 2018 the Board are very pleased with the £7,200k raised to date, including £800k raised in the six-month period to 30 June 2020.

Seneca expect to see an increase in the number of businesses seeking investment to support their growth plans over the next 12-18 months as a result of the C-19 pandemic and therefore the Company will shortly launch our next offer for B shares to raise a further £10 million (with an overallotment facility of an additional £10 million) to enable Seneca to continue to increase the number and diversity of investments in the B share pool.

Presentation of half-year report

As previously noted, in order to simplify this report and to reduce costs, we have omitted details of the Company's objectives and investment strategy, its Advisers and Registrars and how to buy and sell shares in the Company. These details are all included in the latest Annual Report and can be accessed on the Company's website at www.senecavct.co.uk.

Notwithstanding the above, in the announcement made on 26 March 2020 the Company communicated their intention to hold an on-line investor update presentation in the second half of 2020 in response to investors' inability to attend the Company's Annual General Meeting due to the C-19 related lockdown restrictions. The Company can now confirm that this presentation will be held at 10am on Thursday, 3 September 2020, details of which and how to join will be made available on www.senecavct.co.uk shortly.

Outlook

As noted above, we have continued our policy of returning realised cash to Ordinary shareholders through the dividend declared following the sale of the majority of our Omega shares at attractive prices. Despite several of our companies seeking further funds, we did not consider the terms attractive and in respect of an Omega fundraising, the new shares were not VCT qualifying

and therefore no further Ordinary share pool investments were made. We remain confident that, despite the current valuations being depressed, with patience we will secure realisations at attractive prices overall for Ordinary shareholders.

We are pleased that Seneca have developed a spread of B share portfolio investee companies, some of which are unquoted and some of which are AIM quoted, thereby reducing concentration risk for the Company's B shareholders in relation to any one single investment; the Board and Seneca remain acutely aware of the need to continue to work at close quarters with all B share portfolio investee companies as they navigate the challenges ahead.

We also note that Seneca expect to see an increase in the number of businesses seeking investment to support their growth plans over the next 12-18 months as a result of the C-19 pandemic. With £3,383k of cash on the B share pool balance sheet as at 30 June 2020 (equivalent to 51% of the B share NAV at 30 June 2020) Seneca believe they are very well placed to continue to support the existing B share investment portfolio as well as adding attractive new growth capital investments to the B share portfolio from the strong pipeline of opportunities presented to them. We therefore look forward to the continued development of the B share portfolio in due course.

John Hustler Chairman
29 July 2020

Investment Portfolio – Ordinary Shares

Unquoted Investments	Equity held %	Investment at cost £'000	Unrealised profit/(loss) £'000	Carrying value at 30 June 2020 £'000	Movement in the year to 30 June 2020 £'000
Arecor Limited	1.3	142	63	205	-
Fuel 3D Technologies Limited	<1.0	299	(104)	195	(81)
Insense Limited	4.6	509	(388)	121	-
ImmunoBiology Limited	1.2	868	(868)	-	-
OR Productivity Limited	7.9	765	(765)	-	(232)
Microarray Limited	1.8	132	(132)	-	-
Total unquoted investments		2,715	(2,194)	521	(313)

Quoted Investments	Shares held	Investment at cost £'000	Unrealised profit/(loss) £'000	Carrying value at 30 June 2020 £'000	Movement in the year to 30 June 2020 £'000
Scancell Plc	13,049,730	789	(110)	679	(235)
Omega Diagnostics Plc	400,000	57	107	164	109
Total quoted investments		846	(3)	843	(126)
Total investments		3,561	(2,197)	1,364	(439)

Investment Portfolio – B Shares

Unquoted Investments	Equity held %	Investment at cost £'000	Unrealised profit/(loss) £'000	Carrying value at 30 June 2020 £'000	Movement in the year to 30 June 2020 £'000
Fabacus Holdings Limited	2.0	500	-	500	(64)
Old St Labs Limited	3.5	500	-	500	-
Ten80 Group Limited	7.5	400	-	400	-
Silkfred Limited	<1.0	500	(125)	375	(125)
Qudini Limited	2.2	500	(200)	300	(200)
Bright Network (UK) Limited	1.7	235	-	235	-
Total unquoted investments		2,635	(325)	2,310	(389)

Quoted Investments	Shares held	Investment at cost £'000	Unrealised profit/(loss) £'000	Carrying value at 30 June 2020 £'000	Movement in the year to 30 June 2020 £'000
SkinBioTherapeutics Plc	4,502,107	721	33	754	124
OptiBiotix Health Plc	350,000	140	32	172	32
Total quoted investments		861	65	926	156
Total investments		3,496	(260)	3,236	(233)

Responsibility Statement of the Directors in respect of the half-yearly report

We confirm that to the best of our knowledge:

- the half-yearly financial statements have been prepared in accordance with the statement “Interim Financial Reporting” issued by the Financial Reporting Council;
- 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.
 - 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:

John Hustler
Chairman
29 July 2020

Income Statement - Combined

	Combined			Combined			Combined		
	Six months to 30 June 2020			Six months to 30 June 2019			Year to 31 December 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gain on disposal of fixed asset investments	-	655	655	-	52	52	-	52	52
Loss on valuation of fixed asset investments	-	(672)	(672)	-	(232)	(232)	-	(752)	(752)
Income	-	-	-	-	-	-	-	-	-
Performance fee	-	3	3	-	71	71	-	136	136
Investment management fee net of cost cap	(6)	(18)	(24)	20	(35)	(15)	(7)	(21)	(28)
Other expenses	(62)	(3)	(65)	(55)	-	(55)	(123)	-	(123)
Return on ordinary activities before tax	(68)	(35)	(103)	(35)	(144)	(179)	(130)	(585)	(715)
Taxation on return on ordinary activities	-	-	-	-	-	-	-	-	-
Return on ordinary activities after tax	(68)	(35)	(103)	(35)	(144)	(179)	(130)	(585)	(715)

There was no other Comprehensive Income recognised during the period.

- The 'Total' column of the Income Statement and statement of comprehensive income is the profit and loss account of the Company; the supplementary revenue return and capital return columns have been prepared under guidance published by the Association of Investment Companies.
- All revenue and capital items in the above statement derive from continuing operations.
- The Company has only one class of business and derives its income from investments made in shares and securities and from bank and money market funds.

The Company has no recognised gains or losses other than the results for the period as set out above.

The accompanying notes are an integral part of the Financial Statements.

Income Statement – Ordinary Shares

	Ordinary shares Six months to 30 June 2020			Ordinary shares Six months to 30 June 2019			Ordinary shares Year to 31 December 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gain on disposal of fixed asset investments	-	426	426	-	38	38	-	38	38
Loss on valuation of fixed asset investments	-	(439)	(439)	-	(390)	(390)	-	(725)	(725)
Income	-	-	-	-	-	-	-	-	-
Performance fee	-	3	3	-	71	71	-	136	136
Investment management fee net of cost cap	-	-	-	-	-	-	-	-	-
Other expenses	-	(3)	(3)	-	-	-	4	-	4
Return on ordinary activities before tax	-	(13)	(13)	-	(281)	(281)	4	(551)	(547)
Taxation on return on ordinary activities	-	-	-	-	-	-	-	-	-
Return on ordinary activities after tax	-	(13)	(13)	-	(281)	(281)	4	(551)	(547)
Earnings per share – basic and diluted	-	(0.2p)	(0.2p)	-	(3.5p)	(3.5p)	0.0p	(6.7p)	(6.7)p

Income Statement – B Shares

	B shares Six months to 30 June 2020			B shares Six months to 30 June 2019			B shares Year to 31 December 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gain on disposal of fixed asset investments	-	229	229	-	14	14	-	14	14
(Loss)/gain on valuation of fixed asset investments	-	(233)	(233)	-	158	158	-	(27)	(27)
Income	-	-	-	-	-	-	-	-	-
Performance fee	-	-	-	-	-	-	-	-	-
Investment management fee net of cost cap	(6)	(18)	(24)	20	(35)	(15)	(7)	(21)	(28)
Other expenses	(62)	-	(62)	(55)	-	(55)	(127)	-	(127)
Return on ordinary activities before tax	(68)	(22)	(90)	(35)	137	102	(134)	(34)	(168)
Taxation on return on ordinary activities	-	-	-	-	-	-	-	-	-
Return on ordinary activities after tax	(68)	(22)	(90)	(35)	137	102	(134)	(34)	(168)
Earnings per share – basic and diluted	(1.3p)	(0.4p)	(1.7p)	(0.7p)	2.8p	2.1p	(2.5p)	(0.7p)	(3.2p)

Balance Sheet - Combined

	Combined As at 30 June 2020		Combined As at 30 June 2019		Combined As at 31 December 2019	
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed asset investments*		4,600		5,281		4,761
Current assets:						
Cash at bank and in hand	4,541		2,935		3,909	
Debtors	9		119		3	
	4,550		3,054		3,912	
Creditors:						
Amounts falling due within one year	(92)		(128)		(236)	
			(128)		(236)	
Net current assets		4,458		2,926		3,676
Performance fee payable		(50)		(119)		(53)
Net assets		9,008		8,088		8,384
Called up equity share capital		154		135		145
Share premium		3,634		1,889		2,806
Special distributable reserve		8,285		8,490		8,395
Capital redemption reserve		-		-		-
Capital reserve – gains/(losses) on disposal		1,557		1,117		1,196
– holding gains/(losses)		(2,457)		(1,541)		(2,061)
Revenue reserve		(2,165)		(2,002)		(2,097)
Total equity shareholders' funds		9,008		8,088		8,384

*At fair value through profit and loss

Balance Sheet – Ordinary Shares

	Ordinary shares As at 30 June 2020		Ordinary shares As at 30 June 2019		Ordinary shares As at 31 December 2019	
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed asset investments*		1,364		2,403		2,068
Current assets:						
Cash at bank and in hand	1,158		477		470	
Debtors	-		-		-	
	1,158		477		470	
Creditors:						
Amounts falling due within one year	(22)		(32)		(22)	
			(32)		(22)	
Net current assets		1,136		445		448
Performance fee payable		(50)		(119)		(53)
Net assets		2,450		2,729		2,463
Called up equity share capital		81		81		81
Share premium		-		-		-
Special distributable reserve		5,140		5,140		5,140
Capital redemption reserve		-		-		-
Capital reserve – gains/(losses) on disposal		1,371		1,156		1,221
– holding gains/(losses)		(2,197)		(1,699)		(2,034)
Revenue reserve		(1,945)		(1,949)		(1,945)
Total equity shareholders' funds		2,450		2,729		2,463
Net asset value per share		30.2		33.6p		30.4p

*At fair value through profit and loss

Balance Sheet – B Shares

	B shares As at 30 June 2020		B shares As at 30 June 2019		B shares As at 31 December 2019	
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed asset investments*		3,236		2,878		2,693
Current assets:						
Cash at bank and in hand	3,383		2,458		3,439	
Debtors	9		119		3	
	3,392		2,577		3,442	
Creditors:						
Amounts falling due within one year	(70)		(96)		(214)	
			(96)		(214)	
Net current assets		3,322		2,481		3,228
Performance fee payable		-		-		-
Net assets		6,558		5,359		5,921
Called up equity share capital		73		54		64
Share premium		3,634		1,889		2,806
Special distributable reserve		3,145		3,350		3,255
Capital redemption reserve		-		-		-
Capital reserve – gains/(losses) on disposal		186		(39)		(25)
– holding gains/(losses)		(260)		158		(27)
Revenue reserve		(220)		(53)		(152)
Total equity shareholders' funds		6,558		5,359		5,921
Net asset value per share		89.3		99.5p		93.1p

*At fair value through profit and loss

Statement of Changes in Equity - Combined

	Share Capital	Share premium	Special distributable reserve	Capital redemption reserve	Capital reserve gains/(losses)	Capital reserve holding gains/(losses)	Revenue reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 January 2019	121	568	10,839	-	1,029	(1,309)	(1,967)	9,281
B share issue	14	1,321	-	-	-	-	-	1,335
Revenue return on ordinary activities after tax	-	-	-	-	-	-	(35)	(35)
Expenses charged to capital	-	-	-	-	(35)	-	-	(35)
Performance fee allocated as capital expenditure	-	-	-	-	71	-	-	71
Dividends paid	-	-	(2,349)	-	-	-	-	(2,349)
Current period gains on disposal	-	-	-	-	52	-	-	52
Current period losses on fair value of investments	-	-	-	-	-	(232)	-	(232)
Balance as at 30 June 2019	135	1,889	8,490	-	1,117	(1,541)	(2,002)	8,088
As at 1 January 2019	121	568	10,839	-	1,029	(1,309)	(1,967)	9,281
B share issue	24	2,238	-	-	-	-	-	2,262
Revenue return on ordinary activities after tax	-	-	-	-	-	-	(130)	(130)
Expenses charged to capital	-	-	-	-	(21)	-	-	(21)
Performance fee allocated as capital expenditure	-	-	-	-	136	-	-	136
Dividends Paid	-	-	(2,444)	-	-	-	-	(2,444)
Current period gains on disposal	-	-	-	-	52	-	-	52
Current period losses on fair value of investments	-	-	-	-	-	(752)	-	(752)
Balance as at 31 December 2019	145	2,806	8,395	-	1,196	(2,061)	(2,097)	8,384
B share issue	9	828	-	-	-	-	-	837
Revenue return on ordinary activities after tax	-	-	-	-	-	-	(68)	(68)
Expenses charged to capital	-	-	-	-	(21)	-	-	(21)
Performance fee allocated as capital expenditure	-	-	-	-	3	-	-	3
Dividends paid	-	-	(110)	-	-	-	-	(110)
Current period gains on disposal	-	-	-	-	655	-	-	655
Current period losses on fair value of investments	-	-	-	-	-	(672)	-	(672)
Prior years' unrealised losses now realised	-	-	-	-	(276)	276	-	0
Balance as at 30 June 2020	154	3,634	8,285	-	1,557	(2,457)	(2,165)	9,008

Statement of Changes in Equity – Ordinary Shares

	Share Capital	Share premium	Special distributable reserve	Capital redemption reserve	Capital reserve gains/(losses)	Capital reserve holding gains/(losses)	Revenue reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 January 2019	81	-	7,412	-	1,047	(1,309)	(1,949)	5,282
B share issue	-	-	-	-	-	-	-	-
Revenue return on ordinary activities after tax	-	-	-	-	-	-	-	-
Expenses charged to capital	-	-	-	-	-	-	-	-
Performance fee allocated as capital expenditure	-	-	-	-	71	-	-	71
Dividends paid	-	-	(2,272)	-	-	-	-	(2,272)
Current period gains on disposal	-	-	-	-	38	-	-	38
Current period losses on fair value of investments	-	-	-	-	-	(390)	-	(390)
Balance as at 30 June 2019	81	-	5,140	-	1,156	(1,699)	(1,949)	2,729
As at 1 January 2019	81	-	7,412	-	1,047	(1,309)	(1,949)	5,282
Revenue return on ordinary activities after tax	-	-	-	-	-	-	4	4
Performance fee allocated as capital expenditure	-	-	-	-	136	-	-	136
Dividends Paid	-	-	(2,272)	-	-	-	-	(2,272)
Current period gains on disposal	-	-	-	-	38	-	-	38
Current period losses on fair value of investments	-	-	-	-	-	(725)	-	(725)
Balance as at 31 December 2019	81	-	5,140	-	1,221	(2,034)	(1,945)	2,463
Revenue return on ordinary activities after tax	-	-	-	-	-	-	-	-
Expenses charged to capital	-	-	-	-	(3)	-	-	(3)
Performance fee allocated as capital expenditure	-	-	-	-	3	-	-	3
Dividends paid	-	-	-	-	-	-	-	-
Current period gains on disposal	-	-	-	-	426	-	-	426
Current period losses on fair value of investments	-	-	-	-	-	(439)	-	(439)
Prior years' unrealised losses now realised	-	-	-	-	(276)	276	-	-
Balance as at 30 June 2020	81	-	5,140	-	1,371	(2,197)	(1,945)	2,450

Statement of Changes in Equity – B Shares

	Share Capital	Share premium	Special distributable reserve	Capital redemption reserve	Capital reserve gains/(losses)	Capital reserve holding gains/(losses)	Revenue reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 January 2019	40	568	3,427	-	(18)	-	(18)	3,999
B share issue	14	1,321	-	-	-	-	-	1,335
Revenue return on ordinary activities after tax	-	-	-	-	-	-	(35)	(35)
Expenses charged to capital	-	-	-	-	(35)	-	-	(35)
Dividends paid	-	-	(77)	-	-	-	-	(77)
Current period gains on disposal	-	-	-	-	14	-	-	14
Current period gains on fair value of investments	-	-	-	-	-	158	-	158
Balance as at 30 June 2019	54	1,889	3,350	-	(39)	158	(53)	5,359
As at 1 January 2019	40	568	3,427	-	(18)	-	(18)	3,999
B share issue	24	2,238	-	-	-	-	-	2,262
Revenue return on ordinary activities after tax	-	-	-	-	-	-	(134)	(134)
Expenses charged to capital	-	-	-	-	(21)	-	-	(21)
Dividends Paid	-	-	(172)	-	-	-	-	(172)
Current period gains on disposal	-	-	-	-	14	-	-	14
Current period losses on fair value of investments	-	-	-	-	-	(27)	-	(27)
Balance as at 31 December 2019	64	2,806	3,255	-	(25)	(27)	(152)	5,921
B share issue	9	828	-	-	-	-	-	837
Revenue return on ordinary activities after tax	-	-	-	-	-	-	(68)	(68)
Expenses charged to capital	-	-	-	-	(18)	-	-	(18)
Performance fee allocated as capital expenditure	-	-	-	-	-	-	-	-
Dividends paid	-	-	(110)	-	-	-	-	(110)
Current period gains on disposal	-	-	-	-	229	-	-	229
Current period losses on fair value of investments	-	-	-	-	-	(233)	-	(233)
Balance as at 30 June 2020	73	3,634	3,145	-	186	(260)	(220)	6,558

Statement of Cash Flows – Combined

	Combined Six months to 30 June 2020 £'000	Combined Six months to 30 June 2019 £'000	Combined Year to 31 December 2019 £'000
Cash flows from operating activities			
Return on ordinary activities before tax	(103)	(179)	(715)
Adjustments for:			
(Increase)/decrease in debtors	(6)	(96)	20
Decrease in creditors	(8)	(234)	(143)
Gain on disposal of fixed asset investments	(655)	(14)	(52)
Loss on valuation of fixed asset investments	672	232	752
Cash from operations	(100)	(291)	(138)
Income taxes paid	-	-	-
Net cash used in operating activities	(100)	(291)	(138)
Cash flows from investing activities			
Purchase of fixed asset investments	(1,062)	(2,248)	(2,248)
Sale of fixed asset investments	1,206	42	80
Total cash outflow from investing activities	144	(2,206)	(2,168)
Cash flows from financing activities			
Dividends paid	(110)	(2,349)	(2,444)
Issue of B shares	837	1,335	2,262
Awaiting B share issue	(139)	-	(49)
Total cash outflow from financing activities	588	(1,014)	(231)
Decrease in cash and cash equivalents	632	(3,511)	(2,537)
Opening cash and cash equivalents	3,909	6,446	6,446
Closing cash and cash equivalents	4,541	2,935	3,909

Statement of Cash Flows – Ordinary Shares

	Ordinary shares Six months to 30 June 2020 £'000	Ordinary shares Six months to 30 June 2019 £'000	Ordinary shares Year to 31 December 2019 £'000
Cash flows from operating activities			
Return on ordinary activities before tax	(13)	(281)	(547)
Adjustments for:			
(Increase)/decrease in debtors	-	-	-
Decrease in creditors	(3)	(98)	(174)
Gain on disposal of fixed asset investments	(426)	-	(38)
Loss on valuation of fixed asset investments	439	390	725
Cash from operations	(3)	11	(34)
Income taxes paid	-	-	-
Net cash used in operating activities	(3)	11	(34)
Cash flows from investing activities			
Sale of fixed asset investments	691	-	38
Total cash inflow from investing activities	691	-	38
Cash flows from financing activities			
Dividend paid	-	(2,272)	(2,272)
Total cash outflow	-	(2,272)	(2,272)
Decrease in cash and cash equivalents	688	(2,261)	(2,268)
Opening cash and cash equivalents	470	2,738	2,738
Closing cash and cash equivalents	1,158	477	470

Statement of Cash Flows – B Shares

	B shares Six months to 30 June 2020 £'000	B shares Six months to 30 June 2019 £'000	B shares Year to 31 December 2019 £'000
Cash flows from operating activities			
Return on ordinary activities before tax	(90)	102	(168)
Adjustments for:			
(Increase)/decrease in debtors	(6)	(96)	20
(Decrease)/increase in creditors	(5)	(136)	31
Gain on disposal of fixed asset investments	(229)	(14)	(14)
Loss/(Gain) on valuation of fixed asset investments	233	(158)	27
Cash from operations	(97)	(302)	(104)
Income taxes paid	-	-	-
Net cash used in operating activities	(97)	(302)	(104)
Cash flows from investing activities			
Purchase of fixed asset investments	(1,062)	(2,248)	(2,248)
Sale of fixed asset investments	515	42	42
Total cash outflow from investing activities	(547)	(2,206)	(2,206)
Cash flows from financing activities			
Dividends paid	(110)	(77)	(172)
Issue of B shares	837	1,335	2,262
Awaiting B share issue	(139)	-	(49)
Total cash inflow from financing activities	588	1,258	2,041
Decrease in cash and cash equivalents	(56)	(1,250)	(269)
Opening cash and cash equivalents	3,439	3,708	3,708
Closing cash and cash equivalents	3,383	2,458	3,439

Notes to the Half-Yearly Report

1. Basis of preparation

The unaudited half-yearly results which cover the six months to 30 June 2020 have been prepared in accordance with the Financial Reporting Council's (FRC) Financial Reporting Standard 104 Interim Financial Reporting ('FRS 104') and the Statement of Recommended Practice (SORP) for Investment Companies re-issued by the Association of Investment Companies in November 2014. Details of the accounting policies and valuation methodologies are included within the Annual Report on Pages 66-79.

2. Publication of non-statutory accounts

The unaudited half-yearly results for the six months ended 30 June 2020 do not constitute statutory accounts within the meaning of Section 415 of the Companies Act 2006. The comparative figures for the year ended 31 December 2019 have been extracted from the audited financial statements for that year, which have been delivered to the Registrar of Companies. The independent auditor's report on those financial statements, in accordance with chapter 3, part 16 of the Companies Act 2006, was unqualified. This half-yearly report has not been reviewed by the Company's auditor.

3. Earnings per share

The earnings per Ordinary share at 30 June 2020 are calculated on the basis of 8,115,376 shares (31 December 2019: 8,115,376 and 30 June 2019: 8,115,376) being the weighted average number of shares in issue during the period.

The earnings per B share at 30 June 2020 are calculated on the basis of 6,903,520 (31 December 2019: 5,269,973 and 30 June 2019: 4,783,679) being the weighted average number of shares in issue during the period.

There are no potentially dilutive capital instruments in issue and, therefore, no diluted returns per share figures are relevant.

4. Net asset value per share

The net asset value per Ordinary share is based on net assets as at 30 June 2020 divided by 8,115,376 (31 December 2019: 8,115,376 and 30 June 2019: 8,115,376) shares in issue at that date.

The net asset value per B share is based on net assets as at 30 June 2020 divided by 7,345,171 (31 December 2019: 6,361,448 and 30 June 2019: 5,387,664) shares in issue at that date.

5. Principal risks and uncertainties

The Company's assets consist of equity and fixed interest investments, cash and liquid resources. Its principal risks are therefore market risk, credit risk and liquidity risk. Other risks faced by the Company include economic, loss of approval as a Venture Capital Trust, investment and strategic, regulatory, reputational, operational and financial risks. 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 31 December 2019.

In addition to the above, the Company is also facing risks resulting from the impact of the C-19 pandemic. The Company's Board and Investment Manager are focused on ensuring that investee companies are taking the required actions to minimise the potential impact that the C-19 pandemic could have on them.

The Board and Seneca will continue to review risks posed by C-19 and keep those risks under regular review.

6. Related party transactions

Certain Directors are entitled to participate in a performance bonus as detailed in note 6 of the Annual Report. Those Directors are entitled to receive a performance incentive fee, of up to 20% of sums returned to shareholders by way of dividends and capital distributions of whatever nature, which in aggregate exceeds the sum of 80p per share (including dividends paid to date, i.e. 52.25p per Ordinary share, but excluding any sums returned to shareholders from HMRC in the year of subscription). Full details are included in the Directors' Remuneration Report and in Notes 5 and 6 of the 2019 Annual Report and Accounts, which can be viewed on the Company's website.

The management fee payable to Seneca is calculated as 2% of the weighted average net assets of the B share portfolio. As a result, Seneca would have earned £124k in management fees in the current period, however this is reduced to £24k as a result of the 3% cost cap (30 December 2019: reduced to £28k, 30 June 2019: reduced to £15k).

Seneca accrued £56k (30 June 2019: £141k) in transaction fees, monitoring and directors' fees from investee companies. Seneca may also become entitled to a performance fee. See note 3 to the Annual Report for more information on these fees.

As detailed in the offer for subscription document dated 16 July 2019, Seneca (as promoters of the Offer) are entitled to charge the Company up to 5.5% of investors' subscriptions. No fees have been accrued to Seneca, based on the allotments of £837k (net of facilitated fees and promoter fee) as at 30 June 2020 (31 December 2019: £20k, 30 June 2019: £18k).

7. Events after the Balance Sheet Date

On 10 July 2020, the Company allotted and issued 47,030 B shares. In accordance with the allotment formula set out in the prospectus for the Offer, the B shares were allotted at the offer price of 89.3p per share, calculated by reference to the unaudited net asset value of a B share as at 27 April 2020 (89.3p per B share as announced on 27 April 2020).

As a result of the allotment, the number of shares in issue as at 10 July 2020 was 8,115,376 Ordinary shares of 1p each and 7,392,201 B shares. Therefore, the total number of voting rights in the Company was 15,507,577 as at 10 July 2020.

The Offer closed on 13 July 2020 and the Company received and accepted valid applications to the value of £1,814k (before issue costs) under the Offer.

8. Copies of this statement are available from the Registrar's office at Neville House, Steelpark Road, Halesowen, B62 8HD, and on the company's website – www.senecavct.co.uk.