

Seneca Growth Capital VCT Plc

Unaudited Half-Yearly Report
For the Six Months Ended 30 June 2021

Company Number: 04221489
Registered Address: 9 The Parks, Haydock, Merseyside, WA12 0JQ

Financial Headlines

Ordinary Shares

39.0p Net Asset Value per share at 30 June 2021

69.3p Cumulative dividends paid to date

108.3p Total return per share since launch

B Shares

104.6p Net Asset Value per share at 30 June 2021

7.5p Cumulative dividends paid to date

112.1p Total return per share since launch

Financial Summary

	Six months to 30 June 2021		Six months to 30 June 2020		Year to 31 December 2020	
	Ordinary share pool	B share pool	Ordinary share pool	B share pool	Ordinary share pool	B share pool
Net assets (£'000s)	3,166	13,082	2,450	6,558	2,453	8,317
Return on ordinary activities after tax (£'000s)	1,038	1,480	(13)	(90)	1,045	252
Earnings per share (p)	12.8	13.8	(0.2)	(1.7)	12.8	3.5
Net asset value per share (p)	39.0	104.6	30.2	89.3	30.2	91.8
Dividends paid since inception (p)	69.25	7.50	52.25	4.50	65.25	6.00
Total return (NAV plus cumulative dividends paid) per share (p)	108.25	112.10	82.45	93.80	95.45	97.80
Dividends declared for the period (p)	4.0	1.5	0.0	1.5	13.0	3.0

Chairman's Statement

I am pleased to present the unaudited results for the six months ended 30 June 2021.

Further to the success of the Company's B share offers over the last three years, under which the Company has raised more than £12m, 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 as a result of the Covid-19 pandemic ("C-19"), I am encouraged that the net asset values of both the B share and Ordinary share portfolios have increased over the six-month period to 30 June 2021. The Net Asset Value ("NAV") per B share increased from 91.8p to 104.6p and the NAV per Ordinary share increased from 30.2p to 39.0p during the period.

The key activities in respect of the B share portfolio in the period to 30 June 2021 included:

- Four new investments (three of which were AIM quoted).
- An increase in the share price of SkinBio Therapeutics Plc ("SkinBio") from 22p at 31 December 2020 to 63p at 30 June 2021.
- Two partial exits, including a realisation of 1,750,000 in SkinBio shares generating £621k and a profit of £341k.
- A dividend of 1.5p per B share paid in May 2021.

The key activities in respect of the Ordinary Share portfolio in the period to 30 June 2021 included:

- A significant increase in the share price of Scancell Holdings Plc ("Scancell") from 13.5p at 31 December 2020 to 21.5p at 30 June 2021.
- A partial realisation of Scancell shares in February 2021 at 21.7p per Scancell share, boosting the Ordinary share pool's cash position.
- A dividend of 4.0p per Ordinary share paid in June 2021.
- A follow-on investment of £85k into existing Ordinary share portfolio company Arecor Limited (now Arecor Therapeutics Plc) ("Arecor") to support the investee company's IPO.

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

B share portfolio

Results

The total return (NAV increase plus dividends paid) per B share for the six-month period to 30 June 2021 amounted to 14.3p per B share (a 16% increase on the opening NAV for the period) (30 June 2020: 2.3p or 3% decrease). This increase is the result of the combination of a positive capital return of 14.8p per B share (30 June 2020: negative capital return of 0.4p) and a negative revenue return of 1.0p per B share (30 June 2020: negative revenue return of 1.3p). 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 positive capital return of 14.8p per B share is a result of the net increase in the aggregate carrying value of the B share pool's quoted and unquoted investee companies and the profit generated on the partial sale of two of the B share pool's AIM quoted investments, being SkinBio and Abingdon Health plc, as further detailed below, offset by the reduction in the carrying value of Ten80 Group Ltd.

The negative revenue return of 1.0p 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 were however capped at 3% of the B share NAV until July 2021. Going forward, general expenses will now be allocated to the Ordinary share pool and the B share pool pro-rata to their respective NAVs subject to a cost cap of 3% of each share pool's NAV.

The B share pool also paid an interim dividend of 1.5p per B share in the period, with 7.5p cumulative dividends paid to date.

Portfolio review

The Company's Investment Manager, Seneca Partners Limited ("Seneca"), has made four additions to the B share portfolio in the six months to 30 June 2021, totalling £2.3m as follows:-

- Solascore Ltd – an innovative early stage wound care specialist biotech company in which we invested £500k
- Evgen Pharma Plc – a drug development company whose lead asset has various clinical applications in cancer in which we invested £400k
- Polarean Imaging Plc ("Polarean") – a drug-device company specialising in evaluating pulmonary function with lung imaging in which we invested £986k
- Arecor – an existing Ordinary share portfolio company that brings innovative medicines to market through the enhancement of existing therapeutic products in which the B share pool invested £425k

With the AIM market proving buoyant for certain sectors in the period, Seneca took the opportunity in January 2021 to realise 37% of its original shareholding in SkinBio, selling 1,750,000 shares and realising a gain of £341k on the disposal (2.2x cash return) in addition to selling 78,000 shares in Abingdon for £76k, 50% of its holding, realising a small profit.

The period also saw a sustained increase in the bid price of two of the B share pool's AIM quoted investments: the SkinBio share price increased to 63p as at 30 June 2021 (from 22p as at 31 December 2020) and the Polarean share price increased to 92p as at 30 June 2021 (compared to a cost price of 60p per share).

Despite the positive performance of the B share portfolio as a whole during the period which remained impacted by C-19, Seneca continue to work closely with the investee companies to monitor the impact of C-19 and to provide support where required to overcome any further challenges which may arise including assessing any need they may have for further finance.

Ordinary share portfolio

Results

The total return (NAV increase plus dividends paid) per Ordinary share for the six-month period to 30 June 2021 amounted to 12.8p (June 2020: reduction 0.2p).

As noted above, the share price of Scancell shares showed significant gains and the Ordinary share pool sold 1,000,000 shares in February 2021 at 21.7p per Scancell share. This has realised £217k for the portfolio representing a profit over original cost of £157k. We continue to hold 11,000,000 shares in Scancell.

We were particularly encouraged that Arecor, a long-standing Ordinary share pool unquoted investee company, announced its intention to float on AIM in May 2021. We considered the terms of the fundraise to be attractive and in order to support the IPO the Ordinary share pool purchased a further 37,611 shares in Arecor at £2.26 per share. Following a share reorganisation prior to flotation, the Ordinary share pool's existing shares were converted to 186,366 shares and the Ordinary share pool now holds a total of 223,977 shares in Arecor valued at £526k.

The effect of these transactions and the continued increase in Scancell's share price has resulted in a return per Ordinary share for the period of 12.8p (a 42% increase on the opening NAV for the period) per Ordinary share (30 June 2020: negative 0.2p or 0.7% decrease). The aggregate impact of these changes is net of the corresponding increase in the accrued Ordinary share pool performance fee, which was £352k as at 30 June 2021 (30 June 2020: £50k) and the interim capital dividend of 4.0p per Ordinary share paid on 25 June 2021, totalling £325k. The Ordinary share pool has now paid a total of 69.25p dividends per Ordinary share since launch.

As shareholders will recall, the Ordinary share portfolio has not borne any general running costs from July 2018 until July 2021.

Portfolio review

The Ordinary share portfolio now comprises two AIM listed holdings, Scancell and Arecor, and five unquoted holdings.

The AIM listed holdings represented 90% of the Ordinary share portfolio at 30 June 2021. The bid price of Scancell continues to see significant volatility but has recently maintained a sustained increase from its 31 December 2020 share price of 13.5p per share and Arecor has remained relatively stable since its admission to AIM. 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 now holds £334k in cash. It is the Board's policy that we retain a certain level of cash to further invest in existing portfolio companies and pay running costs from July 2021. We will continue to pay dividends following any further realisations.

Fundraising

Having launched the Company's B share class in 2018 the Board are very pleased with the £12m raised to date, including £3.5m raised in the six-month period to 30 June 2021.

Seneca expect to continue to see an increase in the number of businesses seeking investment to support their growth plans over the next 12-18 months and therefore the Company will shortly launch our next offer for B shares to raise a further £10 million (with an over-allotment 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.

In order to ensure that shareholders receive regular information in respect of their investment in the Company, we intend to continue to provide a virtual presentation of the interim and annual results as well as a general portfolio update at least twice annually. As such, the Company is pleased to confirm that the third virtual shareholder update presentation will be held at 10am on Wednesday, 8 September 2021, details of which and how to join the webinar will be made available on www.senecavct.co.uk shortly.

Outlook

Notwithstanding the significant challenges faced by the UK economy since the onset of C-19, we are encouraged by the positive progress being made by the B share pool. As at 30 March 2020, just after the onset of C-19, the B share NAV stood at 79.5p per B share. By 30 June 2021, the increase in total return per B share amounted to 29.6p (a 37% increase on the NAV as at 30 March 2020) to 109.1p per B share – a performance which we believe will be very well received by our B share investors in these unprecedented times.

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.

We also note that with £6m of cash on the B share pool balance sheet as at 30 June 2021 (equivalent to 46% of the B share NAV at 30 June 2021,) 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 from the strong pipeline of opportunities presented to them. We therefore look forward to the continued development of the B share portfolio.

As noted above, we have continued our policy of returning realised cash to Ordinary shareholders through the dividend paid following the sale of Scancell shares. We are also encouraged by Arecor's float on AIM and believe further opportunities to realise profitable returns for Ordinary shareholders are achievable.

John Hustler
Chairman
23 July 2021

Investment Portfolio – Ordinary Shares

Unquoted Investments	Equity held %	Investment at cost £'000	Unrealised profit/(loss) £'000	Carrying value at 30 June 2021 £'000	Movement in the six months to 30 June 2021 £'000
Fuel 3D Technologies Limited	<1.0	299	(104)	195	-
Insense Limited	4.6	509	(388)	121	-
ImmunoBiology Limited	1.2	868	(868)	-	-
OR Productivity Limited	7.9	765	(765)	-	-
Microarray Limited	1.8	132	(132)	-	-
Total unquoted investments		2,573	(2,257)	316	-

Quoted Investments	Shares held	Investment at cost £'000	Unrealised profit/(loss) £'000	Carrying value at 30 June 2021 £'000	Movement in the six months to 30 June 2021 £'000
Scancell Plc	11,000,000	665	1,699	2,364	879
Areacor Therapeutics Plc	223,977	227	299	526	236
Total quoted investments		892	1,998	2,890	1,115
Total investments		3,465	(259)	3,206	1,115

Investment Portfolio – B Shares

Unquoted Investments	Equity held %	Investment at cost £'000	Unrealised profit/(loss) £'000	Carrying value at 30 June 2021 £'000	Movement in the six months to 30 June 2021 £'000
Fabacus Holdings Limited	2.0	500	63	563	-
Old St Labs Limited	3.5	500	-	500	-
Silkfred Limited	<1.0	500	-	500	-
Solascure Limited	<1.0	500	-	500	-
Qudini Limited	2.2	500	(200)	300	-
Bright Network (UK) Limited	1.7	234	-	234	-
Ten80 Group Limited	7.5	400	(200)	200	(200)
Total unquoted investments		3,134	(337)	2,797	(200)

Quoted Investments	Shares held	Investment at cost £'000	Unrealised profit/(loss) £'000	Carrying value at 30 June 2021 £'000	Movement in the six months to 30 June 2021 £'000
SkinBioTherapeutics Plc	2,752,107	440	1,294	1,734	1,129
Polarean Imaging Plc	1,644,070	986	525	1,511	526
Arecor Therapeutics Plc	188,053	425	17	442	17
Evgen Pharma Plc	5,000,000	400	(10)	390	(10)
OptiBiotix Health Plc	350,000	140	28	168	(32)
Abingdon Health Plc	78,250	75	(37)	38	(35)
Total quoted investments		2,466	1,817	4,283	1,595
Total investments		5,600	1,480	7,080	1,395

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
23 July 2021

Income Statement - Combined

	Combined			Combined			Combined		
	Six months to 30 June 2021			Six months to 30 June 2020			Year to 31 December 2020		
	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	-	322	322	-	655	655	-	948	948
Gain/(loss) on valuation of fixed asset investments	-	2,510	2,510	-	(672)	(672)	-	682	682
Income	-	-	-	-	-	-	-	-	-
Performance fee	-	(159)	(159)	-	3	3	-	(140)	(140)
Investment management fee net of cost cap	(17)	(52)	(69)	(6)	(18)	(24)	(10)	(31)	(41)
Other expenses	(86)	-	(86)	(62)	(3)	(65)	(150)	(2)	(152)
Return on ordinary activities before tax	(103)	2,621	2,518	(68)	(35)	(103)	(160)	1,457	1,297
Taxation on return on ordinary activities	-	-	-	-	-	-	-	-	-
Return on ordinary activities after tax	(103)	2,621	2,518	(68)	(35)	(103)	(160)	1,457	1,297

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 2021			Ordinary shares Six months to 30 June 2020			Ordinary shares Year to 31 December 2020		
	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	-	82	82	-	426	426	-	720	720
Gain/(loss) on valuation of fixed asset investments	-	1,115	1,115	-	(439)	(439)	-	467	467
Income	-	-	-	-	-	-	-	-	-
Performance fee	-	(159)	(159)	-	3	3	-	(140)	(140)
Investment management fee net of cost cap	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	(3)	(3)	-	(2)	(2)
Return on ordinary activities before tax	-	1,038	1,038	-	(13)	(13)	-	1,045	1,045
Taxation on return on ordinary activities	-	-	-	-	-	-	-	-	-
Return on ordinary activities after tax	-	1,038	1,038	-	(13)	(13)	-	1,045	1,045
Earnings per share – basic and diluted	-	12.8	12.8	-	(0.2p)	(0.2p)	-	12.8p	12.8p

Income Statement – B Shares

	B shares Six months to 30 June 2021			B shares Six months to 30 June 2020			B shares Year to 31 December 2020		
	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	-	240	240	-	229	229	-	228	228
Gain/(loss) on valuation of fixed asset investments	-	1,395	1,395	-	(233)	(233)	-	215	215
Income	-	-	-	-	-	-	-	-	-
Performance fee	-	-	-	-	-	-	-	-	-
Investment management fee net of cost cap	(17)	(52)	(69)	(6)	(18)	(24)	(10)	(31)	(41)
Other expenses	(86)	-	(86)	(62)	-	(62)	(150)	-	(150)
Return on ordinary activities before tax	(103)	1,583	1,480	(68)	(22)	(90)	(160)	412	252
Taxation on return on ordinary activities	-	-	-	-	-	-	-	-	-
Return on ordinary activities after tax	(103)	1,583	1,480	(68)	(22)	(90)	(160)	412	252
Earnings per share – basic and diluted	(1.0p)	14.8p	13.8p	(1.3p)	(0.4p)	(1.7p)	(2.2p)	5.7p	3.5p

Balance Sheet - Combined

	Combined As at 30 June 2021		Combined As at 30 June 2020		Combined As at 31 December 2020	
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed asset investments*		10,286		4,600		6,123
Current assets:						
Cash at bank and in hand	6,341		4,541		5,056	
Debtors	157		9		7	
	6,498		4,550		5,063	
Creditors:						
Amounts falling due within one year	(184)		(92)		(223)	
Net current assets		6,314		4,458		4,840
Creditors: amounts falling due after more than one year						
Performance fee payable		(352)		(50)		(193)
Net assets		16,248		9,008		10,770
Called up equity share capital		206		154		172
Share premium		8,603		3,634		5,169
Special distributable reserve		6,586		8,285		7,094
Capital redemption reserve		-		-		-
Capital reserve – gains/(losses) on disposal		1,992		1,557		1,704
– holding gains/(losses)		1,221		(2,457)		(1,112)
Revenue reserve		(2,360)		(2,165)		(2,257)
Total equity shareholders' funds		16,248		9,008		10,770

*At fair value through profit and loss

Balance Sheet – Ordinary Shares

	Ordinary shares As at 30 June 2021		Ordinary shares As at 30 June 2020		Ordinary shares As at 31 December 2020	
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed asset investments*		3,206		1,364		2,141
Current assets:						
Cash at bank and in hand	334		1,158		527	
Debtors	-		-		-	
	334		1,158		527	
Creditors:						
Amounts falling due within one year	(22)		(22)		(22)	
Net current assets		312		1,136		505
Creditors: amounts falling due after more than one year						
Performance fee payable		(352)		(50)		(193)
Net assets		3,166		2,450		2,453
Called up equity share capital		81		81		81
Share premium		-		-		-
Special distributable reserve		3,760		5,140		4,085
Capital redemption reserve		-		-		-
Capital reserve – gains/(losses) on disposal		1,529		1,371		1,532
– holding gains/(losses)		(259)		(2,197)		(1,300)
Revenue reserve		(1,945)		(1,945)		(1,945)
Total equity shareholders' funds		3,166		2,450		2,453
Net asset value per share		39.0p		30.2p		30.2p

*At fair value through profit and loss

Balance Sheet – B Shares

	B shares As at 30 June 2021		B shares As at 30 June 2020		B shares As at 31 December 2020	
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed asset investments*		7,080		3,236		3,982
Current assets:						
Cash at bank and in hand	6,007		3,383		4,529	
Debtors	157		9		7	
	6,164		3,392		4,536	
Creditors:						
Amounts falling due within one year	(162)		(70)		(201)	
Net current assets		6,002		3,322		4,335
Creditors: amounts falling due after more than one year						
Performance fee payable		-		-		-
Net assets		13,082		6,558		8,317
Called up equity share capital		125		73		91
Share premium		8,603		3,634		5,169
Special distributable reserve		2,826		3,145		3,009
Capital redemption reserve		-		-		-
Capital reserve – gains/(losses) on disposal		463		186		172
– holding gains/(losses)		1,480		(260)		188
Revenue reserve		(415)		(220)		(312)
Total equity shareholders' funds		13,082		6,558		8,317
Net asset value per share		104.6p		89.3p		91.8p

*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 2020	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
As at 1 January 2020	145	2,806	8,395	-	1,196	(2,061)	(2,097)	8,384
B share issue	27	2,363	-	-	-	-	-	2,390
Revenue return on ordinary activities after tax	-	-	-	-	-	-	(160)	(160)
Expenses charged to capital	-	-	-	-	(33)	-	-	(33)
Performance fee allocated as capital expenditure	-	-	-	-	(140)	-	-	(140)
Dividends Paid	-	-	(1,301)	-	-	-	-	(1,301)
Current period gains on disposal	-	-	-	-	948	-	-	948
Current period gains on fair value of investments	-	-	-	-	-	682	-	682
Prior years' unrealised losses now realised	-	-	-	-	(267)	267	-	-
Balance as at 31 December 2020	172	5,169	7,094	-	1,704	(1,112)	(2,257)	10,770
B share issue	34	3,434	-	-	-	-	-	3,468
Revenue return on ordinary activities after tax	-	-	-	-	-	-	(103)	(103)
Expenses charged to capital	-	-	-	-	(52)	-	-	(52)
Performance fee allocated as capital expenditure	-	-	-	-	(159)	-	-	(159)
Dividends paid	-	-	(508)	-	-	-	-	(508)
Current period gains on disposal	-	-	-	-	322	-	-	322
Current period gains on fair value of investments	-	-	-	-	-	2,510	-	2,510
Prior years' unrealised profits now realised	-	-	-	-	177	(177)	-	-
Balance as at 30 June 2021	206	8,603	6,586	-	1,992	1,221	(2,360)	16,248

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 2020	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
As at 1 January 2020	81	-	5,140	-	1,221	(2,034)	(1,945)	2,463
Revenue return on ordinary activities after tax	-	-	-	-	-	-	-	-
Expenses charged to capital	-	-	-	-	(2)	-	-	(2)
Performance fee allocated as capital expenditure	-	-	-	-	(140)	-	-	(140)
Dividends Paid	-	-	(1,055)	-	-	-	-	(1,055)
Current period gains on disposal	-	-	-	-	720	-	-	720
Current period gains on fair value of investments	-	-	-	-	-	467	-	467
Prior years' unrealised losses now realised	-	-	-	-	(267)	267	-	-
Balance as at 31 December 2020	81	-	4,085	-	1,532	(1,300)	(1,945)	2,453
Revenue return on ordinary activities after tax	-	-	-	-	-	-	-	-
Expenses charged to capital	-	-	-	-	-	-	-	-
Performance fee allocated as capital expenditure	-	-	-	-	(159)	-	-	(159)
Dividends paid	-	-	(325)	-	-	-	-	(325)
Current period gains on disposal	-	-	-	-	82	-	-	82
Current period gains on fair value of investments	-	-	-	-	-	1,115	-	1,115
Prior years' unrealised profits now realised	-	-	-	-	74	(74)	-	-
Balance as at 30 June 2021	81	-	3,760	-	1,529	(259)	(1,945)	3,166

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 2020	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
As at 1 January 2020	64	2,806	3,255	-	(25)	(27)	(152)	5,921
B share issue	27	2,363	-	-	-	-	-	2,390
Revenue return on ordinary activities after tax	-	-	-	-	-	-	(160)	(160)
Expenses charged to capital	-	-	-	-	(31)	-	-	(31)
Dividends Paid	-	-	(246)	-	-	-	-	(246)
Current period gains on disposal	-	-	-	-	228	-	-	228
Current period gains on fair value of investments	-	-	-	-	-	215	-	215
Balance as at 31 December 2020	91	5,169	3,009	-	172	188	(312)	8,317
B share issue	34	3,434	-	-	-	-	-	3,468
Revenue return on ordinary activities after tax	-	-	-	-	-	-	(103)	(103)
Expenses charged to capital	-	-	-	-	(52)	-	-	(52)
Performance fee allocated as capital expenditure	-	-	-	-	-	-	-	-
Dividends paid	-	-	(183)	-	-	-	-	(183)
Current period gains on disposal	-	-	-	-	240	-	-	240
Current period gains on fair value of investments	-	-	-	-	-	1,395	-	1,395
Prior years' unrealised profits now realised	-	-	-	-	103	(103)	-	-
Balance as at 30 June 2021	125	8,603	2,826	-	463	1,480	(415)	13,082

Statement of Cash Flows – Combined

	Combined Six months to 30 June 2021 £'000	Combined Six months to 30 June 2020 £'000	Combined Year to 31 December 2020 £'000
Cash flows from operating activities			
Return on ordinary activities before tax	2,518	(103)	1,297
Adjustments for:			
Increase in debtors	(150)	(6)	(4)
Increase/(decrease) in creditors	199	(8)	143
Gain on disposal of fixed asset investments	(322)	(655)	(948)
(Gain)/loss on valuation of fixed asset investments	(2,510)	672	(682)
Cash from operations	(265)	(100)	(194)
Income taxes paid	-	-	-
Net cash used in operating activities	(265)	(100)	(194)
Cash flows from investing activities			
Purchase of fixed asset investments	(2,396)	(1,062)	(1,360)
Sale of fixed asset investments	1,065	1,206	1,628
Total cash outflow from investing activities	(1,331)	144	268
Cash flows from financing activities			
Dividends paid	(508)	(110)	(1,301)
Issue of B shares	3,468	837	2,390
Awaiting B share issue	(79)	(139)	(16)
Total cash outflow from financing activities	2,881	588	1,073
Decrease in cash and cash equivalents	1,285	632	1,147
Opening cash and cash equivalents	5,056	3,909	3,909
Closing cash and cash equivalents	6,341	4,541	5,056

Statement of Cash Flows – Ordinary Shares

	Ordinary shares Six months to 30 June 2021 £'000	Ordinary shares Six months to 30 June 2020 £'000	Ordinary shares Year to 31 December 2020 £'000
Cash flows from operating activities			
Return on ordinary activities before tax	1,038	(13)	1,045
Adjustments for:			
(Increase)/decrease in debtors	-	-	-
Increase/(decrease) in creditors	159	(3)	140
Gain on disposal of fixed asset investments	(82)	(426)	(720)
(Gain)/loss on valuation of fixed asset investments	(1,115)	439	(467)
Cash from operations	-	(3)	(2)
Income taxes paid	-	-	-
Net cash used in operating activities	-	(3)	(2)
Cash flows from investing activities			
Purchase of fixed asset investments	(85)	-	-
Sale of fixed asset investments	217	691	1,114
Total cash inflow from investing activities	132	691	1,114
Cash flows from financing activities			
Dividend paid	(325)	-	(1,055)
Total cash outflow	(325)	-	(1,055)
Decrease in cash and cash equivalents	(193)	688	57
Opening cash and cash equivalents	527	470	470
Closing cash and cash equivalents	334	1,158	527

Statement of Cash Flows – B Shares

	B shares Six months to 30 June 2021 £'000	B shares Six months to 30 June 2020 £'000	B shares Year to 31 December 2020 £'000
Cash flows from operating activities			
Return on ordinary activities before tax	1,480	(90)	252
Adjustments for:			
Increase in debtors	(150)	(6)	(4)
Increase/(decrease) in creditors	40	(5)	3
Gain on disposal of fixed asset investments	(240)	(229)	(228)
(Gain)/loss on valuation of fixed asset investments	(1,395)	233	(215)
Cash from operations	(265)	(97)	(192)
Income taxes paid	-	-	-
Net cash used in operating activities	(265)	(97)	(192)
Cash flows from investing activities			
Purchase of fixed asset investments	(2,311)	(1,062)	(1,360)
Sale of fixed asset investments	848	515	514
Total cash outflow from investing activities	(1,463)	(547)	(846)
Cash flows from financing activities			
Dividends paid	(183)	(110)	(246)
Issue of B shares	3,468	837	2,390
Awaiting B share issue	(79)	(139)	(16)
Total cash inflow from financing activities	3,206	588	2,128
Decrease in cash and cash equivalents	1,478	(56)	1,090
Opening cash and cash equivalents	4,529	3,439	3,439
Closing cash and cash equivalents	6,007	3,383	4,529

Notes to the Half-Yearly Report

1. Basis of preparation

The unaudited half-yearly results which cover the six months to 30 June 2021 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) 'Financial Statements of Investment Trust Companies and Venture Capital Trusts (revised 2019)'. Details of the accounting policies and valuation methodologies are included within the Annual Report on Pages 82-98.

2. Publication of non-statutory accounts

The unaudited half-yearly results for the six months ended 30 June 2021 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 2020 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 2021 is calculated on the basis of 8,115,376 shares (31 December 2020: 8,115,376 and 30 June 2020: 8,115,376) being the weighted average number of shares in issue during the period.

The earnings per B share at 30 June 2021 is calculated on the basis of 10,729,105 (31 December 2020: 7,248,338 and 30 June 2020: 6,903,520) 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 Ordinary share pool net assets as at 30 June 2021 divided by 8,115,376 (31 December 2020: 8,115,376 and 30 June 2020: 8,115,376) Ordinary shares in issue at that date.

The net asset value per B share is based on B share net assets as at 30 June 2021 divided by 12,507,694 (31 December 2020: 9,062,948 and 30 June 2020: 7,345,171) B 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 2020.

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. 69.25p 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 2020 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 £103k in management fees in the current period, however this is reduced to £69k as a result of the 3% cost cap (31 December 2020: reduced to £41k, 30 June 2020: reduced to £24k).

Seneca accrued £46k (30 June 2020: £56k) in transaction fees, monitoring and directors' fees from investee companies in the period. 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 13 October 2020, Seneca (as promoters of the Offer) are entitled to charge the Company up to 5.5% of investors' subscriptions. A total of £26k was payable to Seneca in the period, based on the allotments of £3,467,663 (net of facilitated fees, commission and promoter fees) as at 30 June 2021 (31 December 2020: £7k, 30 June 2020: £nil).

7. Events after the Balance Sheet Date

One additional AIM quoted investment was made in the B share pool in July 2021 into Poolbeg Pharma Plc for £755k.

8. Further Information

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.