

BARONSMEAD

Baronsmead Venture Trust plc

2016

Half-yearly report for the six months ended
31 March 2016



About Baronsmead Venture Trust plc (formerly Baronsmead VCT 2 plc)

Our Investment Objective

Baronsmead Venture Trust is a tax efficient listed company which aims to achieve long-term investment returns for private investors, including tax free dividends.

Investment Policy

- To invest primarily in a diverse portfolio of UK growth businesses, whether unquoted or traded on AIM.
- Investments are made selectively across a range of sectors in companies that have the potential to grow and enhance their value.

Dividend Policy

The Board of Baronsmead Venture Trust aims to sustain a minimum annual dividend level at an average of 6.5p per ordinary share, mindful of the need to maintain net asset value. The ability to meet these twin objectives depends significantly on the level and timing of profitable realisations and cannot be guaranteed. There will be variations in the amount of dividends paid year on year.

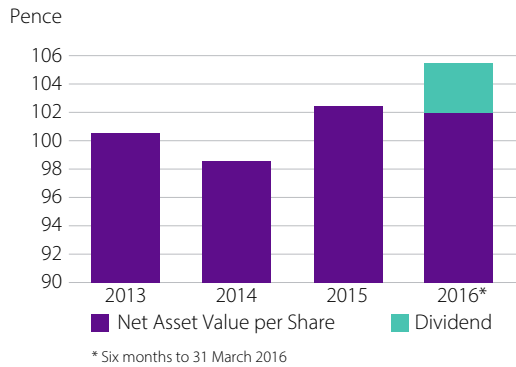
Following final shareholder approval on 8 February 2016 Baronsmead VCT 2 plc (now renamed Baronsmead Venture Trust plc ("BVT")) acquired the assets of Baronsmead VCT plc ("BVCT") in consideration for the issue of New BVT Shares for BVCT shareholders. **This is the first set of accounts since the two VCTs were combined and it is important to note the comparative prior year figures relate to the original Baronsmead VCT 2 plc.**

Shareholder choice

The Board wishes to provide shareholders with a number of choices that enable them to utilise their investment in Baronsmead Venture Trust in ways that best suit their personal investment and tax planning requirements and in a way that treats all shareholders equally.

- **Fund raising** | From time to time the Company seeks to raise additional funds by issuing new shares at a premium to the latest published net asset value to account for issue costs. This enables shareholders seeking additional investments to do so with taxation relief.
- **Dividend Reinvestment Plan** | The Company offers a Dividend Reinvestment Plan which enables shareholders to purchase additional shares through the market in lieu of cash dividends.
- **Buy back of shares** | From time to time the Company buys its own shares through the market in accordance with its share price discount policy. Subject to certain conditions, the Company seeks to maintain a mid market share price discount of approximately 5 per cent. to net asset value. In the six months to 31 March 2016, 1,780,000 shares were bought back representing 1.0 per cent. of the shares in issue at 31 March 2016 at prices which represent an average 5.1 per cent. discount to the latest published net asset value at the time the shares were bought back. By providing support to market pricing, this helps those shareholders who need to realise their investment.
- **Secondary market** | The Company's shares are listed on the London Stock Exchange and can be bought or sold by shareholders using a stockbroker or authorised share dealing service in the same way as shares of any other listed company. Approximately 252,000 shares were bought by investors in the Company's existing shares in the six months to 31 March 2016.

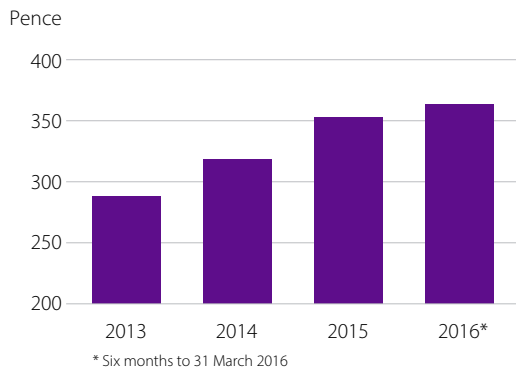
Financial Headlines



Net asset value per share

Net asset value ("NAV") per share increased 3.0 per cent. to 105.59p in the 6 months to 31 March 2016 before the first interim dividend (3.5p) paid 18 December 2015.

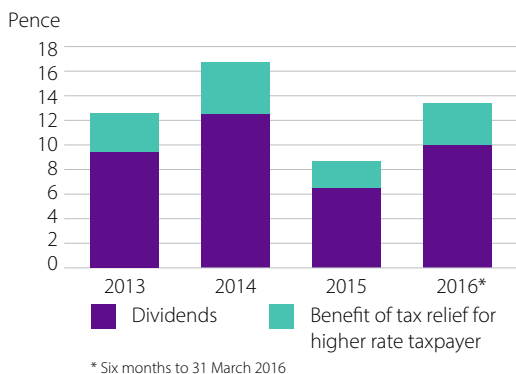
+3.0%



Net asset value total return

NAV total return to shareholders for every 100.0p invested at launch.

363.5p



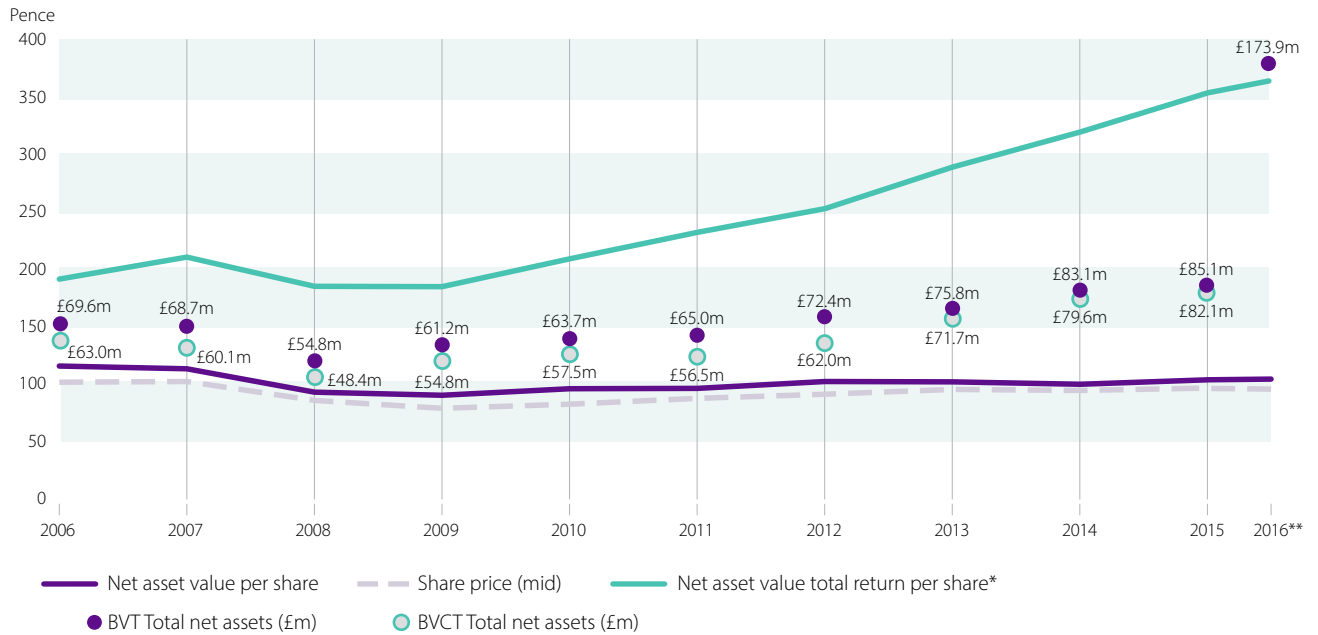
Dividends in the period

Dividends totalled 10.0p in the 6 months to 31 March 2016, after the interim dividend of 3.5p paid 18 December 2015 and the second interim dividend of 6.5p payable 3 June 2016.

10.0p

Performance Summary

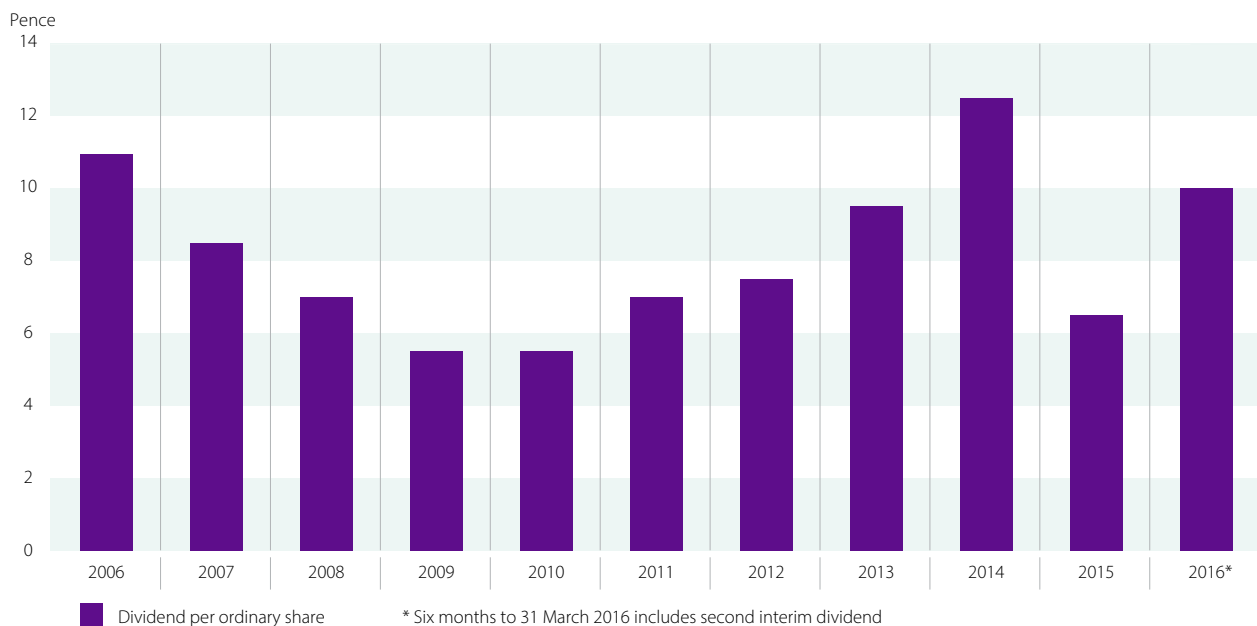
Net Asset Value in the last ten years



* Net asset value total return (gross dividends reinvested) rebased to 100p ** Six months to 31 March 2016

Source: Livingbridge VC LLP

Dividend History in the last ten years



Source: Livingbridge VC LLP

* Six months to 31 March 2016 includes second interim dividend

The table below shows the cash returned to shareholders that invested in **Baronsmead Venture Trust plc** (formerly known as Baronsmead VCT 2 plc) dependent on their subscription cost, including the income tax available to be reclaimed on the subscription.

Year subscribed	Cash invested (p)	Income tax reclaim (p)	Cumulative dividends paid* (p)	Return on cash invested (%)
1998 (April)	100.0	20.0	131.9	151.9
1999 (May)	102.0	20.4	128.4	145.9
2000 (February)	137.0	27.4	125.2	111.4
2000 (March)	130.0	26.0	125.2	116.3
2004 (October) – C**	100.0	40.0	82.1	122.1
2009 (April)	91.6	27.5	64.0	99.9
2012 (December)	111.8	33.5	38.5	64.4
2014 (March)	103.8	31.1	21.0	50.2
2016 (February)	102.8	30.8	6.5	36.3

* Includes 6.5p second interim dividend payable 3 June 2016.

** Share dividend calculated using conversion ratio of 0.9657, which is the rate the C shares were converted into ordinary shares.

The table below shows the cash returned to shareholders that invested in **Baronsmead VCT plc** dependent on their subscription cost, including the income tax available to be reclaimed on the subscription.

Year subscribed	Cash invested (p)	Income tax reclaim (p)	Cumulative dividends paid+ (p)	Return on cash invested (%)
1995 (November)	100.0	20.0	148.5	168.5
1997 (April)	104.0	20.8	143.7	158.2
2003 (April) – C share*	100.0	20.0	111.2	131.2
2005 (March) – C share**	100.0	40.0	82.9	122.9
2009 (April)	75.7	22.7	54.5	102.0
2012 (December)	83.2	25.0	28.5	64.2
2014 (March)	79.7	23.9	16.5	50.7

* Dividends paid to 2003 C shareholders post conversion have been adjusted by the conversion ratio (1.1044001).

** Dividends paid to 2005 C shareholders post conversion have been adjusted by the conversion ratio (1.1286715).

+ Includes 6.5p second interim dividend payable 3 June 2016.

For former BVCT shareholders, BVT dividends paid/declared since 8 February 2016 are adjusted by a factor of approximately 0.762239, this being the basis on which shares in BVT were issued for every BVCT share previously held by them.



Chairman's Statement

I am pleased to report a 3.0 per cent. (3.03p) increase in NAV per share for the six months to 31 March 2016 before dividend payments.

A second interim dividend has been declared of 6.5p per share and will be paid on 3 June 2016 to shareholders on the register as at 20 May 2016.

Peter Lawrence

Chairman

On 8 February 2016, Baronsmead VCT 2 plc ("the Company") acquired the assets of Baronsmead VCT plc ("BVCT") in exchange for the issue of New Shares to BVCT shareholders and changed its name to Baronsmead Venture Trust plc. At 31 March 2016 the NAV was £173.9m making the Company one of the largest VCTs in the industry.

This is the first set of accounts prepared since the entities combined and as a result, the comparative figures in the accounts only relate to the Company prior to the acquisition and are therefore not a true comparison to the period under review.

Results

During the six months to 31 March 2016, the Company's NAV per share increased 3.0 per cent. from 102.56p to 105.59p before dividends.

	Pence per ordinary share
NAV as at 1 October 2015	102.56
Valuation uplift (3.0 per cent.)	3.03
NAV as at 31 March 2016 before dividends	105.59
Less:	
Interim dividend paid to the shareholders of Baronsmead VCT 2 plc on 18 December 2015	(3.50)
Second interim dividend to be paid on 3 June 2016	(6.50)
NAV as at 31 March 2016 after dividends	95.59

Owing to the recent profitable sale of some investments, in particular, the sale of Nexus Vehicle Holdings ("Nexus") in December, the Company has declared a further interim dividend of 6.5p per share.

Portfolio Review

The investments acquired from BVCT as a result of the transaction totalled £63m and comprised investments in companies that were all common to those already held by the Company.

At 31 March 2016, the portfolio comprised investments in 72 unquoted and AIM-traded companies. In addition, the Company's investment in Wood Street Microcap provides investment exposure to a further 36 AIM-traded and fully listed companies.

Asset class	NAV (£)	Per cent. of net assets*	No. of investees	Per cent. return over the period**
Unquoted and AIM-traded companies	115.7m	67	72	4.4
Wood Street Microcap Investment Fund	17.7m	10	36	1.1
Liquid assets	40.5m	23	N/A	–
Totals	173.9m	100	108	

* By value as at 31 March 2016.

** Includes capitalised interest and redemption premium income received.

The increase in NAV of 3.0 per cent. was the result of steady progress in our more mature investments including Kingsbridge Risk Solutions and Nexus, (delivering an increase in the portfolio valuation of 4.4 per cent.) which was partially offset, principally, by reductions in value of Valldata Group, Staffline Group and IP Solutions.

Investment and Divestments

Full details about the investments and divestments during the period are set out in the tables on pages 8 and 9.

Prior to the acquisition, between 1 October 2015 and 8 February 2016, the Company and BVCT each made 3 new investments (£2.5m) and 3 follow-on investments (£2.4m). Following the transaction the Company made a further new investment of £0.9m in Eden Research plc.

The new VCT rules introduced in November 2015 have required the Investment Manager to adapt its investment strategy to focus on the provision of development capital to younger companies to enable them to grow their businesses organically rather than through acquisition. These rules are complex and it is taking time to reach an understanding as to how they will be interpreted and enforced by HMRC, particularly in view of the fact that the latter has only recently issued guidance on the legislation. As a result, in common with other VCTs, the rate of new investment has slowed since their introduction.

The Board believes that the Investment Manager will be able to identify an adequate supply of new and attractive investment opportunities that will comply with the new VCT rules and still generate good returns for the Company. These companies are likely to be younger and smaller businesses than those in which the Company has invested more recently and they may need to be held for longer periods. However, it is hoped that the increased risk of volatility in returns inevitably generated by this type of investment can be mitigated by making and holding a larger number of them.

A total of £15.9m was realised by the combined VCTs from the full and partial sale of investments and from loan note redemptions during the period. This includes the sale of Nexus which generated a return 4.5 times its original cost. Against this success, a loss was realised on the sale of Independent Community Care Management with a recovery of 0.5 times original cost. During the period an unexpected profit related earn-out dividend was also received from Carnell Contractors, which was disposed of in 2011, and which brings the total recovery from this challenging investment to 1.0 times its original cost.

The Investment Manager has also continued to consolidate the gains achieved in the quoted portfolio with the sale of Jelf Group, which was one of the Company's oldest investments, and generated a return of 2.5 times its original cost.

Acquisition and Fundraising

Acquisition and fundraising proposals were published on 11 January 2016 and the transaction completed on 8 February 2016. Following the transfer of all of BVCT's assets and liabilities to the Company, BVCT shareholders received approximately 0.762239 new shares in the Company ("New Shares") for every BVCT share held by them (rounded down to the nearest whole share). In aggregate, 79.4m shares were issued to BVCT shareholders in consideration for approximately £79.2 million of assets. The Company's £10m fundraising, which was exclusively available to the Company's and BVCT's existing shareholders, became fully subscribed on 15 January 2016. As a result, the Company issued a further 9.7m shares on 8 February 2016.

Dividends

Prior to the acquisition the dividend policies of BVCT and BVCT2 sought to maintain average dividends of around 5.5p and 6.5p per ordinary share respectively. In formulating the dividend policy for BVT going forward the Board wishes to ensure that a sustainable dividend level is maintained and has therefore decided to retain the Company's existing policy of trying to deliver an average annual payment of 6.5p per ordinary share. The ability to achieve this will depend significantly on the level and timing of profitable realisations and, therefore, it cannot be guaranteed. Inevitably there will be variations in the amount of dividends paid year on year.

Board of Directors

Following shareholders approval of the acquisition of the Company and BVCT, Susannah Nicklin retired as a director of BVCT and Les Gabb, Valerie Marshall and I joined the Board of the Company on 8 February 2016. On the same day, Howard Goldring and Gill Nott retired as directors of the Company. In addition, Clive Parritt will retire as a director of the Company with effect from 31 May 2016. I would like to thank each of them for the loyal and dedicated service they have given to BVCT and the Company respectively and in Clive's case his excellent Chairmanship of the Company since its inception in February 1998. The Board wishes them well in their future interests.

Outlook

In the face of uncertainty over whether the UK will vote to remain or leave the EU in the June referendum, the improvement in the UK economy now appears to have slowed and markets have continued to be volatile. However, the Company's portfolio companies have relatively little exposure to trading with the rest of the EU and the steady progress of their trading activity seems set to continue. The Company's portfolio diversity and asset mix should also help to deliver consistent returns.

Peter Lawrence

Chairman

24 May 2016

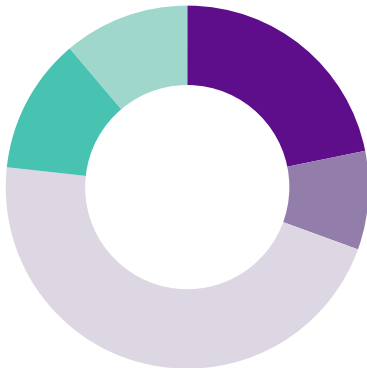
Investment Diversification at 31 March 2016

Sector by value



Business Services	38%
Consumer Markets	19%
Healthcare & Education	12%
Technology, Media & Telecommunications ("TMT")	31%

Total assets by value



Unquoted – loan stock	22%
Unquoted – equity	9%
AIM & collective investment vehicle	46%
Listed interest bearing securities	12%
Net current assets (principally cash)	11%

Time investments held by value



Less than 1 year	9%
Between 1 and 3 years	28%
Between 3 and 5 years	18%
Greater than 5 years	45%

Investments in the period

Company	Location	Sector	Activity	Book cost £'000
Unquoted investments				
<i>Follow on</i>				
Happy Days Consultancy Ltd	Cornwall	Healthcare & Education	Provider of nursery based childcare in the South West of England	658
Total unquoted investments				658
AIM-traded investments				
<i>New</i>				
Cerillion plc	London	TMT*	CRM and billing software to telecoms companies	900
Eden Research plc	Yorkshire	Business Services	Developer of biological fungicides and bio equivalents	900
Wey Education plc	London	Healthcare & Education	Online independent UK secondary school	214
Science in Sport plc	London	Consumer Markets	A vertically integrated sports nutrition provider	143
<i>Follow on</i>				
Venn Life Sciences Holdings plc	London	Healthcare & Education	Clinical research organisation providing consulting and clinical trial services	387
Belvoir Lettings plc	Lincolnshire	Consumer Markets	UK based letting agency franchise network	157
Total AIM-traded investments				2,701
Total investments in the period				3,359

* Technology, Media & Telecommunications ("TMT").

All investments with the exception of Eden Research were made prior to BVT (previously known as BVCT2) acquiring the assets of BVCT on 8 February 2016. Hence, the book costs of new investments shown (except for Eden Research) relate only to the investments made by BVCT2.

BVT acquired the BVCT investment portfolio (total £62,819,000) on 8 February 2016. This portfolio included the investments listed in the table above (with the exception of Eden Research).

Realisations in the period

Company		First investment date	Proceeds‡ £'000	Overall multiple return*
Unquoted realisations				
Nexus Vehicle Holdings Ltd	Full trade sale	Feb 08	5,873	4.5
Independent Community Care Management Ltd	Full trade sale	Oct 11	548	0.5
Total unquoted realisations			6,421	
AIM-traded realisations				
Jelf Group plc	Recommended offer	Oct 04	1,364	2.5
Tangent Communications plc	Full market sale	Mar 07	500	0.5
Total AIM-traded realisations			1,864	
Total realisations in the period			8,285†	

‡ Proceeds at time of realisation including redemption premium and interest.

* Includes interest/dividends received, loan note redemptions and partial realisations accounted for in prior periods.

† Proceeds of £4,000 was received in respect of Bglobal plc, which had been written off in a prior period. Deferred consideration of £100,000 was received in respect of Playforce and £56,000 in respect of CableCom II Networking Holdings Ltd, both of which had been sold in prior periods. Carnell Contractors Ltd was fully realised on receipt of final earn-out dividend.

With the exception of Tangent Communications, all realisations were made before the acquisition and the cost and proceeds shown relate to those made prior to the entities combining.

Independent Review Report to Baronsmead Venture Trust plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly report for the six months ended 31 March 2016 which comprises the Income Statement, Statement of Changes in Equity, Balance Sheet and Statement of Cash Flows and the related explanatory notes. We have read the other information contained in the half-yearly report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the company are prepared in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with FRS 104 *Interim Financial Reporting*.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2016 is not prepared, in all material respects, in accordance with FRS 104 *Interim Financial Reporting* and the DTR of the UK FCA.

John Waterson for and on behalf of KPMG LLP

Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EG
24 May 2016

Responsibility Statement of the Directors in respect of the Half-Yearly Financial Report

Baronsmead Venture Trust plc
Half-yearly report for the six months
ended 31 March 2016

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with the FRS104 '*Interim Financial Reporting*';
- the Chairman's Statement (constituting the interim management report) includes a fair review of the information required by DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements;
- the Statement of Principal Risks and Uncertainties on page 17 is a fair review of the information required by DTR 4.2.7R; and
- the financial statements include a fair review of the information required by DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board,

Peter Lawrence

Chairman

24 May 2016

Unaudited Income Statement

For the six months to 31 March 2016

	Notes	Six months to 31 March 2016			Six months to 31 March 2015			Year to 30 September 2015		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Unrealised gains on movement in fair value of investments	7	–	3,870	3,870	–	629	629	–	8,847	8,847
Realised gains/(losses) on disposal of investments	7	–	1,438	1,438	–	(85)	(85)	–	522	522
Income		1,140	–	1,140	1,745	–	1,745	1,869	–	1,869
Investment management fee		(277)	(938)	(1,215)	(191)	(573)	(764)	(398)	(1,780)	(2,178)
Other expenses		(712)	–	(712)	(238)	–	(238)	(469)	–	(469)
Profit/(loss) on ordinary activities before taxation		151	4,370	4,521	1,316	(29)	1,287	1,002	7,589	8,591
Taxation on ordinary activities		–	–	–	(203)	203	–	(89)	89	–
Profit for the period, being total comprehensive income for the period		151	4,370	4,521	1,113	174	1,287	913	7,678	8,591
Return per ordinary share:										
Basic	2	0.14p	4.02p	4.16p	1.32p	0.21p	1.53p	1.10p	9.20p	10.30p

All items in the above statement derive from continuing operations.

The revenue column of the Income Statement includes all income and expenses. The capital column accounts for the realised and unrealised profit or loss on investments and the proportion of the management fee charged to capital.

The total column of this statement is the Statement of Total Comprehensive Income of the Company prepared in accordance with Financial Reporting Standards ("FRS"). The supplementary revenue return and capital return columns are prepared in accordance with the Statement of Recommended Practice issued in November 2014 by the Association of Investment Companies ("AIC SORP").

Unaudited Statement of Changes in Equity

Baronsmead Venture Trust plc
Half-yearly report for the six months ended 31 March 2016

For the six months to 31 March 2016

	Notes	Non-distributable reserves			Distributable reserves		Total £'000
		Called-up share capital £'000	Share premium £'000	Revaluation reserve £'000	Capital reserve £'000	Revenue reserve £'000	
At 1 October 2015		9,497	16,561	24,820	34,152	102	85,132
Profit on ordinary activities after taxation		-	-	734	3,636	151	4,521
Shares issued following the acquisition of Baronsmead VCT plc	4	7,942	71,227	-	-	-	79,169
Net proceeds of share issue & buybacks	4	973	8,727	-	(1,683)	-	8,017
Dividends paid	6	-	-	-	(2,905)	-	(2,905)
At 31 March 2016		18,412	96,515	25,554	33,200	253	173,934

For the six months to 31 March 2015

	Notes	Non-distributable reserves			Distributable reserves		Total £'000
		Called-up share capital £'000	Share premium £'000	Revaluation reserve £'000	Capital reserve £'000	Revenue reserve £'000	
At 1 October 2014		9,497	16,545	16,497	40,330	270	83,139
Profit/(loss) on ordinary activities after taxation		-	-	1,677	(1,503)	1,113	1,287
Net proceeds of share buybacks & sale of shares from treasury		-	5	-	(1,043)	-	(1,038)
At 31 March 2015		9,497	16,550	18,174	37,784	1,383	83,388

For the year to 30 September 2015

	Notes	Non-distributable reserves			Distributable reserves		Total £'000
		Called-up share capital £'000	Share premium £'000	Revaluation reserve £'000	Capital reserve £'000	Revenue reserve £'000	
At 1 October 2014		9,497	16,545	16,497	40,330	270	83,139
Profit/(loss) on ordinary activities after taxation		-	-	8,323	(645)	913	8,591
Net proceeds of share buybacks & sale of shares from treasury		-	16	-	(1,226)	-	(1,210)
Dividends paid	6	-	-	-	(4,307)	(1,081)	(5,388)
At 30 September 2015		9,497	16,561	24,820	34,152	102	85,132

Unaudited Balance Sheet

As at 31 March 2016

	Notes	As at 31 March 2016 £'000	As at 31 March 2015 £'000	As at 30 September 2015 £'000	As at 31 March 2015* £'000
Fixed assets					
Unquoted investments	7	53,182	24,785	29,902	49,570
Traded on AIM	7	62,555	28,346	32,141	53,735
Collective investment vehicle	7	17,748	7,930	8,778	15,860
Listed interest bearing securities	7	20,985	9,995	4,498	19,990
Investments	7	154,470	71,056	75,319	139,155
Current assets					
Debtors		490	3,029	240	6,059
Cash at bank and on deposit		32,391	10,073	10,707	20,205
		32,881	13,102	10,947	26,264
Creditors (amounts falling due within one year)		(13,417)	(770)	(1,134)	(1,523)
Net current assets		19,464	12,332	9,813	24,741
Net assets		173,934	83,388	85,132	163,896
Capital and reserves					
Called-up share capital		18,412	9,497	9,497	
Share premium		96,515	16,550	16,561	
Capital reserve		33,200	37,784	34,152	
Revaluation reserve	7	25,554	18,174	24,820	
Revenue reserve		253	1,383	102	
Equity shareholders' funds		173,934	83,388	85,132	

* For comparative purposes, the amounts shown are the combined figures of BVCT and BVT as at 31 March 2015.

	As at 31 March 2016	As at 31 March 2015	As at 30 September 2015
Net asset value per share	102.09p	100.24p	102.56p
Number of ordinary shares in circulation	170,380,866	83,188,313	83,008,313
Treasury net asset value per share	101.49p	99.50p	101.65p
Number of ordinary shares held in treasury	13,743,819	11,783,819	11,963,819
Number of listed ordinary shares in issue	184,124,685	94,972,132	94,972,132

Unaudited Statement of Cash Flows

Baronsmead Venture Trust plc
Half-yearly report for the six months ended 31 March 2016

For the six months to 31 March 2016

	Six months to 31 March 2016 £'000	Six months to 31 March 2015 £'000	Year to 30 September 2015 £'000
Net cash (outflow)/inflow from operating activities	(655)	250	(758)
Net cash inflow from investing activities	864	878	8,083
Equity dividends paid	(2,905)	–	(5,388)
Net cash (outflow)/inflow before financing activities	(2,696)	1,128	1,937
Net cash inflow/(outflow) from financing activities	24,380	(1,194)	(1,369)
Increase/(decrease) in cash	21,684	(66)	568
Reconciliation of net cash flow to movement in net cash			
Increase/(decrease) in cash	21,684	(66)	568
Opening cash position	10,707	10,139	10,139
Closing cash at bank and on deposit	32,391	10,073	10,707
Reconciliation of profit on ordinary activities before taxation to net cash (outflow)/inflow from operating activities			
Profit on ordinary activities before taxation	4,521	1,287	8,591
Gains on investments	(5,308)	(544)	(9,369)
Changes in working capital and other non-cash items	132	(493)	20
Net cash (outflow)/inflow from operating activities	(655)	250	(758)

Notes

- The condensed financial statements for the six months to 31 March 2016 comprise the statements set out on pages 12 to 15 together with the related notes on pages 15 to 17. The Company applied FRS 102 and the AIC's Statement of Recommended Practice issued in November 2014 for its financial year ending 30 September 2015 in its annual financial statements. The condensed financial statements for the six months to 31 March 2016 have adopted FRS 104 'Interim Financial Reporting' for the first time and have been prepared on the same basis as the accounting policies set out in the Company's Annual Report and Financial Statements for the year ended 30 September 2015.
- Return per share is based on a weighted average of 108,808,998 ordinary shares in issue (31 March 2015 – 83,909,220 ordinary shares; 30 September 2015 – 83,436,491 ordinary shares).
- Earnings for the first six months to 31 March 2016 should not be taken as a guide to the results of the full financial year to 30 September 2016.
- During the six months to 31 March 2016 the Company purchased 1,780,000 shares to be held in treasury. At 31 March 2016, the Company holds 13,743,819 ordinary shares in treasury. These shares may be re-issued below Net Asset Value as long as the discount at issue is narrower than the average discount at which the shares were bought back.
On 11 February 2016 the Company acquired all of the assets and liabilities of BVCT plc for the issue of 79,425,134 consideration shares, on a relative net asset basis. 9,727,419 shares were issued as part of a subsequent share issue.
- Excluding treasury shares, there were 170,380,866 ordinary shares in issue at 31 March 2016 (31 March 2015 – 83,188,313 ordinary shares; 30 September 2015 – 83,008,313 ordinary shares).

Notes (continued)

6. The interim dividend of 3.50p per share (3.50p capital, nil revenue) was paid on 18 December 2015 to shareholders on the register on 4 December 2015. The ex-dividend date was 3 December 2015.

The second interim dividend of 6.50p per share (6.45p capital, 0.05p revenue) will be paid on 3 June 2016 to shareholders on the register on 20 May 2016. The ex-dividend date is 19 May 2016.

During the year to 30 September 2015, the Company paid a first interim dividend on 19 June 2015 of 2.50p per share (1.20p capital, 1.30p revenue) and a second interim dividend on 18 September 2015 of 4.00p per share (4.00p capital, nil revenue).

7. All investments are initially recognised and subsequently measured at fair value. Changes in fair value are recognised in the Income Statement.

The methods of fair value measurement are classified into a hierarchy based on reliability of the information used to determine the valuation.

- Level a – Fair value is measured based on quoted prices in an active market.
- Level b – Fair value is measured based on directly observable current market prices or indirectly being derived from market prices.
- Level c – i) Fair value is measured using a valuation technique that is based on data from an observable market or;
ii) Fair value is measured using a valuation technique that is not based on data from an observable market.

	Level a		Level b	Level c (ii)	
	Listed interest bearing securities £'000	Traded on AIM £'000	Collective investment vehicle £'000	Unquoted £'000	Total £'000
Opening book cost	4,498	19,443	3,525	23,033	50,499
Opening unrealised appreciation	–	12,698	5,253	6,869	24,820
Opening valuation	4,498	32,141	8,778	29,902	75,319
Movements in the period:					
Purchases at cost	25,483	2,701	–	1,449	29,633
Holdings acquired following the acquisition of Baronsmead VCT plc	–	28,301	8,926	25,592	62,819
Sales – proceeds	(8,996)	(1,868)	–	(7,745)	(18,609)
– realised gains on sales	–	288	–	1,150	1,438
Unrealised gains/(losses) realised during the period	–	428	–	2,708	3,136
Increase in unrealised appreciation	–	564	44	126	734
Closing valuation	20,985	62,555	17,748	53,182	154,470
Closing book cost	20,985	49,293	12,451	46,187	128,916
Closing unrealised appreciation	–	13,262	5,297	6,995	25,554
Closing valuation	20,985	62,555	17,748	53,182	154,470
Equity shares	–	62,555	17,748	15,274	95,577
Loan notes	–	–	–	37,908	37,908
Fixed income securities	20,985	–	–	–	20,985
Closing valuation	20,985	62,555	17,748	53,182	154,470

There has been no significant change in the risk analysis as disclosed in the Company's annual accounts.

Notes (continued)

8. The financial information contained in this half-yearly financial report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The information for the year to 30 September 2015 has been extracted from the latest published audited financial statements. The audited financial statements for the year to 30 September 2015, which were unqualified, have been filed with the Registrar of Companies. No statutory accounts in respect of any period after 30 September 2015 have been reported on by the Company's auditors or delivered to the Registrar of Companies.
9. The Company has one reportable segment being investing in primarily a portfolio of UK growth businesses, whether unquoted or traded on AIM.
10. Copies of the half-yearly financial report have been made available to shareholders and are available from the Registered Office of the Company at 100 Wood Street, London EC2V 7AN.

Principal Risks and Uncertainties

The Company's assets consist of equity and fixed interest investments, shares in collective investment schemes, cash and liquid resources. Its principal risks are therefore market risk, credit risk and liquidity risk. Other risks faced by the Company include investment performance, regulatory and compliance, legislative, loss of approval as a Venture Capital Trust, economic, political and other external factors and operational risks. These risks, and the way in which they are managed, are described in more detail in the Risk Matrix within the Strategic Report section in the Company's Annual Report and Accounts for the year to 30 September 2015. The Company's principal risks and uncertainties have not changed materially since the date of that report.

Related Parties

Livingbridge VC LLP ('the Manager') manages the investments of the Company. The Manager also provides or procures the provision of secretarial, administrative and custodian services to the Company. Under the management agreement, the Manager receives a fee of 2.0 per cent. per annum of the net assets of the Company. This is described in more detail under the heading 'The Investment Management Agreement' within the Strategic Report in the Company's Annual Report and Accounts for the year to 30 September 2015. During the period the Company has incurred management fees of £1,108,000 (31 March 2015 – £764,000; 30 September 2015 – £1,590,000) and secretarial fees of £75,000 (31 March 2015 – £63,000; 30 September 2015 – £137,000) payable to the Manager. A performance fee of £107,000 (31 March 2015 – nil; 30 September 2015 – £588,000) has been accrued at 31 March 2016. This is described in more detail under the heading 'Performance fees' within the Strategic Report in the Company's Annual Report and Accounts for the year to 30 September 2015.

Going Concern

After making enquiries, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. In arriving at this conclusion the Directors have considered the liquidity of the Company and its ability to meet obligations as they fall due for a period of at least twelve months from the date that these financial statements were approved. As at 31 March 2016 the Company held cash and readily realisable securities totalling £53,376,000. Cash flow projections have been reviewed and show that the Company has sufficient funds to meet both its contracted expenditure and its discretionary cash outflows in the form of the share buyback programme and dividend policy. The Company has no external loan finance in place and therefore is not exposed to any gearing covenants.

Appendices

Full Investment Portfolio

Company	Sector	Accounting Book cost† £'000	Original Book cost† £'000	31 March 2016 Valuation £'000	30 September 2015 Valuation* £'000	% of net assets	% of Equity held by Baronsmead Venture Trust plc	% of Equity held by all funds‡
Unquoted								
Kingsbridge Risk Solutions Ltd	Business Services	2,795	1,704	4,954	2,918	2.9	12.3	36.5
Create Health Ltd	Healthcare & Education	3,176	1,906	4,617	3,486	2.7	11.5	29.0
Crew Clothing Holdings Ltd	Consumer Markets	3,695	2,904	4,597	4,874	2.6	13.4	28.1
Happy Days Consultancy Ltd	Healthcare & Education	3,591	3,420	4,033	2,558	2.3	28.7	65.0
Pho Holdings Ltd	Consumer Markets	2,579	1,982	3,389	3,114	2.0	11.1	28.0
CableCom II Networking Holdings Ltd	TMT*	2,731	2,500	3,036	2,886	1.7	4.9	11.2
Key Travel Ltd	Business Services	2,327	1,908	2,758	2,598	1.6	9.4	48.0
Carousel Logistics Ltd	Business Services	2,287	1,912	2,670	2,792	1.5	12.0	40.0
Eque2 Ltd	TMT*	2,073	1,532	2,647	2,594	1.5	15.2	38.5
Armstrong Craven Ltd	Business Services	1,854	1,346	2,595	1,802	1.5	15.5	46.0
Centre4 Testing Ltd	Business Services	2,137	1,908	2,390	2,266	1.4	9.4	30.6
Upper Street Events Ltd	Consumer Markets	2,128	1,906	2,220	2,404	1.3	16.0	70.1
Mortgages Made Easy Ltd	Consumer Markets	1,911	1,910	2,170	1,912	1.3	6.7	38.0
Kirona Ltd	TMT*	2,038	1,908	2,169	2,108	1.2	7.5	37.5
Fisher Outdoor Leisure Holdings Ltd	Consumer Markets	2,009	2,848	1,927	956	1.1	22.2	51.0
Kalyke Investments Ltd	Business Services	1,912	1,912	1,912	1,912	1.1	19.3	48.6
Yeo Bridge Ltd	Business Services	1,912	1,912	1,912	1,912	1.1	19.3	48.6
CR7 Services Ltd	TMT*	1,898	1,898	1,898	1,898	1.1	8.3	49.5
IP Solutions Ltd	TMT*	1,598	1,908	1,288	1,924	0.7	8.8	60.0
Valldata Group Ltd	Business Services	1,220	2,442	0	2,388	0.0	‡	‡
Xention Discovery Ltd	Healthcare & Education	316	632	0	0	0.0	1.2	2.9
Total unquoted		46,187	42,298	53,182		30.6		
AIM								
Staffline Group plc	Business Services	4,614	174	8,718	10,394	5.0	2.4	2.4
Netcall plc	TMT*	3,246	1,738	4,754	5,248	2.7	7.1	17.8
Tasty plc	Consumer Markets	2,832	1,188	4,287	4,072	2.5	5.0	14.4
TLA Worldwide plc	Business Services	2,315	1,466	4,072	4,254	2.3	5.1	12.5
Dods (Group) plc	TMT*	2,546	2,022	3,542	2,248	2.0	8.0	20.1
IDOX plc	TMT*	614	614	3,210	2,594	1.8	1.8	4.9
Inspired Energy plc	Business Services	1,542	574	2,418	2,052	1.4	3.9	9.6
Ideagen plc	TMT*	1,841	1,350	2,407	2,332	1.4	2.8	6.2
Cerillion plc	TMT*	1,800	1,800	2,297	–	1.3	8.0	17.8
Sanderson Group plc	TMT*	1,427	1,176	1,839	1,430	1.1	4.1	8.8
Bioventix plc	Healthcare & Education	1,200	454	1,679	1,870	1.0	3.4	7.6
Electric Word plc	TMT*	1,460	1,392	1,611	1,046	0.9	10.3	27.6
Plastics Capital plc	Business Services	1,486	1,586	1,560	1,624	0.9	4.5	11.7
Driver Group plc	Business Services	1,306	1,126	1,310	1,462	0.8	7.0	16.4
Gama Aviation plc	Business Services	1,002	776	1,251	1,390	0.7	1.1	2.4
Escher Group Holdings plc	TMT*	1,192	1,228	1,229	1,336	0.7	3.9	9.7
CentralNic Group plc	TMT*	1,048	918	1,225	1,366	0.7	2.5	5.5
Venn Life Sciences Holdings plc	Healthcare & Education	1,289	1,224	1,207	510	0.7	9.8	21.7
Anpario plc	Healthcare & Education	768	304	1,100	1,364	0.6	2.0	6.4
Vianet Group plc	Business Services	1,144	1,292	994	1,004	0.6	3.7	9.6
InterQuest Group plc	Business Services	754	620	979	934	0.6	3.1	6.2
EG Solutions plc	TMT*	1,193	1,428	958	1,246	0.6	8.4	19.1
MartinCo plc	Consumer Markets	806	686	926	1,104	0.5	3.1	6.9
Eden Research plc	Business Services	900	900	900	–	0.5	4.7	10.6

Full Investment Portfolio (continued)

Company	Sector	Accounting Book cost† £'000	Original Book cost† £'000	31 March 2016 Valuation £'000	30 September 2015 Valuation* £'000	% of net assets	% of Equity held by Baronsmead Venture Trust plc	% of Equity held by all funds‡
AIM (continued)								
Everyman Media Group plc	Consumer Markets	825	782	783	858	0.4	1.6	3.5
Daily Internet plc	TMT*	698	680	715	800	0.4	8.2	18.3
Crawshaw Group plc	Consumer Markets	571	400	667	714	0.4	1.2	5.7
Castleton Technology plc	TMT*	410	202	634	458	0.4	1.0	2.2
Belvoir Lettings plc	Consumer Markets	671	752	534	424	0.3	2.0	4.5
Plant Impact plc	Business Services	419	378	533	520	0.3	1.1	2.5
Begbies Traynor Group plc	Business Services	474	433	493	515	0.3	1.0	2.1
Wey Education plc	Healthcare & Education	458	428	489	–	0.3	12.8	28.3
STM Group plc	Business Services	313	322	397	344	0.2	1.1	3.6
Brady plc	TMT*	342	352	321	530	0.2	0.7	2.0
Scholium Group plc	Consumer Markets	625	900	315	243	0.2	6.6	14.7
MXC Capital Ltd	Business Services	265	226	292	261	0.2	0.3	0.6
Synectics plc	Business Services	404	518	284	333	0.2	1.1	2.1
Totally plc	Healthcare & Education	171	70	275	126	0.2	4.1	9.0
Science In Sport plc	Consumer Markets	263	288	243	–	0.1	1.1	2.5
Paragon Entertainment Ltd	Consumer Markets	345	516	216	338	0.1	7.2	19.1
Pinnacle Technology Group plc	TMT*	339	438	193	180	0.1	1.2	2.6
Fulcrum Utility Services Ltd	Business Services	100	102	163	78	0.1	0.3	2.6
Mi-Pay Group plc	Business Services	474	800	147	172	0.1	1.5	3.1
Gresham House plc	TMT*	116	112	122	122	0.1	0.4	0.9
One Media iP Group plc	TMT*	179	226	94	166	0.1	3.1	6.9
Synety Group plc	TMT*	144	226	69	80	0.0	0.7	1.5
Ubisense Group plc	TMT*	160	260	58	138	0.0	0.4	1.0
APC Technology Group plc	Business Services	942	1,864	20	20	0.0	0.2	0.5
Zoo Digital Group plc	TMT*	442	788	10	7	0.0	0.3	0.6
Marwyn Management Partners plc	Business Services	529	1,050	8	10	0.0	0.0	0.1
AorTech International plc	Healthcare & Education	289	509	7	11	0.0	0.5	0.5
Total AIM		49,293	39,658	62,555		36.0		
Listed interest bearing securities								
UK Treasury Bill 04/07/16		10,989	10,989	10,989	–	6.3		
UK Treasury Bill 09/05/16		9,996	9,996	9,996	–	5.7		
Total listed interest bearing securities		20,985	20,985	20,985		12.0		
Collective investment vehicle								
Wood Street Microcap Investment Fund		12,451	7,050	17,748	17,555	10.2		
Total collective investment vehicle		12,451	7,050	17,748		10.2		
Total investments		128,916	109,991	154,470		88.8		
Net current assets				19,464		11.2		
Net assets				173,934		100.0		

† The original book cost column provides the pro-forma combined cost of investments made by BVCT & BVCT2 prior to the acquisition and re-naming of the VCT as BVT. BVT acquired the investments of BVCT at fair value on 8 February 2016 (total cost – £62,819,000). The accounting cost column for the combined BVT reflects the original cost of BVCT2's assets plus the fair value cost at which BVCT's assets were purchased.

The accounting cost column ties into the investment note on page 16 of these accounts however the original cost of the investment has been included to make it clearer for shareholders to review the portfolio.

+ For comparative purposes the valuation as at 30 September 2015 includes the fair value of the companies held by BVCT & BVT (formerly BVCT2).

All funds managed by the same investment manager, Livingbridge VC LLP & Livingbridge EP LLP, including Baronsmead Venture Trust plc.

* Technology, Media & Telecommunications ("TMT").

‡ Following a restructuring the effective ownership percentage is dependent on final exit proceeds.

Shareholder Information and Contact Details

Shareholder Account Queries

The Registrar for **Baronsmead Venture Trust plc** is Computershare Investor Services PLC ("Computershare"). The Registrar will deal with all of your queries with regard to your shareholder account, such as:

- Change of address
- Latest share price
- Your current share holding balance
- Your payment history, including any outstanding payments
- Your payment options (cheque, direct payment to your bank/building society account, reinvestment)
- Paper or electronic communications
- Request replacement cheques or share certificates (for which there may be additional administrative and other charges)

You can contact Computershare with your queries in several ways:

Telephone:	0800 923 1533	<ul style="list-style-type: none">• This is an automated self-service system• It is available 24 hours a day, 7 days a week• You should have your Shareholder Reference Number ("SRN") to hand, which is available on your share certificate and dividend tax voucher and which you should always keep confidential for security reasons• Press '0' if you wish to speak to someone• The Contact Centre in Bristol is available on UK business days between 8.30am – 5.00pm Monday to Friday
On-line:	Investor Centre www.investorcentre.co.uk	<ul style="list-style-type: none">• Computershare's secure website, Investor Centre, allows you to manage your own shareholding online• You will need to register to use this service on the Investor Centre web site• You should have your SRN to hand, which is available on your share certificate and dividend tax voucher and which you should always keep confidential for security reasons
Email:	web.queries@computershare.co.uk	
Post:	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6ZZ	

Warning to Shareholders

Many companies are aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based "brokers" who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. They can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers for free company reports.

Please note that it is very unlikely that either the Company or the Company Registrar, Computershare, would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment "advice".

If you are in any doubt about the veracity of an unsolicited phone call, please call either the Company's Investment Manager or the Registrar at the number provided on page 22.

Share Price

The Company's shares are listed on the London Stock Exchange. The mid-price of the Company's shares is given daily in the Financial Times in the Investment Companies section of the London Share Service. Share price information can also be obtained from the link on the Company's website and many financial websites.

Trading Shares

The Company's shares can be bought and sold in the same way as any other quoted company on the London Stock Exchange through a stockbroker.

The market makers in the shares of Baronsmead Venture Trust plc are:

Panmure Gordon & Co.	020 7886 2500 (the Company's broker)
Winterflood	020 3400 0251

Financial Calendar

August 2016 – Quarterly Factsheet to 30 June 2016

November 2016 – Announcement of final results for the year to 30 September 2016

February/March 2017 – Annual General Meeting

Additional Information

The information provided in this report has been produced in order for shareholders to be informed of the activities of the Company during the period it covers. Livingbridge VC LLP does not give investment advice and the naming of companies in this report is not a recommendation to deal in them.

Baronsmead Venture Trust plc is managed by Livingbridge VC LLP which is Authorised and regulated by the FCA. Past performance is not necessarily a guide to future performance. Stock markets and currency movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount they originally invested. Where investments are made in unquoted securities and smaller companies, their potential volatility may increase the risk to the value of, and the income from, the investment.

Secondary Market in the Shares of Baronsmead Venture Trust plc

The existing shares of the Company are listed on the London Stock Exchange and can be bought and sold using a stockbroker in the same way as shares of any other listed company.

Qualifying investors* who invest in the existing shares of the Company can benefit from:

- Tax free dividends;
- Realised gains are not subject to capital gains tax (although any realised losses are not allowable);
- No minimum holding period; and
- No need to include VCT dividends in annual tax returns.

The UK tax treatment of VCTs is on a first in first out basis and therefore tax advice should be obtained before shareholders dispose of their shares and also if they deferred a capital gain in respect of new shares acquired prior to 6 April 2004.

* UK income tax payers, aged 18 or over, who acquire no more than £200,000 worth of VCT shares in a tax year.

Corporate Information

Directors

Peter Lawrence (Chairman)
Clive Anthony Parritt
Valerie Marshall#
Les Gabb*
Christina McComb†

Secretary

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VCT Status Adviser

Philip Hare & Associates LLP
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Website

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Senior Independent Director.

* Chairman of the Audit Committee.

† Chairman of Management Engagement and Remuneration Committee,
Chairman of the Nomination Committee.

Notes

Baronsmead Venture Trust plc
Half-yearly report for the six months
ended 31 March 2016

Notes



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