



Amati AIM VCT plc

Half-yearly Report
For the six months
ended 31 July 2019

Company Registration No. 04138683

Amati
Global Investors

Finely crafted investments

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Highlights

Investment Objectives

The investment objectives of Amati AIM VCT plc (the "Company") are to generate tax free capital gains and regular dividend income for its shareholders, primarily through Qualifying Investments in AIM-traded companies and through non-qualifying investments as allowed by the VCT legislation. The Company will manage its portfolio to comply with the requirements of the rules and regulations applicable to VCTs. The Company's policy is to hold a diversified portfolio across a broad range of sectors to mitigate risk.

Dividend Policy

The Board aims to pay an annual dividend equal to between 5% and 6% of the Company's Net Asset Value at its immediately preceding financial year end, subject to distributable reserves and cash resources, and with the authority to increase or decrease this level at the directors' discretion.

Key Data

	6 months ended 31/07/19 (unaudited)	Year ended 31/01/19 (audited)	6 months ended 31/07/18 (unaudited)
Net Asset Value ("NAV")	£137.6m	£125.0m	£141.5m
Shares in issue	89,064,825	85,549,682	80,513,669
NAV per share	154.5p	146.1p	175.7p
Share price	142.5p	134.5p	165.5p
Market capitalisation	£126.9	£115.1m	£133.3m
Share price discount to NAV	7.8%	7.9%	5.8%
NAV Total Return (assuming re-invested dividends)	8.5%	-10.0%	5.9%
Numis Alternative Markets Total Return Index	3.5%	-13.6%	2.3%
Ongoing charges*	2.1%	2.0%	2.0%
Dividends in respect of the period	3.5p	7.5p	3.5p

* Ongoing charges calculated in accordance with the Association of Investment Companies' ("AIC's") guidance.

Highlights (continued)

Table of investor returns to 31 July 2019

	Date	NAV Total Return with dividends re-invested	Numis Alternative Markets Total Return Index
NAV following re-launch of the VCT under management of Amati Global Investors ("Amati")	9 November 2011*	132.2%	36.1%
NAV following appointment of Amati as Manager of the VCT, which was known as ViCTory VCT at the time	25 March 2010	143.6%	39.8%

* Date of the share capital reconstruction when the NAV was re-based to approximately 100p per share.

A table of historic returns is included on page 26.

Chairman's Statement

Overview

After a sharp correction on AIM last year, the first half of the current year saw a reasonable bounce back in many of our holdings and this produced a positive performance in excess of that of the AIM market as a whole. The NAV total return for the six month period was +8.5% which compares to a rise of 3.5% for the Numis Alternative Markets Total Return Index.

The first half also saw a good rate of new qualifying investments being made, with a total of £9.8m being deployed over the period. Further details of these new investments are given in the Fund Manager's Review.

The Company's Top Up Offer, which was launched on 1 February 2019, closed for new applications on 27 February 2019, having raised £6.8m. The Board has since announced its intention to launch a further Offer for Subscription, with the Company seeking to raise £25m over a 12 month period from the date of the prospectus. The directors will also have discretion to utilise an additional over-allotment facility of up to £20m, either in whole or in part. However, this facility will only be utilised if the directors are satisfied that there is a suitable pipeline of investments to deploy the extra funds and if there is sufficient demand from investors. In order to ensure the efficient deployment of funds and to provide the Company with greater flexibility, the amount to be raised under the Offer prior to the Company's year end on 31 January 2020 will be capped at £15m of the £25m fundraising. Full details of the Offer will be set out in a prospectus to be issued around the end of October this year.

The availability of new funds will ensure that the Manager has the ability to continue to make new investments in the portfolio when good opportunities present themselves and these new investments will, in turn, allow the portfolio to continue to evolve and renew itself over the longer term as they mature.

Other Corporate Developments

Amati AIM VCT has now passed its first anniversary since the merger of the two former Amati VCTs in May of last year and the benefits of the merger remain apparent with the ongoing charges ratio having fallen from 2.4%, where it stood two years ago, to 2.1% in the first half of this financial year.

In June, Mike Killingley, the longest serving director of Amati AIM VCT, retired at the AGM and both the Board and the Manager would like to express their gratitude to him for his astute guidance and advice and skillful chairing of the audit committee over many years.

Investment Performance and Dividend

The dividend policy of the Company continues to be to pay an annual dividend equal to between 5% and 6% of the Company's Net Asset Value at its immediately preceding financial year end, subject to distributable reserves and cash resources, and with the authority to increase or decrease this level at the directors' discretion. In line with this, the Board is declaring an interim dividend of 3.5p per share, to be paid on 22 November 2019 to shareholders on the register on 18 October 2019.

Chairman's Statement (continued)

Evolution of the VCT Legislation

The new tests governing the level of qualifying investments held by the Company, which have been discussed in previous reports, come into force in two stages, with the first commencing in February of this year. Accordingly, for funds raised after 31 January 2019, we are now monitoring to ensure that at least 30% is invested in qualifying holdings prior to the second financial year end following the allotment date. In addition, from the Company's next financial year end onwards (beginning 1 February 2020), we will be required to ensure that all pools of money derived from funds raised prior to the second financial year end before the allotment date are at least 80% invested in qualifying holdings. Currently this requirement is set at 70%. The former Amati VCTs both had a history of maintaining the level of qualifying holdings according to this test well in excess of 80% in any case, thereby leaving a significant margin of safety relative to the requirements. Consequently this means that the merged entity, Amati AIM VCT, is in a similar position, so we do not currently anticipate any problems from the requirement moving to 80%, albeit that our margin of safety will be reduced.

Outlook

The outlook seems remarkably similar to that of a year ago, still being dominated (at least in the UK) by the wait for clarification over both the timing and terms of Britain's departure from the European Union. The Board is confident that the Company's well diversified portfolio of growth oriented businesses and the policy of retaining the most successful investments over the longer term leaves the Company well positioned in these uncertain times. I endorse the opinion of the Manager on page 8, which gives its detailed outlook on the current situation.

Peter Lawrence
Chairman

8 October 2019

For any matters relating to your shareholding in the Company, dividend payments, or the Dividend Re-investment Scheme, please contact Share Registrars on 01252 821390, or by email at enquiries@shareregistrars.uk.com. For any other matters please contact Amati Global Investors ("Amati") on 0131 503 9115 or by email at info@amatiglobal.com. Amati maintains an informative website for the Company – www.amatiglobal.com – on which monthly investment updates, performance information, and past company reports can be found.

Fund Manager's Review

Market Review

After sustained weakness in the final quarter of 2018, the UK stock market staged a strong recovery in the early months of 2019. The drivers behind this appeared to be more global than domestic, and influenced more by investor sentiment than fundamental data. A key component was the decision by the US Federal Reserve to step away from monetary policy tightening in late January, which represented a sharp reversal of its previous stance. Pointing to sluggish inflation and slowing growth in Europe and China, it said that the case for raising interest rates had weakened. Buoyed by this dovish tone, US investors shifted towards an expectation of rate cuts and further global stimulus. Despite a roller coaster of conflicting headlines, there was also faith that a trade deal would eventually be struck between the US and China. These sentiment tailwinds saw US indices achieve all time high levels by late April and, as global stock markets joined in with the momentum, the UK recorded strong gains across all segments. This was despite poor domestic news involving a fairly chaotic political environment and the failure to negotiate a Brexit agreement by the initial deadline of the end of March. In May, stock markets suffered their first weakness of the year. The most likely catalyst was profit-taking, as highly rated valuations contrasted with a backdrop of fairly mixed macroeconomic and earnings data, particularly in the UK. May also saw a turning point in currency markets where Sterling started to weaken after several months of surprising strength. With Brexit rhetoric hardening towards a possible "no-deal" outcome in the lead up to the Conservative leadership contest, Sterling continued to fall heavily into the end of July, even as the UK stock market rebounded to reach a high point for the period. Currency trends influenced the

pattern of the UK's recovery, as investors heavily favoured companies with international earnings likely to benefit from Sterling's weakness. As a result, larger capitalisation companies provided the strongest performance over the period, with smaller companies and AIM stocks lagging some way behind.

Performance

The VCT's NAV Total Return for the six month period was 8.5%. This outperformed the benchmark Numis Alternative Markets Total Return Index which gained 3.5% over the same period. The biggest contributor to performance was the VCT's largest holding, **AB Dynamics ("ABD")**, the specialist automotive engineering group which gained 65%. The shares made steady progress throughout the period, but were particularly strong following buoyant results in April and a placing in May to raise funds for working capital, investment in production capacity and future acquisitions. ABD continues to benefit from structural demand for its advanced testing systems and measurement products, used by global automotive manufacturers in driver assist technology and autonomous vehicle development. A number of other holdings registered strong gains, recovering most of the weakness they had experienced in the fourth quarter 2018 sell-off of AIM stocks. This included **Learning Technologies Group**, the digital learning and talent management specialist, which gained 50% after announcing that full year EBIT profitability to December 2019 is likely to be materially ahead of market expectations, combining organic growth with integrated acquisitions. **Keywords Studios**, the outsourced services provider to the global video gaming industry, gained 40% after similarly reporting strong results. The company is seeing

Fund Manager's Review (continued)

revenue growth across all of its seven service lines, and particularly its two largest areas, Functional Testing and Game Development. Its half year update indicated it had accelerated investment in recruitment, training and IT to cope with this growth and that this will dilute margins near term. **GB Group**, the identity management software and data specialist, gained 30% after its final results exceeded market expectations in terms of revenue and operating profit. The company also announced a US acquisition, IDology Inc, which focuses on identity verification and fraud prevention for financial services clients. This will materially enhance GB Group's global capability and scale. Other strong performers included **Block Energy**, the Georgian focused oil and gas exploration company which almost doubled in value as it raised funds to develop a major prospective field (detailed below); **Premier Technical Services**, the building maintenance specialist which was the subject of a cash bid from financial conglomerate Macquarie at around a 140% premium to the prevailing share price; the **TB Amati UK Smaller Companies Fund**, which gained 9.1% over the period against a rise in its benchmark of 4.2%; and **Polarean Imaging ("Polarean")**, the developer of enhanced medical imaging technology, which gained 47% following progress with its ongoing Phase III clinical trials and a further placing to finance this (detailed below).

The greatest detractor from performance was **Craneware**, the US hospital healthcare software provider which warned that current year growth had been impacted by the launch of three new products that had experienced slower than anticipated uptake. There were also exceptional costs incurred on an acquisition which did not complete. Management remain confident in the group's pipeline and renewal levels, but the highly rated

shares suffered a sharp correction and fell 30%. **LoopUp Group**, the Software-as-a-Service (SaaS) provider of conference call technology also warned that it had experienced year-on-year revenue declines across its predominantly professional services client base. This was attributed to lower activity volumes caused by Brexit uncertainty and global macroeconomic conditions. The group had also invested in additional management and training resource to service an expanded sales team, causing a near term drag on profitability. The shares fell 56%. **Creo Medical Group**, the developer of minimally invasive surgical devices, gave back its previous strong gains, dropping 34% despite an absence of negative news. **Accesso Technology Group**, the ticketing, queuing and visitor experience software provider, fell sharply after a trading update stated that the executive chairman, Tom Burnet, was moving to a non-executive role, and that exceptional costs had been incurred relating to an aborted acquisition. Subsequent to this, it was announced that following a number of approaches, the group had initiated a formal sales process (which remains ongoing). The shares fell 28% across the period.

Portfolio Activity

The Company made four new investments and three follow-on investments during the period. The new investments comprised one Initial Public Offering ("IPO") and three placings in companies already quoted on AIM.

The IPO involved **Diaceutics**, a company providing specialist data services and consultancy in the rapidly growing area of precision medicines. These medicines are targeted at patients with specific biomarkers that require diagnostic testing and Diaceutics

collects data from laboratories on an anonymised basis and analyses it for drug company clients, implanting a plan of action to assist laboratories which are not reaching the expected level of testing to support the usage of the drug. Turnover has more than doubled in three years to over £10m. A new investment was also made in **Evgen Pharma**, a life sciences company with technology based on the active compound sulforaphane, which is made naturally in the body when broccoli (or any other brassica plant) is eaten. Sulforaphane has an excellent safety profile and Evgen is currently in Phase II trials for treatments relating to metastatic breast cancer and subarachnoid haemorrhages. Both applications offer significant value inflection points for the company, which also has a pipeline of other early stage developments. Another new investment was in **Sosandar**, a rapidly growing online retailer of women's fashion targeting an older demographic which has become poorly served by declining high street stores. Key metrics such as conversion rates (of website views to sales), basket sizes and repeat orders are all supportive, and funds were raised to improve upfront buying terms with suppliers and to build inventory levels. The final new investment was in **Velocys**, a company with a reactor technology which can convert waste into commercial fuels at around 80% efficiency. This technology has been demonstrated at commercial scale and is targeted at the sustainable production of jet-fuel and clean diesel. The company has formed a consortium with BA (part of IAG) and Shell to build the first commercial plants using municipal waste and wood chip as feedstock. Currently there is no source of sustainable jet fuel, hence BA's strategic interest in Velocys' technology. Velocys' revenues will be from licences, the supply of reactors, the supply

of catalysts, and from royalties. The placing raised funds for ongoing engineering design work and working capital.

The first follow-on placing the Company took part in was for **Maxcyte**, which has a proprietary cell-engineering platform delivering medicines to patients with unmet medical needs. The underlying technology involves electroporation, a technique which allows genetic material to be passed into a cell as part of the development of innovative medicines. Maxcyte's clients currently include 20 of the top 25 global pharmaceutical companies. Funds were raised to cover working capital, drug trials and product development. The second follow-on investment was **Block Energy**, the Georgian based oil and gas explorer. The company drilled a horizontal well in its West Rustavi field, and initial flow tests showed an exceptional result, following which the company raised money for a further drilling campaign on this block. However, since bringing this well into production it has proven problematic, with a high rate of water getting into the well, with the result that the shares have fallen since the period end. It appears most likely that this is due, at least in part, to some problems with the way the well was completed, leaving a section open to a higher reservoir horizon. The result of the second well will be known shortly, after which the company will consider its options for rectifying the problem with the first. The third follow-on placing was in **Polarean**, the developer of technology which enables existing MRI scanners to achieve an improved level of lung imaging by using a highly polarised non-radioactive isotope of Xenon gas as an inhaled agent. This technique displays detail down to the smallest airways of the lung and the related vasculature. The funds raised will be used mainly for ongoing Phase III trials.

Fund Manager's Review (continued)

During the period, there were further part-disposals of the Company's holding in **ABD**, representing just under 20% of the position. Together with previous sales, a total of circa 35% of the investment of £620,885 made in 2013, split between Amati VCT plc and Amati VCT 2 plc, has now been realised for a total of £3.8m. This follows significant outperformance with share disposals made at successively higher levels. The company remains a core holding and the portfolio's largest position, but would have become too heavy a weighting without these trades. A sub-scale position in **ADVFN**, the private investor website, and **appScatter Group**, the apps distribution and management platform which had failed to live up to our expectations, were exited.

Outlook

Uncertainty has become a persistent state of mind for investors as the year has progressed. Principal concerns involving Brexit and the US/China trade dispute have shown little sign of early resolution, but global equity markets have climbed this wall of worry nevertheless. One reason for this in the US has been the expectation of multiple interest rate cuts following the central bank's change of tone in January. This pushed US indices to further all time highs by late July. The first cut for more than a decade occurred right at the end of July, but the accompanying comments from the Federal Reserve Chairman suggested that it should be taken as a mid-cycle adjustment to policy with no guarantee of further moves. US equities reacted with disappointment and, alongside a further deterioration in Chinese relations, there was a sharp sell-off in August which quickly spread to global markets. September has seen a rebound, but this has

been led by value stocks with investor appetite for previously outperforming growth stocks noticeably weaker. This shift has had an impact on AIM, which has continued to lag the main market, although another contributory factor has been the significant underperformance of its largest constituent, Burford Capital, following a research report published by a short seller.

The final Brexit outcome, together with the political and economic environment created in its aftermath, is impossible to predict. There is the prospect, nonetheless, that a combination of the need for domestic stimulus to boost business activity and a heavily discounted valuation for UK equities, creates the conditions for renewed investor appetite. The Company's portfolio is, however, slow moving by necessity and investments are selected for their longer term potential rather than any alignment with the stock market's more immediate time horizons. We remain confident about the ultimate growth potential contained within the portfolio, across a range of diverse businesses and end markets.

**Dr Paul Jourdan,
David Stevenson and Anna Macdonald**

Amati Global Investors

8 October 2019

Note:- July saw the fund management team at Amati augmented by the appointment of Dr Gareth Blades as an analyst. Prior to Amati, Gareth has worked for the University of Edinburgh building and spinning-out therapeutic, med-tech, diagnostic and e-health companies, and also for PharmaVentures in healthcare corporate finance.

Investment Portfolio

as at 31 July 2019

	Cost* £'000	Valuation £'000	Fair value movement in period £'000	Market Cap £m	Sector	% Dividend Yield ^{NTM}	Fund % of NAV
AB Dynamics plc ^{1,3}	2,708	12,027	5,625	566.6	Industrials	0.2	8.7
TB Amati UK Smaller Companies Fund	9,373	11,929	936	-	Financials	1.6	8.7
Learning Technologies Group plc ^{1,3}	5,078	8,701	2,911	755.0	Technology	0.6	6.3
Keywords Studios plc ^{1,3}	5,174	8,452	2,394	1,075.6	Industrials	0.1	6.2
Ideagen plc ²	3,303	6,948	286	320.9	Technology	0.2	5.1
GB Group plc ^{2,3}	3,203	6,761	1,583	1,160.2	Technology	0.6	4.9
Frontier Developments plc ¹	4,698	6,109	561	379.7	Consumer goods	-	4.4
Tristel plc ²	3,290	5,256	92	127.0	Health care	1.9	3.8
Quixant plc ^{2,3}	4,196	5,054	261	192.7	Technology	1.2	3.7
Craneware plc ²	3,899	4,189	(1,762)	520.6	Technology	1.5	3.0
Top Ten	44,922	75,426					54.8
Block Energy plc ^{1,3}	3,000	3,989	1,064	30.7	Oil & Gas	-	2.9
Polarean Imaging plc ¹	1,900	3,115	958	28.6	Health care	-	2.3
Water Intelligence plc ²	1,218	2,688	(179)	55.8	Industrials	-	2.0
Angle plc ¹	1,615	2,455	549	131.3	Health care	-	1.8
Hardide plc ¹	2,361	2,351	(724)	25.6	Basic materials	-	1.7
Accesso Technology Group plc ¹	221	2,233	(884)	278.5	Technology	-	1.6
Anpario plc ²	1,829	2,219	-	79.3	Health care	2.2	1.6
Velocys plc ¹	2,000	2,000	-	19.3	Oil & Gas	-	1.4
Creo Medical Group plc ¹	1,613	1,935	(980)	182.3	Health care	-	1.4
Ixico plc ¹	1,409	1,912	553	17.8	Health care	-	1.4
Top Twenty	62,088	100,323					72.9

Investment Portfolio (continued)

	Cost* £'000	Valuation £'000	Fair value movement in period £'000	Market Cap £m	Sector	% Dividend Yield ^{NTM}	Fund % of NAV
Equals Group plc ^{1,3}	1,137	1,874	521	207.0	Financials	-	1.4
Sosandar plc ¹	1,872	1,872	-	24.4	Consumer services	-	1.4
Diaceutics plc ¹	1,557	1,865	307	63.3	Health care	-	1.4
Science in Sport plc ²	1,956	1,859	270	76.1	Consumer goods	-	1.4
Brooks Macdonald Group plc ²	1,154	1,731	212	267.9	Financials	2.7	1.3
SRT Marine Systems plc ¹	1,174	1,367	116	55.0	Technology	-	1.0
LoopUp Group plc ^{1,3}	2,577	1,267	(1,613)	72.9	Technology	-	0.9
MaxCyte, Inc. ¹	1,984	1,203	(533)	68.8	Health care	-	0.9
Evgen Pharma plc ¹	1,000	1,183	183	23.5	Health care	-	0.8
Rosslyn Data Technologies plc ¹	947	1,104	-	13.5	Technology	-	0.8
Amryt Pharma plc ^{1,3}	1,563	1,041	(319)	33.7	Health care	-	0.8
Solid State plc ²	520	951	83	39.1	Industrials	2.8	0.7
Belvoir Lettings plc ¹	783	900	143	39.5	Financials	6.4	0.6
Fusion Antibodies plc ¹	1,444	872	268	14.4	Health care	-	0.6
Falanx Group Limited ¹	1,350	788	(563)	7.0	Industrials	-	0.6
Oncimmune Holdings plc ¹	1,013	767	(25)	58.2	Health care	-	0.5
i-nexus Global plc ¹	2,500	728	(380)	6.8	Technology	-	0.5
Bilby plc ²	1,681	679	(722)	12.8	Industrials	-	0.5
Byotrol plc ¹	859	605	(45)	10.4	Basic materials	-	0.4
Property Franchise Group plc (The) ²	352	516	168	45.2	Financials	5.1	0.4
Bonhill Group plc ^{1,3}	670	511	(235)	29.6	Consumer services	1.3	0.4
Universe Group plc ¹	488	502	(24)	10.8	Industrials	-	0.4
Brady plc ²	395	363	(32)	46.7	Technology	-	0.3
MyCelx Technologies Corporation ¹	645	344	(424)	16.5	Oil & Gas	-	0.2
Diurnal Group plc ¹	1,440	323	83	36.4	Health care	-	0.2
Escape Hunt plc ¹	752	293	(195)	12.9	Consumer services	-	0.2

	Cost* £'000	Valuation £'000	Fair value movement in period £'000	Market Cap £m	Sector	% Dividend Yield ^{NTM}	Fund % of NAV
Synectics plc ²	342	268	15	34.9	Industrials	3.0	0.2
Brighton Pier Group plc (The) ¹	489	227	57	22.4	Consumer services	-	0.2
Netcall plc ²	110	214	18	50.2	Technology	0.3	0.2
Velocity Composites plc ¹	803	207	(21)	6.5	Industrials	-	0.1
Mirriad Advertising plc ¹	834	191	-	32.0	Consumer services	-	0.1
FireAngel Safety Technology Group plc ¹	690	182	13	22.0	Industrials	-	0.1
Ilika plc ¹	265	175	(7)	25.2	Oil & Gas	-	0.1
Dods (Group) plc ¹	596	140	(4)	38.9	Consumer services	-	0.1
Antenova Limited Ordinary shares & A Preference Shares ¹	100	128	-	4.2	Tele- communications	-	0.1
Genedrive plc ¹	442	125	(55)	5.4	Health care	-	0.1
Allergy Therapeutics plc ¹	29	31	(6)	73.2	Health care	-	-
Sabien Technology Group plc ¹	408	8	(5)	0.6	Industrials	-	-
Investments held at nil value	2,000	-	253	-	-	-	-
Total investments	101,009	127,727					92.8
Net current assets		9,854					7.2
Net assets	101,009	137,581					100.0

1 Qualifying holdings.

2 Part of holding qualifying, part is non-qualifying.

3 These investments are also held by other funds managed by Amati.

^{NTM} Next twelve months consensus estimate (Source: FactSet and Fidessa).

The Manager rebates the management fee of 0.75% on the TB Amati UK Smaller Companies Fund and this is included in the yield.

All holdings are in ordinary shares unless otherwise stated.

Investments held at nil value: Celoxica Holdings plc¹, China Food Company plc, Leisurejobs.com Limited¹ (previously The Sportsweb.com Limited), Polyhedra Group Limited¹ (previously Polyhedra Group plc), Rated People Limited¹, Sorbic International plc, TCOM Limited¹, VITEC Global Limited¹.

As at the period end, the percentage of the Company's portfolio held in qualifying holdings for the purposes of Section 274 of the Income and Corporation Taxes Act 2007 was 88.76%.

* Cost is either the result of market trades or events or, for investments acquired from Amati VCT plc at the merger on 4 May 2018, is the value of the investments at that date.

Principal Risks and Uncertainties

The Company's assets consist of equity and fixed interest investments and cash. Its principal risks include market risk, interest rate risk, credit risk and liquidity risk. Other risks faced by the Company include economic, investment and strategic, regulatory, reputational, operational and financial risks as well as the potential for loss of approval as a VCT. These risks, and the ways in which they are managed, are described in more detail in Notes 19 to 22 to the Financial Statements in the Company's Report and Financial Statements for the year ended 31 January 2019. The Company's principal risks and uncertainties have not changed materially since the date of that report.

Statement of Directors' Responsibilities

in respect of the Half-yearly financial report

We confirm that to the best of our knowledge:

- the condensed set of financial statements which has been prepared in accordance with FRS 104 "Interim Financial Reporting" gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the Chairman's Statement and Fund Manager's Review (constituting the interim management report) include a true and fair review of the information required by DTR4.2.7R of the Disclosure Guidance 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 12 is a fair review of the information required by DTR4.2.7R, being a description of the principal risks and uncertainties for the remaining six months of the year; and
- the financial statements include a fair review of the information required by DTR4.2.8R of the Disclosure Guidance 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.

For and on behalf of the Board

Peter Lawrence

Chairman

8 October 2019

Income Statement (unaudited)

for the six months ended 31 July 2019

	Note	Six months ended 31 July 2019		
		Revenue £'000	Capital £'000	Total £'000
Gain/(loss) on investments		-	12,092	12,092
Income	7	412	-	412
Investment management fee		(295)	(885)	(1,180)
Other expenses		(216)	-	(216)
(Loss)/profit on ordinary activities before taxation		(99)	11,207	11,108
Taxation on ordinary activities		-	-	-
(Loss)/profit and total comprehensive income attributable to shareholders		(99)	11,207	11,108
Basic and diluted (loss)/earnings per Ordinary share	5	(0.11)p	12.61p	12.50p

The total column of this Income Statement represents the profit and loss account of the Company. The supplementary revenue and capital columns have been prepared in accordance with The Association of Investment Companies' Statement of Recommended Practice. There is no other comprehensive income other than the results for the period discussed above. Accordingly a Statement of Total Comprehensive Income is not required.

All the items above derive from continuing operations of the Company.

The accompanying notes are an integral part of the statement.

Six months ended 31 July 2018			Year ended 31 January 2019		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
-	6,682	6,682	-	(14,939)	(14,939)
268	-	268	596	-	596
(218)	(654)	(872)	(488)	(1,464)	(1,952)
(182)	-	(182)	(376)	-	(376)
(132)	6,028	5,896	(268)	(16,403)	(16,671)
-	-	-	-	-	-
(132)	6,028	5,896	(268)	(16,403)	(16,671)
(0.23)p	10.32p	10.10p	(0.38)p	(22.90)p	(23.28)p

Statement of Changes in Equity (unaudited)

	Share capital £'000	Share premium £'000	Merger reserve £'000
For the six months ended 31 July 2019			
Opening balance as at 1 February 2019	4,278	10,571	425
Profit/(loss) and total comprehensive income for the period	-	-	-
Share issues and buy backs*	176	7,066	-
Dividends paid	-	-	-
Closing balance as at 31 July 2019	4,454	17,637	425
For the six months ended 31 July 2018			
Opening balance as at 1 February 2018	1,804	19,359	425
Profit/(loss) and total comprehensive income for the period	-	-	-
Share issues and buy backs**	2,223	77,701	-
Dividends paid	-	-	-
Cancellation of share premium	-	(96,397)	-
Closing balance as at 31 July 2018	4,027	663	425
For the year ended 31 January 2019			
Opening balance as at 1 February 2018	1,804	19,359	425
Loss and total comprehensive income for the period	-	-	-
Share issues and buy backs**	2,474	87,609	-
Dividends paid	-	-	-
Cancellation of share premium	-	(96,397)	-
Closing balance as at 31 January 2019	4,278	10,571	425

* During the period to 31 July 2019, £7,401,000 was raised through share issues (31 July 2018: £7,471,000 31 January 2019: £17,781,000).

Includes £72,750,000 issued in connection with the asset acquisition of Amati VCT on 4 May 2018.

The accompanying notes are an integral part of the statement.

Non-distributable reserves		Distributable reserves			
Capital redemption reserve £'000	Capital reserve (non-distributable) £'000	Special reserve £'000	Capital reserve (distributable) £'000	Revenue reserve £'000	Total reserves £'000
509	18,867	96,718	(5,984)	(395)	124,989
-	8,865		2,342	(99)	11,108
81	-	(2,276)	-	-	5,047
-	-	(3,563)	-	-	(3,563)
590	27,732	90,879	(3,642)	(494)	137,581
418	33,359	10,386	(4,073)	(127)	61,551
-	7,265	-	(1,237)	(132)	5,896
54	-	(1,749)	-	-	78,229
-	-	(4,223)	-	-	(4,223)
-	-	96,397	-	-	-
472	40,624	100,811	(5,310)	(259)	141,453
418	33,359	10,386	(4,073)	(127)	61,551
-	(14,492)	-	(1,911)	(268)	(16,671)
91	-	(2,847)	-	-	87,327
-	-	(7,218)	-	-	(7,218)
-	-	96,397	-	-	-
509	18,867	96,718	(5,984)	(395)	124,989

Condensed Balance Sheet (unaudited)

as at 31 July 2019

	Note	31 July 2019 £'000	31 July 2018 £'000	31 January 2019 £'000
Fixed assets				
Investments held at fair value	9	127,727	133,903	112,867
Current assets				
Debtors		3,594	105	38
Cash at bank		9,222	9,744	12,756
Total current assets		12,816	9,849	12,794
Current liabilities				
Creditors: amounts falling due within one year		(2,962)	(2,299)	(672)
Net current assets		9,854	7,550	12,122
Total assets less current liabilities		137,581	141,453	124,989
Capital and reserves				
Called up share capital		4,454	4,027	4,278
Share premium account		17,637	663	10,571
Reserves		115,490	136,763	110,140
Equity shareholders' funds		137,581	141,453	124,989
Net asset value per share	6	154.5p	175.7p	146.1p

The accompanying notes are an integral part of the balance sheet.

Statement of Cash Flows (unaudited)

for the six months ended 31 July 2019

	Six months ended 31 July 2019 £'000	Six months ended 31 July 2018 £'000	Year ended 31 January 2019 £'000
Cash flows from operating activities			
Investment income received	390	197	585
Investment management fees	(1,126)	(547)	(1,686)
Other operating costs	(207)	(207)	(398)
Net cash outflow from operating activities	(943)	(557)	(1,499)
Cash flows from investing activities			
Purchases of investments	(7,850)	(7,957)	(12,832)
Disposals of investments	3,544	4,014	6,692
Net cash outflow from investing activities	(4,306)	(3,943)	(6,140)
Net cash outflow before financing	(5,249)	(4,500)	(7,639)
Cash flows from financing activities			
Cash received as part of asset acquisition of Amati VCT	-	9,462	9,462
Net cash paid in respect of assets and liabilities of Amati VCT	(4)	(88)	(101)
Net proceeds of share issues and buybacks	5,282	6,270	15,429
Equity dividends paid	(3,563)	(4,223)	(7,218)
Net cash inflow from financing activities	1,715	11,421	17,572
(Decrease)/ increase in cash	(3,534)	6,921	9,933
Reconciliation of net cash flow to movement in net cash			
(Decrease)/increase in cash during the period	(3,534)	6,921	9,933
Net cash at start of period	12,756	2,823	2,823
Net cash at end of period	9,222	9,744	12,756
Reconciliation of profit/(loss) on ordinary activities before taxation to net cash outflow from operating activities			
Profit/(loss) on ordinary activities before taxation	11,108	5,896	(16,671)
Net (gain)/loss on investments	(12,092)	(6,682)	14,939
Increase in creditors	59	315	257
Increase in debtors	(18)	(86)	(24)
Net cash outflow from operating activities	(943)	(557)	(1,499)

The accompanying notes are an integral part of the statement.

Notes to the Financial Statements (unaudited)

for the six months ended 31 July 2019

1. Basis of Accounting

The Half-yearly financial Report covers the six months ended 31 July 2019. The condensed financial statements for this six month period have been prepared in accordance with FRS 104 "Interim financial reporting" and on the basis of the same accounting policies as set out in the Company's Annual Report and Financial Statements for the year ended 31 January 2019.

The comparative figures for the financial year ended 31 January 2019 have been extracted from the latest published audited Annual Report and Financial Statements. Those accounts have been reported on by the Company's auditor and lodged with the Registrar of Companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The financial information set out in this report has not been audited and does not comprise full financial statements within the meaning of Section 434 of the Companies Act 2006. No statutory accounts in respect of any period after 31 January 2019 have been reported on by the Company's auditors.

2. Going concern

The directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has adequate resources to continue in business for the foreseeable future (being a period of 12 months from the date these financial statements were approved). In reaching this conclusion the directors took into account the nature of the Company's business and Investment Policy, its risk management policies, the diversification of its portfolio, the cash holdings and the liquidity of non-qualifying investments. Thus the directors believe it is appropriate to continue to apply the going concern basis in preparing the financial statements.

3. Segmental reporting

The directors are of the opinion that the Company is engaged in a single segment of business, being investment business.

4. Copies of the Half-yearly Report are being made available to all shareholders. Further copies are available free of charge from Amati Global Investors by telephoning 0131 503 9115 or by email to info@amatiglobal.com.

5. Earnings per share

Earnings per share is based on the gain attributable to shareholders for the six months ended 31 July 2019 of £11,108,000 (six months ended 31 July 2018: £5,896,000, year ended 31 January 2019: £16,671,000) and the weighted average number of shares in issue during the period of 88,857,658 (31 July 2018: 58,395,967, 31 January 2019: 71,619,496). There is no difference between basic and diluted earnings per share.

6. Net Asset Value

The net asset value per share at 31 July 2019 is based on net assets of £137,581,000 (31 July 2018: £141,453,000, 31 January 2019: £124,989,000) and the number of shares in issue on 31 July 2019 of 89,064,825 (31 July 2018: 80,513,669, 31 January 2019: 85,549,682). There is no difference between basic and diluted net asset value per share.

7. Income

	Six months ended 31 July 2019 (unaudited) £'000	Six months ended 31 July 2018 (unaudited) £'000	Year ended 31 January 2019 (audited) £'000
Income:			
Dividends from UK companies	387	262	571
Interest from deposits	25	6	25
	412	268	596

Notes to the Financial Statements (continued)

8. Dividends paid

	Six months ended 31 July 2019 (unaudited) £'000	Six months ended 31 July 2018 (unaudited) £'000	Year ended 31 January 2019 (audited) £'000
Final dividend for the year ended 31 January 2019 of 4.0p per share paid on 26 July 2019	3,563	-	-
Interim dividend for the year ended 31 January 2019 of 3.5p per share paid on 23 November 2018	-	-	2,995
Second interim dividend for the year ended 31 January 2018 of 5.25p per share paid on 27 July 2018	-	4,223	4,223
	3,563	4,223	7,218

9. Investments

	Level 1 Traded on AIM £'000	Level 3 Unquoted investments £'000	Total £'000
Cost as at 1 February 2019	92,729	2,353	95,082
Opening unrealised appreciation/(depreciation)	20,306	(1,439)	18,867
Opening unrealised loss recognised in realised reserve	(296)	(786)	(1,082)
Opening valuation as at 1 February 2019	112,739	128	112,867
Movements in the period:			
Purchases	9,850	-	9,850
Sales – proceeds	(6,829)	(253)*	(7,082)
Realised gain on sales	2,373	-	2,373
Unrealised gain in the period	9,466	253*	9,719
Valuation as at 31 July 2019	127,599	128	127,727
Cost at 31 July 2019	98,909	2,100	101,009
Unrealised gain/(loss) as at 31 July 2019	28,918	(1,186)	27,732
Closing unrealised loss recognised in realised reserve	(228)	(786)	(1,014)
Valuation as at 31 July 2019	127,599	128	127,727
Equity shares	127,599	81	127,680
Preference shares	-	47	47
Loan stock	-	-	-
Valuation as at 31 July 2019	127,599	128	127,727

There have been no level 2 investments during the period.

* Partial repayment of China Food Company plc Loan Notes held at nil value.

Notes to the Financial Statements (continued)

9. Investments (continued)

In order to provide further information on the valuation techniques used to measure assets carried at fair value, the measurement basis has been categorised into a “fair value hierarchy” as follows:

– Quoted market prices in active markets – “Level 1”

Inputs to Level 1 fair values are quoted prices in active markets. An active market is one in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company’s investments classified within this category are AIM traded companies and fully listed companies.

– Valued using models with significant observable market parameters – “Level 2”

Inputs to Level 2 fair values are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.

– Valuation technique – “Level 3”

Level 3 fair values are measured using a valuation technique that is based on data from an unobservable market.

The valuation techniques used by the Company are explained in the Annual Report and Financial Statements for the year ended 31 January 2019.

10. Related parties

The Company retains Amati Global Investors as its Manager. The number of ordinary shares in the Company (all of which are held beneficially) by certain members of the management team are:

	31 July 2019 shares held
Paul Jourdan	543,778
David Stevenson	17,583

Related party transaction

Save as disclosed in this paragraph there is no conflict of interest between the Company, the duties of the directors, the duties of the directors of the Manager and their private interests and other duties.

Shareholder Information

Share price

The Company's shares are listed on the London Stock Exchange. The bid price of the Company's shares can be found on Amati Global Investors' website:
<http://www.amatiglobal.com/amat.php>

Net Asset Value per Share

The Company normally announces its net asset value on a weekly basis. Net asset value per share information can be found on Amati Global Investors' website:
<http://www.amatiglobal.com/amat.php>

Financial calendar

31 January 2020	Year end
April 2020	Announcement of final results for the year ended 31 January 2020
June 2020	Annual General Meeting

Dividends

Shareholders who wish to have future dividends re-invested in the Company's shares or wish to have dividends paid directly into their bank account rather than sent by cheque to their registered address should contact Share Registrars Limited on 01252 821390 or email enquiries@shareregistrars.uk.com

**Table of Historic Returns from launch to 31 July 2019
attributable to shares issued by VCTs which have
been merged into Amati AIM VCT**

	Launch date	Merger date	NAV Total Return with dividends re-invested	NAV Total Return with dividends not re-invested	Numis Alternative Markets Total Return Index
Singer & Friedlander AIM 3 VCT ('C' shares)	4 April 2005	8 December 2005	34.8%	15.3%	14.2%
Amati VCT plc	24 March 2005	4 May 2018	115.8%	66.2%	10.1%
Invesco Perpetual AIM VCT	30 July 2004	8 November 2011	19.3%	-11.5%	39.9%
Singer & Friedlander AIM 3 VCT*	29 January 2001	n/a	22.9%	4.9%	-18.0%
Singer & Friedlander AIM 2 VCT	29 February 2000	22 February 2006	-5.8%	-19.6%	-58.2%
Singer & Friedlander AIM VCT	28 September 1998	22 February 2006	-35.8%	-23.3%	27.3%

* Singer & Friedlander AIM 3 VCT changed its name to ViCTory VCT on 22 February 2006, to Amati VCT 2 on 8 November 2011 and to Amati AIM VCT on 4 May 2018.

Corporate Information

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Julia Henderson
Susannah Nicklin
Brian Scouler

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Amati Global Investors Limited
is authorised and regulated by
the Financial Conduct Authority