



UNICORN AIM VCT PLC

Unaudited Interim Report
for the six months ended 31 March 2005

Investment Objective

The objective of the Company is to provide Shareholders with an attractive return from a diversified portfolio of investments predominantly in the shares of AIM companies. This will be achieved by maximising the stream of dividend distributions to Shareholders from the income and capital gains generated by the portfolio.

To maintain VCT qualifying status, 70% of each Fund's total investments must be held in qualifying companies within three years of each share issue.

The Directors and the Manager will seek to safeguard the capital available for investment in qualifying investments whilst looking to provide good short-term returns.

Investment Policy

It is the aim of the Investment Manager to identify and invest in a diversified portfolio of companies that display a majority of the following characteristics:

- experienced and well-motivated management
- products and services supplying growing markets
- sound operational and financial controls
- good cash generation to finance ongoing development allied with a progressive dividend policy

Chairman's Statement

Your Manager is confident that the underlying holdings are capable of achieving further growth in profitability and share price ratings in the future.

Qualifying Investments

In the six months to 31 March 2005 the Ordinary Share Fund made eight new qualifying investments and two follow-on investments at a total cost of £4.5 million. Three of the new qualifying investments were in existing AIM listed companies, four were new admissions to AIM and the eighth was an unlisted investment. The quality of the portfolio was enhanced following the sale of four under performing investments and the initial investment phase for the Ordinary Share Fund is largely complete with a portfolio of 33 qualifying investments. The Fund continues to hold substantial reserves to finance further qualifying investments and an active share buy-back programme.

The Series 2 ("S2") Share Fund participated alongside the Ordinary Share Fund increasing the number of qualifying investments to 15 and the total invested in qualifying investments to £3.9 million. A full list of all of the qualifying investments held at the period end is included on pages 3-5 of this report.

The Inland Revenue's 70% qualifying target has been maintained for the Ordinary Share Fund and your Board is confident that the Company can capitalise upon the resurgence in the new issue market in order to meet the 70% test for the S2 Share Fund by September 2006. Other Inland Revenue tests have been complied with and your Board has been advised that the Company has maintained its venture capital trust status.

Results

Following revocation of investment company status on 17 August 2004 and as explained in the 2004 Annual Report and Accounts the Company is now legally obliged to include a Profit and Loss Account and Statement of Total Recognised Gains and Losses. In order to provide some continuity of financial reporting the Statement of Total Return has been retained.

The deficit on the revenue account for the Ordinary Share Fund was £7,000 (£33,000 surplus for the six months ended 31 March 2004). The decline reflects a reduction in interest received from cash on deposit and dividends received on the non-qualifying portfolio. These funds have been invested in qualifying investments, which by virtue of their early stage of development typically pay nominal levels of dividends. The Ordinary Share Fund has now reached a stage of development where future dividend payments are likely to be substantially dependent upon capital profits generated from investment realisations. Following a net gain on investments of £2,945,000 (£3,655,000 for the six

months ended 31 March 2004) the total return on ordinary activities after taxation was £2,640,000, the equivalent of 7.6 pence per share. During the period 670,000 Ordinary Shares were bought back for cancellation at an average price of 100.2 pence per share.

Net revenue attributable to S2 Shareholders for the period was £53,000 (£nil for the period ended 31 March 2004), a significant improvement over the previous period, reflecting a full six months contribution since the fundraising in January 2004. Following a net gain on investments of £1,734,000 (£nil for the period ended 31 March 2004) the total return on ordinary activities after taxation was £1,708,000, the equivalent of 10.8 pence per share. During the period 10,225 S2 Shares were issued at an average price of 100 pence per share.

Dividends

An interim dividend of 5 pence per share was paid to Ordinary Fund Shareholders on 8 March 2005 from capital profits realised on the sale of investments. The Ordinary Share Fund has distributed accumulated dividends of 16.45 pence to date.

The Board's policy is to maximise the stream of dividend distributions to Shareholders from the income and capital gains generated by the portfolio. Whilst the latter objective is likely to take some time for the S2 Share Fund, the goal is to return realised gains to Shareholders whilst maintaining the net asset value per share (NAV) at a level above 100 pence.

Performance

The NAV for the Ordinary Share Fund at 31 March 2005 was 106.2 pence per share. Since the September 2004 year-end and before providing for the interim dividend the NAV of the Ordinary Share Fund increased by 7.4%. Over the equivalent period the NAV of the S2 Share Fund increased by 11.5% to 105.3 pence per share. In comparison, the FTSE All Share and FTSE AIM indices increased by 8.0% and 17.8% respectively on a total return basis. The under performance against the AIM Index reflects the strong performance of the resources sector which is largely non-qualifying as typically, the trading activity is based outside the UK.

Since the launch of the Ordinary Share Fund in November 2001 the initial NAV has increased by 31.3% on a total return basis (assuming all dividends have been reinvested), the FTSE All-Share Index has increased by 10.5% and the FTSE AIM Index has increased by 30.4%.

Chairman's Statement

Outlook

When assessing the prospects for AIM it should be remembered that, although the AIM Index has recovered strongly since the low reached in April 2003, it still remains nearly 60% below the high achieved in March 2000. This suggests that, even after allowing for the exuberance associated with the heady days of the internet boom, there should be an opportunity for further recovery. More importantly, your Manager is confident that the underlying holdings are capable of achieving further growth in profitability and share price ratings in the future.

Peter Dicks
Chairman

26 April 2005

Shareholder communications

Shareholders wishing to keep in touch with the Company's progress can visit the TrustNet website at www.trustnet.com. This contains publicly available information about our largest investments, the latest NAV and the share price. The share price is also quoted in the Financial Times.

Shareholder enquires:

For general shareholder enquiries, please contact Sarah Penfold of Matrix-Securities Limited (the Company Secretary) on 020 7925 3300 or by e-mail on unicorn@matrixgroup.co.uk

For enquiries concerning the performance of the Company, please contact the Investment Manager:

Sean O'Flanagan at Unicorn Asset Management, on 020 7253 0889 or by e-mail on sean.oflanagan@unicornam.com

To notify the Company of a change of address or to request a dividend mandate form (should you wish to have future dividends paid directly into your bank account) please contact the Company's Registrars, Capita IRG Plc on 0870 162 3100, or write to them at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

Investment Portfolio Summary - Ordinary Share Fund

as at 31 March 2005

Qualifying investments	Book cost £'000	Valuation £'000	% of net assets by value
AIM listed investments			
Supporta plc	2,550	3,710	10.1%
Glisten plc	650	2,417	6.7%
Tellings Golden Miller Group plc	1,000	1,771	4.9%
Huveaux plc	1,000	1,600	4.4%
Avingtrans plc	708	1,428	3.9%
The Real Good Food Company plc	997	1,221	3.4%
TRL Electronics plc	702	1,191	3.3%
Public Recruitment Group plc	1,000	1,033	2.9%
Maxima Holdings plc	700	1,018	2.8%
Urban Dining plc	699	875	2.4%
AttentiV Systems Group	770	819	2.3%
Careforce Group plc	588	785	2.2%
Centurion Electronics	650	762	2.1%
Lloyds British Testing plc	1,000	549	1.5%
Xpertise Group plc	400	549	1.5%
Invox plc	730	547	1.5%
Prologic plc	589	530	1.5%
Sanderson Group plc	385	512	1.4%
Strategic Retail plc	426	506	1.4%
Augean plc	350	472	1.3%
Fountains plc	365	454	1.3%
Access Intelligence plc	490	453	1.3%
Asfare Group plc	470	423	1.2%
Printing.com plc	292	409	1.1%
Zetar plc ¹	406	406	1.1%
Pilat Media Global plc	480	380	1.0%
Polaron plc	350	303	0.8%
Talarius plc ¹	250	250	0.7%
Longbridge International plc	260	62	0.2%
	19,257	25,435	70.2%
Fully listed investments:			
Microgen plc	180	203	0.6%
	180	203	0.6%
Unlisted investments:			
Nectar Taverns Limited	1,000	1,700	4.7%
Sanastro plc	500	500	1.4%
Aludel Limited	750	0	0.0%
	2,250	2,200	6.1%
Total qualifying investments	21,687	27,838	76.9%
Non-qualifying investments	Book cost £'000	Valuation £'000	% of net assets by value
Unicorn Free Spirit Fund (OEIC)	1,742	3,318	9.1%
AIM listed investments	948	2,233	6.2%
Listed UK equities	1,515	2,125	5.9%
Money market funds ²	378	378	1.0%
Total non-qualifying investments	4,583	8,054	22.2%
Total investments	26,270	35,892	99.1%
Other assets		1,302	3.6%
Current liabilities		(970)	(2.7%)
Net assets		36,224	100.0%

¹ Completed after the period end

² Disclosed within current assets in the Balance Sheet

Investment Portfolio Summary - S2 Share Fund

as at 31 March 2005

Qualifying investments	Book cost £'000	Valuation £'000	% of net assets by value
AIM listed investments			
Avingtrans plc	288	580	3.5%
Sanderson Group plc	385	512	3.1%
Maxima Holdings plc	300	437	2.6%
Zetar plc ¹	406	406	2.4%
Careforce Group plc	252	336	2.0%
Urban Dining plc	300	323	1.9%
Talarius plc ¹	250	250	1.5%
Strategic Retail plc	174	207	1.2%
Invox plc	270	203	1.2%
Augean plc	150	202	1.2%
Prologic plc	218	196	1.2%
Access Intelligence plc	210	194	1.2%
Fountains plc	135	168	1.1%
Printing.com plc	108	151	1.0%
	3,446	4,165	25.1%
Unlisted investments:			
Sanastro plc	500	500	3.0%
	500	500	3.0%
Total qualifying investments	3,946	4,665	28.1%

Non-qualifying investments	Book cost £'000	Valuation £'000	% of net assets by value
Money market funds ²	5,155	5,155	31.1%
Unicorn Free Spirit Fund (OEIC)	2,085	2,476	14.9%
Unicorn Mastertrust Fund (OEIC)	2,077	2,476	14.9%
Unicorn UK Smaller Companies Fund (OEIC)	2,088	2,228	13.4%
AIM listed investments	122	236	1.5%
Total non-qualifying investments	11,527	12,571	75.8%

Total investments	15,472	17,236	103.9%
Other assets		123	0.7%
Current liabilities		(766)	(4.6%)
Net assets		16,593	100.0%

¹ Completed after the period end

² Disclosed within current assets in the Balance Sheet

Qualifying Investments

AIM listed investments:

Access Intelligence plc

Subscription based sales and marketing support.

Asfare Group plc

Provision of ladders and ancillary equipment for the emergency services.

AttentiV Systems Group plc

Development, installation and support of credit management software solutions for retail banking and asset finance.

Augean plc

Operation of hazardous waste of landfill sites.

Avingtrans plc

Provision of precision engineering services.

Careforce Group plc

Domiciliary home care services for local authorities.

Centurion Electronics plc

Design and distribution of in-car audio-visual entertainment systems.

Fountains plc

Environmental services and grounds maintenance to utility companies and local authorities.

Glisten plc

Manufacturer of chocolate confectionery, sugar based sweets and edible decorations.

Huveaux plc

Broadly based media group focusing upon political publishing, education and training.

Invox plc

Marketing company focused on operating telephone response based promotions.

Lloyds British Testing plc

Provision of engineering services including testing, certification, maintenance and repair and training.

Longbridge International plc

Recruitment consultant specialising in legal and finance search and selection.

Maxima Holdings plc

Implementation and support of enterprise software solutions.

Pilat Media Global plc

Development and support of scheduling software for digital TV.

Polaron plc

Broadly based engineering group with growing exposure to the nanotechnology market.

Printing.com plc

Franchised high street printing.

Prologic plc

Development and maintenance of software to meet the operational, reporting and business intelligence needs of fashion businesses.

Public Recruitment Group plc

Public sector recruitment and services group specialising in the education, healthcare and social work sectors.

Real Good Food Company plc

Manufacturer and supplier of a range of chilled, frozen and ambient food products.

Sanderson Group plc

Implementation and support of proprietary enterprise software solutions.

Strategic Retail plc

Operation of retail outlets specialising in home décor and furnishings market.

Supporta plc

Provision of back office support and domiciliary care to the public and private sectors.

Tellings Golden Miller Group plc

Operation of local bus services and luxury coach hire throughout the UK and Europe.

TRL Electronics plc

Designer and manufacturer of specialist electronic products focused on counter terrorist applications.

Urban Dining plc

Operation of branded restaurant chains.

Talarius plc

Newly established company to consolidate the UK high street gaming industry.

Xpertise Group plc

Provision of accredited technical IT training courses.

Zetar plc

Niche manufacturer of chocolate confectionery.

Fully Listed Investments

Microgen plc

IT consultancy and managed services provider.

Unlisted investments:

Nectar Taverns Limited

Development of a chain of unbranded, managed, freehold, public houses in the North West of England.

Sanastro plc

Specialist financial publisher.

Non-Statutory Analysis between the Ordinary Share and S2 Share Funds

Statement of Total Return for the six months ended 31 March 2005

	Notes	Ordinary Share Fund			S2 Share Fund		
		Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Gains on investments	5	–	2,945,255	2,945,255	–	1,734,068	1,734,068
Income		270,443	–	270,443	160,182	–	160,182
Investment management fee	2	(99,426)	(298,277)	(397,703)	(26,207)	(78,619)	(104,826)
Other expenses		(177,669)	–	(177,669)	(81,295)	–	(81,295)
Return on ordinary activities before taxation		(6,652)	2,646,978	2,640,326	52,680	1,655,449	1,708,129
Tax on ordinary activities		–	–	–	–	–	–
Return attributable to equity shareholders		(6,652)	2,646,978	2,640,326	52,680	1,655,449	1,708,129
Dividends in respect of equity shares		–	(1,728,462)	(1,728,462)	(77)	–	(77)
Transfer (from)/to reserves		(6,652)	918,516	911,864	52,603	1,655,449	1,708,052
Return per share	3	(0.02)p	7.64 p	7.62 p	0.33 p	10.50 p	10.83 p
Average number of shares in issue				34,657,393			15,759,381

Balance Sheets as at 31 March 2005

	Notes	Ordinary Share Fund		S2 Share Fund	
		£	£	£	£
Fixed assets					
Investments	5		35,513,502		12,082,489
Current assets					
Debtors and prepayments			937,408		33,783
Current investments			378,498		5,155,076
Cash at bank			364,272		87,386
Creditors: amounts falling due within one year			1,680,178		5,276,245
			(970,013)		(765,381)
Net current assets			710,165		4,510,864
Net assets			36,223,667		16,593,353
Capital and reserves					
Called up share capital			340,992		157,633
Capital redemption reserve			9,005		102
Share premium account			–		–
Special distributable reserve			24,951,034		14,555,737
Revaluation reserve			10,371,955		–
Profit and loss account			550,681		10,148
Equity shareholders' funds			36,223,667		16,593,353
Number of shares in issue:			34,099,234		15,763,314
Net asset value per share: of 1 pence each	4		106.2		105.3

	Adjustments (see note below)			Total of both funds (per Statutory Profit and Loss account)		
	Ordinary Share Fund Capital £	S2 Share Fund Capital £		Revenue £	Capital £	Total £
	(2,267,447)	(1,701,248)		-	710,628	710,628
				430,625	-	430,625
				(125,633)	(376,896)	(502,529)
				(258,964)	-	(258,964)
	(2,267,447)	(1,701,248)		46,028	333,732	379,760
				-	-	-
	(2,267,447)	(1,701,248)		46,028	333,732	379,760
				(77)	(1,728,462)	(1,728,539)
	(2,267,447)	(1,701,248)		45,951	(1,394,730)	(1,348,739)

Note: The adjustment columns represent unrealised gains in the year, which are part of the capital component of the total shareholder return for the year. However, they are not reported in the Profit and Loss Account, shown on page 8 to which the "Total of both funds" columns reconcile. These unrealised gains (total being £3,968,695) are however reported as part of the Statement of Total Recognised Gains and Losses, also shown on page 8.

		Adjustments (see note below) £		Total of both funds (per Statutory Balance Sheet)	
				£	£
		-			47,595,991
		(60,172)		911,019	
		-		5,533,574	
		-		451,658	
		(60,172)		6,896,251	
		60,172		(1,675,222)	
					5,221,029
					52,817,020
					498,625
					9,107
					10,148
					39,506,771
					12,136,059
					656,310
					52,817,020

Note: The adjustment above nets off the inter-fund debtor and creditor balances, so that the "Total of both funds" Balance Sheet agrees to the Statutory Balance Sheet on page 10.

Unaudited Profit and Loss Account

for the six months ended 31 March 2005

	Notes	Six months to 31 March 2005			Six months to 31 March 2004 (restated)		
		Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Gains/(losses) on realisation of investments	5	–	710,628	710,628	–	(25,420)	(25,420)
Income		430,625	–	430,625	344,598	–	344,598
Investment management fee	2	(125,633)	(376,896)	(502,529)	(100,556)	(301,666)	(402,222)
Other expenses		(258,964)	–	(258,964)	(211,108)	–	(211,108)
Profit/(loss) on ordinary activities before taxation		46,028	333,732	379,760	32,934	(327,086)	(294,152)
Tax on ordinary activities		–	–	–	–	–	–
Profit/(loss) on ordinary activities after taxation for the financial period		46,028	333,732	379,760	32,934	(327,086)	(294,152)
Dividends in respect of equity shares		(77)	(1,728,462)	(1,728,539)	–	–	–
Retained profit/(loss) for the period transferred to/(from) reserves		45,951	(1,394,730)	(1,348,779)	32,934	(327,086)	(294,152)
Earnings per share:							
Ordinary Fund Shares	3			1.08p			(0.82)p
S2 Fund Shares	3			0.04p			(0.21)p

All the items in the above statement derive from continuing operations

Statement of Total Recognised Gains and Losses

for the six months ended 31 March 2005

	Notes	Six months to 31 March 2005			Six months to 31 March 2004 (restated)		
		Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Profit/(loss) on ordinary activities after taxation		46,028	333,732	379,760	32,934	(327,086)	(294,152)
Unrealised gains on revaluation of investments		–	3,968,695	3,968,695	–	3,679,737	3,679,737
Total recognised gains during the period		46,028	4,302,427	4,348,455	32,934	3,352,651	3,385,585
Return per share:							
Ordinary Fund Shares	3	(0.02)p	7.64p	7.62p	0.09p	9.63p	9.72p
S2 Fund Shares	3	0.33p	10.50p	10.83p	0.00p	(0.21)p	(0.21)p

Note of Historical Cost Profits and Losses

for the six months ended 31 March 2005

	Six months to 31 March 2005 £			Six months to 31 March 2004 (restated) £		
Profit/(loss) on ordinary activities before taxation			379,760			(294,152)
Realisation of revaluation (losses)/gains of previous years			(116,837)			–
Historical cost profit/(loss) on ordinary activities before taxation			262,923			(294,152)
Historical cost loss for the period after taxation and dividends			(1,465,616)			(294,152)

The notes on pages 12 to 16 form part of these interim statements.

	Year to 30 September 2004 (audited)			
	Revenue £	Capital £	Total £	
	–	941,964	941,964	
	854,348	–	854,348	
	(231,936)	(695,808)	(927,744)	
	(442,889)	–	(442,889)	
	179,523	246,156	425,679	
	–	–	–	
	179,523	246,156	425,679	
	(118,148)	(3,476,923)	(3,595,071)	
	61,375	(3,230,767)	(3,169,392)	
			1.15p	
			0.20p	

	Year to 30 September 2004 (audited)			
	Revenue £	Capital £	Total £	
	179,523	246,156	425,679	
	–	1,763,696	1,763,696	
	179,523	2,009,852	2,189,375	
	0.20p	5.80p	6.00p	
	0.96p	(0.11)p	0.85p	

	Year to 30 September 2004 (audited)			
	£			
			425,679	
			1,639,713	
			2,065,392	
			(1,529,679)	

Unaudited Balance Sheet

as at 31 March 2005

	Notes	As at 31 March 2005 £	As at 31 March 2004 £	As at 30 September 2004 (audited) £
Fixed assets				
Investments	1b,5	47,595,991	39,314,970	40,629,972
Current assets				
Debtors and prepayments		911,019	112,759	126,077
Current investments	6	5,533,574	6,780,382	7,606,909
Cash at bank		451,658	485,508	2,861,302
		6,896,251	7,378,649	10,594,288
Creditors: amounts falling due within one year				
Other creditors		(1,515,271)	(357,848)	(141,989)
Accruals		(159,951)	(272,004)	(223,855)
		(1,675,222)	(629,852)	(365,844)
Net current assets		5,221,029	6,748,797	10,228,444
Net assets		52,817,020	46,063,767	50,858,416
Capital and reserves				
Share capital	7	498,625	403,781	505,223
Capital redemption reserve	7	9,107	1,725	2,407
Share premium account	7	10,148	5,193,908	–
Special distributable reserve	7	39,506,771	32,581,345	42,147,756
Revaluation reserve	7	12,136,059	10,836,740	8,050,527
Profit and loss account	7	656,310	(2,953,732)	152,503
Total Shareholders' funds		52,817,020	46,063,767	50,858,416
Net asset value per share of 1 pence each				
Ordinary Share Fund	4	106.2p	117.2p	103.5p
S2 Share Fund	4	105.3p	94.5p	94.4p

Unaudited Statement of Cash Flows

for the 6 months ended 31 March 2005

	Six months to 31 March 2005	Six months to 31 March 2004	Year to 30 September 2004 (audited)
	£	£	£
Operating activities			
Investment income received	428,943	343,717	856,788
Investment management fees paid	(502,529)	(393,140)	(927,744)
Other cash payments	(340,578)	(135,833)	(397,951)
Net cash outflow from operating activities	(414,164)	(185,256)	(468,907)
Investing activities			
Purchase of investments	(6,232,236)	(5,276,758)	(19,522,977)
Sale of investments	4,487,579	1,095,865	12,709,837
Net cash outflow from investing activities	(1,744,657)	(4,180,893)	(6,813,140)
Dividends			
Dividends paid	(1,846,687)	(157,317)	(3,634,240)
Cash outflow before financing and liquid resource management	(4,005,508)	(4,523,466)	(10,916,287)
Financing			
Share capital raised	10,250	5,249,417	14,903,715
Share capital re-purchased	(487,721)	(129,252)	(188,408)
	(477,471)	5,120,165	14,715,307
Management of liquid resources			
Increase/(decrease) in monies held pending investment	2,073,335	(168,074)	(994,601)
(Decrease)/increase in cash	(2,409,644)	428,625	2,804,419

Notes to the unaudited financial statements

1. Principal accounting policies

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

a) Basis of accounting

The accounts have been prepared under the historical cost convention, modified to include the revaluation of investments, and in accordance with applicable accounting standards and, to the extent that it does not conflict with the Companies Act 1985, the 2003 Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies'.

As a result of the Directors' decision to distribute capital profits by way of a dividend, the Company revoked its investment company status as defined under section 266 (3) of the Companies Act 1985, on 17 August 2004.

Consequently, the financial statements have been drawn up to include a statutory profit and loss account and a statement of total recognised gains and losses in accordance with Schedule 4 of the Companies Act 1985 and Financial Reporting Standard 3 "Reporting Financial Performance" and the comparatives have been presented on a consistent basis. This has no effect on total returns or net assets per share. These statements, however, differ from the Statement of Total Return (also presented as non statutory analysis) as follows:

- (i) profits/(losses) on realisation of investments are now included in the profit and loss account;
- (ii) unrealised gains and losses on investments are included in the statement of total recognised gains and losses; and
- (iii) all investment management fees are charged to the profit and loss account.

b) Investments

In respect of quoted investments the British Venture Capital Association (BVCA) have stated that VCTs should have regard to generally accepted accounting practice and market practice in the valuation of the investments and accordingly these are valued at mid market price, in accordance with the Investment Trust Companies SORP 2003. As part of the valuation process, the Directors consider the need for discounts by reviewing the earnings multiple, the likelihood of selling the investment in the foreseeable future and any updated information available upon each investment, as appropriate.

Unquoted investments are valued by the Directors in accordance with the following rules, which are consistent with the BVCA guidelines:

- (i) Investments which have been made in the last 12 months are valued at cost in the absence of overriding factors.
- (ii) Investments in companies at an early stage of their development are also valued at cost in the absence of overriding factors.
- (iii) Where investments have gone beyond the stage of their development in (ii) above, the shares may be valued by applying a suitable price-earnings ratio to that company's post-tax earnings (the ratio used being based on a comparable listed company or sector but discounted to reflect lack of marketability);
- (iv) Where a value is indicated by a material arms-length transaction by a third party in the shares of a company, this value will be used.

Unlisted investments will not normally be re-valued upwards for a period of at least twelve months from the date of acquisition. For early stage investments where a company's underperformance against plan indicates a diminution in the value of the investment, provision against cost is made, as appropriate.

2. In line with the expected long-term split of returns from the investment portfolios of the Company, the Directors have charged 75% of the investment management fee to the capital reserve.
3. Total earnings after taxation for the period showed a profit of £379,760 (6 months ended 31 March 2004: loss of £294,152; year ended 30 September 2004: profit of £425,679) comprising a profit on the Ordinary Share Fund after taxation of £372,879 (6 months ended 31 March 2004: loss of £287,390; year ended 30 September 2004: profit of £402,389) and a profit after taxation on the S2 Share Fund of £6,881 (6 months ended 31 March 2004: loss of £6,762; year ended 30 September 2004: profit of £23,290). The basic earnings per Ordinary Fund Share is based on the net profit from Ordinary Share Fund activities and on 34,657,393 (6 months ended 31 March 2004: 34,900,393; year ended 30 September 2004: 34,847,936) Ordinary Fund Shares, being the weighted average number of Ordinary Fund Shares in issue during the period. The basic earnings per S2 Fund Share is based on the net profit from S2 Share Fund activities and on 15,759,381 (6 months ended 31 March 2004: 3,228,240; year ended 30 September 2004: 11,564,057) S2 Fund Shares, being the weighted average number of S2 Fund Shares in issue during the period.

The revenue return per Ordinary Fund Share is based on the net deficit on revenue on ordinary activities after taxation of £6,652 (6 months ended 31 March 2004: revenue of £32,885; year ended 30 September 2004: revenue of £68,377) and is based on 34,657,393 (6 months ended 31 March 2004: 34,900,393; year ended 30 September 2004: 34,847,936) Ordinary Fund Shares, being the weighted average number of Ordinary Fund Shares in issue during the period.

The revenue return per S2 Fund Share is based on the net revenue on ordinary activities after taxation of £52,680 (6 months ended 31 March 2004: revenue of £40; year ended 30 September 2004: revenue of £111,146), and is based on 15,759,381 (6 months ended 31 March 2004: 3,228,240; year ended 30 September 2004: 11,564,057) S2 Fund Shares, being the weighted average number of S2 Fund Shares in issue during the period.

The capital return per Ordinary Fund Share is based on net realised capital gains of £677,808 (6 months ended 31 March 2004: loss of £25,420; year ended 30 September 2004: gains of £941,964), on net unrealised capital gains of £2,267,447 (6 months ended 31 March 2004: gains of £3,679,737; year ended 30 September 2004: gains of £1,688,240), capital expenses of £298,277 (6 months ended 31 March 2004: £294,855; year ended 30 September 2004: £607,952), and on 34,657,393 (6 months ended 31 March 2004: 34,900,393; year ended 30 September 2004: 34,847,936) Ordinary Fund Shares, being the weighted average number of Ordinary Fund Shares in issue during the period.

The capital return per S2 Fund Share is based on net realised capital gains of £32,820 (6 months ended 31 March 2004: £nil; year ended 30 September 2004: £nil), on net unrealised capital gains of £1,701,248 (6 months ended 31 March 2004: £nil; year ended 30 September 2004: gains of £75,456), capital expenses of £78,619 (6 months ended 31 March 2004: £6,811; year ended 30 September 2004: £87,856), and on 15,759,381 (6 months ended 31 March 2004: 3,228,240; year ended 30 September 2004: 11,564,057) S2 Fund Shares, being the weighted average number of S2 Fund Shares in issue during the period.

4. Net asset value per Ordinary Fund Share is based on net assets at 31 March 2005, and on 34,099,234 (at 31 March 2004: 34,827,234; at 30 September 2004: 34,769,234) Ordinary Fund Shares, being the number of Ordinary Fund Shares in issue on that date.

Net asset value per S2 Fund Share is based on net assets at 31 March 2005, and on 15,763,314 (at 31 March 2004: 5,550,893; at 30 September 2004: 15,753,089) S2 Fund Shares, being the number of S2 Fund Shares in issue on that date.

Notes to the unaudited financial statements

5. Summary of investments during the period

Total	Listed on AIM £	Fully Listed £	Unlisted ordinary shares £	Unlisted preference shares £	Unicorn OEIC Funds £	Total £
Cost/valuation at 30 September 2004	24,434,644	4,240,463	999,990	700,000	10,254,875	40,629,972
Purchases at cost	6,544,175	–	1,000,000	–	49,189	7,593,364
Sales - proceeds	(1,540,871)	(2,247,915)	–	–	(1,517,882)	(5,306,668)
- realised (losses)/gains	(94,352)	(42,942)	–	–	847,922	710,628
Increase in unrealised gains	2,928,915	175,299	–	–	864,481	3,968,695
Cost/valuation at 31 March 2005	32,272,511	2,124,905	1,999,990	700,000	10,498,585	47,595,991
Book cost at 31 March 2005	23,952,252	1,515,059	2,050,000	700,000	7,992,621	36,209,932
Unrealised gains at 31 March 2005	8,320,259	609,846	699,990	–	2,505,964	12,136,059
Brought forward permanent diminution in value of unlisted investments	–	–	(750,000)	–	–	(750,000)
	32,272,511	2,124,905	1,999,990	700,000	10,498,585	47,595,991
Gains on investments						
Realised (losses)/gains based on historical cost	(1,270,294)	1,209,522	–	–	654,563	593,791
Add amount recognised as unrealised loss/(gain) in previous years	1,175,942	(1,252,464)	–	–	193,359	116,837
Realised (losses)/gains based on carrying value at 30 September 2004	(94,352)	(42,942)	–	–	847,922	710,628
Net movement in unrealised appreciation in period	2,928,915	175,299	–	–	864,481	3,968,695
Gains on investments for the six months to 31 March 2005	2,834,563	132,357	–	–	1,712,403	4,679,323

Ordinary Share Fund	Listed on AIM £	Fully Listed £	Unlisted ordinary shares £	Unlisted preference shares £	Unicorn OEIC Funds £	Total £
Cost/valuation at 30 September 2004	23,285,201	4,240,463	999,990	700,000	4,027,023	33,252,677
Purchases at cost	4,002,880	–	500,000	–	17,688	4,520,568
Sales - proceeds	(1,439,201)	(2,247,915)	–	–	(1,517,882)	(5,204,998)
- realised (losses)/gains	(127,172)	(42,942)	–	–	847,922	677,808
Increase/(decrease) in unrealised gains	2,149,308	175,299	–	–	(57,160)	2,267,447
Cost/valuation at 31 March 2005	27,871,016	2,124,905	1,499,990	700,000	3,317,591	35,513,502
Book cost at 31 March 2005	20,384,394	1,515,059	1,550,000	700,000	1,742,094	25,891,547
Unrealised gains at 31 March 2005	7,486,622	609,846	699,990	–	1,575,497	10,371,955
Brought forward permanent diminution in value of unlisted investments	–	–	(750,000)	–	–	(750,000)
	27,871,016	2,124,905	1,499,990	700,000	3,317,591	35,513,502
Gains on investments						
Realised (losses)/gains based on historical cost	(1,315,714)	1,209,522	–	–	654,563	548,371
Add amount recognised as unrealised loss/(gains) in previous years	1,188,542	(1,252,464)	–	–	193,359	129,437
Realised (losses)/gains based on carrying value at 30 September 2004	(127,172)	(42,942)	–	–	847,922	677,808
Net movement in unrealised appreciation in period	2,149,308	175,299	–	–	(57,160)	2,267,447
Gains on investments for the six months to 31 March 2005	2,022,136	132,357	–	–	790,762	2,945,255
S2 Share Fund						
Cost/valuation at 30 September 2004	1,149,443	–	–	–	6,227,852	7,377,295
Purchases at cost	2,541,295	–	500,000	–	31,501	3,072,796
Sales - proceeds	(101,670)	–	–	–	–	(101,670)
- realised gains	32,820	–	–	–	–	32,820
Increase in unrealised gains	779,607	–	–	–	921,641	1,701,248
Cost/valuation at 31 March 2005	4,401,495	–	500,000	–	7,180,994	12,082,489
Book cost at 31 March 2005	3,567,858	–	500,000	–	6,250,527	10,318,385
Unrealised gains at 31 March 2005	833,637	–	–	–	930,467	1,764,104
	4,401,495	–	500,000	–	7,180,994	12,082,489
Gains on investments						
Realised gains based on historical cost	45,420	–	–	–	–	45,420
Less amount recognised as unrealised gains in previous years	(12,600)	–	–	–	–	(12,600)
Realised gains based on carrying value at 30 September 2004	32,820	–	–	–	–	32,820
Net movement in unrealised appreciation in period	779,607	–	–	–	921,641	1,701,248
Gains on investments for the six months to 31 March 2005	812,427	–	–	–	921,641	1,734,068

Notes to the unaudited financial statements

6. Current investments

These comprise investments in three Dublin based OEIC money market funds, managed by Royal Bank of Scotland and Merrill Lynch. £4,140,511 (6 months ended 31 March 2004: £754,121; year ended 30 September 2004: £3,331,220) of this sum is subject to same day access, while £1,393,063 (6 months ended 31 March 2004: £6,026,261 year ended 30 September 2004: £4,275,689) is subject to two day access. These sums are regarded as monies held pending investment.

7. Capital and reserves

Total	Called up share capital £	Capital redemption reserve £	Share premium account £	Special distributable reserve £	Revaluation reserve £	Profit and loss account £	Total £
At 1 October 2004	505,223	2,407	–	42,147,756	8,050,527	152,503	50,858,416
Shares (bought back)/issued	(6,598)	6,700	10,148	(671,562)	–	–	(661,312)
Write off to special distributable reserve	–	–	–	(1,969,423)	–	1,969,423	–
Net increase in unrealised investment valuation	–	–	–	–	3,968,695	–	3,968,695
Realisation of previously unrealised appreciation	–	–	–	–	116,837	(116,837)	–
Retained net loss for the period	–	–	–	–	–	(1,348,779)	(1,348,779)
At 31 March 2005	498,625	9,107	10,148	39,506,771	12,136,059	656,310	52,817,020

Ordinary Share Fund							
At 1 October 2004	347,692	2,305	–	27,513,350	7,975,071	144,897	35,983,315
Shares bought back	(6,700)	6,700	–	(671,512)	–	–	(671,512)
Write off to special distributable reserve	–	–	–	(1,890,804)	–	1,890,804	–
Net increase in unrealised investment valuation	–	–	–	–	2,267,447	–	2,267,447
Realisation of previously unrealised appreciation	–	–	–	–	129,437	(129,437)	–
Retained net loss for the period	–	–	–	–	–	(1,355,583)	(1,355,583)
At 31 March 2005	340,992	9,005	–	24,951,034	10,371,955	550,681	36,223,667

S2 Share Fund							
At 1 October 2004	157,531	102	–	14,634,406	75,456	7,606	14,875,101
Shares (bought back)/issued	102	–	10,148	(50)	–	–	10,200
Write off to special distributable reserve	–	–	–	(78,619)	–	78,619	–
Net increase in unrealised investment valuation	–	–	–	–	1,701,248	–	1,701,248
Realisation of previously unrealised appreciation	–	–	–	–	(12,600)	12,600	–
Retained net profit for the period	–	–	–	–	–	6,804	6,804
At 31 March 2005	157,633	102	10,148	14,555,737	1,764,104	105,629	16,593,353

8. The financial information for the six months ended 31 March 2005 and the six months ended 31 March 2004 has not been audited. The accounting policies used by Unicorn AIM VCT plc in preparing the Interim Report are consistent with those used in preparing the statutory accounts for the year ended 30 September 2004.

The information for the year ended 30 September 2004 does not comprise full financial statements within the meaning of Section 240 of the Companies Act 1985. The financial statements for the year ended 30 September 2004 have been filed with the Registrar of Companies. The auditors have reported on these financial statements and that report was unqualified and did not contain a statement under Section 237(2) of the Companies Act 1985.

9. Copies of this statement are being sent to all Shareholders. Further copies are available free of charge from the Company's registered office, One Jermyn Street, London SW1Y 4UH.

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