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Woodford Patient Capital Trust Plc
Half Year Report for the Period Ended 30 June 2019

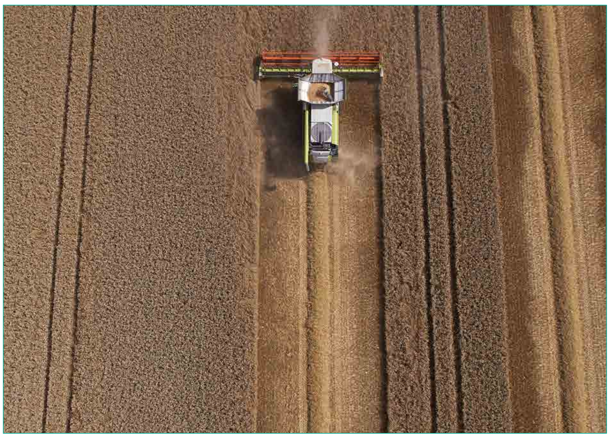
Contents

Investment objective

The investment objective of Woodford Patient Capital Trust plc (WPCT or the Company) is to achieve long-term capital growth through investing in a diversified portfolio with a focus on UK companies, both quoted and unquoted. As these companies evolve, the geographical profile of the portfolio may change to become more global in nature for reasons such as an overseas listing or as the result of changes to capital value of a non-UK company.

The Company will aim to deliver a return in excess of 10 per cent per annum over the longer term*.

* This is a target only, not a profit forecast, and there can be no assurance that it will be met.



Financial highlights

	30 June 2019 £'000	30 June 2018 £'000	31 December 2018 £'000
Net assets	654,228	760,347	807,200

Net asset value and share price	30 June 2019 pence	30 June 2018 pence	31 December 2018 pence
Net asset value per share	72.00	91.94	97.61
Share price	56.00	83.00	82.10

Net asset value and share price performance	Six months to 30 June 2019 %	Six months to 30 June 2018 %	Year ended 31 December 2018 %
(Decrease)/increase in net asset value per share	(26.2)	0.7	6.9
Decrease in share price	(31.8)	(1.7)	(2.8)
Share price discount to net asset value at period end	(22.2)	(9.7)	(15.9)

Dear Shareholders

This has undoubtedly been the most challenging period for the Company since it floated in 2015. Events at the Portfolio Manager have been disappointing for everyone associated with WPCT, shareholders and Board members alike. Protecting shareholders' interests as these difficult circumstances continue to play out remains the Board's priority. We have already taken a number of decisive and proactive measures following the gating of the LF Woodford Equity Income Fund (WEIF) and remain focused on taking the necessary actions to support the future value of the Company's portfolio.

In the near term the Company faces a number of difficult issues, but it is important to remember that the Company was established to provide 'patient capital' to support the development of high-potential UK growth companies. Its investment objective is to provide long-term returns to shareholders as the underlying technologies of the investee companies become proven and commercialised. The Board's focus is to navigate through the current challenges without unduly impacting these longer term potential returns to shareholders.

Since the suspension of WEIF, the value of some of the Company's assets have come under significant pressure as a result of the Portfolio Manager and WEIF no longer being able to support follow-on funding, thereby also in some cases impacting the net asset value (NAV) of the Company.

In addition, the current environment has made it more challenging for the Company to operate within the limits set out within its investment policy, in particular, that investment in unquoted companies is limited to 80 per cent of gross assets at the time of investment, which impacts the Company's ability to provide funding to its unquoted investments. Furthermore, certain restrictions within the Company's debt facility have created further constraints on the portfolio.

There are thus some shorter-term challenges in respect of portfolio liquidity management, which the Board is working closely with its advisers to address.

Gearing

One of the benefits of an investment trust structure is that when sentiment is challenging the underlying assets are protected from redemptions with shareholders able to transact in the market, although this will have an impact on the Company's shares. While clearly this is not a positive short-term outcome for shareholders, critically it protects the fundamental value of the portfolio. Rather like a floating exchange rate, the investment trust structure should take the pressure off and provide time to work through the obstacles.

However, the Company is geared and so it is not fully benefiting from its investment trust structure as described above and a combination of events has made our gearing position uncomfortable. The Board instructed the Portfolio Manager to seek to reduce the gearing earlier this year but it is important not to erode the value of the portfolio and future shareholder returns in this process. The WEIF events have created an environment of 'forced sales', which we wish to steer around. We have already made progress with our commitment to reduce levels of gearing over time with borrowings having reduced to £111.1m as at 26 September 2019, albeit the gearing as a percentage of NAV has increased due to the fall in NAV.

Ensuring we have more time to optimise the portfolio is key, and we have made positive steps forward in this regard:

- Firstly, we have agreed additional flexibility within our loan agreement around certain obligations relating to the borrowing base and we look forward to productive discussions after the half-year results to renew the facility, due on 16 January 2020. Details of our loan agreement are set out in note 11 in the notes to the financial statements.
- Secondly, we are giving consideration to amending the investment policy to permit investment in unquoted companies to exceed 80% of gross asset value (GAV) and intend to consult with shareholders on such proposal.
- Thirdly, we will de-gear the portfolio appropriately, balancing our desire to achieve reduction while protecting value.

These actions are all about creating time to allow the well-established portfolio to deliver and allowing the Company to navigate through this fast-moving and complex series of events. We thank you for your continued support and understanding in enabling the Board to seek more time to stabilise the portfolio and build shareholder returns again.

Valuation

There has been considerable external commentary around our valuations, which are conducted through a wholly independent process. Valuation of unquoted investments is a complex process and is performed by Link Fund Solutions Limited (Link) (the Company's Alternative Investment Fund Manager (AIFM) and Valuation Agent) which undertakes the valuation of unquoted investments over a six-monthly cycle, in the normal course of events, or following a triggering event being identified. In addition to this independent valuation process, the Board requested that Link conduct a specific valuation review of the top 20 investments as at 30 June 2019 for the half-year process, which has been reviewed by Grant Thornton as part of its independent interim review of the Company's half-year results. (See infographic on page 5)

Since 28 June 2019 through 26 September 2019 there has been a decline in the daily NAV of 20.9%, representing a decline in the portfolio NAV from £748m to £591m. The Portfolio Manager's report on pages 6 to 18 comments further on the specific company events that have given rise to these changes. The process whereby Link has reviewed the values of the top 20 holdings has led to a number of valuation changes to individual holdings as compared with the valuations used to calculate the daily NAV as at 28 June 2019, published in early July. During the valuation process when information has come to light that was reflective of conditions that existed at 30 June then it is required by accounting standards to reflect this in the investment valuation as of 30 June for the purposes of the half-year results. This has resulted in the published NAV of £654m in the half-yearly financial statements.

In addition to these adjustments there were also five "post balance sheet events", reflective of information and conditions that arose after 30 June 2019, including write downs in Benevolent AI and Industrial Heat. (See note 22 in the notes to the financial statements). The write downs that took place in Benevolent AI and in Industrial Heat have been treated in accordance with accounting principles, as having been in part valuation adjustments reflected in the 30 June 2019 balance sheet and in part as post balance sheet events. Benevolent AI accounted for £46m and Industrial Heat £32m in total. All adjustments have now been reflected in the 26 September NAV. The Board believes that while this has been a lengthy process, it has undoubtedly been a worthwhile exercise in order to provide assurance to shareholders regarding the value of the portfolio, after the events of the first half of the year.

As the portfolio develops there is more information to review and analyse in relation to our investee companies. This analysis and the governance that appropriately exists around the valuation process takes time and will become increasingly unsuited to the publication of a daily NAV. The Board is therefore considering moving from daily NAV reporting to potentially monthly or quarterly reporting. This is in line with our peers, and we believe will result in a NAV process which is aligned to the information flow from our portfolio going forward.

Additionally, the Board is aware of the process being conducted by Link to affect the sale of unquoted assets from WEIF. Certain of these assets are also owned by WPCT. The Board understands that this sales process should complete towards the end of 2019. Any sales undertaken by WEIF of unquoted portfolio assets pursuant to this process that are also held by WPCT may have an impact on WPCT's valuation of those assets. Where such disposals by WEIF are considered a 'forced transaction', it is not necessarily expected that the Company's assets would be marked to the same value. In the case of an 'orderly transaction', the sale by WEIF may present a new valuation metric for the asset. This may result in a change in value depending on the sale price. No information is available to the Board, or IHS Markit, of this process and no account has been taken of it in the valuation. The Board continues to liaise with Link and Woodford and will update shareholders and the market as necessary.

Acquisition of unquoted holdings from WEIF

In March WPCT acquired five assets from WEIF. These assets were acquired for £72.8m and were assets deemed to be the next wave of disrupters for the Company's portfolio. All five assets were independently valued by Duff & Phelps. The assets were already owned and valued by the Company through Link and IHS Markit. To fund these assets and their follow-on cash requirements, WEIF subscribed for shares in the Company at 96.67 pence, which was equal to the then NAV plus the costs of the transaction (including stamp duty) and at the time was equivalent to a 15.8 per cent premium to the share price. The Board discussed the transaction at length and viewed this as an attractive deal for the Company. At 30 June 2019 and the date of this report WEIF holds 89,639,238 shares (8.98%) in WPCT.

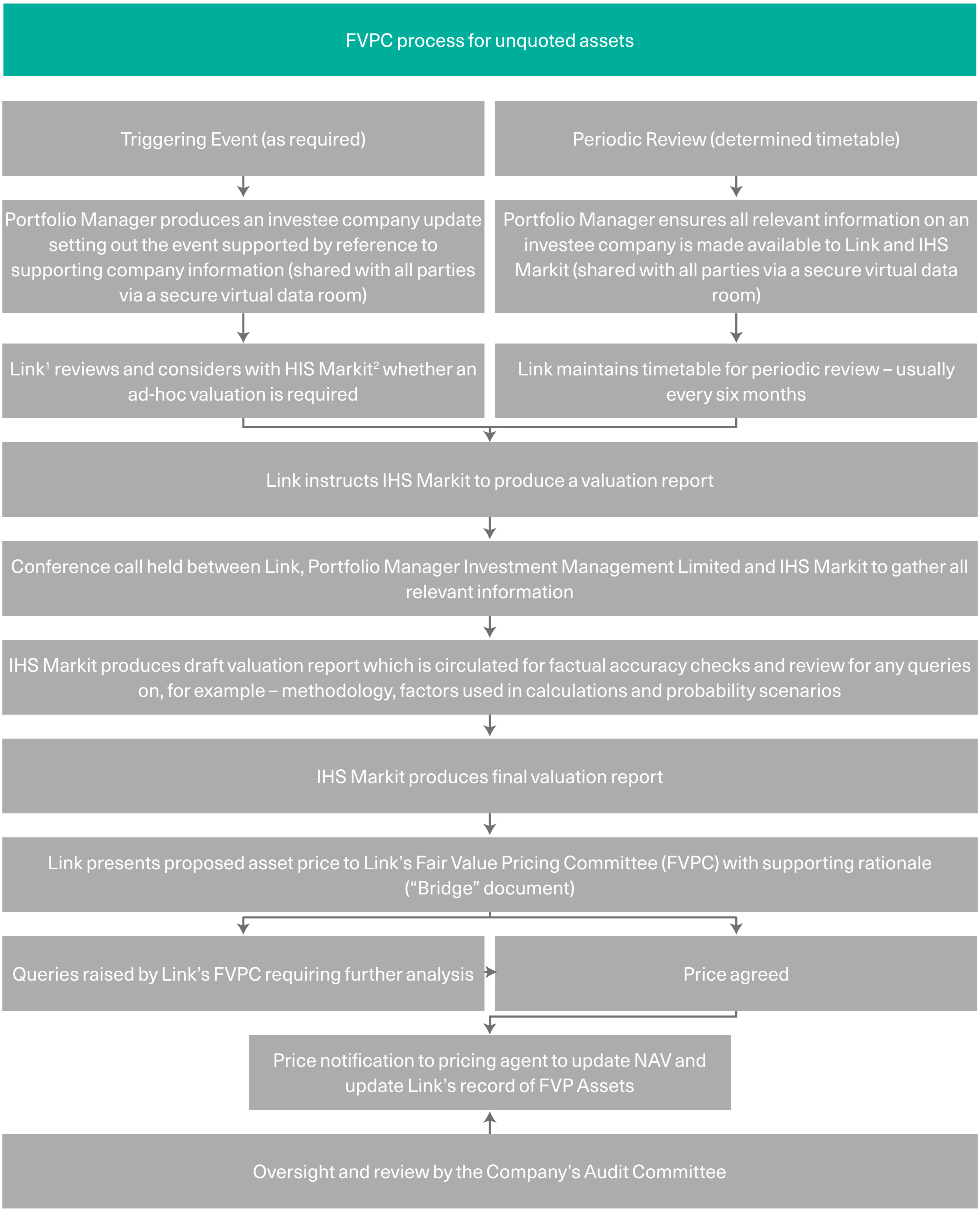
Board and outlook

I am very pleased to have appointed Stephen Cohen and Jane Tufnell to the Board, both of whom have already made excellent contributions. In addition, the appointment of Raymond Abbott concludes the near-term evolution of the Board. At the same time, I would like to thank Steve Harris, Carolan Dobson and Louise Makin for their contribution. The Board has also engaged advisors to assist the Company as it navigates through this challenging period and has sought to update the market regularly.

The Board continues to evaluate the position of the Portfolio Manager and, as previously announced, is talking to other potential managers. This process can take time and ultimately the Board's decision will be that which is in the best interests of protecting long-term value for shareholders.

I want to thank shareholders for their continued support and understanding as we endeavour to create time to stabilise the portfolio. We are focused on maximising value and restoring confidence in WPCT and its portfolio.

Susan Searle
Chairman
29 September 2019



[1] Link Fund Solutions Limited as AIFM provides independent oversight of pricing and conducts its own Fair Value Pricing Committee (FVPC) with the support of an independent valuation firm it employs IHSMarkit.

[2] IHS Markit offers independent valuation advisory services to Link for private equity and venture capital investments to Link.

Note:
1. All investments held by the Company are classified as "fair value through profit or loss", and are valued in accordance with the International Private Equity and Venture Capital Valuation (IPEVCV) guidelines updated in 2018.
2. Grant Thornton UK LLP is the appointed Auditor of the Company and also responsible for auditing the accounts including the basis of fair valuations applied to the unlisted assets as at 31 December (annual accounting date) and providing an independent review for the interim accounts as at 30 June.

Shareholders have endured an extremely disappointing six-month period, for which I am very sorry. While shareholders can be forgiven for thinking there are no positives, I continue to believe that the majority of the businesses we have invested in are making good progress, in line with our pre-agreed milestones.

This is not to gloss over the setbacks which the portfolio has suffered since WPCT was launched in 2015, nor the significant downward pressure both the NAV and share price have endured since the suspension of WEIF on 3 June 2019. The journey to positive outcomes has been longer and more painful than investors would have liked, or anticipated, but the returns to be gained by delivering on the progress, I believe, will ultimately reward the patient investor.

Performance detractors

Some of the Company's underperformance has been the product of events in several of the unquoted businesses within the portfolio. For example, within the unquoted element of the portfolio, Immunocore and Benevolent AI both had their carrying values reduced, driven by funding-round pricing.

These valuation downgrades are undoubtedly setbacks, but it is important to remember that the underlying progress of the businesses is not, thereby, affected. As further funding is secured, companies are better placed to deliver key future milestones. With proof of concept in its lead asset, IMCgp100, Immunocore remains positioned to pioneer a new class of therapeutics, while Benevolent AI recently signed a strategic partnership with AstraZeneca and has brought on board a new institutional investor as described below in post-period events.

Elsewhere within the unquoted portfolio, the values of Precision Biopsy and Scifluor Life Sciences were written down significantly, as it became clear that the funding options that both businesses had been pursuing were unlikely to come to fruition.

The fall in the Company's NAV and share price has also been the product of weakness in the share prices of some of our quoted investments.

The largest negative contribution to performance came from one of the largest portfolio holdings, Autolus. Since its IPO on Nasdaq in 2018, Autolus' share price has been volatile, climbing to a peak of more than $45 per share in November 2018, before retreating back towards its IPO price of $15 per share during the period under review. We first invested in Autolus in 2015 as an unquoted business and, having taken the opportunity to lock in some profit at IPO, it remains one of the best performing stocks in the portfolio over a longer time horizon. Nevertheless, its share price performance during the period under review was clearly disappointing. In difficult liquidity conditions and prior to agreeing new terms on the Company's borrowing facility that gives more flexibility (as announced on 6 September 2019), we sold some of the holding to remain within the Company's borrowing base.

I continue to see significant long-term potential in Autolus. The company is making positive progress in developing its novel class of chimeric antigen receptor T-cells (CAR-T) therapies, which harness the power of a patient's immune system to combat cancers. It announced early but encouraging data for AUTO1 in adult patients with acute lymphoblastic leukaemia, which will now move forward into a pivotal Phase II study later this year. In April 2019, it announced a follow-on financing to raise a further $100m, which provides a cash runway through to the second half of 2021.

Shares in Mereo Biopharma also came under pressure during the period, falling 70 per cent. The UK-based company, which seeks to acquire mainly rare disease drug candidates and commercialise them, completed its transformative merger with OncoMed Pharmaceuticals in April 2019, forming a larger business with an even broader asset base and a stronger balance sheet. Additionally, in May 2019, it announced positive data from its Phase IIb Asteroid clinical study in adults with osteogenesis imperfecta (OI) treated with its wholly-owned asset, BPS-804 (setrusumab). The six-month data suggests a meaningful improvement in bone density with a clean safety profile, for a condition with no approved treatments available and which leaves patients at risk of frequent bone fractures.

Positive contributors

Despite the disappointing performance of the portfolio as a whole, the underlying progress in our quoted investments including 4D Pharma, Evofem Biosciences and ReNeuron give me the confidence that our longer-term goals and return expectations for these companies are achievable.

ReNeuron, for instance, saw its share price increase following news of a commercial agreement with Fosun Pharma, and a series of positive updates from its ongoing clinical study of hRPC in the blindness-causing condition retinitis pigmentosa. This was early data from a small number of patients, but the results so far show a significant improvement in visual acuity – higher than anything seen in any other retinal studies across the industry. If the positive effects can be maintained and seen in additional patients, this programme can advance into later-phase studies and, ultimately, the therapy has the potential to be a more than $1bn product.

Evofem Biosciences also performed well, after receiving a strategic investment from PDL Biopharma to help fund the pre-launch commercialisation activities of Amphora. It has taken a while since the very positive Phase III results for Amphora were released in December 2018, but the market now seems to have picked up on the opportunity that exists for this novel non-hormonal, on-demand, woman-controlled contraceptive – and for Evofem more broadly as a unique women's health business.

There was also a positive contribution to performance from the portfolio's unquoted holding in Federated Wireless. The company has developed an innovative spectrum-sharing framework which has the ability to solve the increasing wireless capacity problem that results from the relentless growth in data traffic. It expects to complete the roll-out of its Environmental Sensing Capability (ESC) system imminently, with regulatory adoption from the US Federal Communications Commission (FCC) anticipated later this year. The carrying value of the portfolio's holding was reviewed and increased to reflect this positive operational progress, which should result in revenues increasing significantly over the next two to three years.

Portfolio activity

In terms of portfolio activity, in March 2019 the Company acquired a portfolio of unquoted assets from WEIF in exchange for shares in the Company. The portfolio consisted of five unquoted assets in which the Company already had an interest: Atom Bank, Carrick Therapeutics, Cell Medica, RateSetter and Spin Memory. The acquisition allowed the portfolio to increase its exposure to these assets which I believe have the ability to disrupt and transform their respective industries. In early September 2019, we committed further funds to Atom Bank alongside its existing shareholders Tosca and BBVA as it continues to scale up over the near term.

The Company also invested a further tranche of capital in Inivata, a liquid biopsy company, and participated in a further funding round for oncology business Carrick Therapeutics. The Company also participated in a $25m placing in Idex, which is close to commercialising its fingerprint sensor technology in the global payment cards market.

Elsewhere, we participated in the financing of Evofem Biosciences which brought in PDL Biopharma's strategic investment. The Company also provided further funding to Rutherford Health (formerly known as Proton Partners), which gives it additional working capital as it rolls out its proton beam therapy services to more of its cancer centres – in August 2019, its Thames Valley Centre treated its first patient with proton beam therapy.

We continued to hold a positive long-term view of Prothena despite its failed NEOD001 in AL Amyloidosis drug trial 18 months ago, but we decided to sell our entire position in June 2019 to meet funding requirements elsewhere in the portfolio. This was an extremely disappointing conclusion to what was at one time WPCT's biggest holding, and one which we had very high hopes for.

The portfolio's position in the unquoted business Oxford Sciences Innovation was sold at a modest premium to the value at which it was being held. We also sold the Company's positions in Cambridge Innovation Capital and Arix Bioscience.

Gearing

Following discussions with the Board, we are seeking to reduce the level of gearing in the portfolio to below 10 per cent by the end of 2019, and to zero by mid-2020.

We are operating in a constrained and challenging environment, but we have clear sight of the portfolio's future funding requirements and a clear plan on how to achieve this gearing objective (while also protecting the assets within the portfolio in which we have the greatest conviction). We have agreed with our lender, Northern Trust, greater flexibility around certain obligations relating to our borrowing base which has given us flexibility in executing the de-gearing.

Since the end of the period under review, the Company has reduced its gearing from £116.1m to £111.1m having exited two unquoted assets, ADV and Ultrahaptics. We were engaging with other investors (as well as Legal & General who invested alongside us in the company originally) with a view to increasing the scale of ADV to improve operating efficiency. Interested parties were keen to support the business and implement a restructure, which ultimately resulted in Legal & General seeking to acquire our stake. Ultrahaptics, one of the Company's early investments, had generated an internal rate of return (IRR) of 22 per cent and, given these returns to date, we believed it was an opportune moment to exit our position in line with our gearing reduction plan.

The reduction plan continues with negotiations already underway on a number of company-specific transactions. We have also received interest from external parties in acquiring portfolios of specific assets which the Company holds.

Currency hedging

We have historically left currency exposures unhedged unless our investment view pointed to sterling appreciation in the medium-to-long term. During the period under review, we did have some hedges in place and the fall in sterling has meant that there was an unrealised loss carried by the Company at the period end. The position has been settled and no further hedging is being taken at this time.

LF Woodford Equity Income Fund suspension

Towards the end of the period, the performance of the portfolio's quoted holdings was indirectly impacted by the suspension of investor dealing in WEIF. There are several shared holdings between these two portfolios and we increasingly saw the stock market anticipating our need to sell some positions to meet redemptions from the fund. This weighed further on some share prices and inevitably on the portfolio's overall performance.

Notable post-period downward valuations

The valuation of Industrial Heat was marked down in August 2019 following a valuation review. The company has remained focused on further testing in September and October, with a funding round expected to follow thereafter.

In mid-September, Benevolent AI announced that it had raised $90 million from Temasek, a Singapore-based investment company. The funding, at a lower valuation level, subsequently impacted the NAV of WPCT. Nevertheless, this does not undermine the long-term investment case for Benevolent AI. The deal brings on board a new, high-quality, long-term institutional investor whose funding will be used to grow Benevolent AI's pipeline of internal drug development programmes and collaborations with strategic partners across its key therapeutic areas. Earlier this year, Benevolent AI announced revenue enhancing tie-ups with AstraZeneca and Novartis.

Outlook

We continue to believe that there are businesses across the Company's portfolio with unique and world-leading technologies which, potentially, represent huge commercial value. The analysis of the portfolio's top 10 holdings on the following pages highlights that there are a number of crucial value inflection points in the coming months. As I mentioned at the start of my report, the "patient capital" journey I embarked upon when WPCT was launched in April 2015 has been more painful than either investors or I envisaged at the time. I understand why many investors have lost their patience and I have never shied away from the fact that I will be ultimately judged on the returns I generate for investors and that remains true to this day.

I remain as passionate for the early-stage asset class as I have ever been. I have often said a long-term "patient capital" approach can deliver extremely successful outcomes, help businesses to fulfil their potential, while also helping to develop the UK's knowledge economy, and support economic rebalancing. It only requires a few of the larger companies in the portfolio to deliver and to generate the returns investors envisaged.

Neil Woodford
Head of Investment
Woodford Investment Management Limited
29 September 2019

On the following pages, we examine the Company's top 10 holdings in more detail.

Oxford Nanopore
(as at 30.06.19, GAV: 9.40%)

Business profile

- Oxford Nanopore (ONT) is a commercial-stage long-read DNA and RNA sequencing platform
- With a product suite capable of sequencing from the field (MinION/Flongle) to high-throughput requirements of central labs (PromethION) ONT is positioned to take a significant share in the $4bn+ sequencing market as well as creating new markets due to its novel features

Investment case

Newly released PromethION 48 has produced 7Tb of sequence data, which is more than the specification of the other largest machines on the market – with the added benefit of long reads, real time data and the ability to sequence samples on demand

- Newest releases offer high accuracy sequencing data. The current Nanopore R9.4.1 can provide greater than Q40 consensus accuracy and the new R10 Nanopore can reach Q50 consensus accuracy. R10 is currently being released to customers
- The trend to longer read requirements (whole genome sequencing, plant genomics, elucidation of structural variation, other types of variant) structurally favours ONT. As cost per Gb reduces with ONT tech, we believe it is increasingly competitive
- Its single platform approach through multiple products has the potential to create a $40-50bn company
- More than 400 publications using Nanopore sequencing technology in a variety of applications from infectious disease to environmental analysis to cancer genome analysis
- Company has so far mainly sold into scientific research market, but 'applied markets' are starting to be addressed (eg diagnostics, food safety)

Achievements to date

2015-present: development, release and commercialisation of suite of sequencing products including MinION, Flongle, GridION, PromethION. Continuous improvement of performance of technology in terms of yield/price, accuracy, ease of use, as well as other commercial/operational developments eg manufacturing, logistics, commercial infrastructure

- Oct 2018: Amgen invests £50m following use of ONT technology by its subsidiary, deCODE Genetics, a world leader in human genetics
- Mar 2019: First clinical and food safety application (in regulated environments) came on line
- Apr 2019: significant long-term collaboration announced with Grandomics, a leading sequencing company in China, to use PromethION for population-scale sequencing
- Apr 2019: PromethION 48 achieves >7Tb on a single experiment
- May 2019: R10, a new nanopore to enhance accuracy, in customer release

Future milestones

Revenue and Order book growth rate

- Technology adoption by broader audiences and use in applied markets (eg use in clinical labs as well as research labs)
- PromethION – P24/P48 full commercial launch
- Future release of more innovative products such as the MinION Mk1C

Funding profile

- Jul 2015: WPCT invests £34.3m of a £70m financing
- Dec 2016: WPCT invests £17.4m as part of a £100m financing
- Mar 2018: ONT raises £100m

Rutherford Health (previously known as Proton Partners)
(as at 30.06.19, GAV: 9.23%)

Business profile

- First operator in the UK to offer proton beam therapy to cancer sufferers
- Now commercial-stage cancer services business delivering complete cancer care to UK patients including proton beam therapy, conventional radiotherapy, chemo and immunotherapy
- Proton clients come from NHS, all the major private medical insurers (PMI), self-pay; all outpatient treatment and model can be rolled out internationally

Investment case

- Medically accepted internationally that 8-15 per cent of patients receiving radiotherapy would benefit from proton treatment
- Little to no collateral damage from therapy (vs. conventional radiotherapy) – this cuts downstream costs to health providers and provides far better patient experience
- NHS establishing own centres but will only cater for 1,500 cases p.a. vs. demand for c9,000
- Several strategic partners invested: IBA, Philips, Elekta, WPA
- Construction of centres becomes self-funding through sale and leaseback

Achievements to date

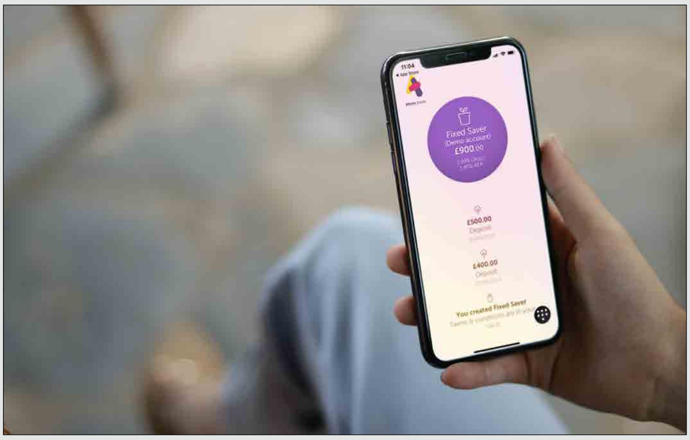
- April 2018: Treated first patient in the UK with proton therapy at its Newport centre
- May 2019: Clinical data from 1,483 patient trial at University of Pennsylvania showed 66 per cent reduction in risk of severe toxicity for proton patients (11 per cent) vs conventional radiotherapy (27 per cent) with no loss of efficacy
- June 2019: Northumberland centre treats first patient
- August 2019: Thames Valley centre treats first patient

Future milestones

- 2020: Fourth centre (Liverpool) completes

Funding profile

- May 2015: WPCT invests £30m of a £67.5m seed round
- Jun 2018: WPCT invests £4.5m of a £41m round
- May/Jun 2019: WPCT invests £15m
- Aug 2019: WPCT invests £20m



Atom Bank
(as at 30.06.19, GAV: 9.11%)

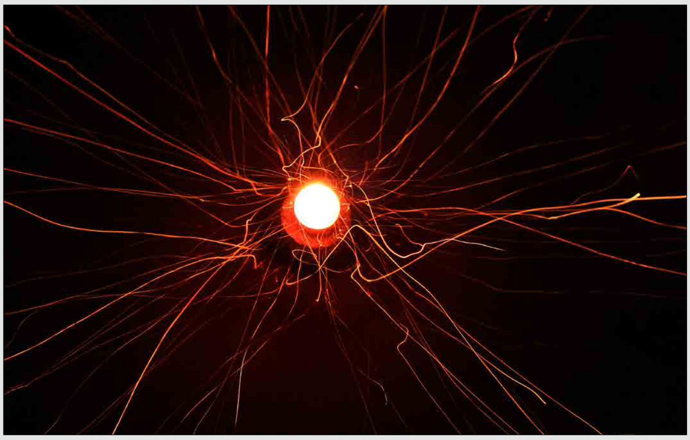
Business profile
- Atom is an innovative disruptive digital bank
- Atom is looking to use an innovative technology platform including smart contracts and cloud migration to deliver a highly-efficient full-service bank offering
- A balance sheet with more than £2bn of assets

Investment case
- Opportunity to achieve profitability at scale by digitally disrupting slow-moving incumbents and outperforming neobanks
- Significantly de-risked and into execution/scale-up phase
- High-quality proven management team

Achievements to date
- 2016: Full FCA authorisation, first mortgage product launched. Investment from Tosca Fund and BBVA
- 2017/2018: Scale up, new product launches
- March 2019: £2.4bn of loans and over £1.7bn of deposits
- August 2019: Atom awarded £10m from RBS Alternative Remedies Package to boost competition among lending to small businesses

Future milestones
- Complete tech platform, further product launches, scale up
- Break even in the next two years
- Private round in 2019, pre-IPO 2020 and IPO in 2021 or 2022

Funding profile
- Aug 2015: WPCT invests £10m of a £26m raise
- Apr 2016: WPCT invests £3.9m of a £92.9m funding round with Tosca and BBVA also investing
- 2017: Further investments by WPCT of £15.5m of £111.5m to support growth
- 2018: £148.7m raised from Tosca Funds and BBVA
- Feb 2019: WPCT acquires £34.2m of the company as part of an agreement to acquire a portfolio of unquoted assets from WEIF
- Sep 2019: WPCT invests £10m alongside existing shareholders Tosca and BBVA



Industrial Heat
(as at 30.06.19, GAV: 8.98%)

Business profile
- Industrial Heat is investigating new energy technologies focused on harnessing poorly understood or neglected energy science, including cold fusion

Investment case
- If successful, the company's technology could become a primary energy source of the future with significant implications for global energy production and consumption
- The technical results achieved have been independently validated by a credible third party

Achievements to date
- Built a portfolio of technologies associated with leading inventors in the field
- Test results that have been independently verified by a credible third party
- Raised >$50m from new and existing investors in October 2018

Future milestones
- Additional independent testing
- Series C funding round
- Commercial progress

Funding profile
- May 2015: WPCT invests $22.5m to start building the portfolio of technologies
- Nov 2016: WPCT invests $5.4m to increase exposure, while substantially increasing its ownership
- May 2017: WPCT invests $0.4m alongside existing investors to provide short-term working capital
- Oct 2018: WPCT invests $7.2m alongside new strategic investors to start building the team and infrastructure required to scale the business commercially

Benevolent AI
(as at 30.06.19, GAV: 7.96%)

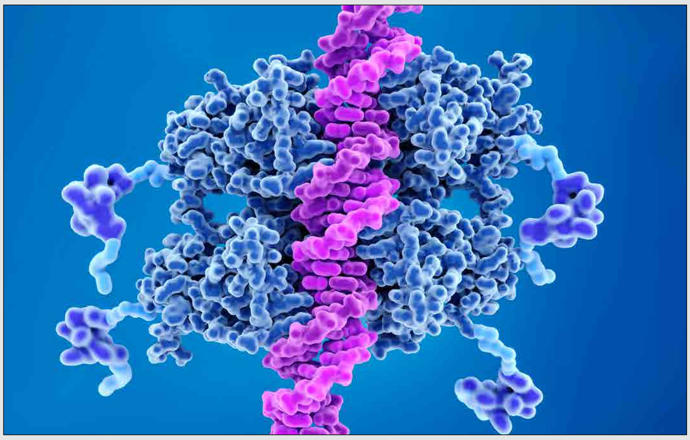
Business profile
- Creating and applying Artificial Intelligence (AI) technologies to transform the way medicines are discovered, developed, tested, and brought to market
- By scaling the generation of novel hypotheses Benevolent AI can take these drug candidates into the clinic in-house or out-license novel hypotheses to the pharmaceutical industry

Investment case
- Business model: Full stack AI drug development, own the value chain of drug development, can optimise for a complete new drug rather than just one component and has an expert team comprised of drug developers side by side with AI-engineers. This gives Benevolent AI a competitive edge to stay state of the art and develop faster than peers
- Risk profile: Proof of technical concept now demonstrated across target ID, chemistry and clinical trial planning in ALS. This validates the time and money saving Benevolent AI offers by reducing traditional drug discovery/development process and increases probability of success
- Leadership: Scale-up leadership in place to commercialise and scale the technology now. This enables Benevolent AI to transform cutting-edge technology into a highly profitable business model

Achievements to date
- May 2017: Tech validation – Benevolent AI drug candidate for amyotrophic lateral sclerosis (ALS) delivered positive results in study by world-leading ALS centre, SITraN
- May 2018: Appoints Joanna Shields as CEO (strong leadership as growth-stage digital technology executive, ex-Facebook, Google)
- Apr 2019: Industry validation – AstraZeneca starts long-term collaboration to discover potential new drugs for chronic kidney disease and idiopathic pulmonary fibrosis
- Sep 2019: Raised $90m from Temasek, a Singapore-based investment company

Future milestones
- Increase generation and out-license of novel hypotheses
- Sign additional pharma and technology partnerships
- Demonstrate clinical success of generated hypotheses
- Drive commercial scale up and achieve sustainable profitability

Funding profile
- Jun 2015: WPCT invests £1m
- May 2017: WPCT purchases £43m secondary stake from WEIF
- Nov 2017: WPCT purchases £5.8m secondary stake from WEIF
- May 2018: WPCT invests £20m
- May/Jun 2019: WPCT invests £15m



Autolus
(as at 30.06.19, GAV: 5.83%)

Business profile
- Autolus is a clinical stage biotech company focusing on development of precisely targeted, controlled and highly active T cell therapies for cancer patients
- Based on novel technology from Dr Martin Pule at University College London, the company is developing novel CAR-T therapies for both liquid and solid tumours
- With the first wave of CAR-Ts approved and in late-stage clinical development, Autolus technology supports functionally superior CAR-T therapies addressing the inherent limitations of incumbent therapies (eg, safety, longevity)
- Our view is that this business has the potential to be a best-in-class follower with a much broader indication base than has been seen in comparative businesses

Investment case
- Scientific foundation of this business is outstanding: Martin Pule, the founder, is both a well-respected and prolific scientist
- Built a proven management team (including Christian Itin, Andrew Oakley, Vijay Reddy, Christopher Vann) to lead this both strategically and clinically
- Encouraging early data pointing to a best-in-class pipeline of cellular therapies, broad pipeline of clinical and pre-clinical candidates across multiple indications
- Strong cash position: $266 million at 30 June 2019, gives cash runway into H2 2021

Achievements to date
- Apr 2019: Autolus receives FDA Orphan Drug Designation for AUTO3 for treatment of acute lymphoblastic leukemia
- Apr 2019: Encouraging initial results from Autolus ALLCAR19 Ph1/2 trial in adult acute lymphoblastic leukemia
- Apr 2019: Encouraging initial clinical data from AUTO3 in Phase 1/2 clinical trials in B cell malignancies

Future milestones
- Start Phase 2 studies for AUTO1 in adult ALL by end 2019, start Phase 2 for AUTO3 in DLBCL in H1 2020
- Phase 1 data from AUTO1 in young adult and adult ALL in Q4 2019, Phase 1 interim data from AUTO3 in DLBCL in Q4 2019
- Phase 1 interim data for AUTO4 in TRBC1+ TCL in 2020
- Non-clinical data for AUTO6NG in Q4 2019
- Expanding proprietary manufacturing process to new US/UK facilities

Inivata
(as at 30.06.19, GAV: 3.58%)

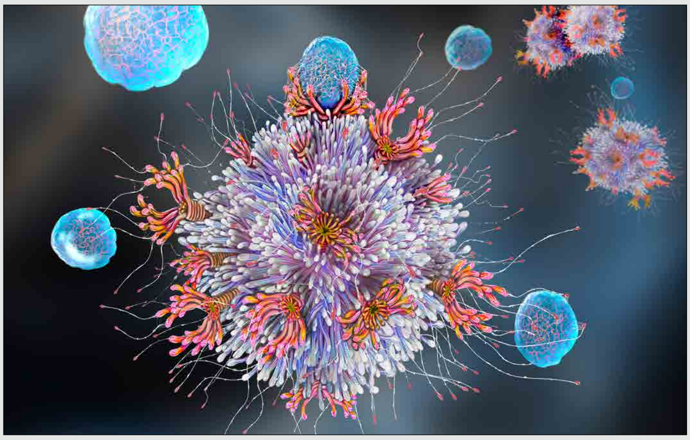
Business profile
- Commercial-stage global liquid biopsy company launching its first product in the US with full Medicare reimbursement in place
- A best-in-class blood test for advanced non-small cell lung cancer tumour profiling, with unmatched sensitivity and turnaround time
- Broad, unique and innovative pipeline significantly expands the market opportunity

Investment case
- Attractive entry point to invest in the oncology liquid biopsy revolution, with a best-in-class technology platform
- Differentiated pipeline with a proprietary immuno-oncology signature assay in development, as well as a focus on minimal residual disease/recurrence monitoring
- Launching initial NSCLC test, InVisionFirst

Achievements to date
- Mar 2019: $52.6m Series B funding completed
- Mar 2019: Final coverage decision for its lung product InVisionFirst

Future milestones
- Commercialisation of maiden product
- Development of pipeline, further expanding commercial opportunity

Funding profile
- Jan 2016 – June 2017: WPCT invests £10m in three tranches in £31.5m Series A financing round
- Mar 2019: WPCT invests £11.4m in most recent £39.8m Series B financing round



Immunocore
(as at 30.06.19, GAV: 3.43%)

Business profile

- Immunocore is a pivotal-study stage biotech platform developing novel TCR-bispecific T-cell engager molecules
- ImmTAC molecules are the first T cell redirectors to have demonstrated a durable response and robust overall survival rate in patients with solid tumours
- Extensive IP portfolio provides broad protection for the ImmTAC platform, supporting the company's expanding pipeline of TCR-based biologics for treatment of cancer and other serious diseases
- The first ImmTAC to reach the clinic, IMCgp100, was recently granted Fast Track Designation for investigation in HLA-A*0201-positive patients with previously untreated, metastatic uveal melanoma (mUM)

Investment case

- Ground-breaking work to create TCR-bispecific molecules has significant IP/know-how edge in competitive world of immuno-oncology/oncology
- Targeting of intracellular antigen peptides is a major competitive differentiator
- Platform with proof of concept – a whole new therapeutic class being opened up but with excellent PoC data in gp100
- Managed risk/reward profile delivering products into multi-billion dollar solid tumour indications through own programmes and partnerships
- Experienced leadership with prior input into the IO-revolution that has driven success of pharma (MedImmune, BMS, Lilly)

Achievements to date

- Jun 2018: IMCgp100 data showing ongoing survival benefit and durable responses in mUM
- Nov 2018: Announces co-development deal with Genentech for Immunocore's therapeutic candidate IMC-C103C, a MAGE-A4 targeting ImmTAC, whereby Genentech pay $100m in upfront and near-term milestone payments
- Jan 2019: Appoints Bahija Jallal as CEO (ex-President of AstraZeneca's biologics research and development unit, MedImmune)

Future milestones

- IMCgp100 (1L and 2L mUM) – pivotal data
- P1/2 data in follow-on targets – NY-ESO, MAGE-A4

Funding profile

- July 2015: WPCT invests £35m in £225m Series A financing round

Federated Wireless
(as at 30.06.19, GAV: 2.45%)

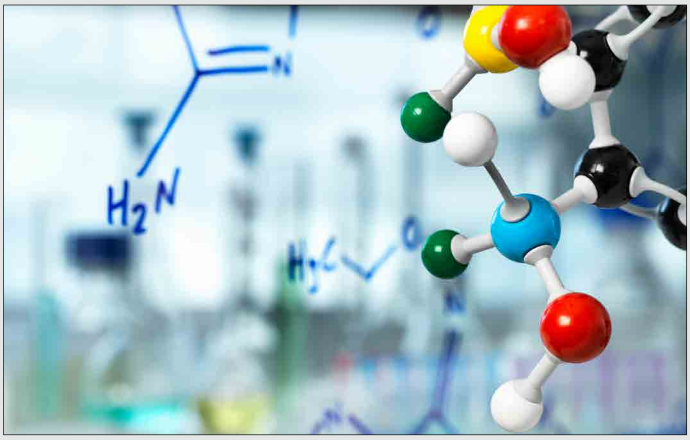
Business profile
- Federated Wireless has developed a new model for spectrum allocation and sharing that is now being adopted by the Federal Communications Commission (FCC) in the US
- The first band is 150MHz, currently used by the US Navy – soon to be made available for commercial use
- Major strategic investors supporting this spectrum sharing innovation

Investment case
- Sizeable market opportunity to introduce a revolutionary technology for accessing shared spectrum
- Several high-quality strategic players already invested in the company
- High-quality proven management team that is ready to commercialise and scale up the business
- The technology is now significantly de-risked and entering execution/scale-up mode
- The business model is highly efficient, delivering strong returns, targeting a future IPO

Achievements to date
- 2017: Spectrum access system (SAS) and environmental sensing capability perfected
- 2017: Submission to FCC for initial commercial deployment (ICD) with 20+ customers
- 2018: Major funding round raising $42m from Charter and American Tower
- 2019: Roll out of ESC network in readiness for go live of SAS, ESC certified

Future milestones
- Approval for ICD anticipated shortly H2,2019
- FCC approval for full-scale commercial launch expected Q4,2019

Funding profile
- Jan 2016: WPCT invests $15m in a $22m Series A funding round, alongside Allied Minds
- Sep 2017: WPCT invests a further $5m into the Series B $42m funding round alongside Charter, Arris International, American Tower, Allied Minds and GIC
- Further funding round expected to complete in 2019



Mission Therapeutics
(as at 30.06.19, GAV: 2.43%)

Business profile
- Mission was founded by Professor Steve Jackson, whose research and discoveries in protein ubiquitylation and deubiquitylation formed the basis of Mission's focus. Notably, Professor Jackson previously founded KuDOS Pharma, which was acquired by AstraZeneca in 2006. Olaparib (Lynparza), which was developed by KuDOS, was approved for advanced BRCA+ ovarian cancer in USA and Europe in 2014
- Since its formation, Mission has established a leadership position in the deubiquitylating enzymes (DUBs) field. These enzymes are now emerging as attractive therapeutic targets as they are involved in many disease pathways and pathologies
- Mission is exploring multiple additional DUB targets of relevance, both in-house and through partnerships. Several of their USP30 inhibitor programs are in pre-clinical development

Investment case
- Mission are planning on progressing two novel USP30 assets into the clinic, with CTA/IND filings for first-in-man studies anticipated H2 2020
- Partnership with Abbvie could yield further programmes and downstream milestone payments

Achievements to date
- Nov 2017: New research and preclinical data from its USP30 inhibitor Parkinson's disease programmes presented at the Society for NeuroScience Annual Meeting
- Nov 2018: Collaboration in the research and preclinical development of specified DUB inhibitors for the treatment of Alzheimer's disease and Parkinson's disease. No terms disclosed
- May 2019: announced the appointment of Dr. James Summers (VP of Neuroscience Research at AbbVie) as an independent member to its board of directors, with immediate effect

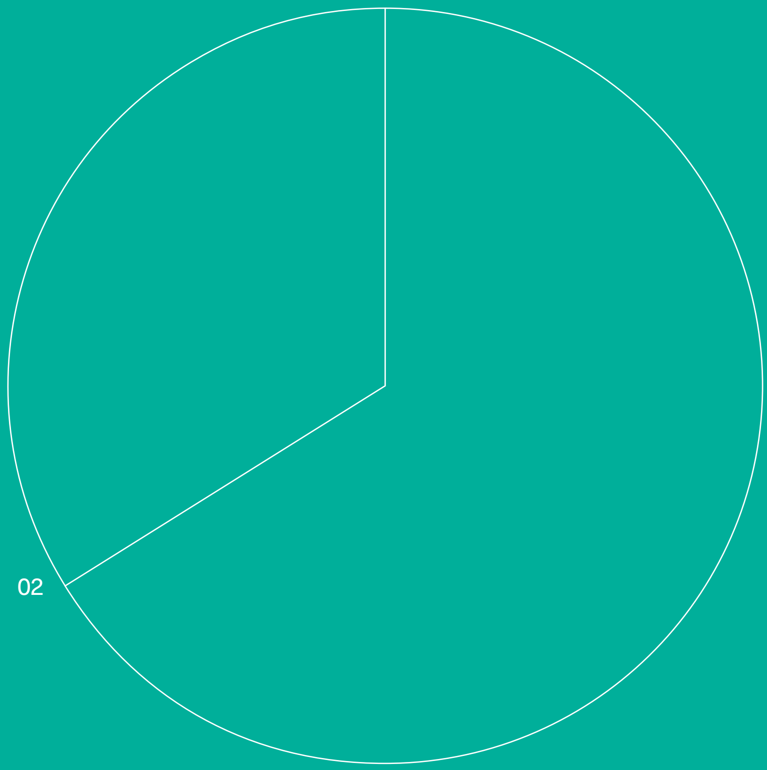
Future milestones
- Supportive non-rodent toxicology data in Q3/Q4 2019, lending support for candidate nominations (USP30 program)
- IND/CTA filings in H2 2020 , following GLP toxicology studies

Funding profile
- Cash position stands at c.£21m (end May 2019), sufficient to late 2020
- Company set to pursue further funding subject to candidate nomination of USP30 inhibitors later this year

Portfolio composition

Please find the composition of the WPCT portfolio at 30 June 2019.

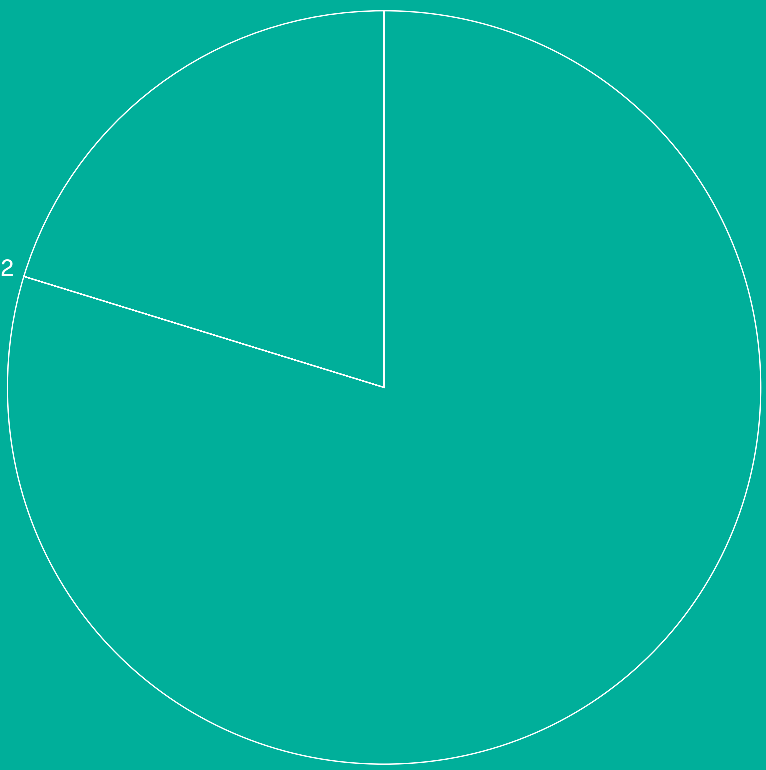
		%
01	Unquoted	66.66
02	Quoted	33.34
	Total	100.00



Please find the composition of the WPCT portfolio at 31 August 2019.

Unquoted/Quoted		%
01	Unquoted*	79.77
02	Quoted	20.23
	Total	100.00

* On 30 July 2019, two of the Company's holdings, Industrial Heat (10.8% of GAV) and Ombu (2.0% of GAV) were delisted from The International Stock Exchange and are now classified as unquoted. These delistings are the main reasons why the Company's unquoted exposure has increased since the period end.

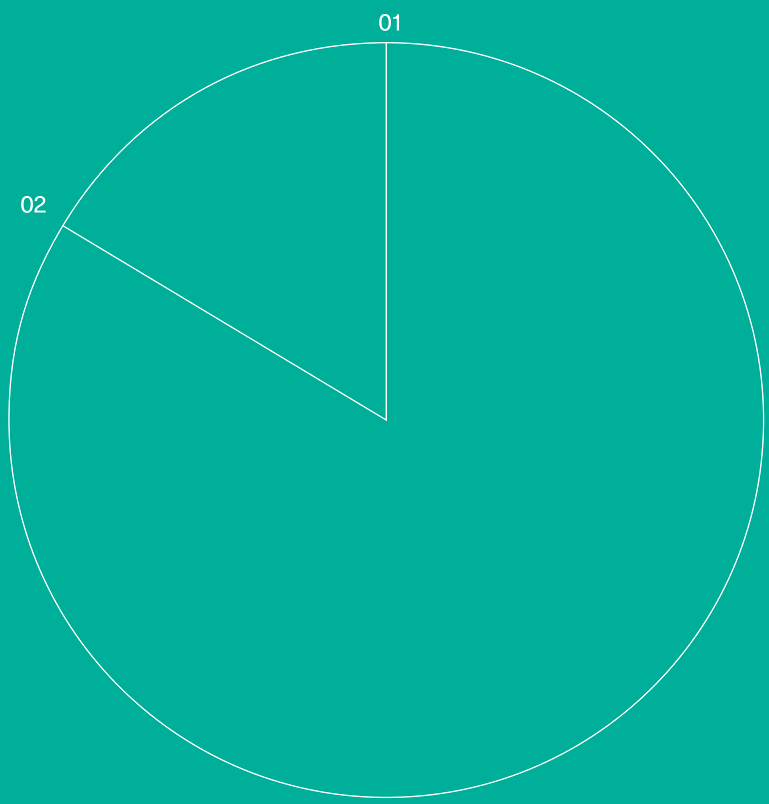


Source: Woodford based on GAV

Please find the composition of the WPCT porfolio by maturity stage at 30 June 2019.

Maturity stage		%
01	Early Stage	81.75
02	Early Growth	18.25
03	Mid/Large	0.00
	Total	100.00

Source: Woodford based on GAV



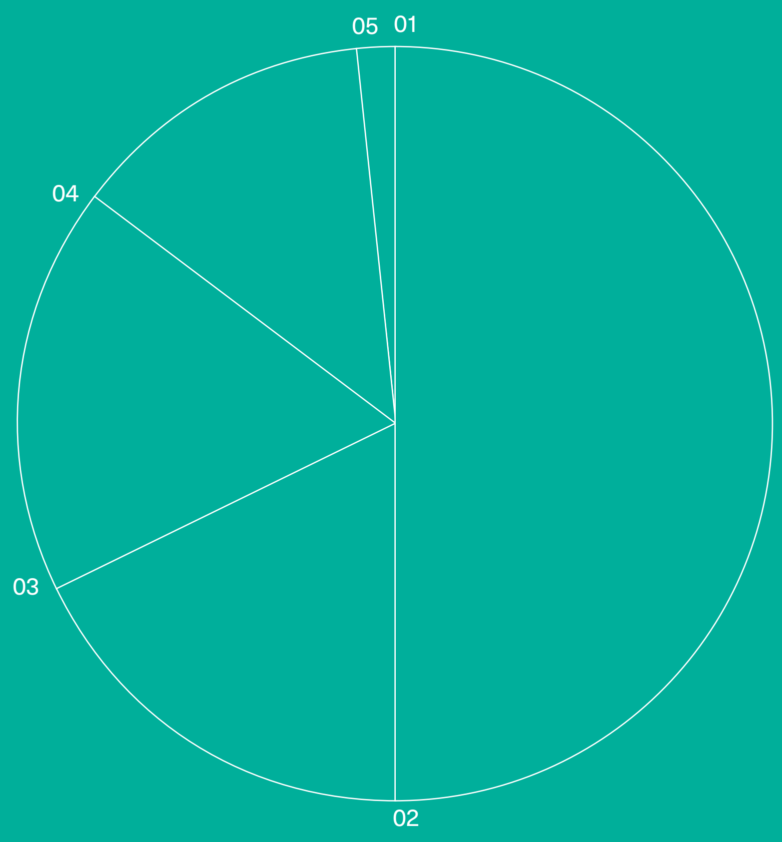
Please find the composition of the WPCT porfolio by industry and geography at 30 June 2019.

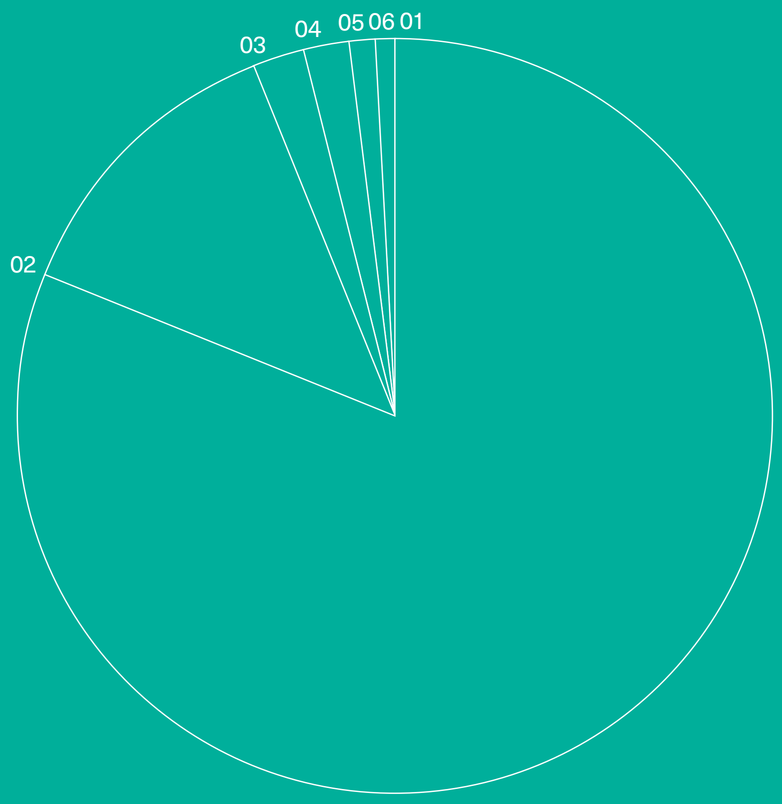
Industry		%
01	Health Care	50.17
02	Technology	17.78
03	Financials	17.40
04	Industrials	12.99
05	Consumer Goods	1.65
	Total	100.00

Geographical allocation		%
01	United Kingdom	81.22
02	United States	12.90
03	Luxembourg	2.20
04	Switzerland	1.99
05	Norway	0.99
06	Ireland	0.69
	Total	100.00

Geographic split based on stock market listing for quoted companies and by country of domicile for unquoted.

Source: Woodford based on GAV





Aggregate Holdings at 30 June 2019

No.	Company name	Quoted/ unquoted	Sector	GAV weight (%)
1	Oxford Nanopore	Unquoted	Health Care	9.40
2	Rutherford Health	Quoted	Health Care	9.23
3	Atom Bank	Unquoted	Financials	9.11
4	Industrial Heat	Quoted*	Industrials	8.98
5	Benevolent AI	Unquoted	Technology	7.96
6	Autolus	Quoted	Health Care	5.83
7	Inivata	Unquoted	Health Care	3.58
8	Immunocore	Unquoted	Health Care	3.43
9	Federated Wireless	Unquoted	Technology	2.45
10	Mission Therapeutics	Unquoted	Health Care	2.43
11	Ratesetter	Unquoted	Financials	2.37
12	Ultrahaptics	Unquoted	Technology	2.33
13	Evofem	Quoted	Health Care	2.25
14	Mafic	Unquoted	Industrials	2.20
15	Carrick Therapeutics	Unquoted	Health Care	2.08
16	CeQur	Unquoted	Health Care	1.99
17	Ombu	Quoted*	Financials	1.98
18	Kymab Group	Unquoted	Health Care	1.90
19	Spin Memory	Unquoted	Technology	1.77
20	Kind Consumer	Unquoted	Consumer Goods	1.65
21	Seedrs	Unquoted	Financials	1.61
22	Reaction Engines	Unquoted	Technology	1.48
23	AMO Pharma	Unquoted	Health Care	1.44
24	ReNeuron	Quoted	Health Care	1.44
25	Genomics	Unquoted	Health Care	1.08
26	Lignia Wood	Unquoted	Industrials	1.03
27	IDEX ASA	Quoted	Technology	0.93
28	Accelerated Digital Ventures	Unquoted	Financials	0.83
29	Cell Medica	Unquoted	Health Care	0.80
30	Sphere Medical Holding PLC	Unquoted	Health Care	0.76
31	Malin Corp PLC	Quoted	Financials	0.69
32	Yoyo Wallet	Unquoted	Technology	0.59
33	Mercia Technologies PLC	Quoted	Financials	0.59
34	Mereo Biopharma Group PLC	Quoted	Health Care	0.48
35	DDF Parallel	Unquoted	Health Care	0.46
36	PsiOxus Therapeutics	Unquoted	Health Care	0.34
37	4d pharma plc	Quoted	Health Care	0.31
38	Xeros Technology Group PLC	Quoted	Industrials	0.27
39	Econic Technologies	Unquoted	Industrials	0.27
40	American Financial Exchange	Unquoted	Financials	0.23
41	Nexeon	Unquoted	Industrials	0.16
42	SciFluor Life Sciences	Unquoted	Health Care	0.15
43	Northwest Biotherapeutics Inc	Unquoted	Health Care	0.14
44	NetScientific PLC	Quoted	Health Care	0.14
45	Tissue Regenix Group PLC	Quoted	Health Care	0.13
46	Bodle Technologies	Unquoted	Technology	0.13
47	Metaboards	Unquoted	Technology	0.13
48	Ultromics	Unquoted	Health Care	0.13
49	Novabiotics	Unquoted	Health Care	0.11
50	Precision Biopsy	Unquoted	Health Care	0.08

No.	Company name	Quoted/ unquoted	Sector	GAV weight (%)
51	Origin	Unquoted	Health Care	0.06
52	Thin Film	Quoted	Industrials	0.06
53	RM2 International SA	Quoted	Industrials	0.04
54	Midatech Pharma PLC	Quoted	Health Care	0.00
55	Halosource	Unquoted	Industrials	0.00
56	Drayson	Unquoted	Technology	0.00
57	Metalysis / Wath	Unquoted	Industrials	0.00
58	Oxsybio	Unquoted	Health Care	0.00

* Since delisted

The Board has carried out a robust assessment of principal risks facing the Company during the period under review, including those that would threaten its business model, future performance, solvency or liquidity. This review has incorporated the risks identified in the disclosures in the 2018 Annual Report as well as taking into account recent developments, especially those relating to the business activities and prospects of the Portfolio Manager. The risk review process involves the maintenance of a risk register, which identifies the principal risks facing the Company and assesses each risk on a scale, classifying the likelihood of the risk and the potential impact of each risk to the Company. This helps the Audit Committee and the Board focus on any identified risk of particular concern and aids the development of the Board's risk appetite. In developing the risk management process, the Board took into consideration the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued by the Financial Reporting Council (FRC).

The Board has established controls to mitigate against risks faced by the Company, which are reviewed on a regular basis to ascertain the effectiveness of each control.

The Company's operations are undertaken by third-party service providers who have established controls to mitigate against risks identified by the Board. The controls and operations of each service provider within their respective businesses, other than the Portfolio Manager, are subject to a detailed analysis of their operations, which includes testing their key systems to identify any weaknesses, by independent auditors on at least an annual basis. The findings of each review are detailed in assurance reports, copies of which are provided to the Audit Committee for its review, so that it can gain a greater understanding of the risk management processes and how they apply to the Company's business. The Portfolio Manager has an almost wholly outsourced operational business model so that the relevant assurance report is the audited annual report of the Portfolio Manager where the auditor will have reviewed financial controls.

The principal risks and uncertainties faced by the Company in respect of the six months ended 30 June 2019 are set out below. The risks arising from the Company's financial instruments are set out in note 2b and in note 22 on pages 76 to 81 of the annual report for the year ended 31 December 2018.

The Board has determined that the key risks for the Company can be categorised as follows: performance risk, general valuation risk, gearing, portfolio specific valuation risk; investee company specific risk; ongoing economic viability of the Portfolio Manager; portfolio risk: concentration risk; Portfolio Manager and key man risk; outsourced service provider model risk; Brexit and currency risk.

1. Performance risk
For any investment portfolio, there is always the generic risk of poor performance arising as a result of poor decisions made by the Portfolio Manager. In addition, given the long-term nature of this investment strategy (up to 10 years) and the absence of a clear benchmark, it is not necessarily easy to make an evaluation of the performance of the Portfolio Manager based simply on returns over shorter-term periods.

Mitigation – This risk is mitigated by the Board monitoring the performance of the portfolio and the decisions made by the Portfolio Manager through detailed reporting on these decisions. The Board seeks to evaluate the general quality and nature of portfolio decisions as well as the performance. The Board, together with the AIFM for the portfolio, Link, may decide to terminate the appointment of the Portfolio Manager under the terms of its contract, which specifies three months' notice.

2. General valuation risk
The valuation of unquoted early stage companies is inherently subjective. Valuation at a fixed point in time may not be representative of medium or longer term factors. Particular events at a company or particular funding rounds may have a significant impact. Information may not be as widely available as with public companies. Companies may not yet have meaningful revenues or profits. Considerable uncertainty may exist around the eventual feasibility and value of a particular technology or its commercialisation.

Mitigation – The Company employs Link as an independent valuation agent for the portfolio. Link, in turn, uses extensive research and input from its own valuation specialist provider, IHS Markit. Together, they conduct a regular rolling review of the valuation of all portfolio assets and also review their valuations in the event of any significant triggers at individual investee companies. They follow the widely respected and widely followed International Private Equity and Venture Capital (IPEV) Guidelines in executing these valuations, whose processes are explained on page 5 of this Report.

In addition, the Board has sought further assurance by asking Link to review the largest 20 positions in the portfolio as at 30 June 2019. This review was outside, and in addition to, the normal process by which the valuations of all positions in the portfolio are conducted in a six-monthly cycle, or as driven by triggering events. This exercise has been reviewed by the Auditor of the Company as part of its interim review.

3. Gearing
The Company has the ability to employ gearing up to a maximum of 20 per cent of NAV, calculated at the time of borrowing. The Company is using its gearing facility to invest further in specific portfolio companies. With an established portfolio and limited gearing capacity remaining, there may be less flexibility to make new investments and provide follow-on funding to the portfolio companies. A higher level of gearing may have a significant downside effect on the Company's NAV during a period of poor performance or decline in the market and may impact the Company's debt covenants.

The covenants, especially those concerning collateral in the loan agreement, may constrain the Portfolio Manager from being able to make certain decisions, either in terms of disposal or funding. Other market participants may infer that the Company may need to sell certain listed equity positions and choose to sell or short these securities. Or investors in investee companies held by the Company may infer that the Company has difficulty making further funding decisions and may only offer funding at valuations less attractive to the investee companies or seek to attach terms to such funding which are unattractive to the Company.

If the portfolio is operating near its debt covenant limits and there is a significant downward revaluation of a number of portfolio assets over a relatively short timeframe, it may prove difficult to raise cash through disposals at attractive prices in sufficient time to avoid breaching these covenants.

There may be difficulties where there are legally binding funding commitments, but the portfolio is close to covenant debt limits.

If the portfolio is operating near its investment restriction limit of a maximum gearing of 20% and there is a significant downward revaluation of a number of portfolio assets over a relatively short timeframe, it may prove difficult to raise cash through disposals at attractive prices in sufficient time to avoid breaching this limit, albeit passively. The Company would then not be able to make further funding commitments until such time as it had brought the gearing back below 20%.

Certain companies held by the Company may choose to delist their securities or be delisted from their stock exchange of listing. This could potentially then impact the borrowing limits the Company has negotiated with its loan provider as the deemed level of collateral is changed.

Mitigation – The Board receives daily reports from the Administrator and weekly reports from the Portfolio Manager. Gearing is reviewed by the Directors at each Board meeting and more often if necessary. The Board may set additional limits on the gearing facility and reviews these limits at each Board meeting. As previously noted, the Board has instructed the Portfolio Manager to seek to reduce gearing to below 10 per cent of NAV by 31 December 2019 and to zero by 30 June 2020.

Further to this, the Board has requested and received detailed plans from the Portfolio Manager, including stress-tested versions thereof, that show clearly how the Portfolio Manager expects to meet these gearing targets.

The Board monitors the progress regarding the reduction in gearing and seeks to confirm with the Portfolio Manager that this process is nevertheless preserving shareholder value.

The Portfolio Manager also provides a thorough analysis of any anticipated funding decisions and possible liquidity events of the portfolio companies through a weekly update to the Board. Discussion thereof is held at each Board meeting and more often if necessary. This allows the Board to assess the Company's ability to meet its commitments and maintain its financing facility. In addition, the Board receives a daily report from the Administrator of the current gearing levels.

Since the end of the period, the Portfolio Manager has negotiated revised terms from the loan provider in order to enable more flexibility around investment decisions. The Board approved these revised terms and accepted that a small increase in the loan's interest rate (to 1.5 per cent from 1.35 per cent until the current facility matures in mid-January 2020) was worth paying in order to achieve this flexibility.

On such occasions when the loan facility terms are being reconsidered, the Board seeks assurance from the Portfolio Manager that any revisions to the loan terms that are envisaged will still allow the Portfolio Manager to be able to make the investment decisions it wishes to make and also to proceed with the gearing reduction as per the Board's instructions.

The Board and the Portfolio Manager engage with the loan provider around potential future breaches of debt covenants in the shorter term in order to make them fully aware of the planned disposal programme and to agree some flexibility around timing of disposals so that the breaches can be remedied over a mutually agreed sensible timeframe and any negative impact on shareholder value can be minimised.

The Board has further agreed that the Portfolio Manager should start the process of renegotiating the current loan facility, which matures in January 2020. This process began in September 2019.

The Board receives reports from the Portfolio Manager regarding companies held in the portfolio and hopes to receive notice thereby of any possibility of delisting so that the Portfolio Manager and the Board can engage with the loan provider appropriately.

4. Portfolio specific valuation risk

Where the Portfolio Manager seeks to make disposals of securities held in other portfolios it manages and these securities are also held by the Company, the valuation of these securities may thereby be affected. Equally, market anticipation of these disposals may also impact valuations.

As the Portfolio Manager seeks to make disposals of unquoted positions in other portfolios in order to meet investor redemption requests, these disposals may also, indirectly, when the Company's independent valuation agent, Link, references prices of recent transactions, lead to downward revaluation of some of the Company's holdings, unless under IPEV guidelines the sales were categorised as not being "orderly" in the judgment of the independent valuation agent.

In as much as the Portfolio Manager has a lower level of assets under management and less ability to commit further funding to investee companies, there may be a greater pressure on the Company to provide funding. This funding, from other investors, may only be possible on less attractive terms, which in turn would affect valuation levels. In addition, where the Company is unable to provide further funding, this may also affect valuations and/or business prospects of the investee companies.

Mitigation – Since June 2019, the Board has been receiving weekly updates from the Portfolio Manager regarding disposal, investment and funding plans. The Board scrutinises any proposal from the Portfolio Manager to divest or to fund an investment held in the Company where the Portfolio Manager is disposing of or funding a position held in other portfolios, or simply holds the position in other portfolios. The Board has received a detailed plan from the Portfolio Manager to cover future funding and disposals, including contingencies. In addition, the Board has received on request from the Portfolio Manager, other stress test versions of this plan to cover scenarios where the Company's portfolio is subject to significant declines in NAV.

The Board is working closely with the Portfolio Manager through careful planning to seek to minimise the impact of these other disposals.

The Board scrutinises the Portfolio Manager's overall plans for divesting, funding or simply holding each of the portfolio's investee companies to seek to ensure that these are optimised to reduce valuation risk and to enhance eventual return outcomes. The Portfolio Manager regularly categorises the positions in terms of relative future importance, which helps the Board assess ongoing funding decisions.

The Board has instructed the Portfolio Manager, until further notice, to discuss with the Board any proposed disposal of a holding in the Company which is also held in other portfolios managed by the Portfolio Manager.

5. Investee company specific risk
The Company invests in a variety of biopharma and technology businesses, many of them relatively early stage, where the technology is not yet fully proven or commercialised. This can offer very significant financial success when the technology delivers but also carries downside risks particular to the companies concerned. The eventual outcome for some of these companies may be somewhat binary in as much as either the technology works, or it does not, resulting in the company concerned becoming effectively worthless. Failure may materialise, for instance, in the case of clinical trials for a biotechnology business, in the case of scaling up or commercialisation of an engineering business or in terms of the appearance of a new, previously unknown competitor for a software company. Leading-edge commercial scientific development in many fields is by its very nature risky. The performance of the Company's individual holdings, together with market events, may thus create short-term volatility in the Company's NAV.

Mitigation – The Portfolio Manager conducts detailed due diligence on these businesses at the initial investment stage and then engages regularly with all investee companies to monitor progress. The Portfolio Manager also carries out due diligence on the relevant technologies and their eventual application before investing, and obtains regular updates. The Portfolio Manager may also seek expert third-party opinions regarding the likely success of the technology. The Board seeks assurance from the Portfolio Manager through its regular portfolio review meetings with the Portfolio Manager that thorough research has been, and is being, conducted.

6. Ongoing economic viability of the Portfolio Manager
Where the Portfolio Manager experiences significant redemptions in WEIF leading to a loss of income, it may no longer easily be able to afford the necessary cost base to manage the Company's portfolio effectively.

Mitigation – The Board has requested, and received, detailed business plans from the Portfolio Manager in respect of different possible scenarios in context of redemption. The Board has also initiated discussions with other potential managers for the Company's portfolio and held exploratory discussions with the Portfolio Manager about the various different scenarios that may arise going forward. The Board has adopted its own Contingency Plan.

7. Portfolio risk: concentration risk
Some of the Company's investments may demonstrate potentially swift growth, which could lead to those investments representing larger proportions of the portfolio than might be expected. The Board feels that in such circumstances, portfolio concentration is acceptable as it evidences the success of the Portfolio Manager's judgement. The alternative, imposing limits on the size of any one investment, would potentially result in the Company being a forced seller of an investment that still had further growth potential. The Board does not feel that this would be in the best interests of the shareholders and this view is in line with the Portfolio Manager's investment strategy.

The risk linked to any portfolio concentration might be compounded due to the nature of some of the businesses and the risks associated with both commercial and technical milestones.

Mitigation – The Company's portfolio is monitored closely by the Board, the AIFM and the Portfolio Manager. The Company seeks to invest in a diversified portfolio across a wide range of companies so as to mitigate against the risk posed by an individual early-stage or early-growth company. However, the Board is mindful that the Company was established with the aim of providing long-term growth and that concentration should be viewed as a sign of success as a result of assets backed becoming more valuable. Short-term liquidity problems with the Company's underlying holdings, which may be compounded by market events, should be mitigated over time when such companies deliver on their milestones and value is recognised.

The Board also considers increased specific risks that may arise from increased concentration as the result of the relative success of certain investee companies. The Board discusses this risk with the Portfolio Manager with a view to considering whether or not to seek to reduce the size of particularly large holdings within the portfolio.

8. Portfolio Manager and key man risk
The departure of some or all of the Portfolio Manager's investment professionals could prevent the Company from achieving its investment objective.

The Portfolio Manager could terminate its contract with the Company. This event would have an impact on the management of the portfolio and possibly on the debt facility.

Mitigation – The Portfolio Manager has developed a suitable succession planning programme, which seeks to ease the impact which the loss of a key investment professional might have on the Company's performance. The Board has reached an agreement with the Portfolio Manager that any change in its key professionals will be notified to the Board at the earliest possible opportunity and the Board will be made aware of all efforts made to fill a vacancy. Furthermore, investment decisions are made by a team of professionals, mitigating the impact of the loss of any key professional within the Portfolio Manager's organisation on the Company's performance.

As mentioned above, the Board has also initiated discussions with other potential managers.

9. Cyber risk
Each of the Company's service providers is at risk of cyber attack, data theft, service disruption, etc. As a consequence, while the risk of financial loss by the Company itself is relatively small, the risk of reputational damage to the Company and of the loss of sensitive information relating to it are more significant. The Company's service providers and the Board are often party to sensitive corporate, regulatory and transactional information. Data theft or data corruption is regarded as a lower risk to the Company as such data is held in multiple locations.

Mitigation – The Board receives controls reports from its service providers which describe the protective measures they take as well as their business recovery plans.

10. Outsourced service provider model risk

The Company has no employees and the Directors have been appointed on a non-executive basis. The Company is reliant upon the performance of third-party service providers for its executive function. The AIFM, the Portfolio Manager, the Depositary, the Company Secretary and the Administrator perform services that are integral to the operation of the Company. Failure of any of its third-party service providers to perform in accordance with the terms of its appointment could have a material detrimental impact on the operation of the Company. Furthermore, any of the Company's service providers could terminate their contract.

Mitigation – The performance of the Company's service providers is monitored closely by the Board and in particular by the Management Engagement Committee. Most recently, a new Chair of the Audit, Valuation and Risk Committee has been appointed with a mandate that includes a much-expanded time commitment to monitor providers and their activities.

11. Brexit

The Company's outsourced model also exposes it to the risk of service providers being unprepared for a hard Brexit. In this scenario, the Company will no longer meet EU classification as an Alternative Investment Fund (AIF). In addition, portfolio companies may face increased funding risks as investors divest or avoid taking on further UK country risk due to Brexit.

Mitigation – To mitigate the potential loss of AIF status in the event of a hard Brexit, the UK government is to enact legislation to make EU law part of UK law, although the timing of this is uncertain.

To mitigate the risk that portfolio companies may face funding challenges due to a hard Brexit, the Board has, through the Portfolio Manager, encouraged investee companies to seek funding from a broad investor base. This includes other investors aligned to the Board's focus on the long-term growth potential of these companies.

The Company has reviewed Brexit planning and risk assessment reports from major service providers and the Board is satisfied that relevant parties have made adequate arrangements to continue to provide normal services to the Company through UK-domiciled entities.

12. Currency risk

In as much as the Portfolio Manager now no longer seeks to hedge non-sterling currency exposures through forward foreign exchange contracts and some of the Company's investments are based wholly or partly outside the UK or have revenues in currencies other than sterling, then the value of the portfolio, in sterling terms, may be affected negatively by a rise in sterling relative to these other currencies and, equally, positively by a fall in sterling.

Mitigation – None.

Directors' Responsibility Statement

In accordance with the Disclosure Guidance and Transparency Rules, the Directors confirm that, to the best of their knowledge:

a) The condensed set of financial statements contained within the half-yearly financial report has been prepared in accordance with FRS 104 'Interim Financial Reporting' issued by the Financial Reporting Council, and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;

b) The Interim Management Report, together with the Chairman's statement and Portfolio Manager's report, includes a fair review, as required by Disclosure Guidance and Transparency Rule 4.2.7R, of important events that have occurred during the first six months of the financial year, their impact on the condensed set of financial statements, and a description of the principal risks and perceived uncertainties for the remaining six months of the financial year; and

c) The Interim Management Report includes a fair review of the information concerning related parties' transactions as required by Disclosure Guidance and Transparency Rule 4.2.8R.

Signed on behalf of the Board of Directors by:

Susan Searle

Chairman
29 September 2019

Introduction

We have reviewed the condensed set of financial statements in the half-yearly financial report of Woodford Patient Capital Trust plc (the 'Company') for the six months ended 30 June 2019 which comprises the Income Statement, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement and the related explanatory notes. We have read the other information contained in the half-yearly financial report which comprises only the Financial highlights, the Chairman's statement, the Portfolio Manager's review, the principal risks and uncertainties and Directors' responsibility statement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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 Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with Financial Reporting Standard 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 Financial Reporting Standard 104 'Interim Financial Reporting'.

Our responsibility

Our responsibility is to express a conclusion to the Company 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'. 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 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 30 June 2019 is not prepared, in all material respects, in accordance with Financial Reporting Standard 104 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Use of our report

This report is made solely to the Company, as a body, 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'. Our review work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review 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 as a body, for our review work, for this report, or for the conclusion we have formed.

GRANT THORNTON UK LLP
Statutory Auditor, Chartered Accountants
30 Finsbury Square
London
EC2A 1AG

29 September 2019

Income statement
for the six months ended 30 June 2019 (unaudited)

				(Unaudited) Six months to 30 June 2019			(Unaudited) Six months to 30 June 2018			(Audited) Year ended 31 December 2018
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments and derivatives measured at fair value through profit or loss	9	0	(229,034)	(229,034)	0	6,864	6,864	0	55,752	55,752
Income	3	0	0	0	40	0	40	281	0	281
Portfolio management fee	4	0	0	0	0	0	0	0	0	0
Other expenses	5	(1,193)	0	(1,193)	(603)	0	(603)	(1,276)	0	(1,276)
Return before finance costs and taxation		(1,193)	(229,034)	(230,227)	(563)	6,864	6,301	(995)	55,752	54,757
Finance costs	6	(1,480)	0	(1,480)	(1,249)	0	(1,249)	(2,852)	0	(2,852)
Return before taxation		(2,673)	(229,034)	(231,707)	(1,812)	6,864	5,052	(3,847)	55,752	51,905
Taxation	7	0	0	0	0	0	0	0	0	0
Return for the period		(2,673)	(229,034)	(231,707)	(1,812)	6,864	5,052	(3,847)	55,752	51,905
Return per ordinary share (pence)		(0.30)p	(25.97)p	(26.27)p	(0.22)p	0.83p	0.61p	(0.47)p	6.74p	6.27p

The notes on pages 34 to 41 form part of these financial statements.
The total column of this statement is the profit and loss account of the Company.
All the revenue and capital items in the above statement derive from continuing operations.
There is no other comprehensive income.

Statement of financial position

As at 30 June 2019 (unaudited)

	Notes	(Unaudited) 30 June 2019 £'000	(Unaudited) 30 June 2018 £'000	(Audited) 31 Dec 2018 £'000
Fixed assets				
Investments at fair value through profit or loss	9	777,866	907,787	963,613
Current assets				
Derivative financial instruments at fair value through profit or loss	12	725	106	1,065
Debtors	10	37	6	11
		762	112	1,076
Creditors – amounts falling due within one year				
Derivative financial instruments at fair value through profit or loss	12	(7,479)	(10,890)	(7,040)
Other creditors	11	(795)	(382)	(483)
Bank overdraft	11	(116,126)	(136,280)	(149,966)
		(124,400)	(147,552)	(157,489)
Net current liabilities		(123,638)	(147,440)	(156,413)
Net assets		654,228	760,347	807,200
Capital and reserves				
Share capital	13	9,086	8,270	8,270
Share premium	14	891,018	813,099	813,099
Capital reserve	15	(235,419)	(55,273)	(6,385)
Revenue reserve	16	(10,457)	(5,749)	(7,784)
Total shareholders' funds		654,228	760,347	807,200
Net asset value per share – ordinary shares (pence)	19	72.00p	91.94p	97.61p

The notes on pages 34 to 41 form part of these financial statements.

Statement of changes in equity

movement for the six months ended 30 June 2019 (unaudited)

	Share capital £'000	Share premium account £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Beginning of period	8,270	813,099	(6,385)	(7,784)	807,200
Total comprehensive income for the financial period	0	0	(229,034)	(2,673)	(231,707)
Placing of shares	816	77,919	0	0	78,735
Balance at 30 June 2019	9,086	891,018	(235,419)	(10,457)	654,228

Movement for the six months ended 30 June 2018 (unaudited)

	Share capital £'000	Share premium account £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Beginning of period	8,270	813,099	(62,137)	(3,937)	755,295
Total comprehensive income for the financial period	0	0	6,864	(1,812)	5,052
Balance at 30 June 2018	8,270	813,099	(55,273)	(5,749)	760,347

Movement for the year to 31 December 2018 (audited)

	Share capital £'000	Share premium account £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Beginning of year	8,270	813,099	(62,137)	(3,937)	755,295
Total comprehensive income for the financial year	0	0	55,752	(3,847)	51,905
Balance at 31 December 2018	8,270	813,099	(6,385)	(7,784)	807,200

Distributable reserves comprise: the revenue reserve and capital reserve attributable to realised profits.

Share capital represents the nominal value of shares that have been issued. The share premium account includes any premiums received on issue of share capital. Any direct transaction costs associated with the issuing of shares are deducted from share premium.

All investments are held at fair value through profit or loss. When the Company revalues the investments still held during the period, any gains or losses arising are credited/charged to the capital reserve.

Cash flow statement

for the six months ended 30 June 2019 (unaudited)

	(Unaudited) Six months to 30 June 2019 £'000	(Unaudited) Six months to 30 June 2018 £'000	(Audited) Year to 31 December 2018 £'000
Cash flow from operating activities			
Return before finance costs and taxation	(230,227)	6,301	54,757
Adjustments for:			
Losses/(gains) on investments held at fair value through profit or loss	229,034	(6,864)	(55,752)
Increase in debtors	(22)	(2)	(7)
Increase/(decrease) in creditors	312	(200)	45
Net cash used from operating activities	(903)	(765)	(957)
Cash flows from investing activities			
Purchase of investments	(99,008)	(80,866)	(117,186)
Proceeds from sales of investments	131,117	99,270	135,802
Cash outflows from derivative financial instruments	(9,251)	(7,476)	(20,989)
Cash inflows from derivative financial instruments	7,550	4,217	5,627
Net cash generated in investing activities	30,408	15,145	3,254
Cash flows from financing activities			
Placing of shares	6,000	0	0
Costs on placing of shares	(185)	0	0
Finance costs	(1,480)	(1,249)	(2,852)
Net cash from financing activities	4,335	(1,249)	(2,852)
Net increase/(decrease) in cash and cash equivalents	33,840	13,131	(555)
Cash and cash equivalents at the beginning of the period	(149,966)	(149,411)	(149,411)
Cash and cash equivalents at end of period	(116,126)	(136,280)	(149,966)

1. General information
The Company was incorporated in England and Wales on 26 January 2015 with registered number 09405653 as a closed-ended investment company. The Company commenced its operations on 21 April 2015. The Company intends to carry on business as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010.

The Company's investment objective is to achieve long-term capital growth through investing in a diversified portfolio consisting predominantly of UK companies, both quoted and unquoted. The Company will aim to deliver a return in excess of 10 per cent per annum over the longer term.

The Company's shares were admitted to the Official List of the UK Listing Authority with a premium listing on 21 April 2015. On the same day, trading of the ordinary shares commenced on the London Stock Exchange.

2. Accounting policies
(a) Basis of preparation
The Company has adopted applicable UK Accounting Standards, being FRS 102 – The Financial Reporting Standard – and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (issued in November 2014 and updated in February 2018). The half-year financial statements are prepared in accordance with Financial Reporting Standards 104 – Interim Financial Reporting. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies. They have also been prepared on the assumption that approval as an investment trust will continue to be granted.

The Directors have considered the basis of preparation of the interim financial statements. The two main issues the Directors considered were the ongoing ability of the Portfolio Manager to provide investment management services and whether the Company has adequate resources to enable it to meet its debt obligations and continue in operational existence for the foreseeable future.

The Directors have held discussions with other potential portfolio managers who have stated their willingness to take on the management of the Company portfolio and also engaged with the existing Portfolio Manager around their contingency business planning.

In addition, the Directors have considered the status of the Company's debt facility which falls due for renewal in January 2020 and have engaged directly and constructively with the provider on the available borrowing base of the facility and the upcoming renewal. In addition, the Directors have received a detailed analysis from the Portfolio Manager about a possible programme of portfolio sales that would, in extreme circumstances, enable the Company to meet all its debt obligations should repayment be required or desired.

Accordingly, the Directors believe that it is appropriate to adopt the going concern basis in preparing the Company's financial statements.

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 financial information for the six months ended 30 June 2019 and 30 June 2018 has not been audited. The information for the year ended 31 December 2018 has been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies. The report of the auditors on those accounts contained no qualification or statement under section 498 (2) or (3) of the Companies Act 2006.

The interim financial statements have been prepared using the same accounting policies as the preceding annual financial statements.

(b) Investments
Investments that are quoted on an exchange are valued using the relevant bid price as recorded on that exchange. Where there is no material trading in those investments on the exchange, the investment, will, for valuation purposes, be treated as if it were an unquoted investment and valued using the process described below.

Investments in the shares of individual companies that are not quoted on any Stock Exchange ("unquoted investments") are a significant activity of the Company and represent a significant asset of the Company.

Such investments are held at fair value, which requires significant estimation in concluding on their fair value. While there is a robust and consistent valuation process undertaken by the AIFM, it is recognised that in stating these assets at fair value there is a significant element of estimation uncertainty. Central to this uncertainty is the assumption that such assets will continue to progress in line with their stated business plan and will be held for the longer term until exit, generally where either the company is sold to an interested party or lists on an appropriate exchange. The core to that estimation judgement is the potential failure of any individual unquoted investment to progress in accordance with their business plan and such failure could result in a material change to the fair valuation of that company. In line with the Link Fair Value Policy for reviewing investment valuations, the assumptions and estimates made in determining the fair value of each unquoted investment are considered at least each six months or sooner if there is a triggering event. An example of where a valuation would be considered out of the six-month cycle is the failure of a drug under development to meet an anticipated outcome of its trial, or other performance against tangible development milestones.

The judgements to the estimations of fair value are considered on an ongoing basis including considering impact of events in the wider market. In making these estimates, appropriate care is taken to consider the nature and inherent uncertainties of market events and their impact on the fair value of unquoted assets.

While there may be market speculation about potential transaction activity in portfolio companies, such matters are not taken into account in the valuation process until the information is public and can be considered as an observable market transaction.

In determining the fair value of the unquoted investments, the AIFM, as set out in the unquoted securities valuation policy above, has done so in accordance with the following principles, which are consistent with the IPEVCV guidelines. It should be noted that the IPEVCV guidelines were revised in December 2018 and became effective from the 1 January 2019 and were adopted at that time by the AIFM. The key enhancement to note in the revised IPEVCV guidelines is the removal of the price of a recent investment as a specific valuation technique. This revision was made to reinforce the premise that fair value must be estimated at each measurement date, which ensures a level of consistency with applicable accounting standards.

1. the following factors will be considered in determining the fair value of an asset:
   a. the price of a recent investment, whilst an indicator of fair value, is not a default that would preclude re-estimating the valuation at the valuation date. However, if the price of recent investment is determined to be fair value then it is used to calibrate inputs to the valuation model(s); or
   b. where a value is indicated by a recent material arms-length transaction by an independent third party in the shares of a company, and after it is established that this is fair then this value will be used, unless the rights attributable to the shares impact the overall capital structure and rights of existing investors; or
   c. in the absence of (a and b) and depending upon both the subsequent trading performance and investment structure of an investee company, the valuation basis will usually move to an earnings multiple basis or, if appropriate, other valuation models such as: –
      i. Probability-weighted expected return method (PWERM), which considers on a probability weighted basis the future outcomes for the investment.
      ii. Option priced modelling (OPM) is used to value early stage companies where outcomes are uncertain.
      iii. Adjusted recent transaction prices (which consider the company's performance against key milestones and the complexity of the capital structure) are also used.
   d. if the investment is in a fund then the valuation will be based on the NAV of the fund (which is invariably comprised of early-stage unquoted investments), or on an adjusted basis to recognise the underlying performance of the investments.

   Where models are used in valuing an investment, significant judgements are made in estimating the various inputs into the models and recognising the sensitivity of such estimates, especially in early-stage pre-revenue enterprises. Examples of the factors where significant judgement is made include, but are not limited to – the probability assigned to the relative success or failure of an enterprise; the probable future outcome paths; discount rates; growth rates; terminal value; selection of appropriate market comparable companies, the reliability of future revenue and growth forecasts and the likely exit scenarios for the investor company, for example, IPO or trade sale. In making judgements in regard to the probability of an investee outcome, it must be noted that due to the nature of the investee company's activity, its future outcome may, to a greater or lesser extent, be binary, for example, if an investee company is developing one particular drug and that fails its required trials then the outcome may be terminal for that enterprise. It should be noted that the most significant event that will drive valuation change in investee companies are company-specific events that would give rise to a valuation inflexion point (known also as a 'triggering event'). An example of a material inflexion point in a bio-pharma company would be the successful completion of a drug trial or its approval by a regulatory authority.

These valuation methods may lead to a company being valued on a suitable price-earnings ratio to that company's historic, current or forecast post-tax earnings before interest and amortisation (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified when compared to the market sector (which the investment would reside in were it listed) including, inter alia, a lack of marketability).

At 30 June 2019, 15.7 per cent (31 December 2018: 43.1 per cent) of the NAV was valued in accordance with (1a); 11.2 per cent (31 December 2018: 0 per cent) in accordance with (1b); 58.0 per cent (31 December 2018: 12 per cent) in accordance with (1c); and 1.5 per cent (31 December 2018: 5.6 per cent) in accordance with (1d).

Further price risks exist within the Company's portfolio of assets, each of which may cause volatility in the value of the Company's assets. Market risk, which comprises three elements – currency risk; interest rate risk and other price risk, is the main consideration in this judgement and estimation of its potential impact. Currency risk is considered important here as circa 35 per cent of the NAV is valued in USD (which is converted at the prevailing exchange rate to GBP for the calculation of the NAV). This significance is heightened due to the continuing uncertainty as to how the UK's planned departure from the EU will conclude. The other factor considered is other price risk, which can be attributed to the general circumstances facing the Company. The below table illustrates the effect if these matters combined in a negative or positive outcome of 10 and 20 per cent of NAV.

Percentage movement	30 June 2019 Increase in fair value £'000	31 December 2018 Increase in fair value £'000	30 June 2019 Decrease in fair value £'000	31 December 2018 Decrease in fair value £'000
10%	77,787	96,361	(77,787)	(96,361)
20%	155,573	192,722	(155,573)	(192,722)

3. Income	(Unaudited) Six months ended 30 June 2019 £'000	(Unaudited) Six months ended 30 June 2018 £'000	(Audited) Year ended 31 December 2018 £'000
Income from investments	0	0	0
UK franked dividends	0	40	281
Overseas interest	0	40	281

4. Portfolio management fee	(Unaudited) Six months ended 30 June 2019 £'000	(Unaudited) Six months ended 30 June 2018 £'000	(Audited) Year ended 31 December 2018 £'000
Performance fee accrual: 100 per cent charged to capital	0	0	0
	0	0	0

The Portfolio Manager has agreed not to receive a management fee from the Company in respect of its services provided under the Portfolio Management Services Agreement. The Portfolio Manager is entitled to receive a performance fee equal to 15 per cent of any excess returns over a cumulative 10 per cent per annum hurdle rate, subject to a high watermark.

5. Other expenses	(Unaudited) Six months ended 30 June 2019 £'000	(Unaudited) Six months ended 30 June 2018 £'000	(Audited) Year ended 31 December 2018 £'000
Secretarial services	38	32	64
Administration expenses	630	453	959
Auditor's remuneration:			
– Fees payable to the Company's auditor for the audit of the Company's annual accounts	31	18	62
– Fees payable to the Company's auditor for audit-related assurance services: interim review	88	10	10
Directors' fees	98	90	181
Board Advisory costs	308	0	0
	1,193	603	1,276

Since June 2019 the Board has sought a wider range and more frequent advice from all of its advisors in order to address all the issues that have arisen. This has resulted in a greater level of Administrative Expenses and Board Advisory Expenses than normal. This is not expected to persist into 2020.

6. Finance costs	(Unaudited) Six months ended 30 June 2019 £'000	(Unaudited) Six months ended 30 June 2018 £'000	(Audited) Year ended 31 December 2018 £'000
Fee paid for credit facility and interest paid	1,480	1,249	2,852
	1,480	1,249	2,852

7. Taxation	(Unaudited) Six months ended 30 June 2019 £'000	(Unaudited) Six months ended 30 June 2018 £'000	(Audited) Year ended 31 December 2018 £'000
Taxation	0	0	0
	0	0	0

8. Dividends
No dividends have been proposed or paid in respect of the year ended 31 December 2018 or for the six months ended 30 June 2019.

9. (a) Investments	(Unaudited) 30 June 2019 £'000	(Unaudited) 30 June 2018 £'000	(Audited) 31 Dec 2018 £'000
Level 1			
Quoted investments	103,462*	163,589	224,847
Level 2			
Investments at fair value through profit or loss	0	123,574	0
Level 3			
Unquoted investments	517,444	620,624	627,863
Quoted investments	156,960**	0	110,903
	777,866	907,787	963,613

* Level 1 quoted investments include £103,462,000 of investments listed on a recognised stock exchange (NASDAQ and LSE).

** These investments are quoted, but there is no trading in these investments. These are valued using valuation methodologies described in note2(b).

Level 1 – the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3 – significant inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

(b) Movements

	Quoted £'000	Unquoted £'000	(Unaudited) Six months to 30 June 2019 Total £'000	Quoted £'000	Unquoted £'000	(Audited) Year ended 31 Dec 2018 Total £'000
Book cost at beginning of period/year	381,379	530,670	912,049	327,632	568,151	895,783
(Losses)/gains on investments held at beginning of period/year	(45,629)	97,193	51,564	(41,614)	51,115	9,501
Valuation at beginning of period/year	335,750	627,863	963,613	286,018	619,266	905,284
Movements in period/year:						
Purchase at cost	49,232	122,279	171,511	7,129	109,913	117,042
Sales:						
– proceeds	(82,504)	(48,547)	(131,051)	(55,958)	(79,844)	(135,802)
– (losses)/gains on investments sold in the period/year	(47,413)	4,849	(42,564)	(7,776)	42,802	35,026
Transfer between unquoted and quoted investments at valuation	64,500	(64,500)	0	110,352	(110,352)	0
(Losses)/gains on investment holdings held at end of period/year	(59,143)	(124,500)	(183,643)	(4,015)	46,078	42,063
Valuation at end of period/year	**260,422**	**517,444**	**777,866**	**335,750**	**627,863**	**963,613**

(c) Gains/(losses) on financial instruments

	(Unaudited) Six months to 30 June 2019 £'000
Losses on investment holdings held during the period	(183,643)
Losses on investment holdings sold in the period	(42,564)
Total losses on foreign currency contracts	(2,827)
	(229,034)

Rutherford Health listed on the NEX exchange during the period and is classified as a Level 3 Quoted asset at 30 June 2019. Ombu and Industrial Heat de-listed from The International Stock Exchange after the period ended 30 June 2019 and are now categorised as unquoted assets.

On 28 February 2019, the Company entered into an agreement to acquire a portfolio of unquoted assets for £72.8 million from WEIF through the issuance of 75,432,424 new ordinary shares of one penny each in the capital of the Company. WEIF also subscribed for a further 6,206,814 new shares for £6.0 million in cash. WPCT and WEIF are both managed by Woodford Investment Management (the Portfolio Manager).

10. Debtors	(Unaudited) 30 June 2019 £'000	(Unaudited) 30 June 2018 £'000	(Audited) 31 Dec 2018 £'000
Accrued income and prepayments	33	6	11
Securities sold receivable	4	0	0
	37	**6**	**11**

11. Creditors	(Unaudited) 30 June 2019 £'000	(Unaudited) 30 June 2018 £'000	(Audited) 31 Dec 2018 £'000
Amounts falling due within one year:			
Bank overdraft	116,126	136,280	149,966
Other creditors	795	382	483
	116,921	136,662	150,449

During the period under review the Company had a bank overdraft credit facility provided by the Northern Trust Company, London Branch of £150,000,000. The amount outstanding in relation to this facility at 30 June 2019 was £116 million. The bank overdraft facility was extended by 364 days to 16 January 2020.

The Company's existing Facility contains provisions that limit borrowings to an amount based on the value of both the quoted and unquoted holdings (the borrowing base). In the event that valuation changes in the quoted and/or unquoted assets in the portfolio result in the amount drawn under the Facility exceeding the borrowing base, the Company is required to reduce borrowings as is necessary to bring the amount drawn under the Facility to a level within the borrowing base.

Effective 5 September 2019, and further amendment effective 19 September 2019, the Company agreed with its lender greater flexibility around certain obligations relating to the borrowing base for a period of time while the Company pursues the disposal of certain unquoted assets. WPCT has agreed to make no further investments during this time without the prior consent of the lender (such consent already provided in relation to certain existing commitments). WPCT has agreed a revised interest rate with the lender of LIBOR + 1.5 per cent.

12. Derivative financial instruments			(Unaudited) 30 June 2019			(Unaudited) 30 June 2018			(Audited) 31 Dec 2018
	Current assets £'000	Current liabilities £'000	Net current liabilities £'000	Current assets £'000	Current liabilities £'000	Net current liabilities £'000	Current assets £'000	Current liabilities £'000	Net current liabilities £'000
Forward foreign exchange contracts	725	(7,479)	(6,754)	106	(10,890)	(10,784)	1,065	(7,040)	(5,975)
Total derivative instruments	725	(7,479)	(6,754)	106	(10,890)	(10,784)	1,065	(7,040)	(5,975)

The above derivatives are classified as Level 2 as defined in note 9a.

13. Share capital

The table below details the issued share capital of the Company as at the date of the accounts:

		(Unaudited) 30 June 2019		(Unaudited) 30 June 2018		(Audited) 31 Dec 2018
	No. of shares	£'000	No. of shares	£'000	No. of shares	£'000
Allotted, issued and fully paid:						
Ordinary shares of 1p	827,000,000	8,270	827,000,000	8,270	827,000,000	8,270
Movement in period	81,639,238	816	0	0	0	0
	908,639,238	9,086	827,000,000	8,270	827,000,000	8,270

On the 28 February, the Company issued 81,639,238 ordinary shares as part of the transaction with WEIF.

The ordinary shares carry the right to receive dividends and have one voting right per ordinary share. There are no shares which carry specific rights with regard to the control of the Company. The shares are freely transferable. There are no restrictions or agreements between shareholders on the voting rights of any of the ordinary shares or the transfer of shares.

14. Share premium	(Unaudited) Six months ended 30 June 2019 £'000	(Unaudited) Six months ended 30 June 2018 £'000	(Audited) Year ended 31 Dec 2018 £'000
Opening balance	813,099	813,099	813,099
Placing of shares	78,104	0	0
Costs on placing of shares	(185)	0	0
Closing balance	891,018	813,099	813,099

15. Capital reserve	(Unaudited) Six months ended 30 June 2019 £'000	(Unaudited) Six months ended 30 June 2018 £'000	(Audited) Year ended 31 Dec 2018 £'000
Opening balance	(6,385)	(62,137)	(62,137)
(Losses)/gains on investments – held at fair value through profit or loss	(229,034)	6,864	55,752
Closing balance	(235,419)	(55,273)	(6,385)

16. Revenue reserve	(Unaudited) Six months ended 30 June 2019 £'000	(Unaudited) Six months ended 30 June 2018 £'000	(Audited) Year ended 31 Dec 2018 £'000
Opening balance	(7,784)	(3,937)	(3,937)
Retained losses for the period	(2,673)	(1,812)	(3,847)
Closing balance	(10,457)	(5,749)	(7,784)

17. Financial commitments

The Company had oustanding commitments of £16.1m (31 December 2018: £16.8m, 30 June: nil). Subsequent to the period end £7.2m of these commitments have been cancelled.

18. Return per ordinary share

Total return per ordinary share is based on the return on ordinary activities after taxation of £(231,707,000). This calculation is based on 882,027,553 weighted average shares in issue during the six-month period to 30 June 2019. The total return per ordinary share for the year ended 31 December 2018 is based on the return on ordinary activities after taxation of £51,905,000. This calculation is based on 827,000,000 weighted average shares in issue during the year to 31 December 2018. The total return per ordinary share for the six month period ended 30 June 2018 is based on the return on ordinary activities after taxation of £5,052,000. This calculation is based on 827,000,000 weighted average shares in issue during the six month period to 30 June 2018.

19. Net asset value per share

Total shareholders' funds and the NAV per share attributable to the ordinary shareholders at the period end calculated in accordance with the Articles of Association were as follows:

	(Unaudited) Net asset value per share 30 June 2019 pence	(Unaudited) Net assets available 30 June 2019 £'000	(Unaudited) Net asset value per share 30 June 2018 pence	(Unaudited) Net assets available 30 June 2018 £'000	(Audited) Net asset value per share 31 Dec 2018 pence	(Audited) Net assets available 31 Dec 2018 £'000
Ordinary shares	72.00	654,228	91.94	760,347	97.61	807,200

The NAV per share as at 30 June 2019 is based on 908,639,238 ordinary shares in issue; 30 June 2018 and 31 December 2018 are based on 827,000,000 ordinary shares in issue.

20. Transactions with the Portfolio Manager and the AIFM

The Company provides additional information below concerning its relationship with the Portfolio Manager, Woodford Investment Management Ltd . The amount of the accrual established as a provision for the performance fee due to the Portfolio Manager is nil as set out in note 4. At 30 June 2019, no amount was payable in respect of the fee as it only crystallises at the end of a performance period, although it would accrue if over the hurdle.

Link Fund Solutions Limited, as the AIFM of the Company, has fees paid for the period ended 30 June 2019 of £37,500. Link Company Matters Limited, which provides the Company with company secretarial services, was paid £37,929 during the six months ended 30 June 2019 (31 December 2018: £64,106 paid during the year).

Woodford has subcontracted to Northern Trust Global Services Plc the provision of the middle office function on behalf of the Company, which they recharge to the Company at cost. From time to time Woodford instructs various third parties to undertake various functions on behalf of the Company which they recharge to the Company at cost. During the six-month period under review, charges relating to middle office services amounted to £57,655 (31 December 2018: £104,382).

21. Related party transactions

Under the Listing Rules, the Portfolio Manager and AIFM are regarded as related parties of the Company. However, the existence of an independent Board of Directors demonstrates that the Company is free to pursue its own financial and operating policies and therefore, in terms of FRS 102, the Portfolio Manager and the AIFM are not considered related parties. Transactions with the Portfolio Manager and AIFM are noted above.

Fees paid to the Company's Directors are disclosed in the Directors' remuneration report on page 54 of the Company's annual report and financial statements for the year ended 31 December 2018.

Although technically, under FRS accounting standards, not Related Party Transactions, the Directors believe it may be useful to remind shareholders that In March WPCT acquired five assets from WEIF. These assets were acquired for £72.8m and were assets deemed to be the next wave of disrupters for the Company's portfolio. All five assets were independently valued by Duff & Phelps. The assets were already owned and valued by the Company through Link and IHS Markit. To fund these assets and their follow-on cash requirements, WEIF subscribed for shares in the Company at 96.67 pence which was equal to the then NAV plus the costs of the transaction (including stamp duty) and at the time was equivalent to an 15.8 per cent premium to the share price. The board discussed the transaction at length and viewed this as an attractive deal for the Company.

22. Post balance sheets events

The Board appointed Jane Tufnell as an independent Non-Executive Director on 2 September 2019. Additionally, Raymond Abbott will be appointed as an independent Non-Executive Director with effect from 1 October 2019. Steven Harris and Louise Makin have stated their intention to step down as Non-Executive Directors on 30 September 2019.

Subsequent to the period end, further write-downs of Level 3 investments totalling £47,700,000 (7.3% of NAV at 30 June 2019) have occurred. These have been reflected in the latest reported NAV announced to the market.

Directors, Portfolio Manager and Advisers

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Scott Brown
Stephen Cohen
Steven Harris
Dame Louise Makin
Jane Tufnell

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