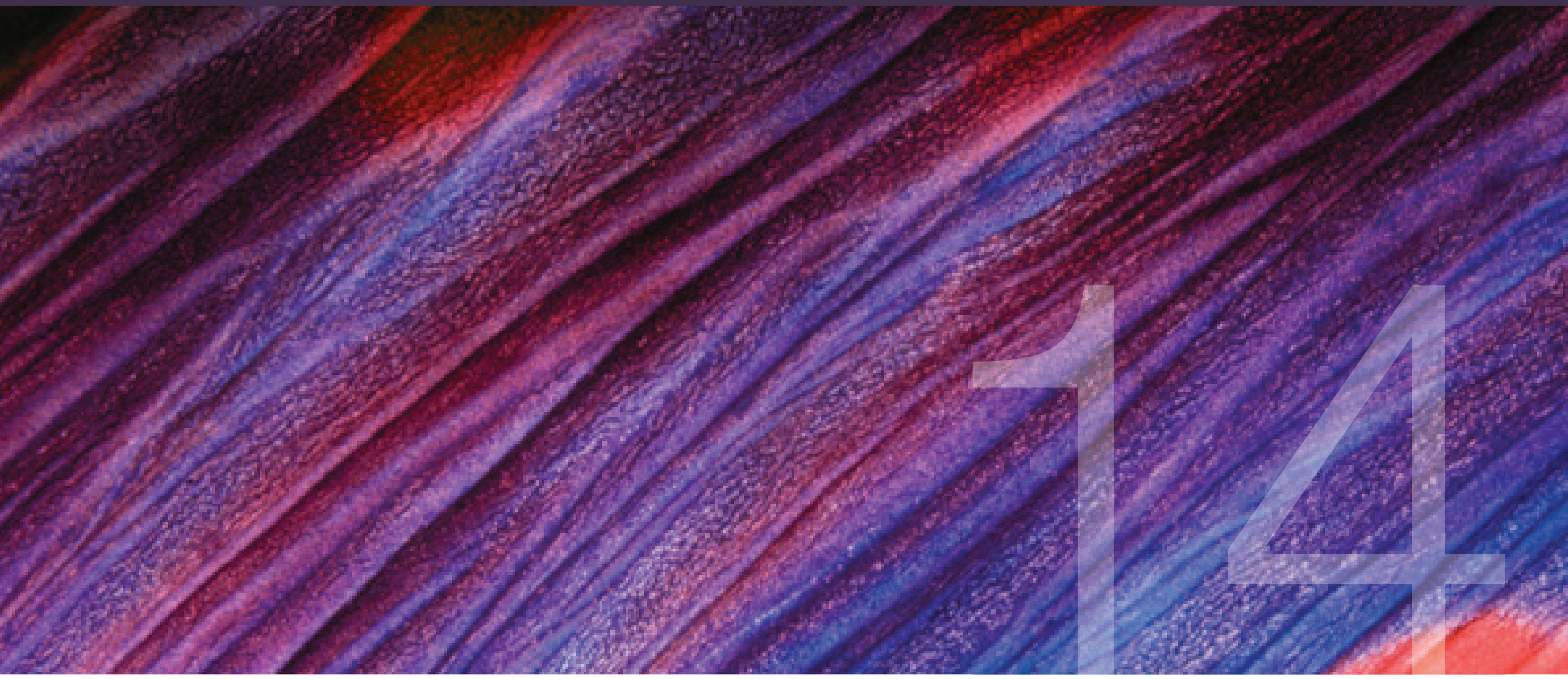
Annual Report and Financial Statements for the year ended 31 March 2014



Albion Venture Capital Trust PLC

ALBION VENTURES

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Company information

Company number	03142609
Directors	D J Watkins MBA (Harvard), Chairman (US citizen) J M B L Kerr ACMA J Warren ACCA E Dinesen R (Danish) FSR
Manager, company secretary and registered office	Albion Ventures LLP 1 King's Arms Yard London, EC2R 7AF
Registrar	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol, BS99 6ZZ
Auditor	BDO LLP 55 Baker Street London, W1U 7EU
Taxation adviser	PricewaterhouseCoopers LLP 1 Embankment Place London, WC2N 6RH
Legal adviser	Bird & Bird LLP 15 Fetter Lane London, EC4A 1JP

Albion Venture Capital Trust PLC is a member of The Association of Investment Companies.

Shareholder information

For help relating to dividend payments, shareholdings and share certificates please contact Computershare Investor Services PLC:
Tel: 0870 873 5849 (UK National Rate call, lines are open 8.30am – 5.30pm; Mon – Fri, calls may be recorded)
Website: www.investorcentre.co.uk

Shareholders can access holdings and valuation information regarding any of their shares held with Computershare by registering on Computershare's website.

Financial adviser information

For enquiries relating to the performance of the Fund, and information for financial advisers, please contact Albion Ventures LLP:
Tel: 020 7601 1850 (lines are open 9.00am – 5.30pm; Mon – Fri, calls may be recorded)
Email: info@albion-ventures.co.uk
Website: www.albion-ventures.co.uk

Please note that these contacts are unable to provide financial or taxation advice.

Investment objectives and policy

The investment strategy of Albion Venture Capital Trust PLC (the "Company") is to reduce the risk normally associated with investments in smaller unquoted companies whilst maintaining an attractive yield, through allowing investors the opportunity to participate in a balanced portfolio of asset-backed businesses. The Company's investment portfolio will thus be structured to provide a balance between income and capital growth for the longer term.

This is achieved as follows:

- qualifying unquoted investments are predominantly in specially-formed companies which provide a high level of asset backing for the capital value of the investment;
- the Company invests alongside selected partners with proven experience in the sectors concerned;
- investments are normally structured as a mixture of equity and loan stock. The loan stock represents the majority of the finance provided and is secured on the assets of the portfolio company. Funds managed or advised by Albion Ventures LLP typically own 50 per cent. of the equity of the portfolio company;
- other than the loan stock issued to funds managed or advised by Albion Ventures LLP, portfolio companies do not normally have external borrowings.

The Company offers tax-paying investors substantial tax benefits at the time of investment, on payment of dividends and on the ultimate disposal of the investment.

Background to the Company

The Company is a venture capital trust which raised a total of £39.7 million through an issue of Ordinary shares in the spring of 1996 and through an issue of C shares in the following year. The C shares merged with the Ordinary shares in 2001. The Company has raised a further £8.7 million under the Albion VCTs Top Up Offers since 2011.

On 25 September 2012, the Company acquired the assets and liabilities of Albion Prime VCT PLC ("Prime") in exchange for new shares in the Company ("the Merger"). On the same day, Prime was placed into members' voluntary liquidation pursuant to a scheme of reconstruction under Section 110 of the Insolvency Act 1986.

All of the assets and liabilities of Prime totalling £14,338,000 were transferred to the Company in exchange for the issue of 19,307,001 new Ordinary shares in the capital of the Company at a deemed issue price of 74.2638 pence per share. Each Prime shareholder received 0.8801 shares in the Company for each Prime share that they held at the date of the Merger as described in note 10.

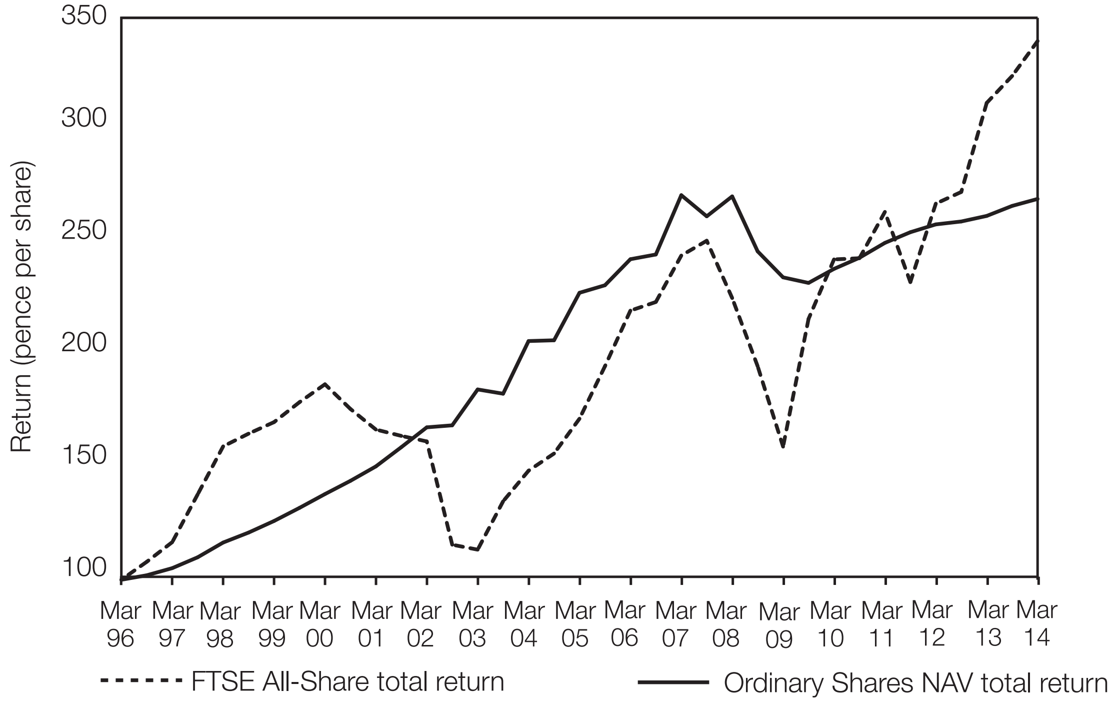
Financial calendar

Record date for first dividend	11 July 2014
Annual General Meeting	25 July 2014
Payment of first dividend	31 July 2014
Announcement of half-yearly results for the six months ended 30 September 2014	November 2014
Payment of second dividend (subject to Board approval)	31 December 2014

Financial highlights

2.0p	**Basic and diluted total return per share as at 31 March 2014**
5.0p	**Total tax-free dividend per share paid during the year ended 31 March 2014 and 2.5p first tax free dividend per share declared for the year to 31 March 2015**
71.3p	**Net asset value per share as at 31 March 2014**
6.2%	**Annualised return since launch (without tax relief)**
201.1p	**Net asset value plus dividends since launch to 31 March 2014**

Ordinary shares Net Asset Value total return relative to the FTSE All-Share Index total return (both with dividends reinvested)



Source: Albion Ventures LLP

Methodology: The net asset value return to the shareholder, including original amount invested (rebased to 100) from launch, assuming that dividends were re-invested at net asset value of the Company at the time the shares were quoted ex-dividend. Transaction costs are not taken into account.

Financial highlights (continued)

	31 March 2014 (pence per share)	31 March 2013 (pence per share)
Dividends paid	**5.00**	5.00
Revenue return	**1.70**	2.00
Capital return	**0.30**	–
Effect of merger (see note 10)	**–**	(0.90)
Net asset value	**71.30**	74.20

Total shareholder net asset value return to 31 March 2014		**Ordinary shares**	**C shares**
Total dividends paid during the year ended:	31 March 1997	2.00	–
	31 March 1998	5.20	2.00
	31 March 1999	11.05	8.75
	31 March 2000	3.00	2.70
	31 March 2001	8.55	4.80
	31 March 2002	7.60	7.60
	31 March 2003	7.70	7.70
	31 March 2004	8.20	8.20
	31 March 2005	9.75	9.75
	31 March 2006	11.75	11.75
	31 March 2007	10.00	10.00
	31 March 2008	10.00	10.00
	31 March 2009	10.00	10.00
	31 March 2010	5.00	5.00
	31 March 2011	5.00	5.00
	31 March 2012	5.00	5.00
	31 March 2013	5.00	5.00
	31 March 2014	5.00	5.00
Total dividends paid to 31 March 2014		**129.80**	**118.25**
Net asset value as at 31 March 2014		71.30	71.30
Total shareholder net asset value return to 31 March 2014		**201.10**	**189.55**

The financial summary above is for the Company, Albion Venture Capital Trust PLC only. Details of the financial performance of Albion Prime VCT PLC, which has been merged into the Company, can be found on page 54.

In addition to the dividends summarised above, the Board has declared a first dividend for the year ending 31 March 2015 of 2.50 pence per share to be paid on 31 July 2014 to shareholders on the register as at 11 July 2014.

Notes

- *Dividends paid before 5 April 1999 were paid to qualifying shareholders inclusive of the associated tax credit. The dividends for the year to 31 March 1999 were maximised in order to take advantage of this tax credit.*
- *All dividends paid by the Company are paid free of income tax to qualifying shareholders. It is an H.M. Revenue & Customs requirement that dividend vouchers indicate the tax element should dividends have been subject to income tax. Investors should ignore this figure on their dividend voucher and need not disclose any income they receive from a VCT on their tax return.*
- *The net asset value of the Company is not its share price as quoted on the official list of the London Stock Exchange. The share price of the Company can be found in the Investment Companies – VCTs section of the Financial Times on a daily basis. Investors are reminded that it is common for shares in VCTs to trade at a discount to their net asset value.*

Chairman's statement

Introduction
The results for the year to 31 March 2014 are the first to show a full year's combined results of Albion Venture Capital Trust PLC and Albion Prime VCT PLC since they merged in September 2012. The results show a total return of 2 pence per share, the same as the previous year, and net assets of 71.3 pence per share compared to 74.2 pence per share at 31 March 2013, following the payment of total tax-free dividends of 5 pence per share. The Company raised approximately £1.94 million during the year under the Albion VCT Top Up Offers 2012/2013 and approximately £1.40 million for the Albion VCT Top Up Offer 2013/2014, with a subsequent £1.90 million after the year end.

It is disappointing that the total return for the year remains below the Company's target dividend of 5 pence per annum. On the one hand, the merger with Albion Prime VCT PLC has created cost efficiencies, with "other expenses" (excluding write off of previously accrued income) falling. Income, however, is also lower than we would have hoped for. This was largely due to the sales of the strongly cash generative cinema portfolio at the end of 2012 and the Bear Hotel in Hungerford and Nelson House Hospital in March 2013. The total return was affected by the soft performance of our hotels and health and fitness clubs. We address this further below.

Investment performance and progress
In general, we continue the task of repositioning the portfolio towards greater emphasis on the healthcare and renewable energy sectors and reduced reliance on sectors that are exposed to the consumer and business cycle. Renewable energy currently account(s) for 14 per cent. of the portfolio with a target of 20 per cent., while healthcare accounts for 18 per cent. of the portfolio. Hotels, meanwhile, have declined to below 30 per cent. of the portfolio.

The hotel sector continued to be challenging, with market conditions at Stansted Airport proving particularly difficult, leading to a further write-down in the third party valuation of our hotel there. Prospects for the current year, however, are more promising with signs of a revival in passenger numbers at the airport leading to an improvement in the hotel's trading. The Crown Hotel in Harrogate experienced a soft year in 2013 but is expecting its current financial year to be a record year. In addition, the Stanwell Hotel is now trading profitably at an operating level, with a strong increase in revenue over previous years. In summary, we are more hopeful for this sector's current year prospects.

The health and fitness clubs also saw an aggregate reduction in their third party professional valuations, following previous underperformance at our Kensington and Weybridge clubs. The management team has now been changed, and the new team has had a considerable and positive initial impact on the units' performance. We would therefore hope for a revival of these clubs' fortunes over the next two years. Our Tower Bridge club continued to trade strongly and enjoyed a pleasing uplift in its third party valuation.

In the healthcare sector, Oakland Care Centre, which operates a care home in Chingford, continued to perform strongly, as did the Taunton Hospital. We are reviewing a number of further care home opportunities and we see provision of quality residential care for private payers in London and the Home Counties as being an important focus for future investment activity.

Our renewable energy portfolio continues to grow towards a target of 20 per cent. of the Company's total investment portfolio. The income that it generates is also growing, with a target of 10 per cent. per annum on investment cost once all the individual energy units are generating electricity. During the course of the year we invested £1.6 million in Chonais Holdings, which is constructing a 2MW run-of-river hydro unit in North West Scotland and £387,000 in Green Highland Renewables (Ledgowan), which is constructing a hydro unit nearby. In general, the renewable energy units have been operating at or above budget, with a particularly strong performance from Dragon Hydro, which owns our first operational hydroelectricity unit, in North Wales.

Radnor House School continues to perform well with 350 pupils currently in place for September and capacity for a further 100 pupils over the next two years.

Our pub portfolio is stable and cash generative with a small amount of additional investment in Bravo Inns II to purchase and refurbish further units in the North West, taking the combined Bravo Inns and Bravo Inns II portfolio to 35 pubs.

Risks and uncertainties
The outlook for the UK economy continues to be the key risk affecting your Company. Importantly, however, your Company remains conservatively financed with no bank borrowings. The Company's policy remains that its portfolio companies should not normally have external borrowings, and for the Company to have a first charge over portfolio companies' assets; the Board and Manager see this an important factor in the control of investment risk. However, on an exceptional basis, certain portfolio companies may take on external borrowings, where the Board considers this will offer a significant benefit to the Company.

Chairman's statement (continued)

A detailed analysis of the other risks and uncertainties facing the business is set out on pages 12 and 13 of the Strategic report.

Share buy-backs

It remains the Board's primary objective to maintain sufficient resources for investment in existing and new portfolio companies and for the continued payment of dividends to shareholders. Thereafter, it is still the Board's policy to buy back shares in the market, subject to the overall criterion that such purchases are in the Company's interest. The Company will limit the sum available for share buy-backs for the six month period to 30 September 2014 to £750,000. This compares to a total value bought in for the previous six months to 31 March 2014 of £487,000. Subject to the constraints referred to above and subject to first purchasing shares held by the market makers, the Board will target such buy-backs to be in the region of a 5 per cent. discount to net asset value, so far as market conditions and liquidity permit.

Results and dividends

As at 31 March 2014, the net asset value was £42.66 million or 71.3 pence per share, compared to £41.68 million or 74.2 pence per share as at 31 March 2013, after the payment of total tax-free dividends of 5 pence per share. The results comprised 1.7 pence per share revenue return (2013: 2 pence per share) and a 0.3 pence per share capital return after taking into account capitalised expenses (2013: flat). The revenue return before taxation was £1,119,000 compared to £1,114,000 for the year to 31 March 2013. The Company will pay a first dividend of 2.50 pence per share on 31 July 2014 to shareholders on the register on 11 July 2014, which is in line with the Company's current objective of paying a dividend of 5 pence per share annually.

Outlook and prospects

Trading at our hotels and health and fitness clubs is improving. After a challenging period for some of our more consumer oriented sectors, we are cautiously optimistic that the brighter outlook for the UK economy, combined with the more balanced nature of the current portfolio, should benefit the Company moving forward.

David Watkins
Chairman
25 June 2014

Strategic report

The Directors present the Strategic report of the Company for the year ended 31 March 2014 which has been prepared in accordance with the requirements of section 414A of the Companies Act 2006 (the "Act"). The purpose of this report is to inform Shareholders and provide them with sufficient information to enable them to assess the extent to which the Directors have performed their duty to promote the success of the Company in accordance with section 172 of the Act.

Investment objective and policy

The Company's investment policy is to reduce the risk normally associated with investments in smaller, unquoted companies whilst maintaining an attractive yield, through allowing investors the opportunity to participate in a balanced portfolio of asset-backed businesses. The Company's investment portfolio will thus be structured to provide a balance between income and capital growth for the longer term.

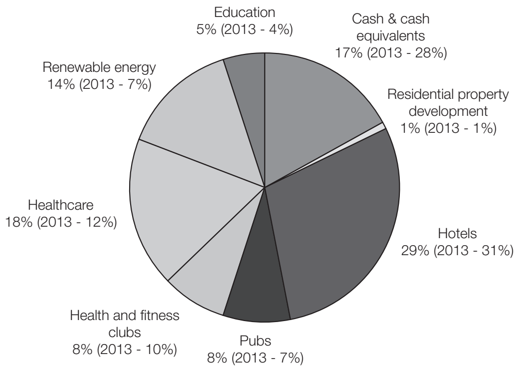
This is achieved as follows:

- qualifying unquoted investments are predominantly in specially-formed companies which provide a high level of asset backing for the capital value of the investment;
- the Company invests alongside selected partners with proven experience in the sectors concerned;
- investments are normally structured as a mixture of equity and loan stock. The loan stock normally represents the majority of the finance provided and is secured on the assets of the portfolio company. Funds managed or advised by Albion Ventures LLP typically own 50 per cent. of the equity of the portfolio company; and
- other than the loan stock issued to funds managed or advised by Albion Ventures LLP, portfolio companies do not normally have external borrowings.

Current portfolio sector allocation

The following pie chart shows the split of the portfolio valuation by industrial or commercial sector as at 31 March 2014. Details of the principal investments made by the Company are shown in the Portfolio of investments on pages 16 and 17.

Split of portfolio by sector



Source: Albion Ventures LLP

Direction of portfolio

The sector analysis of the VCT's investment portfolio shows that renewable energy now accounts for 14 per cent. of the portfolio compared to 7 per cent. at the end of the previous financial year, with a view to increasing this to the Board's target exposure for the sector of 20 per cent. as new opportunities arise. Healthcare has also risen, now accounting for 18 per cent. of the portfolio compared to 12 per cent. at the end of the previous financial year.

Results and dividend policy

	Ordinary shares £'000
Net revenue return for the year ended 31 March 2014	999
Dividend of 2.50 pence per share paid on 31 July 2013	(1,469)
Dividend of 2.50 pence per share paid on 31 December 2013	(1,460)
Unclaimed dividends returned to the Company	27
Transferred from other distributable reserve	**(1,903)**
Realised and unrealised capital gain for the year transferred to reserves	**165**
Net assets as at 31 March 2014	42,658
Net asset value per share as at 31 March 2014	**71.30p**

The Company paid dividends totalling 5.00 pence per share (2013: 5.00 pence per share) during the year ended 31 March 2014. The dividend objective of the Board is to provide Shareholders with a strong, predictable dividend flow, with a dividend target of 5.00 pence per share per year.

As noted in the Chairman's statement, the Board has declared a first dividend of 2.50 pence per share. This dividend will be paid on 31 July 2014 to shareholders on the register as at 11 July 2014.

Strategic report (continued)

As shown in the Income statement on page 34 of the Financial Statements, the Company's investment income has increased to £1,718,000 (2013: £1,563,000) and the total revenue return to equity holders also increased to £999,000 (2013: £931,000), largely as a result of the merger with Albion Prime VCT PLC. With a larger number of shares in issue following the merger there was a small decrease on revenue return to 1.70 pence per share (2013: 2.00 pence per share).

The capital gain on investments for the year was £626,000 (2013: £384,000), offset by management fees charged to capital, net of the related taxation impact, resulting in a capital return of 0.30 pence per share (2013: nil).

The total return was 2.00 pence per share (2013: 2.00 pence per share).

The Balance sheet on page 35 shows that the net asset value has decreased over the last year to 71.30 pence per share (2013: 74.20 pence per share), primarily reflecting the payment of the 5.00 pence per share dividend during the year, offset by the net return for the year of 2.00 pence.

The cash flow for the Company has been a net outflow of £4,391,000 for the year (2013: inflow £8,940,000), reflecting dividends paid, new investments in the year and the buyback of shares, offset by cash inflows from operations, disposal proceeds and the issue of Ordinary shares under the Albion VCTs Top Up Offers.

During the year, unclaimed dividends older than twelve years of £27,000 (2013: £33,000) were returned to the Company in accordance with the terms of the Articles of Association.

Review of business and future changes

A review of the Company's business during the year and investment performance and progress is contained in the Chairman's statement on page 6. The healthcare sector performed particularly well again this year with an increase in valuation of £649,000 (2013: £760,000). The hotel sector continued to be challenging, resulting in a devaluation of £478,000 arising from the independent third party valuations. However prospects for the current year are brighter. In addition, there were increases in valuations in the renewable energy sector and for Radnor House School. Two of the three health and fitness clubs saw reductions during the year, however after a change of manager there are signs of improved performance.

The Company continues with its objective to invest in unquoted companies throughout the United Kingdom with particular emphasis on the healthcare and renewable energy sectors with a view to providing both capital growth and a reliable dividend income to shareholders over the longer term. The Directors do not foresee any major changes in the activity undertaken by the Company in the current year.

Details of significant events which have occurred since the end of the financial year are listed in note 22. Details of transactions with the Manager are shown in note 5.

Future prospects

The Company's performance record reflects the resilience of the strategy outlined above and has enabled the Company to maintain a predictable stream of dividend payments to shareholders. The Board believes that this model will continue to meet the investment objective and has the potential to deliver attractive returns to shareholders in the future. Further details on the Company's outlook and prospects can be found in the Chairman's statement on page 7.

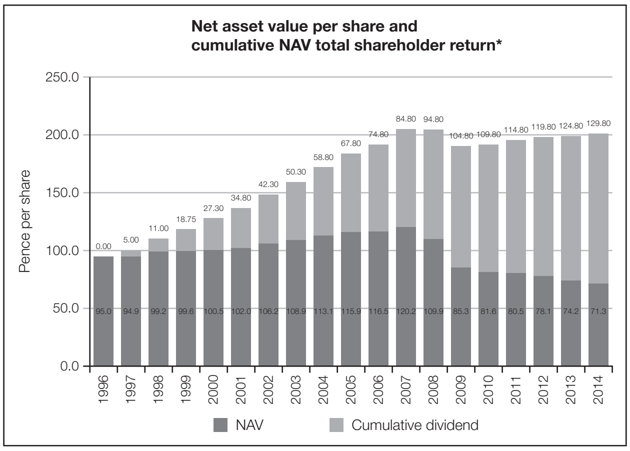
Key performance indicators

The Directors believe that the following key performance indicators, which are typical for venture capital trusts and used in its own assessment of the Company, will provide shareholders with sufficient information to assess how effectively the Company is applying its investment policy to meet its objectives. These are:

Net asset value total return relative to FTSE All Share Index total return

The graph on page 4 shows the Company's net asset value total return against the FTSE All-Share Index total return, in both instances with dividends reinvested. Details on the performance of the net asset value and return per share for the year are shown below.

Net asset value per share and cumulative net asset value total shareholder return



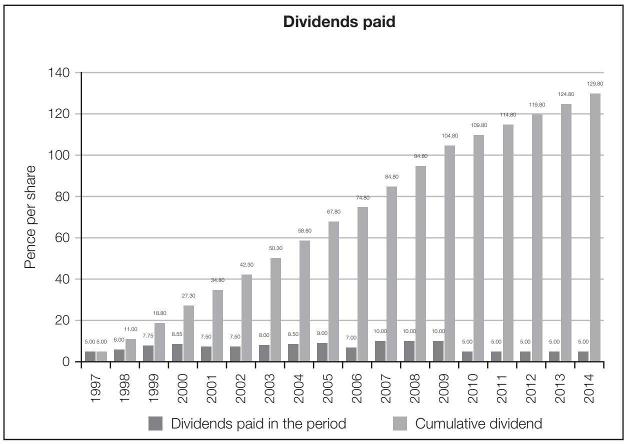
* Cumulative NAV total shareholder return is net asset value plus cumulative dividends paid since launch to date.

Strategic report (continued)

Net asset value decreased by 4 per cent. to 71.30 pence per share for the year ended 31 March 2014.

Cumulative NAV total shareholder return increased by 1.1 per cent. to 201.10 pence per share for the year ended 31 March 2014.

Dividend distributions



Dividends paid in respect of the year ended 31 March 2014 were 5.00 pence per share (2013: 5.00 pence per share), in line with the Board's dividend objective. Cumulative dividends paid since inception amount to 129.80 pence per Ordinary share and 118.25 pence per C share.

Ongoing charges

The ongoing charges ratio for the year to 31 March 2014 was 2.5 per cent. (2013: 2.5 per cent.). The ongoing charges ratio has been calculated using the Association of Investment Companies' (AIC) recommended methodology. This figure shows shareholders the total recurring annual running expenses (including investment management fees charged to capital reserve) as a percentage of the average net assets attributable to shareholders. The Directors expect the ongoing charges ratio for the year ahead to be approximately 2.5 per cent.

Maintenance of VCT qualifying status

The Company continues to comply with H.M. Revenue & Customs ("HMRC") rules in order to maintain its status under Venture Capital Trust legislation as highlighted below.

VCT Regulation

The investment policy is designed to ensure that the Company continues to qualify and is approved as a VCT by HMRC. In order to maintain its status under Venture Capital Trust legislation, a VCT must comply on a continuing basis with the provisions of Section 274 of the Income Tax Act 2007 as follows:

(1) The Company's income must be derived wholly or mainly from shares and securities;

(2) At least 70 per cent. of the HMRC value of its investments must have been represented throughout the year by shares or securities that are classified as 'qualifying holdings';

(3) At least 30 per cent. by HMRC value of its total qualifying holdings must have been represented throughout the year by holdings of 'eligible shares'. For funds raised after 5 April 2011 the figure is 70 per cent.;

(4) At no time in the year must the Company's holdings in any one company (other than another VCT) have exceeded 15 per cent. by HMRC value of its investments;

(5) The Company must not have retained greater than 15 per cent. of its income earned in the year from shares and securities;

(6) Eligible shares must comprise at least 10 per cent. by HMRC value of the total of the shares and securities that the Company holds in any one portfolio company; and

(7) The Company's shares, throughout the year, must have been listed in the Official List of the Stock Exchange.

These tests drive a spread of investment risk through disallowing holdings of more than 15 per cent. in any portfolio company. The tests have been carried out and independently reviewed for the year ended 31 March 2014. The Company has complied with all tests and continues to do so.

'Qualifying holdings' include shares or securities (including loans with a five year or greater maturity period) in companies which operate a 'qualifying trade' wholly or mainly in the United Kingdom. 'Qualifying trade' excludes, amongst other sectors, dealing in property or shares and securities, insurance, banking and agriculture. Details of the sectors in which the Company is invested can be found in the pie chart on page 8.

Portfolio company gross assets must not exceed £15 million immediately prior to the investment and £16 million immediately thereafter. With effect from 6 April 2012, the legislation has been amended so as to prevent any company from receiving more than £5 million in aggregate from all state-aided providers of risk capital, including VCTs, in the 12 month period up to and including the most recent such investment.

Strategic report (continued)

Gearing
As defined by the Articles of Association, the Company's maximum exposure in relation to gearing is restricted to 10 per cent. of the adjusted share capital and reserves. As at 31 March 2014, the Company's maximum permitted exposure was £4,110,000 (2013: £4,168,000) and its actual short term and long term gearing at this date was £nil (2013: £nil) The Directors do not currently have any intention to utilise long term gearing for the Company.

On an exceptional basis, certain portfolio companies may take on external borrowings, where the Board considers this will offer a significant benefit to the Company.

Operational arrangements
The Company has delegated the investment management of the portfolio to Albion Ventures LLP, which is authorised and regulated by the Financial Conduct Authority. Albion Ventures LLP also provides company secretarial and other accounting and administrative support to the Company.

Management agreement
Under the Management agreement, the Manager provides investment management, secretarial and administrative services to the Company. The Management agreement can be terminated by either party on 12 months' notice. The Management agreement is subject to earlier termination in the event of certain breaches or on the insolvency of either party. The Manager is paid an annual fee equal to 1.9 per cent. of the net asset value of the Company, and an annual secretarial and administrative fee of £46,539 (2013: £44,883) increased annually by RPI. These fees are payable quarterly in arrears. Total annual normal expenses, including the management fee, are limited to 3.5 per cent. of the net asset value.

In line with common practice, the Manager is also entitled to an arrangement fee, payable by each portfolio company, of approximately 2 per cent. on each investment made and any applicable monitoring fees.

Management performance incentive
In order to provide the Manager with an incentive to maximise the return to investors, the Company has entered into a management performance incentive arrangement with the Manager. Under the incentive arrangement, the Company will pay an incentive fee to the Manager of an amount equal to 8 per cent. of the excess total return above 5 per cent. per annum, paid out annually in cash as an addition to the management fee. Any shortfall of the target return will be carried forward into subsequent periods and the incentive fee will only be paid once all previous and current target returns have been met. For the year to 31 March 2014, no incentive fee became due to the Manager (2013: £nil).

No further performance fee will become due until the hurdle rate comprising net asset value, plus dividends from 31 March 2014, has been reached. As of 31 March 2014 the total return from 31 March 2004 amounted to 147.8 pence per share which compared to the hurdle of 184.2 pence per share at that date.

Evaluation of the Manager
The Board has evaluated the performance of the Manager based on the returns generated by the Company, the continuing achievement of the 70 per cent. investment requirement for Venture Capital Trust status, the long term prospects of current investments, a review of the Management agreement and the services provided therein, and benchmarking the performance of the Manager to other service providers. The Board believes that it is in the interests of shareholders as a whole, and of the Company, to continue the appointment of the Manager for the forthcoming year.

Alternative Investment Fund Managers Directive ("AIFMD")
The Board has considered the impact on your Company of the AIFMD, an EU Directive that came into force in July 2013 to regulate the Managers of Alternative Investment Funds. The Board has agreed to appoint Albion Ventures LLP as the Company's AIFM as required by the AIFMD. This will not impact on the day-to-day investment activities.

Social and community issues, employees and human rights
The Board recognises the requirement under section 414C of the Act to detail information about social and community issues, employees and human rights; including any policies it has in relation to these matters and effectiveness of these policies. As an externally managed investment company with no employees, the Company has no policies in these matters and as such these requirements do not apply.

Further policies
The Company has adopted a number of further policies relating to:

- Environment
- Global greenhouse gas emissions
- Anti-bribery
- Diversity

and these are set out in the Directors' report on page 21.

Strategic report (continued)

Risk management

The Board carries out a regular review of the risk environment in which the Company operates. The principal risks and uncertainties of the Company as identified by the Board and how they are managed are as follows:

Risk	Possible consequence	Risk management
Economic risk	Changes in economic conditions, including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and other factors could substantially and adversely affect the Company's prospects in a number of ways.	To reduce this risk, in addition to investing equity in portfolio companies, the Company often invests in secured loan stock and has a policy of not normally permitting any external bank borrowings within portfolio companies. Additionally, the Manager has been rebalancing the sector exposure of the portfolio with a view to reducing reliance on consumer led sectors.
Investment risk	This is the risk of investment in poor quality assets which reduces the capital and income returns to shareholders, and negatively impacts on the Company's reputation. By nature, smaller unquoted businesses, such as those that qualify for venture capital trust purposes, are more fragile than larger, long established businesses.	To reduce this risk, the Board places reliance upon the skills and expertise of the Manager and its strong track record for investing in this segment of the market. In addition, the Manager operates a formal and structured investment process, which includes an Investment Committee, comprising investment professionals from the Manager and at least one external investment professional. The Manager also invites and takes account of comments from non-executive Directors of the Company on investments discussed at the Investment Committee meetings. Investments are actively and regularly monitored by the Manager (investment managers normally sit on portfolio company boards) and the Board receives detailed reports on each investment as part of the Manager's report at quarterly board meetings.
Valuation risk	The Company's investment valuation methodology is reliant on the accuracy and completeness of information that is issued by portfolio companies. In particular, the Directors may not be aware of or take into account certain events or circumstances which occur after the information issued by such companies is reported.	As described in note 2 of the Financial Statements, the unquoted equity investments, convertible loan stock and debt issued at a discount held by the Company are designated at fair value through profit or loss and valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines. These guidelines set out recommendations, intended to represent current best practice on the valuation of venture capital investments. These investments are valued on the basis of forward looking estimates and judgments about the business itself, its market and the environment in which it operates, together with the state of the mergers and acquisitions market, stock market conditions and other factors. In making these judgments the valuation takes into account all known material facts up to the date of approval of the Financial Statements by the Board. All other unquoted loan stock is measured at amortised cost. The values of all of the investments are at cost (reviewed for impairment) or underpinned by independent third party professional valuations.
VCT approval risk	The Company's current approval as a venture capital trust allows investors to take advantage of tax reliefs on initial investment and ongoing tax free capital gains and dividend income. Failure to meet the qualifying requirements could result in investors losing the tax relief on initial investment and loss of tax relief on any tax-free income or capital gains received. In addition, failure to meet the qualifying requirements could result in a loss of listing of the shares.	To reduce this risk, the Board has appointed the Manager, which has a team with significant experience in venture capital trust management, used to operating within the requirements of the venture capital trust legislation. In addition, to provide further formal reassurance, the Board has appointed PricewaterhouseCoopers LLP as its taxation adviser. PricewaterhouseCoopers LLP reports quarterly to the Board to independently confirm compliance with the venture capital trust legislation, to highlight areas of risk and to inform on changes in legislation. Each investment in a new portfolio company is also pre-cleared with H.M. Revenue & Customs.

Strategic report (continued)

Risk	Possible consequence	Risk management
Compliance risk	The Company is listed on The London Stock Exchange and is required to comply with the rules of the UK Listing Authority, as well as with the Companies Act, Accounting Standards and other legislation. Failure to comply with these regulations could result in a delisting of the Company's shares, or other penalties under the Companies Act or from financial reporting oversight bodies.	Board members and the Manager have experience of operating at senior levels within or advising quoted businesses. In addition, the Board and the Manager receive regular updates on new regulation from its auditor, lawyers and other professional bodies.
Internal control risk	Failures in key controls, within the Board or within the Manager's business, could put assets of the Company at risk or result in reduced or inaccurate information being passed to the Board or to shareholders.	The Audit Committee meets with the Manager's Internal Auditor, PKF Littlejohn LLP, when required, receiving a report regarding the last formal internal audit performed on the Manager, and providing the opportunity for the Audit Committee to ask specific and detailed questions. John Kerr, as Chairman of the Audit Committee, met with the internal audit Partner of PKF Littlejohn LLP in January 2014 to discuss the most recent Internal Audit Report on the Manager. The Manager has a comprehensive business continuity plan in place in the event that operational continuity is threatened. Further details regarding the Board's management and review of the Company's internal controls through the implementation of the Turnbull guidance are detailed on page 27. Measures are in place to mitigate information risk in order to ensure the integrity, availability and confidentiality of information used within the business.
Reliance upon third parties risk	The Company is reliant upon the services of Albion Ventures LLP for the provision of investment management and administrative functions.	There are provisions within the management agreement for the change of Manager under certain circumstances (for further detail, see the management agreement paragraph on page 11). In addition, the Manager has demonstrated to the Board that there is no undue reliance placed upon any one individual within Albion Ventures LLP.
Financial risk	By its nature, as a venture capital trust, the Company is exposed to investment risk (which comprises investment price risk and cash flow interest rate risk), credit risk and liquidity risk.	The Company's policies for managing these risks and its financial instruments are outlined in full in note 20 to the Financial Statements. All of the Company's income and expenditure is denominated in sterling and hence the Company has no foreign currency risk. The Company is financed through equity and does not have any borrowings. The Company does not use derivative financial instruments for speculative purposes.

On behalf of the Board,

David Watkins
Chairman
25 June 2014

The Board of Directors

The following are the Directors of the Company, all of whom operate in a non-executive capacity:

David Watkins MBA (Harvard), Chairman (appointed 9 February 1996)
David Watkins worked for Goldman Sachs from 1972 until 1991 where he was head of Euromarkets Syndication and Head of European Real Estate. He subsequently joined Mountleigh Group PLC where he worked as a director on the restructuring of the business prior to the Group being placed into administration. After a period operating his own corporate finance business, he joined Baring Securities in 1994 as Head of Equity Capital Markets - London, before leaving in mid-1995 when the company went into administration to become Chief Financial Officer and one of the principal shareholders of his current company, The Distinguished Programs Group LLC, an insurance distribution and underwriting group. From 1986 to 1990, he was a member of the Council of the London Stock Exchange.

John Kerr ACMA (appointed 9 February 1996)
John Kerr has worked as a venture capitalist and also in manufacturing and service industries. He held a number of finance and general management posts in the UK and USA, before joining SUMIT Equity Ventures, an independent Midlands based venture capital company, where he was managing director from 1985 to 1992. He then became chief executive of Price & Pierce Limited, which acted as the UK agent for overseas producers of forestry products, before leaving in 1997 to become finance director of Ambion Brick, a building materials company bought out from Ibstock PLC. After retiring in 2002, he now works as a consultant. He is an external member of the Manager's investment committee.

Jeff Warren ACCA (appointed 2 October 2007)
Jeff Warren ACCA has 30 years' financial management experience, including high level corporate governance and regulatory environment experience. In 1992 he resigned as Finance Director of Mountleigh Group PLC, which was subsequently placed into administration, and joined Bristol & West Building Society as CFO. Following the acquisition of Bristol & West by Bank of Ireland, he continued as Finance Director until he was promoted to CEO of Bristol & West PLC in 1999, and subsequently also took responsibility for the Bank of Ireland UK Branch network. In 2003 he moved to take on a role at Group level in Dublin, as Group Chief Development Officer, reporting to the Bank of Ireland CEO. In 2004 he returned to the UK and has since held a number of non-executive roles, including 4 months as a non-executive Director of Courts Plc until that company was placed into administration in December 2004.

Ebbe Dinesen R (Danish) FSR (appointed 26 September 2012)
Ebbe Dinesen qualified as a chartered accountant in Denmark before working in senior positions in Danish industry. In 1985 he came to the United Kingdom and became CEO of Carlsberg UK in 1987. He later became CEO of Carlsberg-Tetley PLC (now Carlsberg UK) and became executive chairman of that company in 2001. He stepped down in 2006. He was chairman of the British Brewers from 2002 to 2006. Ebbe Dinesen was Danish vice-consul for The Midlands from 1987 to 2006. In 2000 he was knighted by the Queen of Denmark.

All Directors are members of the Audit Committee and John Kerr is Chairman.

All Directors are members of the Nomination Committee and David Watkins is Chairman.

All Directors are members of the Remuneration Committee and Jeff Warren is Chairman.

The Manager

Albion Ventures LLP is authorised and regulated by the Financial Conduct Authority and is the Manager of Albion Venture Capital Trust PLC. In addition to Albion Venture Capital Trust PLC, it manages a further five venture capital trusts, and currently has total funds under management of approximately £245 million.

The following are specifically responsible for the management and administration of the VCTs managed by Albion Ventures LLP, including Albion Venture Capital Trust PLC:

Patrick Reeve, MA, ACA, qualified as a chartered accountant with Deloitte, Haskins & Sells before joining Cazenove & Co where he spent three years in the corporate finance department. He joined Close Brothers Group in 1989, working in both the development capital and corporate finance divisions before founding the venture capital division in 1996. He led the buy-out of this business from Close Brothers in 2009, and re-named it Albion Ventures LLP. He is the managing partner of Albion Ventures LLP, is a director of Albion Enterprise VCT, Albion Development and Albion Technology & General VCT, which are managed by Albion Ventures, and is chief executive officer of Albion Community Power PLC. He read modern languages at Oxford University. He is a Member of Council of the BVCA and is a member of the Audit Committee of the University College London. He is also a director of UCL Business PLC, the university technology transfer arm.

Will Fraser-Allen, BA (Hons), FCA, qualified as a chartered accountant with Cooper Lancaster Brewers in 1996 and then joined their corporate finance team providing corporate finance advice to small and medium sized businesses. He joined Albion Ventures in 2001 since when he has focused on leisure and healthcare investing. Will became deputy managing partner of Albion Ventures in 2009. Will has a BA in History from Southampton University.

Adam Chirkowski, MA (Hons), having graduated in Industrial Economics, followed by a Masters in Corporate Strategy, spent five years at N M Rothschild & Sons, specialising in mergers and acquisitions principally in the natural resources and then healthcare sectors, before joining Albion Ventures in 2013, where he currently concentrates on renewable energy projects.

Dr Andrew Elder, MA, FRCS, initially practised as a surgeon for six years, specialising in neurosurgery, before joining the Boston Consulting Group (BCG) as a consultant in 2001. Whilst at BCG he specialised in healthcare strategy, gaining experience with many large, global clients across the full spectrum of healthcare including biotechnology, pharmaceuticals, service and care providers, software and telecommunications. He joined Albion Ventures in 2005 and became a partner in 2009. He has an MA plus Bachelors of Medicine and Surgery from Cambridge University and is a fellow of the Royal College of Surgeons (England).

Emil Gigov, BA (Hons), FCA, graduated from the European Business School, London, with a BA (Hons) Degree in European Business Administration in 1994. He then joined KPMG in their financial services division and qualified as a chartered accountant in 1997. Following this he transferred to KPMG Corporate Finance where he specialised in the leisure, media and marketing services sectors acting on acquisitions, disposals and fundraising mandates. He joined Albion Ventures in 2000 and has since made and exited investments in a number of industry sectors, including, healthcare, education, technology, leisure and engineering. Emil became a partner in Albion Ventures in 2009.

David Gudgin, BSc (Hons), ACMA, qualified as a management accountant with ICL before spending 3 years at the BBC. In 1999 he joined 3i plc as an investor in European technology based in London and Amsterdam. In 2002 he moved to Foursome Investments (now Frog Capital) as the lead investor of an environmental technology and a later stage development capital fund. David joined Albion Ventures in 2005 and became partner in 2009. He is also managing director of Albion Community Power PLC. David has a BSc in Economics from Warwick University.

Vikash Hansrani, BA (Hons), ACA, qualified as a chartered accountant with RSM Tenon plc and latterly worked in its corporate finance team. He joined Albion Ventures in 2010, where he is currently Finance Director. He is also finance director of Albion Community Power PLC. He has a BA in Accountancy and Finance from Nottingham Business School.

Ed Lascelles, BA (Hons), began by advising quoted UK companies on IPOs, takeovers and other corporate transactions, first with Charterhouse Securities and then ING Barings. Companies ranged in valued from £10 million to £1 billion, across the healthcare and technology sectors among others. After moving to Albion Ventures in 2004, Ed started investing in the technology, healthcare, financial and business services sectors. Ed became a partner in 2009 and is responsible for a number of Albion's technology investments. He graduated from University College London with a first class degree in Philosophy.

Dr Christoph Ruedig, MA, MBA, initially practised as a radiologist before spending 3 years at Bain & Company. In 2006 he joined 3i plc working for their healthcare venture capital arm leading investments in biotechnology, pharmaceuticals, and medical technology. Most recently he has worked for General Electric UK, where he was responsible for mergers and acquisitions in the medical technology and healthcare IT sectors. He joined Albion Ventures in October 2011 and became a partner in June 2014. He holds a degree in medicine from Ludwig-Maximilians University, Munich and an MBA from INSEAD.

Henry Stanford, MA, ACA, qualified as a chartered accountant with Arthur Andersen before joining the corporate finance department of Close Brothers Group in 1992, becoming an assistant director in 1996. He moved to Albion Ventures in 1998, where he has been responsible for much of the asset based portfolio. Henry became a partner of Albion Ventures in 2009. He holds an MA degree in Classics from Oxford University.

Robert Whitby-Smith, BA (Hons), MSI, FCA. After graduating in History at Reading University, Robert qualified as a chartered accountant at KPMG and subsequently worked in corporate finance at Credit Suisse First Boston and ING Barings. Since joining in 2005, Robert has assisted in the workout of portfolios formerly managed by other fund managers (now named Crown Place VCT and Kings Arms Yard VCT) and is responsible for investments primarily in the advanced manufacturing and technology sectors. Robert became a partner in Albion Ventures in 2009.

Marco Yu, MPhil, MA, MRICS, spent two and a half years at Bouygues (UK), before moving to EC Harris in 2005 where he advised senior lenders on large capital projects. Since joining Albion Ventures in 2007, Marco has been involved in hotel, cinema, pub, residential property and garden centre investments and is, more recently, responsible for a number of renewable energy investments. Marco graduated from Cambridge University with a first class degree in economics and is a Chartered Surveyor. Marco became an Investment Director in June 2014.

Portfolio of investments

The following list is a summary of investments as at 31 March 2014:

			As at 31 March 2014			As at 31 March 2013			
Portfolio company	**% voting rights**	**% voting rights held by all AVL* managed companies**	**Accounting cost** £'000**	**Cumulative movement in value £'000**	**Value £'000**	**Accounting cost** £'000**	**Cumulative movement in value £'000**	**Value £'000**	**Change in value for the year £'000*****
Hotels									
Kew Green VCT (Stansted) Limited	45.2	50.0	6,723	656	7,379	6,723	1,034	7,757	(378)
The Crown Hotel Harrogate Limited	24.1	50.0	4,245	(1,329)	2,916	4,245	(1,233)	3,012	(96)
The Stanwell Hotel Limited	39.2	50.0	4,677	(2,339)	2,338	4,614	(2,335)	2,279	(4)
Total investment in the hotel sector			**15,645**	**(3,012)**	**12,633**	**15,582**	**(2,534)**	**13,048**	**(478)**
Healthcare									
Oakland Care Centre Limited	31.6	50.0	2,998	1,611	4,609	2,998	1,176	4,174	435
Active Lives Care Ltd	100.0	100.0	1,800	–	1,800	–	–	–	–
Taunton Hospital Limited	7.2	50.0	958	260	1,218	775	47	822	214
Total investment in the healthcare sector			**5,756**	**1,871**	**7,627**	**3,773**	**1,223**	**4,996**	**649**
Renewable energy									
Chonais Holdings Limited	16.1	50.0	1,611	6	1,617	–	–	–	6
Alto Prodotto Wind Limited	7.4	50.0	670	231	901	670	187	857	44
The Street by Street Solar Programme Limited	6.5	50.0	676	163	839	650	94	744	69
Erin Solar Limited	18.6	50.0	520	3	523	–	–	–	3
Regenerco Renewable Energy Limited	4.5	50.0	427	36	463	427	24	451	12
Green Highland Renewables (Ledgowan) Limited	20.8	50.0	387	–	387	–	–	–	–
Dragon Hydro Limited	7.3	30.0	311	61	372	141	1	142	60
TEG Biogas (Perth) Limited	4.9	50.0	306	23	329	306	21	327	1
Harvest AD Limited	n/a****	n/a	307	–	307	–	–	–	–
AVESI Limited	7.4	50.0	230	16	246	230	–	230	16
Greenenerco Limited	3.9	50.0	135	49	184	135	–	135	49
Total investment in the renewable energy sector			**5,580**	**588**	**6,168**	**2,559**	**327**	**2,886**	**260**
Pubs									
The Charnwood Pub Company Limited	14.8	50.0	3,532	(1,889)	1,643	3,532	(1,897)	1,635	8
Bravo Inns II Limited	6.4	50.0	1,085	38	1,123	935	7	942	30
Bravo Inns Limited	7.6	50.0	589	(156)	433	596	(155)	441	–
The Dunedin Pub Company VCT Limited	8.3	50.0	75	(2)	73	80	(3)	77	1
Total investment in the pub sector			**5,281**	**(2,009)**	**3,272**	**5,143**	**(2,048)**	**3,095**	**39**
Health and fitness clubs									
The Weybridge Club Limited	14.3	50.0	2,136	(650)	1,486	2,136	(208)	1,928	(442)
Kensington Health Clubs Limited	13.8	50.0	1,889	(800)	1,089	1,889	(535)	1,354	(265)
Tower Bridge Health Clubs Limited	8.4	50.0	347	321	668	403	172	575	149
Total investment in the health and fitness club sector			**4,372**	**(1,129)**	**3,243**	**4,428**	**(571)**	**3,857**	**(558)**
Education									
Radnor House School (Holdings) Limited	7.1	50.0	1,381	850	2,231	1,381	426	1,807	526
Total investment in the education sector			**1,381**	**850**	**2,231**	**1,381**	**426**	**1,807**	**526**
Residential property development									
G&K Smart Developments VCT Limited +	42.9	50.0	276	(40)	236	1,488	(1,144)	344	30
Total investment in the residential property development sector			**276**	**(40)**	**236**	**1,488**	**(1,144)**	**344**	**30**
Other leisure									
Premier Leisure (Suffolk) Limited	9.9	47.3	468	(298)	170	468	(303)	165	5
Total investment in the other leisure sector			**468**	**(298)**	**170**	**468**	**(303)**	**165**	**5**
Total fixed asset investments			**38,759**	**(3,179)**	**35,580**	**34,821**	**(4,623)**	**30,198**	**473**

* Albion Ventures LLP

** Amounts shown as accounting cost represent the acquisition cost in the case of investments originally made by the Company and/or the fair value attributed to the investments acquired from Albion Prime VCT PLC on the Merger on 25 September 2012, as adjusted for changes in value since acquisition.

*** As adjusted for additions and disposals during the year.

**** Loan stock investment only

\+ Closing cost is net of £1,074,000 written off in respect of G&K Smart Developments VCT Limited which is still held at the balance sheet date.

Portfolio of investments (continued)

Total change on value on investments for the year	**473**
Realised gain in current year	50
Movement in loan stock accrued interest	103
Total gains on investments as per Income statement	**626**

Fixed asset investment realisations during the year to 31 March 2014	**Accounting cost* £'000**	**Opening carrying value** £'000**	**Disposal proceeds £'000**	**Total realised gain/(loss) £'000**	**Gain on opening value £'000**
The Bear Hungerford Limited***	–	–	40	40	40
Radnor House School (Holdings) Limited *(redemption premium repaid)*	–	103	111	111	8
Wickenhall Mill VCT Limited***	–	–	2	2	2
G&K Smart Developments VCT Limited**	1,212	138	138	(1,074)	–
Tower Bridge Health Clubs Limited *(loan stock repayment)*	55	55	55	–	–
Bravo Inns Limited *(loan stock repayment)*	8	8	8	–	–
The Dunedin Pub Company VCT Limited *(loan stock repayment)*	5	5	5	–	–
Total	**1,280**	**309**	**359**	**(921)**	**50**

* The cost includes the original cost from Albion Venture Capital Trust PLC and the carried over value on merger from Albion Prime VCT PLC as at 25 September 2012.
** Includes an amount of £1,074,000 written off in respect of investment still held at the balance sheet date.
*** This refers to additional proceeds from the sale which was realised in the prior year.

Portfolio companies

The top ten investments held by the Company, by total aggregate value of equity and loan stock are as shown below.

The most recently audited results are included for each portfolio company. Valuations are often based upon the most recent information available, which may include management accounts. The audited results are therefore not necessarily the figures used for the valuation.

Kew Green VCT (Stansted) Limited

The company developed and operates a limited service hotel under the "Holiday Inn Express" brand at Stansted Airport on a 125 year lease. The hotel opened in January 2005 with 183 bedrooms. A 71 bedroom extension opened in July 2007, taking the hotel to 254 bedrooms.

Audited results: year to 31 August 2013	£'000	Investment information	£'000
Turnover	4,155	Income recognised in the year	430
EBITDA	528	Total cost	6,723
Loss before tax	(238)	Total equity valuation	3,601
Net assets	4,291	Total loan stock valuation	3,778
Basis of valuation:	Net asset value supported by third party valuation	Voting rights	45.2 per cent.
Website:	www.expressstanstedairport.co.uk		

Other funds managed and advised by Albion Ventures LLP have invested in this company and have a combined equity holding of 50.0 per cent.

Oakland Care Centre Limited

The company has acquired a freehold site on which it has developed a new, purpose built care home catering for the needs of up to 45 residents.

Abbreviated audited results: year to 30 September 2013	£'000	Investment information	£'000
Turnover	2,162	Income recognised in the year	301
EBITDA	853	Total cost	2,998
Profit before tax	118	Total equity valuation	2,539
Net assets	996	Total loan stock valuation	2,070
Basis of valuation:	Net asset value supported by third party valuation	Voting rights	31.6 per cent.
Website:	www.bayfieldcourt.co.uk		

Other funds managed and advised by Albion Ventures LLP have invested in this company and have a combined equity holding of 50.0 per cent.

The Crown Hotel Harrogate Limited

The company acquired the historic 114 bedroom Crown Hotel in Harrogate, Yorkshire in November 2005. A substantial refurbishment was carried out and the hotel is once again recognised as one of the leading hotels in Harrogate.

Audited results: year to 31 March 2014	£'000	Investment information	£'000
Turnover	2,395	Income recognised in the year	117
EBITDA	272	Total cost	4,245
Loss before tax	(973)	Total equity valuation	–
Net liabilities	(6,636)	Total loan stock valuation	2,916
Basis of valuation:	Net asset value supported by third party valuation	Voting rights	24.1 per cent.
Website:	www.crownhotelharrogate.com		

Other funds managed and advised by Albion Ventures LLP have invested in this company and have a combined equity holding of 50.0 per cent.

The Stanwell Hotel Limited

The company acquired the 19 bedroom Stanwell Hall Hotel near Heathrow in August 2007. Planning consent was subsequently obtained to extend the hotel to 52 bedrooms and the hotel re-opened at the end of April 2010.

Audited results: year to 31 August 2013	£'000	Investment information	£'000
Turnover	1,152	Income recognised in the year	–
EBITDA	27	Total cost	4,677
Loss before tax	(908)	Total equity valuation	–
Net liabilities	(4,641)	Total loan stock valuation	2,338
Basis of valuation:	Net asset value supported by third party valuation	Voting rights	39.2 per cent.
Website:	www.thestanwell.com		

Other funds managed and advised by Albion Ventures LLP have invested in this company and have a combined equity holding of 50.0 per cent.

Radnor House School (Holdings) Limited

Radnor House is a co-educational independent day school in Twickenham, which opened in September 2011. It is located in historic buildings on the banks of the River Thames in South West London. In its first Ofsted inspection the school was graded Outstanding in all categories, placing it in the top 0.5% of all schools in the UK inspected by Ofsted.

Audited results: year to 31 August 2013	£'000	Investment information	£'000
Turnover	3,602	Income recognised in the year	63
EBITDA	1,105	Total cost	1,381
Profit before tax	168	Total equity valuation	1,166
Net liabilities	(156)	Total loan stock valuation	1,065
Basis of valuation:	Net asset value supported by third party valuation	Voting rights	7.1 per cent.
Website:	www.radnorhouse.org		

Other funds managed and advised by Albion Ventures LLP have invested in this company and have a combined equity holding of 50.0 per cent.

Portfolio companies (continued)

Active Lives Care Ltd

A company to develop and operate a purpose built elderly care home offering 72 bedrooms in Cumnor Hill, Oxford.

The company was incorporated on 8 November 2013 and has not yet filed accounts at Companies House.

Investment information	£'000
Income recognised in the year	–
Total cost	1,800
Total equity valuation	–
Total loan valuation	1,800
Voting rights	100 per cent.

Basis of valuation: Cost

After the year end other funds managed and advised by Albion Ventures LLP have invested in this company and have a combined equity holding of 50.0 per cent.

The Charnwood Pub Company Limited

The company is a pub company which owns and operates 10 freehold public houses in central England.

Abbreviated audited results: 31 March 2013	£'000
Turnover	3,857
EBITDA	430
Loss before tax	(288)
Net liabilities	(1,746)
Basis of valuation:	Net asset value supported by third party valuation
Website:	www.charnwoodpubco.co.uk

Investment information	£'000
Income recognised in the year	39
Total cost	3,532
Total equity valuation	–
Total loan stock valuation	1,643
Voting rights	14.8 per cent.

Other funds managed and advised by Albion Ventures LLP have invested in this company and have a combined equity holding of 50.0 per cent.

Chonais Holdings Limited

A company that is developing and will operate a 2 megawatt hydro-power scheme in the Scottish Highlands.

The company was incorporated on 26 June 2013 and has not yet filed accounts at Companies House.

Investment information	£'000
Income recognised in the year	5
Total cost	1,611
Total equity valuation	870
Total loan valuation	747
Voting rights	16.1 per cent.

Basis of valuation: Cost

Other funds managed and advised by Albion Ventures LLP have invested in this company and have a combined equity holding of 50.0 per cent.

The Weybridge Club Limited

The company owns a 30 acre freehold site near to the centre of Weybridge, Surrey, which has been developed into a premium health and fitness club.

Audited results: year to 30 September 2013	£'000
Turnover	1,732
EBITDA	412
Loss before tax	(480)
Net liabilities	(3,770)
Basis of valuation:	Net asset value supported by third party valuation
Website:	www.theweybridgeclub.com

Investment information	£'000
Income recognised in the year	129
Total cost	2,136
Total equity valuation	–
Total loan stock valuation	1,486
Voting rights	14.3 per cent.

Other funds managed and advised by Albion Ventures LLP have invested in this company and have a combined equity holding of 50.0 per cent.

Bravo Inns II Limited

The company was formed in September 2007 and owns and operates 25 freehold pubs in the north of England. The pubs are trading well with considerable demand for the value offering.

Abbreviated audited results: year to 31 March 2013	£'000
Turnover	4,871
EBITDA	654
Loss before tax	(378)
Net assets	2,678
Basis of valuation:	Net asset value supported by third party valuation
Website:	www.bravoinns.com

Investment information	£'000
Income recognised in the year	92
Total cost	1,085
Total equity valuation	372
Total loan stock valuation	751
Voting rights	6.4 per cent.

Other funds managed and advised by Albion Ventures LLP have invested in this company and have a combined equity holding of 50.0 per cent.

Net assets of portfolio companies where a recent third party valuation has taken place, may have a higher valuation in Albion Venture Capital Trust PLC's accounts than in their own, where the portfolio company does not have a policy of revaluing its fixed assets.

Directors' report

The Directors submit their Annual Report and the audited Financial Statements on the affairs of Albion Venture Capital Trust PLC (the "Company") for the year ended 31 March 2014.

BUSINESS REVIEW

Principal activity and status

The principal activity of the Company is that of a venture capital trust. It has been approved by H.M. Revenue & Customs ("HMRC") as a venture capital trust in accordance with the Income Tax Act 2007 and in the opinion of the Directors, the Company has conducted its affairs so as to enable it to continue to obtain such approval. Approval for the year ended 31 March 2014 is subject to review should there be any subsequent enquiry under corporation tax self assessment.

The Company is not a close company for taxation purposes and its shares are listed on The London Stock Exchange.

Under current tax legislation, shares in the Company provide tax-free capital growth and income distribution, in addition to the income tax relief some investors would have obtained when they invested in the original share offers.

Capital structure

Details of the issued share capital, together with details of the movements in the Company's issued share capital during the year are shown in note 16. The Ordinary shares are designed for individuals who are professionally advised private investors, seeking, over the long term, investment exposure to a diversified portfolio of unquoted investments. The investments are spread over a number of sectors, to produce a regular and predictable source of income, combined with the prospect of longer term capital growth.

All Ordinary shares (except for treasury shares, which have no right to dividend) rank pari passu for voting rights and each Ordinary share is entitled to one vote. The Directors are not aware of any restrictions on the transfer of shares or on voting rights.

Shareholders are entitled to receive dividends and the return on capital on winding up or other return on capital based on the surpluses attributable to the shares.

Issue and buy-back of Ordinary shares

During the year the Company issued a total of 4,902,202 Ordinary shares (2013: 1,543,530 Ordinary shares), of which 4,608,012 Ordinary shares (2013: 1,352,841 Ordinary shares) were issued under the Albion VCTs Top Up Offers; and 294,190 Ordinary shares (2013: 190,689 Ordinary shares) were issued under the Company's Dividend Reinvestment Scheme. The Company launched the Albion VCTs Top Up Offers 2013/2014 in November 2013. This closed on 14 March 2014 and shares issued are detailed in Note 16. The Company is currently engaged in the Albion VCTs Prospectus Top Up Offers 2013/2014 for which a prospectus has been published, copies of which are available on the Company's website at www.albion-ventures.co.uk. The Prospectus Offers remains open for the 2014/2015 tax year and are expected to close no later than 30 September 2014.

The Company operates a policy of buying back shares either for cancellation or for holding in treasury. Details regarding the current buy-back policy can be found on page 7 of the Chairman's statement.

Substantial interests and shareholder profile

As at the date of this report, the Company was aware that J M Finn Nominees had a beneficial interest of 3.04 per cent. (2013: 3.35 per cent.) of the issued share capital. There have been no disclosures in accordance with Disclosure and Transparency Rule 5 made to the Company during the year ended 31 March 2014, and to the date of this report.

Results and dividends

Detailed information on the results and dividends for the year ended 31 March 2014 can be found in the Strategic report on pages 8 and 9.

Going concern

In accordance with Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009 issued by the Financial Reporting Council, the Board has assessed the Company's operation as a going concern. The Company has significant cash and liquid resources, its portfolio of investments is well diversified in terms of sector, and the major cash outflows of the Company (namely investments, buy-backs and dividends) are within the Company's control. Accordingly, after making diligent enquiries the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing the accounts.

The Board's assessment of liquidity risk and details of the Company's policies for managing its capital and financial risks are shown in note 20. The Company's business activities, together with details of its performance are shown in the Strategic report and this Directors' report.

Post balance sheet events

Details of events that have occurred since 31 March 2014 are shown in note 22.

Directors' report (continued)

Principal risks and uncertainties
A summary of the principal risks faced by the Company is set out on pages 12 and 13 of the Strategic report.

Environment
The management and administration of the Company is undertaken by the Manager. Albion Ventures LLP recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by its activities. Initiatives designed to minimise the Company's impact on the environment include recycling and reducing energy consumption as shown in the financial statements of Albion Ventures LLP.

Global greenhouse gas emissions
The Company has no greenhouse gas emissions to report from the operations of the Company, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) regulations 2013, including those within our underlying investment portfolio.

Anti-bribery policy
The Company has adopted a zero tolerance approach to bribery, and will not tolerate bribery under any circumstances in any transaction the Company is involved in.

Albion Ventures LLP reviews the anti-bribery policies and procedures of all portfolio companies.

Diversity
The Board currently consists of four male Directors. The Board's policy on the recruitment of new directors is to attract a range of backgrounds, skills and experience and to ensure that appointments are made on the grounds of merit against clear and objective criteria and to bear in mind gender and other diversity within the Board.

More details on the Directors can be found in the Board of Directors section on page 14.

The Manager has an equal opportunities policy and currently employees 12 men and 10 women working at Albion Ventures LLP.

Employees
The Company is managed by Albion Ventures LLP and hence has no employees other than its Directors.

Directors
The Directors who held office throughout the year, and their interests in the shares of the Company (together with those of their immediate family) are shown in the Directors' remuneration report on page 29.

Directors' indemnity
Each Director has entered into a Deed of Indemnity with the Company which indemnifies each Director, subject to the provisions of the Companies Act 2006 and the limitations set out in each deed, against any liability arising out of any claim made against him in relation to the performance of his duties as a Director of the Company. A copy of each Deed of Indemnity entered into by the Company for each Director is available at the Registered Office of the Company.

Re-election of Directors
Directors' retirement and re-election is subject to the Articles of Association and the UK Corporate Governance Code. At the forthcoming Annual General Meeting, David Watkins and John Kerr will retire and offer themselves for re-election as both have been Directors of the Company for more than nine years. The Board does not consider that the length of service reduces their ability to act independently of the Manager. Jeff Warren will also retire and offer himself for re-election.

Advising ordinary retail investors
The Company currently conducts its affairs so that its shares can be recommended by financial intermediates to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The FCA's restrictions which apply to non-mainstream investment products do not apply to the Company's shares because they are shares in a VCT which, for the purposes of the new rules relating to non-mainstream investment products, are excluded securities and may be promoted to ordinary retail investors without restriction.

Investment and co-investment
The Company co-invests with other venture capital trusts and funds managed by Albion Ventures LLP. Allocation of investments is on the basis of an allocation agreement which is based, *inter alia*, on the ratio of funds available for investment.

Auditor
The Audit Committee annually reviews and evaluates the standard and quality of service provided by the Auditor, as well as value for money in the provision of these services. A resolution to re-appoint BDO LLP will be put to the Annual General Meeting.

Annual General Meeting
The Annual General Meeting will be held at the City of London Club, 19 Old Broad Street, London EC2N 1DS at

Directors' report (continued)

11:00 am on 25 July 2014. The notice of the Annual General Meeting is at the end of this document.

The proxy form enclosed with this Annual Report and Financial Statements permits shareholders to disclose votes 'for', 'against', and 'withheld'. A 'vote withheld' is not a vote in law and will not be counted in the proportion of the votes for and against the resolution. A summary of proxies lodged at the Annual General Meeting will be published at www.albion-ventures.co.uk within the 'Our Funds' section by clicking on Albion Venture Capital Trust PLC.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting for which shareholder approval is required in order to comply either with the Companies Act or the Listing Rules of the Financial Conduct Authority.

Power to allot shares
Ordinary resolution number 9 will request the authority to allot up to an aggregate nominal amount of £134,349 representing approximately 20 per cent. of the issued Ordinary share capital of the Company as at the date of this report.

The Directors current intention is to allot shares under the Dividend Reinvestment Scheme, any Albion VCTs Top Up Offers and reissuing treasury shares where it is in the Company's interest to do so. The Company currently holds 4,695,440 Ordinary treasury shares representing 7.3 per cent. of the total Ordinary share capital in issue as at 31 March 2014.

This resolution replaces the authority given to the Directors at the Annual General Meeting in 2013. The authority sought at the forthcoming Annual General Meeting will expire 18 months from the date this resolution is passed or at the conclusion of the next Annual General Meeting of the Company, whichever is earlier.

Dis-application of pre-emption rights
Special resolution number 10 will request the authority for the Directors to allot equity securities for cash without first being required to offer such securities to existing members. This will include the sale on a non pre-emptive basis of any shares the Company holds in treasury for cash. The authority relates to a maximum aggregate of £134,349 of the nominal value of the share capital representing 20 per cent. of the issued Ordinary share capital of the Company as at the date of this Report.

This resolution replaces the authority given to the Directors at the Annual General Meeting in 2013. The authority sought at the forthcoming Annual General Meeting will expire 18 months from the date this resolution is passed or at the conclusion of the next Annual General Meeting of the Company, whichever is earlier. Members should note that this resolution also relates to treasury shares.

Purchase of own shares
Special resolution number 11 will request the authority to purchase approximately 14.99 per cent. of the Company's issued Ordinary share capital at, or between, the minimum and maximum prices specified in resolution 11. Shares bought back under this authority may be cancelled.

The Board believes that it is helpful for the Company to continue to have the flexibility to buy its own shares and this resolution seeks authority from shareholders to do so.

This resolution would renew the 2013 authority, which was on similar terms. During the financial year under review, the Company purchased 543,000 Ordinary shares for treasury at an aggregate consideration of £364,000, including stamp duty and 729,000 Ordinary shares for cancellation at an aggregate consideration of £487,000, representing 2 per cent. of the issued share capital of the Company as at 31 March 2014.

The authority sought at the Annual General Meeting will expire 18 months from the date this resolution is passed or at the conclusion of the next Annual General Meeting, whichever is earlier.

Treasury shares
Under the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (the "Regulations"), shares purchased by the Company out of distributable profits can be held as treasury shares, which may then be cancelled or sold for cash. The authority sought by these resolutions is intended to apply equally to shares to be held by the Company as treasury shares in accordance with the Regulations.

Special resolution number 12 will request the authority to permit Directors to sell treasury shares at the higher of the prevailing current share price and the price at which they were bought in at.

Recommendation
The Board believes that the passing of the resolutions above is in the best interests of the Company and its shareholders as a whole, and unanimously recommends that you vote in favour of all the proposed resolutions, as the Directors intend to do in respect of their own beneficial shareholdings.

Directors' responsibilities
The Directors are responsible for preparing the Strategic report, the Directors' report, the Directors' remuneration

Directors' report (continued)

report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these Financial Statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Strategic report, a Director's report and Director's remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial Statements are published on the Company's webpage on the Manager's website (www.albion-ventures.co.uk) in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The directors' responsibility extends to the ongoing integrity of the Financial Statements contained therein.

Directors' responsibilities pursuant to Disclosure and Transparency Rule 4 of the UK Listing Authority

The Directors confirm, to the best of their knowledge:

- that the Financial Statements have been prepared in accordance with UK Generally Accepted Accounting Practice and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- that the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

Disclosure of information to the Auditor

In the case of the persons who are Directors of the Company at the date of approval of this report:

- so far as each of the Directors are aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- each of the Directors has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

This disclosure is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

By Order of the Board

Albion Ventures LLP
Company Secretary

1 King's Arms Yard
London, EC2R 7AF
25 June 2014

Statement of corporate governance

Background
The Financial Conduct Authority requires all listed companies to disclose how they have applied the principles and complied with the provisions of the UK Corporate Governance Code (the "Code") issued by the Financial Reporting Council ("FRC") in September 2012.

The Board of Albion Venture Capital Trust PLC has also considered the principles and recommendations of the AIC Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to Albion Venture Capital Trust PLC.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders than reporting under the Code alone.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below.

Application of the Principles of the Code
The Board attaches importance to matters set out in the Code and applies its principles. However, as a venture capital trust company, most of the Company's day-to-day responsibilities are delegated to third parties and the Directors are all non-executive. Thus, not all the provisions of the Code are directly applicable to the Company.

Board of Directors
The Board consists solely of independent non-executive Directors. Since all Directors are non-executive and day-to-day management responsibilities are sub-contracted to the Manager, the Company does not have a Chief Executive Officer.

David Watkins is the Chairman and Jeff Warren is the Senior Independent Director.

John Kerr is an external member of the Investment Committee of Albion Ventures LLP. The Board has reviewed and approved this role and concluded it does not affect his independence.

David Watkins and John Kerr have both been Directors of the Company for more than nine years and, in accordance with the recommendations of the AIC code, are subject to annual re-election. The Board does not have a policy of limiting the tenure of any Director as the Board does not consider that a Director's length of service reduces his ability to act independently of the Manager. Jeff Warren will also retire and offer himself for re-election.

The Directors have a range of business and financial skills which are relevant to the Company; these are described in the Board of Directors section of this Report, on page 14. Directors are provided with key information on the Company's activities, including regulatory and statutory requirements, and internal controls, by the Manager. The Board has direct access to secretarial advice and compliance services by the Manager, who is responsible for ensuring that Board procedures are followed and applicable procedures complied with. All Directors are able to take independent professional advice in furtherance of their duties if necessary. In accordance with the UK Corporate Governance Code, the Company has in place Directors' & Officers' Liability Insurance.

The Directors have considered diversity in relation to the composition of the Board and have considered that its membership is diverse in relation to its experience and balance of skills. Further details on the policy regarding the recruitment of new directors can be found in the Nomination Committee section on page 27.

The Board met five times during the year as part of its regular programme of Board meetings. All of the Directors attended each meeting. A sub-committee of the Board comprising at least two Directors met during the year to allot shares issued under the Dividend Reinvestment Scheme and the Albion VCTs Top Up Offers. A sub-committee of the Board also met during the year to approve the terms and contents of the Offers documents under the Albion VCTs Top Up Offers 2013/2014, Albion VCTs Prospectus Top Up Offers 2013/2014 and to allot Shares under the Offers.

The Chairman ensures that all Directors receive, in a timely manner, all relevant management, regulatory and financial information. The Board receives and considers reports regularly from the Manager and other key advisers, and ad hoc reports and information are supplied to the Board as required. The Board has a formal schedule of matters reserved for it and the agreement between the Company and its Manager sets out the matters over which the Manager has authority and limits beyond which Board approval must be sought.

Statement of corporate governance (continued)

The Manager has authority over the management of the investment portfolio, the organisation of custodial services, accounting, secretarial and administrative services. The main issues reserved for the Board include:

- the appointment, evaluation, removal and remuneration of the Manager;
- the consideration and approval of future developments or changes to the investment policy, including risk and asset allocation;
- consideration of corporate strategy and corporate events that arise;
- application of the principles of the UK Corporate Governance Code, corporate governance and internal control;
- review of sub-committee recommendations, including the recommendation to shareholders for the appointment and remuneration of the Auditor;
- evaluation of non-audit services provided by the external Auditor;
- approval of the appropriate dividend to be paid to shareholders;
- the performance of the Company, including monitoring of the discount of the net asset value and the share price;
- share buy-back and treasury share policy; and
- monitoring shareholder profile and considering shareholder communications.

It is the responsibility of the Board to present an Annual Report that is fair, balanced and understandable, which provides the information necessary for shareholders to assess the performance, strategy and business model of the Company.

Committees' and Directors' performance evaluation
Performance of the Board and the Directors is assessed on the following:

- attendance at Board and Committee meetings;
- the contribution made by individual Directors at, and outside of, Board and Committee meetings; and
- completion of a detailed internal assessment process and annual performance evaluation conducted by the Chairman. The Senior Independent Director reviews the Chairman's annual performance evaluation.

The evaluation process has identified that the Board works well together and has the right balance of skills, experience, independence and knowledge of the Company amongst the Directors. Diversity within the Board is achieved through the appointment of directors with different sector backgrounds and skills.

Directors are offered training, both at the time of joining the Board and on other occasions where required. The Board also undertakes a proper and thorough evaluation of its committees on an annual basis.

Directors' retirement and re-election is subject to the Articles of Association and the AIC Code. Directors are subject to re-election every three years and Directors who have served longer than nine years and non-independent Directors, to re-election every year.

In light of the structured performance evaluation, David Watkins, Jeff Warren and John Kerr, who are subject to re-election at the forthcoming Annual General Meeting, are considered to be effective Directors who demonstrate strong commitment to the role. The Board believes it to be in the best interest of the Company to re-elect these Directors at the forthcoming Annual General Meeting.

Remuneration Committee
Jeff Warren is Chairman of the Remuneration Committee and all of the Directors are members of this Committee. The Committee meets once a year and held one formal meeting during the year which was fully attended by all the Directors.

The terms of reference for the Remuneration Committee can be found on the Company's website at www.albion-ventures.co.uk within the 'Our Funds' section by clicking on Albion Venture Capital Trust PLC and looking under the Corporate Governance section.

Audit Committee
The Audit Committee consists of all Directors. John Kerr is Chairman of the Audit Committee. In accordance with the Code, all members of the Audit Committee have recent and relevant financial experience and therefore it is considered appropriate for the whole Board to be part of the Audit Committee. The Committee met twice during the year ended 31 March 2014; all members attended.

Written terms of reference have been constituted for the Audit Committee and can be found on the Company's website at www.albion-ventures.co.uk within the 'Our Funds' section by clicking on Albion Venture Capital Trust PLC.

During the year under review, the Committee discharged its responsibilities including:

- formally reviewing the Annual Report and Financial Statements, the Half-yearly Report, the Interim Management Statements and the associated announcements, with particular focus on the main areas requiring judgment and on critical accounting policies;

Statement of corporate governance (continued)

- reviewing the effectiveness of the internal controls system and examination of the Internal Controls Report produced by the Manager;
- meeting with the external Auditor and reviewing their findings;
- highlighting the key risks and specific issues relating to the Financial Statements including the reasonableness of valuations, compliance with accounting standards and UK law, corporate governance and listing and disclosure rules as well as going concern. These issues were addressed through detailed review, discussion and challenge by the Board of these matters, as well as by reference to underlying technical information;
- advising the Board on whether the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;
- reviewing the performance of the Manager and making recommendations regarding their re-appointment to the Board; and
- (after the year end) reporting to the Board on how it has discharged its responsibilities.

Financial Statements

The Audit Committee has initial responsibility for reviewing the Financial Statements and reporting on any significant issues that arise in relation to the audit of the Financial Statements as outlined below. Such issues were discussed with the external Auditor at the audit planning meeting and at the completion of the audit of the Financial Statements. No major conflicts arose between the Audit Committee and the external Auditor in respect of their work during the period.

The key accounting and reporting issues considered by the Committee were:

The valuation of the Company's investments

Valuations of investments are prepared by the Investment Manager. The Audit Committee reviewed the estimates and judgments made in relation to these investments and were satisfied that they were appropriate. The Audit Committee also discussed the controls in place over the valuation of investments. The Committee recommended investment valuations to the Board for approval.

Revenue recognition

The revenue generated from loan stock interest and dividend income has been considered by the Audit Committee as part of its review of the Annual Report as well as a quarterly review of the management accounts prepared by the Manager. The Audit Committee has considered the controls in place over revenue recognition to ensure that amounts received are in line with expectation and budget.

Following a detailed review of the Annual Report and Financial Statements and consideration of the key areas of risk identified, the Board as a whole have concluded that, the Financial Statements are fair, balanced and understandable and that they provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

Relationship with the External Auditor

The Committee reviews the performance and continued suitability of the Company's external Auditor on an annual basis. They assess the external Auditor's independence, qualification, extent of relevant experience, effectiveness of audit procedures as well as the robustness of their quality assurance procedures. In advance of each audit, the Committee obtains confirmation from the external Auditor that they are independent and of the level of non-audit fees earned by them and their affiliates. There were no non-audit fees charged to the Company during the year.

As part of its work, the Audit Committee has undertaken a formal evaluation of the external Auditor against the following criteria;

- Qualification
- Expertise
- Resources
- Effectiveness
- Independence
- Leadership

In order to form a view of the effectiveness of the external audit process, the Committee took into account information from the Manager regarding the audit process, the formal documentation issued to the Audit Committee and the Board by the external Auditor regarding the external audit for the year ended 31 March 2014, and assessments made by individual Directors.

The Audit Committee also has an annual meeting with the external Auditor, without the Manager present, at which pertinent questions are asked to help the Audit Committee determine if the Auditor's skills match all the relevant and appropriate criteria.

As part of its annual review procedures, the Committee has obtained sufficient assurance from their own evaluation and the audit feedback documentation. Based on the assurance obtained, the Committee has recommended to the Board that a resolution to re-appoint BDO LLP be proposed at the Annual General Meeting.

Nomination Committee
The Nomination Committee consists of all Directors, with David Watkins as Chairman.

The Board's policy on the recruitment of new directors is to attract a range of backgrounds, skills and experience and to ensure that appointments are made on the grounds of merit against clear and objective criteria and bear in mind gender and other diversity within the Board.

The nomination committee did not meet during the year.

Terms of reference for the Nomination Committee can be found on the Company's website at www.albion-ventures.co.uk within the 'Our Funds' section by clicking on Albion Venture Capital Trust PLC.

Internal control
In accordance with the UK Corporate Governance Code, the Board has an established process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place throughout the year and continues to be subject to regular review by the Board in accordance with the Internal Control Guidance for Directors in the UK Corporate Governance Code published in September 1999 and updated in 2005 (the "Turnbull guidance"). The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage, rather than eliminate the risks of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board, assisted by the Audit Committee, monitors all controls, including financial, operational and compliance controls, and risk management. The Audit Committee receives each year from the Manager a formal report, which details the steps taken to monitor the areas of risk, including those that are not directly the responsibility of the Manager, and which reports the details of any known internal control failures. Steps continue to be taken to embed the system of internal control and risk management into the operations and culture of the Company and its key suppliers, and to deal with areas of improvement which come to the Manager's and the Audit Committee's attention.

The Board, through the Audit Committee, has performed a specific assessment for the purpose of this Annual Report. This assessment considers all significant aspects of internal control arising during the year. The Audit Committee assists the Board in discharging its review responsibilities.

The main features of the internal control system with respect to financial reporting, implemented throughout the year are:

- segregation of duties between the preparation of valuations and recording into accounting records;
- independent valuations of the asset-backed investments within the portfolio undertaken annually;
- reviews of valuations are carried out by the Managing Partner and reviews of financial reports are carried out by the Finance Director of Albion Ventures LLP;
- bank and stock reconciliations are carried out monthly by the Manager in accordance with FCA requirements;
- all published financial reports are reviewed by Albion Ventures LLP Compliance department;
- the Board reviews financial information; and
- a separate Audit Committee of the Board reviews published financial information.

As the Board has delegated the investment management and administration to Albion Ventures LLP, the Board feels that it is not necessary to have its own internal audit function. Instead, the Board had access to PKF Littlejohn LLP, which, as internal Auditor for Albion Ventures LLP, undertakes periodic examination of the business processes and controls environment at Albion Ventures LLP, and ensures that any recommendations to implement improvements in controls are carried out. PKF Littlejohn LLP report formally to the Board of Albion Venture Capital Trust PLC on an annual basis. The Board will continue to monitor its system of internal control in order to provide assurance that it operates as intended.

Conflicts of interest
Directors review the disclosure of conflicts of interest annually, with changes reviewed and noted at the beginning of each Board meeting. A Director who has conflicts of interest has two independent Directors authorise those conflicts. Procedures to disclose and authorise conflicts of interest have been adhered to throughout the year.

Capital structure and Articles of Association
Details regarding the Company's capital structure, substantial interests and Directors' powers to buy and issue shares are detailed in full on pages 20 and 22 of the Directors' report. The Company is not party to any significant agreements that may take effect, alter or terminate upon a change of control of the Company following a takeover bid.

Any amendments to the Company's Articles of Association are by way of a special resolution subject to ratification by shareholders.

Statement of corporate governance (continued)

Relationships with shareholders

The Company's Annual General Meeting on 25 July 2014 will be used as an opportunity to communicate with investors. The Board, including the Chairman of the Audit Committee, will be available to answer questions at the Annual General Meeting.

At the Annual General Meeting, the level of proxies lodged on each resolution, the balance for and against the resolution, and the number of votes withheld, are announced after the resolution has been voted on by a show of hands.

The Annual General Meeting will also include a presentation from the Manager on the portfolio and on the Company, and a presentation from a portfolio company.

Shareholders are able to access the latest information on the Company via the Albion Ventures LLP website www.albion-ventures.co.uk under the "Our Funds" section.

For help relating to dividend payments, shareholdings and share certificates please contact Computershare Investor Services PLC:

Tel: 0870 873 5849 (UK National Rate call, lines are open 8.30am – 5.30pm; Mon – Fri, calls may be recorded)
Website: www.investorcentre.co.uk

Shareholders can access holdings and valuation information regarding any of their shares held with Computershare by registering on Computershare's website.

For enquiries relating to the performance of the Fund, and for financial advisers' information please contact Albion Ventures LLP:

Tel: 020 7601 1850 (lines are open 9.00am – 5.30pm, Mon – Fri, calls may be recorded)
Email: info@albion-ventures.co.uk
Website: www.albion-ventures.co.uk

Please note that these contacts are unable to provide financial or taxation advice.

The Company's share buy-back programme operates in the market through brokers. In order to sell shares, as they are quoted on the London Stock Exchange, investors should approach a broker to undertake the sale. Banks may be able to assist shareholders with a referral to a broker within their banking group.

Statement of compliance

The Directors consider that the Company has complied throughout the year ended 31 March 2014 with all the relevant provisions set out in the Code issued in September 2012, and with the AIC Code of Corporate Governance. The Company continues to comply with the Code as at the date of this report.

David Watkins
Chairman
25 June 2014

Directors' remuneration report

Introduction
This report is submitted in accordance with Section 420 of the Companies Act 2006 and describes how the Board has applied the principles relating to the Directors' remuneration.

Ordinary resolutions will be proposed at the Annual General Meeting of the Company to be held on 25 July 2014 for the approval of the Directors' Remuneration Policy and the Annual Remuneration Report as set out below.

The Company's independent Auditor, BDO LLP, is required to give its opinion on certain information included in this report, as indicated below. The Auditor's opinion is included in the Independent Auditor's Report.

Annual statement from the Chairman of the Remuneration Committee
The Remuneration Committee comprises all of the Directors with Jeff Warren as Chairman.

The Remuneration Committee met once during the year to review Directors responsibilities and salaries against the market and concluded that the current level of remuneration was appropriate, save for John Kerr, the Audit Committee Chairman, where it was concluded that to reflect the increase in the amount and quality of work required, his fee be increased by £3,000 with effect from 1 April 2014.

Directors' remuneration policy
The Company's policy is that fees payable to non-executive Directors should reflect their expertise, responsibilities and time spent on Company matters. In determining the level of non-executive remuneration, market equivalents are considered in comparison to the overall activities and size of the Company.

In accordance with the new reporting requirements, an Ordinary resolution for the approval of the Remuneration policy of the Company, to remain in force for a three year period, will be put to the members at the AGM and will be effective from that date.

The maximum level of non-executive Directors' remuneration is fixed by the Company's Articles of Association, not to exceed £100,000 per annum; amendment to this is by way of a special resolution subject to ratification by shareholders.

Assuming this policy is approved by Shareholders at the forthcoming Annual General Meeting, it is intended that this policy will continue for the year ended 31 March 2015 and subsequent years. An ordinary resolution to approve the Directors' Remuneration Policy will be put to shareholders at least once every three years.

The Company's Articles of Association provide for the resignation and, if approved, re-election of the Directors every three years at the Annual General Meeting. In accordance with the recommendations of the AIC Code, Directors who have served the Company for longer than nine years are subject to annual re-election, and any non-independent Directors are also subject to annual re-election. At the forthcoming Annual General Meeting David Watkins, Jeff Warren and John Kerr will retire and be proposed for re-election.

None of the Directors have a service contract with the Company, and as such there is no policy on termination payments. There is no notice period and no payments for loss of office were made during the period. On being appointed to the Board, Directors receive a letter from the Company setting out the terms of their appointment and their specific duties and responsibilities.

Shareholders' views in respect of Directors' remuneration are regarded highly and the Board encourages Shareholders' to attend its Annual General Meeting in order to communicate their thoughts, which it takes into account where appropriate when formulating its policy. At the last Annual General Meeting, 99% of shareholders voted for the resolution approving the Directors' Remuneration Report which shows significant Shareholder support.

Directors
The Directors who held office throughout the year and their interests in the shares of the Company (together with those of their immediate family) are as follows:

	31 March 2014 (Number of shares)	31 March 2013 (Number of shares)
D J Watkins	**10,000**	10,000
J M B L Kerr	**13,109**	13,109
J Warren	**20,000**	20,000
E Dinesen	**21,180**	18,403

Partners and staff of Albion Ventures LLP hold a total of 160,253 shares in the Company as at 31 March 2014.

Annual report on remuneration
The remuneration of individual Directors' is determined by the Remuneration Committee within the framework set by the Board. The Committee comprises all Directors, and is chaired by Jeff Warren. The Committee meets at least once a year and met once during the year under review with full attendance from all of its members.

It is responsible for reviewing the remuneration of the Directors and the Company's remuneration policy to ensure that it reflects the duties, responsibilities and value of time

Directors' remuneration report (continued)

spent by the Directors on the business of the Company and makes recommendations to the Board accordingly.

Directors' remuneration

The following items have been audited.

The following table shows an analysis of the remuneration of individual Directors, exclusive of National Insurance:

	2014 £'000	2013 £'000
D J Watkins	**20**	20
J M B L Kerr	**20**	20
E Dinesen	**20**	10
J Warren	**20**	20
J N Rounce (resigned 25 September 2012)	**–**	10
	80	80

The Company does not confer any share options, long term incentives or retirement benefits to any Director, nor does it make a contribution to any pension scheme on behalf of the Directors.

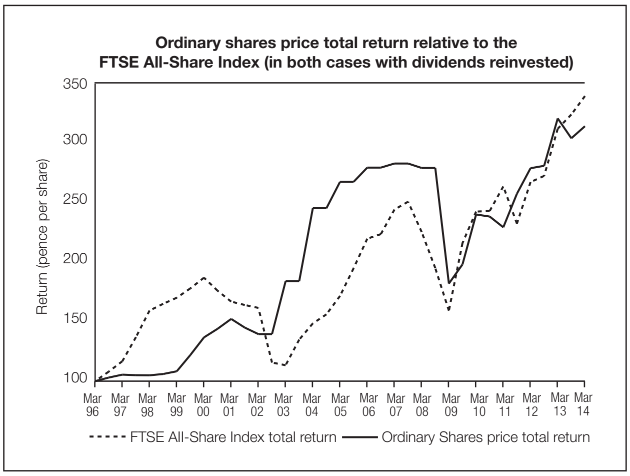
Each Director of the Company was remunerated personally through the Manager's payroll which has been recharged to the Company.

In addition to Directors' remuneration, the Company pays an annual premium in respect of Directors' & Officers' Liability Insurance of £10,213 (2013: £9,063).

Performance graph

The graph that follows shows the Company's share price total return against the FTSE All-Share Index total return, in both instances with dividends reinvested, since launch. The Directors consider the FTSE All-Share Index to be the most appropriate benchmark for the Company. Investors should, however, be reminded that shares in VCTs generally trade at a discount to the actual net asset value of the Company.

There are no options, issued or exercisable, in the Company which would distort the graphical representation that follows.



Source: Albion Ventures LLP
Methodology: The share price return to the shareholder, including original amount invested (rebased to 100), assuming that dividends were re-invested at the share price of the Company at the time the shares were quoted ex-dividend. Transaction costs are not taken into account.

Relative importance of spend on pay

As the Company has no employees other than the Directors, the Committee does not consider it meaningful to present a table comparing remuneration paid to employees with distribution to shareholders.

By Order of the Board

Albion Ventures LLP
Company Secretary

1 King's Arms Yard
London, EC2R 7AF
25 June 2014

Independent Auditor's Report to the Members of Albion Venture Capital Trust PLC

We have audited the financial statements of Albion Venture Capital Trust PLC for the year ended 31 March 2014 which comprise the income statement, the balance sheet, the reconciliation of movements in shareholders' funds, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our assessment of risks of material misstatement and our audit approach to these risks
We identified the following risks that we consider to have had the greatest impact on our audit strategy and scope:

- The assessment of the carrying value of investments, particularly unquoted investments.

  This is a key accounting estimate where there is an inherent risk of management override arising from the investment valuations being prepared by the Investment Manager, who is remunerated based on the net asset value of the funds, derived using those valuations.

  We reviewed and challenged the appropriateness of the assumptions used in the valuation of unquoted investments and we assessed the impact of the estimation uncertainty concerning these assumptions and the disclosure of these uncertainties in the financial statements. Our audit procedures included reviewing the historical financial statements and recent management information available for the unquoted investments used to support assumptions about maintainable earnings used in the valuations, considering the multiples applied by reference to independent market data and challenging the adjustments made to such market data in arriving at the valuations adopted. Where alternative assumptions could reasonably be applied, we developed our own point estimates and considered the overall impact of such sensitisations on the portfolio of investments in determining whether the valuations as a whole are reasonable and unbiased.

  Where other valuation approaches were adopted, in addition to challenging the assumptions used, we considered the appropriateness of the valuation techniques adopted by reference to both the circumstances of the investee company and the International Private Equity and Venture Capital Valuation guidelines.

- Revenue recognition

  Revenue consists of dividends receivable from investee companies and interest earned on loans to investee companies and cash balances. Revenue recognition is considered to be a significant audit risk as it is often a key factor in demonstrating the performance of the portfolio. In particular, as the company invests in unquoted companies, dividends receivable can be difficult to predict.

  We considered the controls relating to revenue recognition and undertook testing of interest income by comparing actual income to expectations generated using the interest rates in the loan instruments. We considered whether the accounting policy had been applied correctly by management in determining provisions against income where recovery is considered doubtful, considering management information relevant to the ability of the investee company to service the loan and the reasons for any arrears of loan interest. We also reviewed the recognition and classification of any accrued income, considering the appropriateness of the classification of income between revenue and capital in the Income Statement.

  We also tested dividends receivable through comparing actual income to expectations set based on independent published data on dividends declared by the investee companies held. We tested the categorisation of dividends received from investee companies between revenue and capital.

The Audit Committee's consideration of these matters is set out on pages 25 to 27.

Independent Auditor's Report to the Members of Albion Venture Capital Trust PLC (continued)

Purpose of this report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor
As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements and our application of materiality
A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. For planning, we consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the Financial Statements.

We determined materiality for the financial statements as a whole to be £710,000. In determining this, we based our assessment on a percentage of fixed asset investments held at fair value which reflects the underlying level of precision within the valuation of the investment portfolio and the range of reasonably possible alternative valuations that could be expected to apply to the unquoted investments. On the basis of our risk assessment, together with our assessment of the company's control environment, our judgement was that performance materiality for the financial statements should be approximately 75 per cent. of materiality for the financial statements as a whole, namely £530,000. Our objective in adopting this approach is to ensure that total detected and undetected audit differences do not exceed our materiality of £710,000 for the financial statements as a whole.

International Standards on Auditing (UK & Ireland) also require the auditor to set a lower materiality for particular classes of transaction, balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. In this context, we set a lower level of materiality to apply to those classes of transactions and balances which impact on the costs and the net realised returns of the company. We determined materiality for this area to be £110,000.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £5,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion:

- the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

Independent Auditor's Report to the Members of Albion Venture Capital Trust PLC (continued)

- the information given in the corporate governance statement set out on pages 24 to 28 of the annual report with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the financial statements.

Matters on which we are required to report by exception

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the company acquired in the course of performing our audit; or
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a corporate governance statement has not been prepared by the company.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 20 in relation to going concern; and
- the part of the corporate governance statement relating to the company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review;

We have nothing to report in respect of these matters.

Rhodri Whitlock (Senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
25 June 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Income statement

	Note	Year ended 31 March 2014 Revenue £'000	Year ended 31 March 2014 Capital £'000	Year ended 31 March 2014 Total £'000	Year ended 31 March 2013 Revenue £'000	Year ended 31 March 2013 Capital £'000	Year ended 31 March 2013 Total £'000
Gains on investments	3	**–**	**626**	**626**	–	384	384
Investment income	4	**1,718**	**–**	**1,718**	1,563	–	1,563
Investment management fees	5	**(201)**	**(601)**	**(802)**	(171)	(514)	(685)
Other expenses	6	**(398)**	**–**	**(398)**	(278)	–	(278)
Return/(loss) on ordinary activities before tax		**1,119**	**25**	**1,144**	1,114	(130)	984
Tax (charge)/credit on ordinary activities	8	**(120)**	**140**	**20**	(183)	129	(54)
Return/(loss) attributable to shareholders		**999**	**165**	**1,164**	931	(1)	930
Basic and diluted return per share (pence)*	11	**1.70**	**0.30**	**2.00**	2.00	–	2.00

* excluding treasury shares

The accompanying notes on pages 38 to 50 form an integral part of these Financial Statements.

The total column of this Income statement represents the profit and loss account of the Company. The supplementary revenue and capital columns have been prepared in accordance with The Association of Investment Companies' Statement of Recommended Practice.

All revenue and capital items in the above statement derive from the continuing operations.

There are no recognised gains or losses other than the results for the year disclosed above. Accordingly a statement of total recognised gains and losses is not required.

The difference between the reported return/(loss) on ordinary activities before tax and the historical profit/(loss) is due to the fair value movements on investments. As a result a note on historical cost profit and losses has not been prepared.

Balance sheet

	Note	31 March 2014 £'000	31 March 2013 £'000
Fixed asset investments	12	**35,580**	30,198
Current assets			
Trade and other debtors	14	**48**	24
Current asset investments	14	**–**	50
Cash at bank and in hand	18	**7,505**	11,896
		7,553	11,970
Creditors: amounts falling due within one year	15	**(475)**	(487)
Net current assets		**7,078**	11,483
Net assets		**42,658**	41,681
Capital and reserves			
Called up share capital	16	**645**	603
Share premium		**3,525**	8
Capital redemption reserve		**7**	–
Unrealised capital reserve		**(3,343)**	(4,890)
Realised capital reserve		**10,527**	11,909
Other distributable reserve		**31,297**	34,051
Total equity shareholders' funds		**42,658**	41,681
Basic and diluted net asset value per share (pence)*	17	**71.30**	74.20

* excluding treasury shares

The accompanying notes on pages 38 to 50 form an integral part of these Financial Statements.

These Financial Statements were approved by the Board of Directors and authorised for issue on 25 June 2014, and were signed on its behalf by

David Watkins
Chairman

Company number: 03142609

Reconciliation of movements in shareholders' funds

	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Unrealised capital reserve* £'000	Realised capital reserve* £'000	Other distributable reserve* £'000	Total £'000
As at 1 April 2013	603	8	–	(4,890)	11,909	34,051	41,681
Return/(loss) for the year	–	–	–	576	(411)	999	1,164
Transfer of previously unrealised gains on realisations of investments	–	–	–	971	(971)	–	–
Purchase of treasury shares	–	–	–	–	–	(364)	(364)
Issue of equity (net of costs)	49	3,517	–	–	–	–	3,566
Purchase of shares for cancellation	(7)	–	7	–	–	(487)	(487)
Net dividends paid (note 9)	–	–	–	–	–	(2,902)	(2,902)
As at 31 March 2014	**645**	**3,525**	**7**	**(3,343)**	**10,527**	**31,297**	**42,658**

	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Unrealised capital reserve* £'000	Realised capital reserve* £'000	Other distributable reserve* £'000	Total £'000
As at 1 April 2012	19,733	1,005	1,914	(3,067)	10,087	(1,286)	28,386
(Loss)/return for the year	–	–	–	(694)	693	931	930
Transfer of previously unrealised gains on disposals of investments	–	–	–	(1,129)	1,129	–	–
Purchase of treasury shares	–	–	–	–	–	(720)	(720)
Issue of equity (net of costs)	772	383	–	–	–	–	1,155
Reduction in share capital and cancellation of capital redemption and share premium reserves**	(29,556)	(5,955)	(1,914)	–	–	37,425	–
Shares issued to acquire net assets of Albion Prime VCT PLC (net of merger costs)***	9,654	4,575	–	–	–	–	14,229
Net dividends paid (note 9)	–	–	–	–	–	(2,299)	(2,299)
As at 31 March 2013	603	8	–	(4,890)	11,909	34,051	41,681

* Included within the aggregate of these reserves is an amount of £38,481,000 (2012: £41,070,000) which is considered distributable.

** The reduction in the nominal value of shares from 50 pence to 1 penny, the cancellation of capital redemption and share premium reserves (as approved by shareholders at the General Meeting held on 17 September 2012 and by order of the Court dated 30 January 2013) has increased the value of the other distributable reserve.

*** The assets and liabilities transferred through the acquisition of Albion Prime VCT PLC are shown in note 10. In addition, £109,000 of the merger costs attributable to Albion Venture Capital Trust PLC has been deducted from the share premium account in so far as they relate to the issue of new shares.

Cash flow statement

	Note	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Operating activities			
Loan stock income received		**1,534**	1,416
Deposit interest received		**131**	66
Dividend income received		**22**	–
Investment management fees paid		**(817)**	(629)
Other cash payments		**(289)**	(281)
Net cash flow from operating activities	19	**581**	572
Taxation			
UK corporation tax (paid)/received		**(99)**	(161)
Capital expenditure and financial investments			
Purchase of fixed asset investments		**(5,182)**	(420)
Disposal of fixed asset investments		**550**	9,624
Net cash flow from investing activities		**(4,632)**	9,204
Equity dividends paid			
(net of costs of issuing shares under the Dividend Reinvestment Scheme and unclaimed dividends)		**(2,719)**	(2,210)
Net cash flow before financing		**(6,869)**	7,405
Financing			
Issue of share capital (net of costs)		**3,359**	1,033
Purchase of own shares (including costs)		**(876)**	(695)
Cash acquired from Albion Prime VCT PLC	10	–	1,450
Cost of Merger (paid on behalf of the Company and Albion Prime VCT PLC)		**(5)**	(253)
Net cash flow from financing		**2,478**	1,535
Cash flow in the year	18	**(4,391)**	8,940

Notes to the Financial Statements

1. Accounting convention

The Financial Statements have been prepared in accordance with the historical cost convention, modified to include the revaluation of investments, in accordance with applicable United Kingdom law and accounting standards and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP") issued by The Association of Investment Companies ("AIC") in January 2009. Accounting policies have been applied consistently in current and prior periods.

2. Accounting policies

Investments

Unquoted equity investments, debt issued at a discount and convertible bonds

In accordance with FRS 26 "Financial Instruments Recognition and Measurement", unquoted equity, debt issued at a discount and convertible bonds are designated as fair value through profit or loss ("FVTPL"). Fair value is determined by the Directors in accordance with the International Private Equity and Venture Capital Valuation Guidelines (IPEVCV guidelines).

Fair value movements and gains and losses arising on the disposal of investments are reflected in the capital column of the Income statement in accordance with the AIC SORP. Realised gains or losses on the sale of investments will be reflected in the realised capital reserve, and unrealised gains or losses arising from the revaluation of investments will be reflected in the unrealised capital reserve.

Unquoted equity derived instruments

Unquoted equity derived instruments are only valued if there is additional value to the Company in exercising or converting as at the balance sheet date. Otherwise these instruments are held at nil value. The valuation techniques used are those used for the underlying equity investment.

Unquoted loan stock

Unquoted loan stock (excluding convertible bonds and debt issued at a discount) are classified as loans and receivables as permitted by FRS 26 and measured at amortised cost using the Effective Interest Rate method ("EIR") less impairment. Movements in the amortised cost relating to interest income are reflected in the revenue column of the Income statement, and hence are reflected in the other distributable reserve, and movements in respect of capital provisions are reflected in the capital column of the Income statement and are reflected in the realised capital reserve following sale, or in the unrealised capital reserve on movements arising from revaluations of the fair value of the security.

For all unquoted loan stock, whether fully performing, past due or impaired, the Board considers that the fair value is equal to or greater than the security value of these assets. For unquoted loan stock, the amount of the impairment is the difference between the asset's cost and the present value of estimated future cash flows, discounted at the original effective interest rate. The future cash flows are estimated based on the fair value of the security held less estimated selling costs.

Investments are recognised as financial assets on legal completion of the investment contract and are de-recognised on legal completion of the sale of an investment.

Dividend income is not recognised as part of the fair value movement of an investment, but is recognised separately as investment income through the revenue reserve when a share becomes ex-dividend.

Loan stock accrued interest is recognised in the Balance sheet as part of the carrying value of the loans and receivables at the end of each reporting period.

In accordance with the exemptions under FRS 9 "Associates and joint ventures", those undertakings in which the Company holds more than 20 per cent. of the equity as part of an investment portfolio are not accounted for using the equity method. In these circumstances the investment is accounted for according to FRS 26 "Financial instruments Recognition and Measurement" and measured at fair value through profit and loss.

Current asset investments

Contractual future contingent receipts on the disposal of fixed asset investments are designated at fair value through profit or loss and are subsequently measured at fair value.

Investment income

Unquoted equity income

Dividend income is included in revenue when the investment is quoted ex-dividend.

Unquoted loan stock and other preferred income

Fixed returns on non-equity shares and debt securities are recognised on a time apportionment basis using the effective interest rate over the life of the financial instrument. Income which is not capable of being received within a reasonable period of time is reflected in the capital value of the investment.

Bank interest income

Interest income is recognised on an accrual basis using the rate of interest agreed with the bank.

Investment management fees and other expenses

All expenses have been accounted for on an accruals basis. Expenses are charged through the revenue account except the following which are charged through the realised capital reserve:

- 75 per cent. of management fees are allocated to the capital account to the extent that these relate to an enhancement in the value of the investments and in line with the Board's expectation that over the long term 75 per cent. of the Company's investment returns will be in the form of capital gains; and
- expenses which are incidental to the purchase or disposal of an investment.

Notes to the Financial Statements (continued)

2. Accounting policies (continued)

Performance incentive fee

In the event that a performance incentive fee crystallises, the fee will be allocated between revenue and realised capital reserves based upon the proportion to which the calculation of the fee is attributable to revenue and capital returns.

Taxation

Taxation is applied on a current basis in accordance with FRS 16 “Current tax”. Taxation associated with capital expenses is applied in accordance with the SORP. In accordance with FRS 19 “Deferred tax”, deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the Financial Statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

The Directors have considered the requirements of FRS 19 and do not believe that any provision for deferred tax should be made.

Reserves

Share premium account

This reserve accounts for the difference between the price paid for shares and the nominal value of the shares, less issue costs and transfers to the other distributable reserve.

Capital redemption reserve

This reserve accounts for amounts by which the issued share capital is diminished through the repurchase and cancellation of the Company’s own shares.

Unrealised capital reserve

Increases and decreases in the valuation of investments held at the year end against cost are included in this reserve.

Realised capital reserve

The following are disclosed in this reserve:

- gains and losses compared to cost on the realisation of investments, or permanent diminutions in value;
- expenses, together with the related taxation effect, charged in accordance with the above policies; and
- dividends paid to equity holders.

Other distributable reserve

This reserve accounts for movements from the revenue column of the Income statement, the payment of dividends, the buyback of shares and other non capital realised movements.

Dividends

In accordance with FRS 21 “Events after the balance sheet date”, dividends by the Company are accounted for in the period in which the dividend is declared.

Notes to the Financial Statements (continued)

3. Gains on investments

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Unrealised gains on fixed asset investments held at fair value through profit or loss	**1,113**	293
Impairments on fixed asset investments held at amortised cost	**(537)**	(987)
Unrealised gains/(losses) sub-total	**576**	(694)
Realised gains on fixed asset investments held at fair value through profit or loss	**40**	1,133
Realised gains/(losses) on fixed asset investments held at amortised cost	**10**	(105)
Realised gains on fixed asset investments sub-total	**50**	1,028
Realised gains on current asset investments held at fair value through profit or loss	**–**	50
Realised gains sub-total	**50**	1,078
	626	384

Investments measured at amortised cost are unquoted loan stock investments as described in note 2.

4. Investment income

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Income recognised on investments held at fair value through profit or loss		
Dividend income	**27**	–
Income from convertible bonds and discounted debt	**203**	112
	230	112
Income recognised on investments held at amortised cost		
Return on loan stock investments	**1,369**	1,379
Bank deposit interest	**119**	72
	1,488	1,451
	1,718	1,563

Interest income earned on impaired investments at 31 March 2014 amounted to £294,000 (2013: £311,000). These investments are all held at amortised cost.

5. Investment management fees

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Investment management fee charged to revenue	**201**	171
Investment management fee charged to capital	**601**	514
	802	685

Further details of the Management agreement under which the investment management fee is paid are given in the Strategic report on page 11.

During the year, services of a total value of £849,000 (2013: £730,000), were purchased by the Company from Albion Ventures LLP; this includes £802,000 (2013: £685,000) of investment management fee and £47,000 (2013: £45,000) administration fee. At the financial year end, the amount due to Albion Ventures LLP in respect of these services disclosed within accruals and deferred income was £214,000 (2013: £201,000).

Albion Ventures LLP is, from time to time, eligible to receive transaction fees and Directors' fees from portfolio companies. During the year ended 31 March 2014, fees of £167,000 attributable to the investments of the Company were received pursuant to these arrangements (2013: £87,000).

Albion Ventures LLP, the Manager, holds 2,534 Ordinary shares as a result of fractional entitlements arising from the merger of Albion Prime VCT PLC into Albion Venture Capital Trust PLC on 25 September 2012. These shares will be sold and the proceeds retained for the benefit of the Company.

Notes to the Financial Statements (continued)

5. Investment management fees (continued)

During the year the Company raised new funds through the Albion VCTs Top Up Offers 2012/2013 and Albion VCTs Top Up Offers 2013/2014 as detailed in note 16. The total cost of the issue of these shares was 3.0 per cent. of the sums subscribed. Of these costs, an amount of £5,450 (2013: £3,854) was paid to the Manager, Albion Ventures LLP in respect of receiving agent services. There were no sums outstanding in respect of receiving agent services at the year end.

6. Other expenses

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Directors' fees (including NIC)	**87**	87
Secretarial and administration fee	**47**	45
Other administrative expenses	**88**	105
Impairment of accrued interest	**139**	–
Tax services	**12**	15
Auditor's remuneration for statutory audit services (exc. VAT)	**25**	26
	398	278

7. Directors' fees

The amounts paid to and on behalf of Directors during the year are as follows:

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Directors' fees	**80**	80
National insurance	**7**	7
	87	87

Further information regarding Directors' remuneration can be found in the Directors' remuneration report on page 29.

8. Tax (charge)/credit on ordinary activities

	Year ended 31 March 2014			Year ended 31 March 2013		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
UK corporation tax in respect of current year	**(246)**	**140**	**(106)**	(264)	129	(135)
UK corporation tax in respect of prior year	**126**	**–**	**126**	81	–	81
Total	**(120)**	**140**	**20**	(183)	129	(54)

Factors affecting the tax charge:

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Return on ordinary activities before taxation	**1,144**	984
Tax on profit at the standard rate of 23% (2013: 24%)	**(263)**	(236)
Factors affecting the charge:		
Non-taxable gains	**144**	92
Income not taxable	**6**	–
Consortium relief in respect of prior years	**126**	81
Marginal relief	**7**	9
	20	(54)

The tax charge for the year shown in the Income statement is lower than the standard rate of corporation tax in the UK of 23 per cent. (2013: 24 per cent.). The differences are explained above.

Consortium relief is recognised in the accounts in the period in which the claim is submitted to HMRC and is shown as tax in respect of prior year.

Notes

(i) Venture Capital Trusts are not subject to corporation tax on capital gains.

(ii) Tax relief on expenses charged to capital has been determined by allocating tax relief to expenses by reference to the applicable corporation tax rate and allocating the relief between revenue and capital in accordance with the SORP.

(iii) No deferred tax asset or liability has arisen in the year.

Notes to the Financial Statements (continued)

9. Dividends

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
First dividend paid 31 July 2012 – 2.50 pence per share	**–**	928
Second dividend paid 31 December 2012 – 2.50 pence per share	**–**	1,404
First dividend paid on 31 July 2013 – 2.50 pence per share	**1,469**	–
Second dividend paid on 31 December 2013 – 2.50 pence per share	**1,460**	–
Unclaimed dividends	**(27)**	(33)
	2,902	2,299

In addition to the dividends summarised above, the Board has declared a first dividend for the year ending 31 March 2015 of 2.50 pence per share. This dividend will be paid on 31 July 2014 to shareholders on the register as at 11 July 2014. The total dividend will be approximately £1,562,000.

During the year, unclaimed dividends older than twelve years of £27,000 (2013: £33,000) were returned to the Company in accordance with the terms of the Articles of Association.

10. Acquisition of the assets and liabilities of Albion Prime VCT PLC

On 25 September 2012, the following assets and liabilities of Albion Prime VCT PLC ("Prime") were transferred to the Company in exchange for the issue to Prime shareholders of 19,307,001 shares in the Company, at an issue price of 74.2638 pence per share:

	£'000
Fixed asset investments	13,123
Debtors	16
Cash at bank and in hand	1,450
Creditors	(162)
Merger costs	(89)
	14,338

Shareholders should note that under accounting standards, the calculation of the net asset value per share uses the total shares in issue (less treasury shares), whereas the calculation of the total return uses the weighted average shares in issue during the period. Due to the amount of shares issued last year as a result of the merger with Albion Prime VCT PLC, the difference between the total shares in issue (less treasury shares) and the weighted average share in issue during that period resulted in the total return per share being higher than if the shares in issue (less treasury shares) had been applied to the movement in the Balance sheet since merger.

On 25 September 2012, Prime was placed into members' voluntary liquidation pursuant to a scheme of reconstruction under section 110 of the Insolvency Act 1986.

The net asset values ("NAVs") per share of each fund used for the purposes of conversion at the calculation date of 24 September 2012 were 74.2638 pence per share and 65.3663 pence per share for the Company and Prime respectively. The conversion ratio for each Prime share was 0.8801 Albion Venture Capital Trust PLC share for each Prime share.

11. Basic and diluted return per share

	Year ended 31 March 2014			Year ended 31 March 2013		
	Revenue	**Capital**	**Total**	Revenue	Capital	Total
The return per share has been based on the following figures:						
Return/(loss) attributable to equity shares (£'000)	**999**	**165**	**1,164**	931	(1)	930
Weighted average shares in issue (excluding treasury shares)		**58,689,669**			46,973,203	
Return attributable per equity share (pence)	**1.70**	**0.30**	**2.00**	2.00	–	2.00

The weighted average number of shares is calculated excluding treasury shares of 4,695,440 (2013: 4,152,440).

There are no convertible instruments, derivatives or contingent share agreements in issue, and therefore no dilution affecting the return per share. The basic return per share is therefore the same as the diluted return per share.

Notes to the Financial Statements (continued)

12. Fixed asset investments

	31 March 2014 £'000	31 March 2013 £'000
Investments held at fair value through profit or loss		
Unquoted equity	**11,093**	8,489
Unquoted debt issued at a discount and convertible bonds	**5,790**	2,231
	16,883	10,720
Investments held at amortised cost		
Unquoted loan stock	**18,697**	19,478
	35,580	30,198

	£'000
Opening valuation	30,198
Purchases at cost	5,218
Disposal proceeds	(359)
Realised gains	50
Movement in loan stock accrued income	(103)
Unrealised gains	576
Closing valuation	**35,580**
Movement in loan stock accrued income	
Opening accumulated movement in loan stock accrued income	268
Movement in loan stock accrued income	(103)
Closing accumulated movement in loan stock accrued income	**165**
Movement in unrealised losses	
Opening accumulated unrealised losses	(4,890)
Transfer of previously unrealised gains to realised reserve on realisations of investments	971
Unrealised gain in current year	576
Closing accumulated unrealised losses	**(3,343)**
Historic cost basis	
Opening book cost	34,821
Purchases at cost	5,218
Sales at cost*	(1,280)
Closing book cost	**38,759**

* Includes an amount of £1,074,000 written off in respect of G&K Smart Developments VCT Limited which is still held at the Balance sheet date.

The Directors believe that the carrying value of loan stock measured at amortised cost is not materially different to fair value.

The Company does not hold any assets as a result of the enforcement of security during the period, and believes that the carrying values for both impaired and past due assets are covered by the value of security held for these loan stock investments.

Unquoted equity investments and convertible and discounted debts are valued in accordance with the IPEVCV guidelines as follows:

Valuation methodology	31 March 2014 £'000	31 March 2013 £'000
Cost (reviewed for impairment)	**4,633**	506
Net asset value supported by third party or desktop valuation	**12,250**	10,214
	16,883	10,720

Full valuations are prepared by independent RICS qualified surveyors in full compliance with the RICS Red Book. Desktop reviews are carried out by similarly RICS qualified surveyors by updating previously prepared full valuations for current trading and market indices.

Fair value investments had the following movements between valuation methodologies between 31 March 2013 and 31 March 2014:

Change in valuation methodology (2013 to 2014)	Value as at 31 March 2014 £'000	Explanatory note
Cost (reviewed for impairment) to net asset value supported by third party valuation	**246**	More recent information available

Notes to the Financial Statements (continued)

12. Fixed asset investments (continued)

The valuation method used will be the most appropriate valuation methodology for an investment within its market, with regard to the financial health of the investment and the September 2009 IPEVCV Guidelines. The Directors believe that, within these parameters, there are no other methods of valuation which would be reasonable as at 31 March 2014.

The amended FRS 29 'Financial Instruments: Disclosures' requires the Company to disclose the valuation methods applied to its investments measured at fair value through profit or loss in a fair value hierarchy according to the following definitions:

Fair value hierarchy	Definition of valuation method
Level 1	Unadjusted quoted (bid) prices applied
Level 2	Inputs to valuation are from observable sources and are directly or indirectly derived from prices
Level 3	Inputs to valuations not based on observable market data.

All of the company's fixed asset investments as at 31 March 2014 which are valued at fair value through profit or loss, are all valued according to Level 3 methods.

Investments held at fair value through profit or loss (level 3) had the following movements in the year to 31 March 2014:

		31 March 2014			31 March 2013	
	Equity £'000	**Convertible and discounted bonds £'000**	**Total £'000**	Equity £'000	Convertible and discounted bonds £'000	Total £'000
Opening balance	**8,489**	**2,231**	**10,720**	8,490	1,315	9,805
Additions	**415**	**4,638**	**5,053**	3,187	913	4,100
Debt/equity swap	**1,257**	**(1,257)**	**–**	–	–	–
Disposal proceeds	**(40)**	**–**	**(40)**	(4,662)	–	(4,662)
Accrued loan stock interest	**–**	**(3)**	**(3)**	–	–	–
Realised gains	**40**	**–**	**40**	1,184	–	1,184
Unrealised gains	**932**	**181**	**1,113**	290	3	293
Closing balance	**11,093**	**5,790**	**16,883**	8,489	2,231	10,720

FRS 29 requires the Directors to consider the impact of changing one or more of the inputs used as part of the valuation process to reasonable possible alternative assumptions. After due consideration and noting that the valuation methodology applied to 100 per cent. of the level 3 investments (by valuation) is based on cost or independent third party market information, the Directors do not believe that changes to reasonable possible alternative assumptions for the valuation of the portfolio as a whole would lead to a significant change in the fair value of the portfolio.

13. Significant interests

The principal activity of the Company is to select and hold a portfolio of investments in unquoted securities. Although the Company, through the Manager, will, in some cases, be represented on the board of the portfolio company, it will not take a controlling interest or become involved in the management. The size and structure of the companies with unquoted securities may result in certain holdings in the portfolio representing a participating interest without there being any partnership, joint venture or management consortium agreement. The Company has interests of greater than 20 per cent. of the nominal value of any class of the allotted shares in the portfolio companies as at 31 March 2014 as described below:

Company	Country of incorporation	Principal activity	% class and voting rights
G&K Smart Developments VCT Limited	Great Britain	Residential property developer	42.9% Ordinary shares
Green Highland Renewables (Ledgowan) Limited	Great Britain	Hydroelectric power generator	20.8% Ordinary shares
Kew Green VCT (Stansted) Limited	Great Britain	Hotel owner and operator	45.2% Ordinary shares
Oakland Care Centre Limited	Great Britain	Care home	31.6% Ordinary shares
The Crown Hotel Harrogate Limited	Great Britain	Hotel owner and operator	24.1% Ordinary shares
The Stanwell Hotel Limited	Great Britain	Hotel owner and operator	39.2% Ordinary shares

The investments listed above are held as part of an investment portfolio, and therefore, as permitted by FRS 9, they are measured at fair value and not accounted for using the equity method.

Active Lives Ltd whose holding is in excess of 50 per cent. of that company's equity, is excluded from consolidation as the interest in Active Lives Ltd is only being temporarily controlled and is not material to the view given by the Financial Statements.

Notes to the Financial Statements (continued)

14. Current assets

Trade and other debtors	**31 March 2014 £'000**	31 March 2013 £'000
Prepayments and accrued income	**17**	24
Other debtors	**12**	–
UK corporation tax receivable	**19**	–
	48	24

The Directors consider that the carrying amount of debtors is not materially different to their fair value.

Current asset investments	**31 March 2014 £'000**	31 March 2013 £'000
Contingent future receipts from the disposal of fixed asset investments	**–**	50
	–	50

The fair value hierarchy applied to contingent future receipts on disposal of fixed asset investments is Level 3.

15. Creditors: amounts falling due within one year

	31 March 2014 £'000	31 March 2013 £'000
Trade creditors	**13**	40
UK Corporation tax payable	**–**	100
Other creditors	**192**	–
Accruals and deferred income	**270**	347
	475	487

The Directors consider that the carrying amount of creditors is not materially different to their fair value.

Other creditors include an amount of £118,000 held on behalf of a portfolio company.

16. Called up share capital

	31 March 2014 £'000	31 March 2013 £'000
Allotted, called up and fully paid		
64,490,852 Ordinary shares of 1p each (2013: 60,317,650)	**645**	603

Voting rights
59,795,412 Ordinary shares of 1p each (net of treasury shares) (2013: 56,165,210)

The Company purchased 543,000 Ordinary shares (2013: 1,073,067) to be held in treasury at a cost of £364,000 (2013: £720,000) representing 0.8 per cent. of its issued share capital as at 31 March 2014. The shares purchased for treasury were funded from other distributable reserve.

During the period the Company purchased 729,000 Ordinary shares for cancellation (2013: nil) at a cost of £487,000 including stamp duty (2013: nil), representing 1.1 per cent. of its issued share capital as at 31 March 2014. The shares purchased for cancellation were funded from the other distributable reserve.

The Company holds a total of 4,695,440 shares (2013: 4,152,440) in treasury, representing 7.3 per cent. of the issued Ordinary share capital as at 31 March 2014.

Notes to the Financial Statements (continued)

16. Called up share capital (continued)

Under the terms of the Dividend Reinvestment Scheme Circular dated 10 July 2008, the following Ordinary shares were allotted during the year:

Date of allotment	Number of shares allotted	Aggregate nominal value of shares £'000	Net consideration received £'000	Issue price (pence per share)	Opening market price per share on allotment date (pence per share)
31 July 2013	144,173	1	100	71.70	67.50
31 December 2013	150,017	2	105	70.50	67.25
	294,190	3	205		

During the year the following Ordinary shares were allotted under the Albion VCT's Top Up Offers 2012/2013 and the Albion VCT's Top Up Offers 2013/2014:

Date of allotment	Number of shares allotted	Aggregate nominal value of shares £'000	Net consideration received £'000	Issue price (pence per share)	Opening market price per share on allotment date (pence per share)
5 April 2013	2,505,191	25	1,872	76.80	68.50
12 June 2013	99,020	1	74	76.80	67.50
31 January 2014	1,123,737	11	794	72.00	67.25
31 January 2014	859,027	9	606	72.40	67.25
31 January 2014	21,037	–	15	71.30	67.25
	4,608,012	46	3,361		

17. Basic and diluted net asset values per share

	31 March 2014	31 March 2013
Basic and diluted net asset values per share (pence)	**71.30**	74.20

The basic and diluted net asset values per share at the year end are calculated in accordance with the Articles of Association and are based upon total shares in issue (less treasury shares) of 59,795,412 Ordinary shares (2013: 56,165,210).

There are no convertible instruments, derivatives or contingent share agreements in issue.

18. Analysis of changes in cash during the year

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Opening cash balances	**11,896**	2,956
Net cash flow	**(4,391)**	8,940
Closing cash balances	**7,505**	11,896

19. Reconciliation of net return on ordinary activities before taxation to net cash flow from operating activities

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Revenue return on ordinary activities before taxation	**1,119**	1,114
Investment management fee charged to capital	**(601)**	(514)
Movement in accrued amortised loan stock interest	**103**	(70)
Increase in debtors	**(8)**	(13)
Increase/(decrease) in creditors	**(32)**	55
Net cash flow from operating activities	**581**	572

Notes to the Financial Statements (continued)

20. Capital and financial instruments risk management

The Company's capital comprises Ordinary shares as described in note 16. The Company is permitted to buy-back its own shares for cancellation or treasury purposes, and this is described in more detail on page 7 of the Chairman's statement.

The Company's financial instruments comprise equity and loan stock investments in unquoted companies, contingent receipts on disposal of fixed assets investments, cash balances and short term debtors and creditors which arise from its operations. The main purpose of these financial instruments is to generate cashflow and revenue and capital appreciation for the Company's operations. The Company has no gearing or other financial liabilities apart from short term creditors. The Company does not use any derivatives for the management of its balance sheet.

The principal risks arising from the Company's operations are:

- Investment (or market) risk (which comprises investment price and cash flow interest rate risk);
- credit risk; and
- liquidity risk.

The Board regularly reviews and agrees policies for managing each of these risks. There have been no changes in the nature of the risks that the Company has faced during the past year and, apart from where noted below, there have been no changes in the objectives, policies or processes for managing risks during the past year. The key risks are summarised below.

Investment risk

As a venture capital trust, it is the Company's specific nature to evaluate and control the investment risk of its portfolio in unquoted investments, details of which are shown on pages 16 and 17. Investment risk is the exposure of the Company to the revaluation and devaluation of investments. The main driver of investment risk is the operational and financial performance of the portfolio company and the dynamics of market quoted comparators. The Manager receives management accounts from portfolio companies, and members of the investment management team often sit on the boards of unquoted portfolio companies; this enables the close identification, monitoring and management of investment risk.

The Manager and the Board formally review investment risk (which includes market price risk), both at the time of initial investment and at quarterly Board meetings.

The Board monitors the prices at which sales of investments are made to ensure that profits to the Company are maximised, and that valuations of investments retained within the portfolio appear sufficiently prudent and realistic compared to prices being achieved in the market for sales of unquoted investments.

The maximum investment risk as at the balance sheet date is the value of the fixed investment portfolio which is £35,580,000 (2013: £30,198,000). Fixed asset investments form 83 per cent. of the net asset value as at 31 March 2014 (2013: 72.5 per cent.).

More details regarding the classification of fixed asset investments are shown in note 12.

Investment price risk

Investment price risk is the risk that the fair value of future investment cash flows will fluctuate due to factors specific to an investment instrument or to a market in similar instruments. To mitigate the investment price risk for the Company as a whole, the strategy of the Company is to invest in a broad spread of industries with approximately two-thirds of the unquoted investments comprising debt securities, which, owing to the structure of their yield and the fact that they are usually secured, have a lower level of price volatility than equity. Details of the industries in which investments have been made are contained in the Portfolio of investments section on pages 16 and 17.

Valuations are based on the most appropriate valuation methodology for an investment within its market, with regard to the financial health of the investment and the IPEVCV Guidelines.

As required under FRS 29 "Financial Instruments: Disclosures", the Board is required to illustrate by way of a sensitivity analysis the degree of exposure to market risk. The Board considers that the value of the fixed asset investment portfolio is sensitive to a 10 per cent. change based on the current economic climate. The impact of a 10 per cent. change has been selected as this is considered reasonable given the current level of volatility observed both on a historical basis and future expectations.

The sensitivity of a 10 per cent. increase or decrease in the valuation of the fixed and current asset investments (keeping all other variables constant) would increase or decrease the net asset value and return for the year by £3,558,000 (2013: £3,025,000).

Cash flow interest rate risk

It is the Company's policy to accept a degree of interest rate risk on its financial assets through the effect of interest rate changes. On the basis of the Company's analysis, it is estimated that a rise of one percentage point in all interest rates would have increased total return before tax for the year by approximately £80,000 (2013: £55,000). Furthermore, it is considered that a fall of interest rates below current levels during the year would have been very unlikely.

Notes to the Financial Statements (continued)

20. Capital and financial instruments risk management (continued)

The weighted average interest rate applied to the Company's fixed rate assets during the year was approximately 5.80 per cent. (2013: 6.30 per cent.). The weighted average period to maturity for the fixed rate assets is approximately 3.34 years (2013: 3.16 years).

The Company's financial assets and liabilities, all denominated in pounds sterling, consist of the following:

	31 March 2014				31 March 2013			
	Fixed rate £'000	**Floating rate £'000**	**Non-interest bearing £'000**	**Total £'000**	Fixed rate £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000
Unquoted equity	**–**	**–**	**11,093**	**11,093**	–	–	8,489	8,489
Convertible and discounted bonds	**3,378**	**279**	**2,133**	**5,790**	1,866	–	365	2,231
Unquoted loan stock	**18,697**	**–**	**–**	**18,697**	19,478	–	–	19,478
Current asset investments	**–**	**–**	**–**	**–**	–	–	50	50
Debtors*	**–**	**–**	**24**	**24**	–	–	20	20
Current liabilities*	**–**	**–**	**(475)**	**(475)**	–	–	(387)	(387)
Cash	**–**	**7,505**	**–**	**7,505**	11,217	679	–	11,896
Total net assets	**22,075**	**7,784**	**12,775**	**42,634**	32,561	679	8,537	41,777

* The debtors and current liabilities do not reconcile to the balance sheet as prepayments and tax receivable/(payable) are not included in the above table.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Company is exposed to credit risk through its debtors, investment in unquoted loan stock, and through the holding of cash on deposit with banks.

The Manager evaluates credit risk on loan stock prior to investment, and as part of its ongoing monitoring of investments. In doing this, it takes into account the extent and quality of any security held. Typically loan stock instruments have a first fixed charge or a fixed and floating charge over the assets of the portfolio company in order to mitigate the gross credit risk. The Manager receives management accounts from portfolio companies, and members of the investment management team often sit on the boards of portfolio companies; this enables the close identification, monitoring and management of investment specific credit risk.

The Manager and the Board formally review credit risk (including debtors) and other risks, both at the time of initial investment and at quarterly Board meetings.

The Company's total gross credit risk as at 31 March 2014 was limited to £24,487,000 (2013: £21,709,000) of unquoted loan stock instruments (all of which is secured on the assets of the portfolio company) and £7,505,000 cash deposits with banks (2013: £11,896,000).

The credit profile of the unquoted loan stock is described under liquidity risk below.

The cost, impairment and carrying value of impaired loan stocks held at amortised cost at 31 March 2014 and 31 March 2013 are as follows:

	31 March 2014			31 March 2013		
	Cost £'000	**Impairment £'000**	**Carrying value £'000**	Cost £'000	Impairment £'000	Carrying value £'000
Impaired loan stock	**13,750**	**(3,601)**	**10,149**	11,907	(3,021)	8,886

Impaired loan stock instruments have a first fixed charge or a fixed and floating charge over the assets of the portfolio company and the Board consider the security value to be the carrying value.

As at the balance sheet date, the cash held by the Company is held with Lloyds Bank plc, Scottish Widows Bank plc (part of Lloyds Banking Group), Barclays Bank plc and National Westminster Bank plc. Credit risk on cash transactions is mitigated by transacting with counterparties that are regulated entities subject to prudential supervision, with high credit ratings assigned by international credit-rating agencies.

The Company has an informal policy of limiting counterparty banking and floating rate note exposure to a maximum of 20 per cent. of net asset value for any one counterparty.

Notes to the Financial Statements (continued)

20. Capital and financial instruments risk management (continued)

Liquidity risk

Liquid assets are held as cash on current, deposit or short term money market accounts. Under the terms of its Articles, the Company has the ability to borrow up to 10 per cent. of its adjusted capital and reserves of the latest published audited balance sheet, which amounts to £4,110,000 as at 31 March 2014 (2013: £4,168,000).

The Company has no committed borrowing facilities as at 31 March 2014 (2013: £nil) and had cash balances of £7,505,000 (2013: £11,896,000). The main cash outflows are for new investments, buy-back of shares and dividend payments, which are within the control of the Company. The Manager formally reviews the cash requirements of the Company on a monthly basis, and the Board on a quarterly basis as part of its review of management accounts and forecasts. All the Company's financial liabilities are short term in nature and total £475,000 for the year to 31 March 2014 (2013: £487,000).

The carrying value of loan stock investments at 31 March 2014 as analysed at each year end by expected maturity dates is as follows:

Redemption date	**Fully performing £'000**	**Impaired £'000**	**Past due £'000**	**Total £'000**
Less than one year	**443**	**1,716**	**375**	**2,534**
1-2 years	**2,355**	**604**	**3,862**	**6,821**
2-3 years	**1,375**	**7,829**	**65**	**9,269**
3-5 years	**3,061**	**–**	**–**	**3,061**
Greater than 5 years	**2,376**	**–**	**426**	**2,802**
Total	**9,610**	**10,149**	**4,728**	**24,487**

Loan stock categorised as past due includes:

- Loan stock with a carrying value of £3,778,000 has interest overdue for 4 months, yielded 11.92 per cent. on cost;
- Loan stock with a carrying value of £524,000 has loan stock interest past due of 12 months (through not paying all of its contractual interest). This investment has yielded 6.7 per cent. on cost during the year;
- Loan stock with a carrying value of £426,000 had loan stock interest reduced for the last 12 months, yielded 5.57 per cent. on cost.

The carrying value of loan stock investments held at amortised cost at 31 March 2013 as analysed by expected maturity dates is as follows:

Redemption date	Fully performing £'000	Impaired £'000	Past due £'000	Total £'000
Less than one year	355	–	471	826
1-2 years	109	2,241	3,846	6,196
2-3 years	2,345	–	296	2,641
3-5 years	1,904	6,645	2,164	10,713
Greater than 5 years	1,103	–	230	1,333
Total	5,816	8,886	7,007	21,709

In view of the information shown, the Board considers that the Company is subject to low liquidity risk.

Fair values of financial assets and financial liabilities

All the Company's financial assets and liabilities as at 31 March 2014 are stated at fair value as determined by the Directors, with the exception of loans and receivables included within investments, cash, debtors and creditors which are carried at amortised cost, as permitted by FRS 26. The Directors believe that the current carrying value of loan stock is not materially different to the fair value. There are no financial liabilities other than creditors. The Company's financial liabilities are all non-interest bearing. It is the Directors' opinion that the book value of the financial liabilities is not materially different to the fair value and all are payable within one year.

Notes to the Financial Statements (continued)

21. Commitments and contingencies

The Company had the following financial commitment in respect of the following investments:

- Chonais Holdings Limited, £1,385,000
- Green Highland Renewables (Ledgowan) Limited, £903,000
- Dragon Hydro Limited, £3,000

There are no contingent liabilities or guarantees given by the Company as at 31 March 2014 (31 March 2013: nil).

22. Post balance sheet events

Since 31 March 2014 the Company has had the following post balance sheet events:

Shares issued under the Albion VCTs Top Up Offers 2013/2014:

Date of allotment	Number of shares allotted	Aggregate nominal value of shares £'000	Net consideration received £'000	Issue price incl. issue costs (pence per share)	Opening market price per share on allotment date (pence per share)
5 April 2014	748,273	7	531	73.10	67.25
5 April 2014	18,621	–	13	72.80	67.25
5 April 2014	17,201	–	12	72.40	67.25

Shares issued under the Albion VCTs Prospectus Offers 2013/2014:

Date of allotment	Number of shares allotted	Aggregate nominal value of shares £'000	Net consideration received £'000	Issue price incl. issue costs (pence per share)	Opening market price per share on allotment date (pence per share)
5 April 2014	1,899,867	19	1,347	73.10	67.25

- Investment of £992,000 in Albion Small Company Growth Limited
- Investment of £183,150 in Taunton Hospital Limited
- Investment of £312,098 in Green Highland Renewables (Ledgowan) Limited

23. Related party transactions

There are no related party transactions or balances requiring disclosure.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Albion Venture Capital Trust PLC (the "Company") will be held at the City of London Club, 19 Old Broad Street, London EC2N 1DS on 25 July 2014 at 11:00 am for the following purposes:

To consider and, if thought fit, to pass the following resolutions, of which numbers 1 to 9 will be proposed as ordinary resolutions and numbers 10 to 12 as special resolutions.

Ordinary Business

1. To receive and adopt the Company's accounts for the year ended 31 March 2014 together with the report of the Directors and Auditor.

2. To approve the Directors' remuneration policy for the year ended 31 March 2014.

3. To approve the Directors' remuneration report for the year ended 31 March 2014.

4. To re-elect David Watkins as a Director of the Company.

5. To re-elect John Kerr as a Director of the Company.

6. To re-elect Jeff Warren as a Director of the Company.

7. To re-appoint BDO LLP as Auditor of the Company to hold office from conclusion of the meeting to the conclusion of the next meeting at which audited accounts are to be laid.

8. To authorise the Directors to agree the Auditor's remuneration.

Special Business

9. That the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to allot shares of nominal value 1 penny per share in the Company up to an aggregate nominal amount of £134,349 representing 20 per cent. of the total Ordinary share capital, provided that this authority shall expire 18 months from the date that this resolution is passed, or at the conclusion of the next Annual General Meeting, whichever is earlier, but so that the Company may, before the expiry of such period, make an offer or agreement which would or might require shares to be allotted after the expiry of such period and the Directors may allot shares pursuant to such an offer or agreement as if the authority had not expired.

10. That, subject to and conditional on the passing of resolution number 9, the Directors be empowered, pursuant to section 570 of the Act, to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by resolution number 9 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

    (a) in connection with an offer of such securities by way of rights issue;

    (b) in connection with any Dividend Reinvestment Scheme introduced and operated by the Company;

    (c) in connection with a top up offer; and

    (d) otherwise than pursuant to paragraphs (a) to (c) above, up to an aggregate nominal amount of £134,349 for Ordinary shares.

    This authority shall expire 18 months from the date of this resolution, or at the conclusion of the next Annual General Meeting, whichever is earlier, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power had not expired.

    In this resolution, "rights issue" means an offer of equity securities open for acceptance for a period fixed by the Directors to holders on the register on a fixed record date in proportion as nearly as may be to their respective holdings, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with any fractional entitlements or legal or practical difficulties under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory.

Notice of Annual General Meeting (continued)

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(2)(b) of the Act as if in the first paragraph of the resolution the words “subject and conditional on the passing of resolution number 9” were omitted.

11. That the Company be generally and unconditionally authorised to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary shares of 1 penny each in the capital of the Company (“Ordinary shares”), on such terms as the Directors think fit, and where such shares are held as treasury shares, the Company may use them for the purposes set out in section 727 of the Act, provided that:

    (a) the maximum aggregate number of Ordinary shares hereby authorised to be purchased is 14.99 per cent. of the Ordinary shares in issue as at the date of the passing of this resolution;

    (b) the minimum price, exclusive of any expenses, which may be paid for an Ordinary share is 1 penny;

    (c) the maximum price, exclusive of any expenses, which may be paid for each Ordinary share is an amount equal to the higher of (a) 105 per cent. of the average of the middle market quotations for an Ordinary share, as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the day on which the Ordinary share is purchased; and (b) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003;

    (d) the authority hereby conferred shall, unless previously revoked or varied, expire at the end of the next Annual General Meeting, or 18 months from the date of the passing of the resolution, whichever is earlier; and

    (e) the Company may make a contract or contracts to purchase Ordinary shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of shares in pursuance of any such contract or contracts.

    Under the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (the “Regulations”), Ordinary shares purchased by the Company out of distributable profits can be held as treasury shares, which may then be cancelled or sold for cash. The authority sought by this special resolution number 11 is intended to apply equally to shares to be held by the Company as treasury shares in accordance with the Regulations. These powers are intended to permit Directors to sell treasury shares at a price not less than that at which they were purchased.

12. That the Directors be empowered to sell treasury shares at the higher of the prevailing current share price and the price bought in at.

BY ORDER OF THE BOARD

Albion Ventures LLP
Company Secretary

Registered office
1 King’s Arms Yard
London, EC2R 7AF
Registered in England and Wales with number 03142609
25 June 2014

Notice of Annual General Meeting (continued)

Notes

1. Members entitled to attend, speak and vote at the Annual General Meeting ("AGM") may appoint a proxy or proxies (who need not be a member of the Company) to exercise these rights in their place at the meeting. A member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares. Proxies may only be appointed by:
   - completing and returning the Form of Proxy enclosed with this Notice to Computershare Investor Services PLC, The Pavilion, Bridgwater Road, Bristol, BS99 6ZZ;
   - going to www.investorcentre.co.uk and following the instructions provided there; or
   - by having an appropriate CREST message transmitted, if you are a user of the CREST system (including CREST personal members).

   Return of the Form of Proxy will not preclude a member from attending the meeting and voting in person. A member may not use any electronic address provided in the Notice of this meeting to communicate with the Company for any purposes other than those expressly stated.

   To be effective the Form of Proxy must be completed in accordance with the instructions and received by the Registrars of the Company by 11.00 am on 23 July 2014 being 2 working days before the AGM.

   In accordance with good governance practice, the Company is offering shareholders use of an online service, offered by the Company's registrar, Computershare Investor Services, at www.investorcentre.co.uk. Shareholders can use this service to vote or appoint a proxy online. The same voting deadline of 11.00 am on 23 July 2014 applies as if you were using your Personalised Voting Form to vote or appoint a proxy by post to vote for you. Shareholders will need to use the unique personal identification Investor Code that is printed in their Form of Proxy. Shareholders should not show this information to anyone unless they wish to give proxy instructions on their behalf.
2. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 ('the Act') to enjoy information rights (a "Nominated Person") may, under an agreement between him or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. The statement of rights of members in relation to the appointment of proxies in note 1 above does not apply to Nominated Persons. The rights described in that note can only be exercised by members of the Company.
3. To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), members must be registered in the register of members of the Company at 11.00 am on 23 July 2014 (or, in the event of any adjournment, on the date which is two working days before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
4. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
5. Copies of contracts of service and letters of appointment between the Directors and the Company will be available for inspection at the Registered Office of the Company during normal business hours from the date of this Notice until the conclusion of the meeting, and at the place of the meeting for at least 15 minutes prior to the meeting until its conclusion. In addition, a copy of the Articles of Association will be available for inspection at the Company's Registered Office from the date of this Notice until the conclusion of the meeting, and at the place of the meeting for at least 15 minutes prior to the meeting until its conclusion.
6. Under section 527 of the Act members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which the annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.
7. A copy of this Notice, and other information regarding the AGM, as required by section 311A of the Act, is available from www.albion-ventures.co.uk, Our Funds, Albion Venture Capital Trust PLC.
8. Any member attending the AGM has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.
9. As at 24 June 2014 (being the latest practicable date prior to the publication of this Notice), the Company's issued share capital consists of 67,174,814 Ordinary shares. The Company holds 4,695,440 Ordinary shares in treasury. Therefore, the total voting rights in the Company as at 24 June 2014 are 62,479,374.

Dividend history for Albion Prime VCT PLC now merged with Albion Venture Capital Trust PLC (unaudited)

Total shareholder net asset value return to 31 March 2014		**Proforma[(i)] Albion Prime VCT PLC (pence per share)**
Total dividends paid during the year ended	31 March 1998	1.10
	31 March 1999(ii)	6.40
	31 March 2000	1.50
	31 March 2001	4.25
	31 March 2002	2.75
	31 March 2003	2.00
	31 March 2004	1.25
	31 March 2005	2.20
	31 March 2006	4.50
	31 March 2007	4.00
	31 March 2008	5.00
	31 March 2009	4.50
	31 March 2010	2.00
	31 March 2011	3.00
	31 March 2012	3.00
	31 March 2013	3.70
	31 March 2014	4.40
Total dividends paid to 31 March 2014		**55.55**
Proforma net asset value as at 31 March 2014		62.75
Total proforma shareholder net asset value return to 31 March 2014		**118.30**

Notes

(i) The proforma shareholder returns presented above are based on the dividends paid to shareholders before the merger and the pro-rata net asset value per share and pro-rata dividends per share paid to 31 March 2014. Albion Prime VCT PLC was merged with Albion Venture Capital Trust PLC on 25th September 2012. This proforma is based upon 0.8801 Albion Venture Capital Trust PLC shares for every Albion Prime VCT PLC share which merged with Albion Venture Capital Trust PLC on 25 September 2012.

(ii) Dividends paid before 5 April 1999 were paid to qualifying shareholders inclusive of the associated tax credit. The dividends for the year to 31 March 1999 were maximised in order to take advantage of this tax credit.

(iii) The above table excludes the tax benefits investors received upon subscription for shares in the Company.

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Albion Venture Capital Trust PLC

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