

KINGS ARMS YARD VCT PLC
INTERIM MANAGEMENT STATEMENT

Introduction

I am pleased to present Kings Arms Yard VCT PLC's interim management statement for the period from 1 July 2012 to 15 November 2012 as required by the UK Listing Authority's Disclosure and Transparency Rule 4.3.

Performance and dividends

The Company's unaudited net asset value (NAV), based on management accounts, as at 30 September 2012 was £34.5 million, including cash balances and liquid asset balances of £7.5 million (30 June 2012: NAV £35.7 million, cash and liquid asset balances of £6.8 million) or 16.6 pence per share (30 June 2012: 17.10 pence per share).

The net asset value for 30 September 2012 is after accounting for the dividend of 0.5 pence per share (total cost: £1,049,000) which was paid on 28 September 2012 to shareholders on the register on 7 September 2012.

Before taking into account the above dividend, the Company's net asset value remained steady since 30 June 2012, the gain on the sale of Workshare Limited and Celldex Therapeutics Inc. having been offset by management fees and other expenses.

Share issues and buybacks

During the period from 1 July 2012 to 15 November 2012, the Company issued the following shares under the dividend reinvestment scheme on 25 May 2012 and 28 September 2012 (and are included in the NAV figures for 30 September 2012 above);

Date	Number of shares issued	Issue price (pence per share)	Net proceeds £'000
25 May 2012	98,879	16.2 pence	14
28 September 2012	101,159	16.6 pence	15

During the period from 1 July 2012 to 15 November 2012, the Company purchased 2,968,000 shares for treasury at an average price of 14.8 pence per share and a total consideration of £442,000.

It remains the Board's policy to buy back shares in the market, subject to the overall constraint that such purchases are in the Company's interest. This includes the maintenance of sufficient cash resources for investment in new and existing portfolio companies and the continued payment of dividends to shareholders.

It is the Board's intention for the price at which shares are bought back should be in the region of 10 to 15 per cent. discount to the net asset value, so far as market conditions and liquidity permit.

Portfolio

The following investments have been made during the period from 1 July 2012 to 15 November 2012:

Name	£000's	
Atego Group Limited (<i>further investment</i>)	575	<i>Mission and safety critical software for automotive, aerospace and defence sectors</i>
Dragon Hydro Limited (<i>new investment</i>)	247	<i>Small scale Hydropower</i>

Disposals

During the period from 1 July 2012 to 15 November 2012, the remaining part of the Company's holding in Celldex Therapeutics Inc was sold generating proceeds of £271,000, realising a gain of £32,000 on the carrying value as at 30 June 2012. Workshare Limited was sold for £2,700,000, realising a gain of £248,000 on the carrying value as at 30 June 2012.

Top ten holdings as at 30 September 2012:

Investment	Carrying value £000's
Vivacta Limited	4,393
Elaternal Holdings Limited	3,816
UniServity Limited	3,029

Oxford Immunotec Limited	2,033
Cluster Seven Limited	1,694
Atego Limited	1,399
Sift Limited	1,114
Hilson Moran Holdings Limited	1,065
The Street by Street Solar Programme Limited	1,008
Alto Prodotto Wind Limited	1,005

Material Events and Transactions

The Company continues to offer a Dividend Reinvestment Scheme to existing shareholders. Details of this Scheme can be found at [www.albion-ventures.co.uk/Our Funds/Kings Arms Yard PLC](http://www.albion-ventures.co.uk/Our_Funds/Kings_Arms_Yard_PLC).

There have been no further significant events or transactions that the Board is aware of which would have a material impact on the financial position of the Company between 1 July 2012 to 15 November 2012. With regard to previous references to the sale of one of the Company's holdings, there is at this time nothing further to report.

Further information regarding historic and current financial performance and other useful shareholder information can be found on the Company's website under [www.albion-ventures.co.uk/Our Funds/Kings Arms Yard VCT](http://www.albion-ventures.co.uk/Our_Funds/Kings_Arms_Yard_VCT).

Robin Field, Chairman

15 November 2012

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