

## Kings Arms Yard VCT PLC

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**This Half-yearly Financial Report has not been audited or reviewed by the Auditor.**

# Company information

<b>Company number</b>	03139019
<b>Directors</b>	R A Field, Chairman T W Chambers M G Fiennes
<b>Manager, company secretary and registered office</b>	Albion Ventures LLP 1 King's Arms Yard London, EC2R 7AF
<b>Registrar</b>	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol, BS99 6ZZ
<b>Auditor</b>	Grant Thornton UK LLP 30 Finsbury Square London, EC2P 2YU
<b>Taxation adviser</b>	PricewaterhouseCoopers LLP 1 Embankment Place London, WC2N 6RH
<b>Legal adviser</b>	SGH Martineau LLP No 1 Colmore Square Birmingham, B4 6AA

Kings Arms Yard VCT PLC is a member of The Association of Investment Companies.

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## Shareholder information

For help relating to dividend payments, shareholdings and share certificates please contact Computershare Investor Services PLC:  
Tel: 0870 873 5858 (UK National Rate call, lines are open 8.30 am – 5.30 pm; Mon-Fri, calls may be recorded)  
Website: [www.investorcentre.co.uk](http://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 Company, and information for financial advisers, please contact Albion Ventures LLP:  
Tel: 020 7601 1850 (lines are open 9.00 am – 5.30 pm; Mon-Fri, calls may be recorded)  
Email: [info@albion-ventures.co.uk](mailto:info@albion-ventures.co.uk)  
Website: [www.albion-ventures.co.uk](http://www.albion-ventures.co.uk)

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

# Investment objectives

The Company is a Venture Capital Trust. The investment policy is intended to produce a regular and predictable dividend stream with an appreciation in capital value as set out below.

- The Company intends to achieve its strategy by adopting an investment policy for new investments which over time will rebalance the portfolio such that approximately 50 per cent. of the portfolio comprises an asset-backed portfolio of more stable, ungeared businesses, principally operating in the healthcare, environmental and leisure sectors (the “Asset-Backed Portfolio”). The balance of the portfolio, other than funds retained for liquidity purposes, will be invested in a portfolio of higher growth businesses across a variety of sectors of the UK economy. These will range from more stable, income producing businesses to a limited number of higher risk technology companies (the “Growth Portfolio”).
- In neither category would portfolio companies normally have any external borrowing with a charge ranking ahead of the Company. Up to two-thirds of qualifying investments by cost will comprise loan stock secured with a first charge on the portfolio company's assets.
- The Company's investment portfolio will thus be structured to provide a balance between income and capital growth for the longer term. The Asset-Backed Portfolio is designed to provide stability and income whilst still maintaining the potential for capital growth. The Growth Portfolio is intended to provide highly diversified exposure through its portfolio of investments in unquoted UK companies.
- Funds held pending investment or for liquidity purposes will be held as cash on deposit or in floating rate notes or similar instruments with banks or other financial institutions with a Moody's rating of 'A' or above.

## Financial calendar

Record date for second dividend	3 October 2014
Payment date of second dividend	31 October 2014
Financial year end	31 December 2014

# Financial highlights

	Unaudited six months ended 30 June 2014 (pence per share)	Unaudited six months ended 30 June 2013 (pence per share)	Audited year ended 31 December 2013 (pence per share)
Dividends paid	0.50	0.50	1.00
Revenue return	0.15	0.10	0.58
Capital (loss)/return	(0.13)	0.50	1.77
Net asset value enhancement as a result of share buy backs	0.01	0.10	0.20
Net asset value	19.98	19.10	20.45

Shareholder net asset value total return			
	From Launch to 31 December 2010 (pence per share)	1 January 2011* to 30 June 2014 (pence per share)	From Launch to 30 June 2014 (pence per share)
Subscription price per share at launch	100.00	–	100.00
Dividends paid	58.66	3.17	61.83
(Decrease)/increase in shareholder net asset value	(83.40)	3.38	(80.02)
Shareholder net asset value total return	75.26	6.55	81.81

\* Date that Albion Ventures LLP was appointed Manager.

<b>Current annual dividend objective (pence per share)</b>	<b>1.00</b>
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The Directors have declared a second dividend of 0.5 pence per share for the year ended 31 December 2014, which will be paid on 31 October 2014 to shareholders on the register as at 3 October 2014.

The above financial summary is for the Company, Kings Arms Yard VCT PLC only. Details of the financial performance of the various Qvester, SPARK and Kings Arms Yard VCT 2 PLC companies, which have been merged into the Company, can be found on page 23.

# Chairman's statement

## Introduction

We are pleased to report that the six month period to 30 June 2014 has demonstrated further satisfactory progress. The portfolio has shown further growth but there has been a slight reduction in net asset value per share after the payment in April of the regular bi-annual dividend. The Manager has invested £5.0m in the period, including £3.0m to build and operate two new freehold care homes. The overall portfolio is looking increasingly robust with asset backed investments now comprising approximately 28 per cent. of fund value. The proportion of asset backed fund investments is expected to rise further during the next year. The increase in yielding investments has resulted in investment income covering the annual operating costs (management fee and other expenses), which is a significant milestone for the Company.

## Results

Net asset value fell in the period from 20.45 pence per share at 31 December 2013 to 19.98 pence per share at 30 June 2014, following the payment of a 0.50 pence per share dividend. Total net asset value return (per 100 pence originally invested) has risen in the period from 81.78 pence per share at 31 December 2013 to 81.81 pence per share on 30 June 2014 (30 June 2013: 79.93 pence per share).

All of the newly developed asset-backed investment portfolio, the high growth portfolio and the total investment portfolio have shown overall improvements in value, despite a fall in value of the Company's holding in NASDAQ listed Oxford Immunotec Global PLC.

## Investment activity

There has been significant investment activity in the six months ended June 2014 with £5.0m invested in new and existing portfolio companies. New investments added to the portfolio during the period comprise:

- Active Lives Care Limited (£1,912,000) which will develop a new care home in Cumnor Hill, Oxford;
- Albion Small Company Growth Limited (£1,054,000) which will develop a new care home in Hillingdon, London;

- Egress Software Technologies Limited (£430,000) which is a provider of cloud-based email and file encryption software;
- Green Highland Renewables (Ledgowan) Limited (£336,000) which is developing a hydroelectric power scheme;
- Grapeshot Limited (£280,000) which provides keyword technology for real time bidding of display advertising;
- Taunton Hospital Limited (£109,000) which operates a psychiatric hospital in Taunton;
- Mirada Medical Limited (£94,000) a medical imaging business; and
- Sandcroft Avenue Limited (£60,000) which trades as payasugym.com.

Meanwhile a number of follow-on investments have been made in companies within our legacy portfolio including: Abcodia Limited (£31,000); Elateral Group Holdings Limited (£150,000); Haemostatix Limited (£100,000); MyMeds&Me Limited (£73,000); Perpetuum Limited (£279,000) and The Street by Street Solar Programme Limited (£40,000).

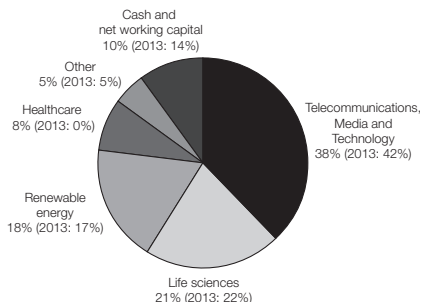
During the period Atego Limited was acquired by PTC Inc (formerly Parametric Technology Corporation) for £2.26m (not including amounts held in escrow) and the Company received \$1.2m from the release of an escrow in connection with the sale of Vivacta Limited last year.

## Valuations

Once again the Board has rigorously examined and revalued the portfolio. The net effect has been a small uplift. Overall the asset backed investments have increased in value by £439,000 and the growth companies have increased in value by £383,000, however the share price of Oxford Immunotec Global PLC has fallen significantly since the float reducing the value of the Company's stake by £679,000.

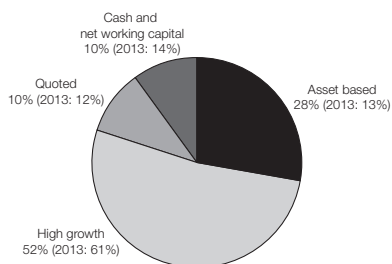
# Chairman's statement (continued)

## Distribution of net assets at carrying value, by sector as at 30 June 2014 (31 December 2013)



Source: Albion Ventures LLP

## Distribution of net assets at carrying value, by asset class as at 30 June 2014 (31 December 2013)



Source: Albion Ventures LLP

## Dividends

Progress to date gives the Board confidence in the sustainability of our dividend policy and we are therefore pleased to announce a further dividend of 0.50 pence per share to be paid on 31 October 2014, to shareholders on the register as at 3 October 2014.

## Transactions with the Manager

Details of transactions with the Manager for the reporting period can be found in note 4 of this Half-yearly Financial Report. Details of related party transactions can be found in note 12.

## Performance incentive fee

The Management incentive scheme that was approved by shareholders at the AGM of May 2013 came into effect on 1 January 2014 as the net asset value per share exceeded 20 pence on 31 December 2013. No fee will become payable unless the return

at the year-end exceeds the performance hurdle of 20 pence plus the Retail Price Index plus 2 per cent. per annum. This is being kept under review by the Board.

## Albion VCTs Top Up Offers

During the period 1 January 2014 to the date of this report, the Company has raised £2.9m under the Albion VCTs Top Up Offers, which will close on 30 September 2014.

The proceeds of the Offers are being used to provide further resources at a time when a number of attractive new investment opportunities are being seen.

## Share buy-backs

It remains the Company'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 over time for 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.

In view of other investment opportunities available, the Company will limit the amount of buy-backs during the period to 31 December 2014 to £500,000 unless a material investment exit occurs.

During the six months the Company has bought back 5,384,000 of its shares at a total cost of £1,002,000 including stamp duty.

## Risks and uncertainties

The outlook for the UK economy continues to be the key risk affecting your Company. Investment in small and unquoted companies also carries particular risks of its own. The Company's investment risk is mitigated by a number of processes, including our policy of ensuring that the Company has a first charge over portfolio companies' assets wherever possible.

Other risks and uncertainties remain as set out on pages 13 to 15 of the Annual Report and Financial Statements for the year ended 31 December 2013.

# Chairman's statement (continued)

## Outlook

Whilst the economic environment appears more benign, uncertainties remain including the impact of any withdrawal of monetary stimulation (Quantitative Easing and low interest rates), sovereign and consumer debt burdens, and the conflicts in the Middle East and the Ukraine.

Your Board believes the current investment policy of combining asset-backed, income yielding investments with investments offering a higher risk/return profile, offers the best prospect of further improvements in capital value and a sustainable long term dividend.

## Robin Field

Chairman

29 August 2014



# Responsibility statement

The Directors, as listed on page 2 of this Report, are responsible for preparing the Half-yearly Financial Report. The Directors have chosen to prepare this Half-yearly Financial Report for the Company in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP").

In preparing these summarised Financial Statements for the period to 30 June 2014, we the Directors of the Company, confirm that to the best of our knowledge:

- (a) the summarised set of Financial Statements has been prepared in accordance with the pronouncement on interim reporting issued by the Accounting Standards Board;
- (b) the interim management report, of which the Chairman's statement forms a part, includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year);
- (c) the summarised set of Financial Statements gives a true and fair view in accordance with UK GAAP of the assets, liabilities, financial position and profit and loss of the Company for the six months ended 30 June 2014 and comply with UK GAAP and Companies Act 2006; and

- (d) the interim management report, of which the Chairman's statement forms a part, includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

The accounting policies applied to the Half-yearly Financial Report have been consistently applied in current and prior periods and are those applied in the Annual Report and Financial Statements for the year ended 31 December 2013.

This Half-yearly Financial Report has not been audited or reviewed by the Auditor.

By order of the Board

**Robin Field**

Chairman

29 August 2014

# Portfolio of investments

The following is a summary of fixed asset investments as at 30 June 2014:

Fixed asset investments	% voting rights	Cost <sup>(1)</sup> £'000	Cumulative movement in value £'000	Value £'000	Change in value for the period <sup>(2)</sup> £'000
<b>Asset-backed unquoted investments</b>					
Active Lives Care Limited	15.6	1,912	4	1,916	4
Alto Prodotto Wind Limited	11.1	1,000	342	1,342	78
Chonais Holdings Limited	13.1	1,306	7	1,313	5
The Street by Street Solar Programme Limited	10.0	1,040	264	1,304	27
Albion Small Company Growth Limited	11.3	1,054	3	1,057	3
Regenerco Renewable Energy Limited	9.8	935	80	1,015	19
Dragon Hydro Limited	17.2	736	143	879	143
Bravo Inns II Limited	5.0	800	19	819	12
AVESI Limited	14.8	460	32	492	32
Greenenerco Limited	8.6	300	109	409	109
Green Highland Renewables (Ledgowan) Limited	10.0	336	4	340	4
Erin Solar Limited	5.7	160	–	160	–
Taunton Hospital Limited	0.7	109	3	112	3
Harvest AD Limited	0.0	70	–	70	–
<b>Total asset-backed unquoted investments</b>		<b>10,218</b>	<b>1,010</b>	<b>11,228</b>	<b>439</b>
<b>High growth unquoted investments</b>					
Elateral Group Limited	37.7	2,494	2,581	5,075	(15)
Sift Limited	40.2	3,275	(633)	2,642	2
Cluster Seven Limited	28.6	2,218	219	2,437	174
Lab M Holdings Limited	26.4	858	457	1,315	36
Hilson Moran Holdings Limited	15.0	675	586	1,261	31
Perpetuum Limited	15.7	1,644	(823)	821	(88)
Xention Limited	5.1	608	193	801	–
Academia Inc	5.3	350	427	777	(14)
Proveca Limited	12.1	572	59	631	24
Anthropics Technologies Limited	12.4	–	598	598	96
Symetrica Limited	3.5	309	245	554	–
MyMeds&Me Limited	7.3	438	17	455	(1)
Haemostatix Limited	18.9	1,492	(1,052)	440	–
Egress Software Technologies Limited	4.4	430	–	430	–
Antenova Limited	12.3	1,542	(1,114)	428	73
Celoxica Holdings plc	4.4	513	(157)	356	–
Abcodia Limited	6.7	298	1	299	1
Grapeshot Limited	2.5	280	–	280	–
Aridhia Informatics Limited	0.8	250	7	257	5
Relayware Limited	1.1	232	16	248	10
UniServity Limited <sup>(3)</sup>	93.6	3,810	(3,660)	150	50
Mirada Medical Limited	0.5	94	5	99	5
Cisiv Limited	0.9	97	(5)	92	(6)
Clear2Pay NV	0.1	129	(43)	86	3
The Wentworth Wooden Jigsaw Company Limited	5.4	–	82	82	9
Silent Herdsman Holdings Limited	1.9	82	–	82	–
Sandcroft Avenue Limited (T/A payasugym.com)	1.0	60	–	60	–
Xtera Communications Inc	0.9	85	(75)	10	–
De Nova Pharmaceuticals Limited <sup>(4)</sup>	0.0	–	1	1	–
Furzeland Limited <sup>(4)</sup>	0.0	–	1	1	–
Keronite Group Limited <sup>(4)</sup>	1.1	–	1	1	–
Lectus Therapeutics Limited <sup>(4)</sup>	4.5	–	1	1	–
Oxonica Limited <sup>(4)</sup>	2.1	185	(184)	1	–
TeraView Limited	1.0	1,197	(1,196)	1	(12)
<b>Total high growth unquoted investments</b>		<b>24,217</b>	<b>(3,445)</b>	<b>20,772</b>	<b>383</b>
<b>Total unquoted investments</b>		<b>34,435</b>	<b>(2,435)</b>	<b>32,000</b>	<b>822</b>
<b>Quoted investments</b>					
Oxford Immunotec Global PLC (NASDAQ)		1,524	2,352	3,876	(679)
<b>Total quoted investments</b>		<b>1,524</b>	<b>2,352</b>	<b>3,876</b>	<b>(679)</b>
<b>Total fixed asset investments</b>		<b>35,959</b>	<b>(83)</b>	<b>35,876</b>	<b>143</b>

## Portfolio of investments (continued)

	Cost <sup>(1)</sup> £'000	Cumulative movement in value £'000	Value £'000	Change in value for the period <sup>(2)</sup> £'000
<b>Current asset investments</b>				
Atego Limited	–	470	470	470
<b>Total current asset investments</b>	<b>–</b>	<b>470</b>	<b>470</b>	<b>470</b>

<b>Total change on value on investments for the period</b>	<b>613</b>
Movement in loan stock accrued interest	(3)
Unrealised gain on movement of escrow	3
Realised losses from realisations in current year	(573)
<b>Total gains on investments as per Income statement</b>	<b>40</b>

(1) Amounts shown as cost represent the acquisition cost in the case of investments originally made by the Company and/or the valuation attributed to the investments acquired from Quester VCT 2 plc and Quester VCT 3 plc at the date of the merger in 2005, plus any subsequent acquisition costs, as reduced in certain cases by amounts written off as representing an impairment in value.

(2) As adjusted for additions and disposals during the period.

(3) As permitted by FRS2 "Accounting for Subsidiary Undertakings", holdings in excess of 50 per cent. of the equity of an investment company may be excluded from consolidation where the holding is held exclusively for subsequent resale. The results of UniServity Limited, where the Company holds in excess of 50 per cent. of that company's equity are, therefore, excluded from consolidation as the interest in UniServity Limited is held exclusively for subsequent resale and has not previously been consolidated with the Company.

(4) Nominal valuations.

Realisations in the period to 30 June 2014	Cost £'000	Opening carrying value £'000	Disposal proceeds £'000	Realised gain £'000	(Loss)/gain on opening or acquired value £'000
Atego Limited (disposal)	948	2,934	2,257	1,309	(677)
Vivacta Limited (escrow receipt)	–	–	65	65	65
The Wentworth Wooden Jigsaw Company Limited (cancellation of deferred shares)	–	–	39	39	39
<b>Total</b>	<b>948</b>	<b>2,934</b>	<b>2,361</b>	<b>1,413</b>	<b>(573)</b>

# Summary income statement

		Unaudited six months ended 30 June 2014			Unaudited six months ended 30 June 2013			Audited year ended 31 December 2013		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	2	–	40	40	–	1,262	1,262	–	4,080	4,080
Investment income	3	546	–	546	430	–	430	1,624	–	1,624
Investment management fees	4	(100)	(300)	(400)	(98)	(294)	(392)	(190)	(571)	(761)
Other expenses		(145)	–	(145)	(159)	–	(159)	(289)	–	(289)
Exchange rate movement		(2)	–	(2)	6	–	6	2	–	2
<b>Return/(loss) on ordinary activities before tax</b>		<b>299</b>	<b>(260)</b>	<b>39</b>	<b>179</b>	<b>968</b>	<b>1,147</b>	<b>1,147</b>	<b>3,509</b>	<b>4,656</b>
Tax on ordinary activities		–	–	–	–	–	–	–	–	–
<b>Return/(loss) on ordinary activities after tax</b>		<b>299</b>	<b>(260)</b>	<b>39</b>	<b>179</b>	<b>968</b>	<b>1,147</b>	<b>1,147</b>	<b>3,509</b>	<b>4,656</b>
Basic and diluted return/(loss) per share (pence)	6	<b>0.15</b>	<b>(0.13)</b>	<b>0.02</b>	0.10	0.50	0.60	0.58	1.77	2.35

The accompanying notes on pages 15 to 22 form an integral part of this Half-yearly Financial Report.

Comparative figures have been extracted from the unaudited Half-yearly Financial Report for the six months ended 30 June 2013 and the audited statutory accounts for the year ended 31 December 2013.

The total column of this Summary 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 continuing operations.

The Company has only one class of business and derives its income from investments made in shares and securities and from bank deposits.

There are no recognised gains or losses other than the results for the periods 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 cost 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.

# Summary balance sheet

	Note	Unaudited 30 June 2014 £'000	Unaudited 30 June 2013 £'000	Audited 31 December 2013 £'000
<b>Fixed asset investments</b>		<b>35,876</b>	29,276	33,904
<b>Current assets</b>				
Trade and other debtors		<b>2,304</b>	1,167	801
Current asset investments		<b>470</b>	5,688	3,750
Cash at bank and in hand	9	<b>1,463</b>	1,578	1,225
		<b>4,237</b>	8,433	5,776
<b>Creditors: amounts falling due within one year</b>		<b>(305)</b>	(297)	(418)
<b>Net current assets</b>		<b>3,932</b>	8,136	5,358
<b>Net assets</b>		<b>39,808</b>	37,412	39,262
<b>Capital and reserves</b>				
Called-up share capital	7	<b>2,214</b>	2,098	2,099
Share premium		<b>2,476</b>	65	82
Capital redemption reserve		<b>11</b>	–	–
Investment holding reserve		<b>338</b>	(1,503)	1,711
Other distributable reserve		<b>34,769</b>	36,752	35,370
<b>Total equity shareholders' funds</b>		<b>39,808</b>	37,412	39,262
<b>Basic and diluted net asset value per share (pence)</b>		<b>19.98</b>	19.10	20.45

The accompanying notes on pages 15 to 22 form an integral part of this Half-yearly Financial Report.

Comparative figures have been extracted from the unaudited Half-yearly Financial Report for the six months ended 30 June 2013 and the audited statutory accounts for the year ended 31 December 2013.

These Financial Statements were approved by the Board of Directors, and authorised for issue on 29 August 2014 and were signed on its behalf by

**Robin Field**

Chairman

Company number: 03139019

## Summary reconciliation of movements in shareholders' funds

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Investment holding reserve £'000	Other distributable reserve £'000	Total £'000
<b>1 January 2014 (audited)</b>	<b>2,099</b>	<b>82</b>	<b>–</b>	<b>1,711</b>	<b>35,370</b>	<b>39,262</b>
Return/(loss) for the period	–	–	–	613	(574)	39
Transfer of previously unrealised gains on disposal of investments	–	–	–	(1,986)	1,986	–
Purchase of treasury shares	–	–	–	–	(788)	(788)
Purchase of shares for cancellation	(11)	–	11	–	(214)	(214)
Issue of equity (net of costs)	126	2,394	–	–	–	2,520
Dividends paid	–	–	–	–	(1,011)	(1,011)
<b>As at 30 June 2014 (unaudited)</b>	<b>2,214</b>	<b>2,476</b>	<b>11</b>	<b>338</b>	<b>34,769</b>	<b>39,808</b>
<b>1 January 2013 (audited)</b>	<b>2,097</b>	<b>27</b>	<b>–</b>	<b>(2,569)</b>	<b>39,275</b>	<b>38,830</b>
Return/(loss) for the period	–	–	–	1,185	(38)	1,147
Transfer of previously unrealised gains on disposal of investments	–	–	–	(119)	119	–
Purchase of treasury shares	–	–	–	–	(1,612)	(1,612)
Issue of equity (net of costs)	1	16	–	–	–	17
Surplus of accrued merger costs	–	22	–	–	–	22
Dividends paid	–	–	–	–	(992)	(992)
<b>As at 30 June 2013 (unaudited)</b>	<b>2,098</b>	<b>65</b>	<b>–</b>	<b>(1,503)</b>	<b>36,752</b>	<b>37,412</b>
<b>1 January 2013 (audited)</b>	<b>2,097</b>	<b>27</b>	<b>–</b>	<b>(2,569)</b>	<b>39,275</b>	<b>38,830</b>
Return for the period	–	–	–	4,097	559	4,656
Transfer of previously unrealised losses on disposal of investments	–	–	–	183	(183)	–
Purchase of treasury shares	–	–	–	–	(2,317)	(2,317)
Surplus of accrued merger costs	–	22	–	–	–	22
Issue of equity (net of costs)	2	33	–	–	–	35
Dividends paid	–	–	–	–	(1,964)	(1,964)
<b>As at 31 December 2013 (audited)</b>	<b>2,099</b>	<b>82</b>	<b>–</b>	<b>1,711</b>	<b>35,370</b>	<b>39,262</b>

Comparative figures have been extracted from the unaudited Half-yearly Financial Report for the six months ended 30 June 2013 and the audited statutory accounts for the year ended 31 December 2013.

The total distributable reserves are £34,769,000 (30 June 2013: £35,249,000; 31 December 2013: £35,370,000), comprising other distributable reserve net of investment holding losses.

# Summary cash flow statement

	Note	Unaudited six months ended 30 June 2014 £'000	Unaudited six months ended 30 June 2013 £'000	Audited year ended 31 December 2013 £'000
<b>Operating activities</b>				
Loan stock income received		338	254	558
Dividend income received		159	–	813
Deposit interest received		151	106	158
Investment management fees paid		(379)	(366)	(751)
Other cash payments		(147)	(164)	(295)
<b>Net cash flow from operating activities</b>	8	<b>122</b>	<b>(170)</b>	<b>483</b>
<b>Capital expenditure and financial investments</b>				
Purchase of fixed asset investments		(4,895)	(2,560)	(4,508)
Disposal of fixed asset investments		39	391	680
Cash from investments previously sold or written off		708	31	420
<b>Net cash flow from investing activities</b>		<b>(4,148)</b>	<b>(2,138)</b>	<b>(3,408)</b>
<b>Management of liquid resources</b>				
Purchase of current asset investments		–	(250)	(250)
Disposal of current asset investments		3,750	–	1,926
<b>Net cash flow from liquid resources</b>		<b>3,750</b>	<b>(250)</b>	<b>1,676</b>
<b>Equity dividends paid</b> (net of costs of issuing shares under the Dividend Reinvestment Scheme and unclaimed dividends)*		<b>(970)</b>	<b>(948)</b>	<b>(1,906)</b>
<b>Net cash flow before financing</b>		<b>(1,246)</b>	<b>(3,506)</b>	<b>(3,155)</b>
<b>Financing</b>				
Issue of own shares		2,479	–	–
Purchase of own shares (including costs)		(995)	(1,613)	(2,317)
<b>Net cash flow from financing</b>		<b>1,484</b>	<b>(1,613)</b>	<b>(2,317)</b>
<b>Cash flow in the period</b>	9	<b>238</b>	<b>(5,119)</b>	<b>(5,472)</b>

The accompanying notes on pages 15 to 22 form an integral part of this Half-yearly Financial Report.

Comparative figures have been extracted from the unaudited Half-yearly Financial Report for the six months ended 30 June 2013 and the audited statutory accounts for the year ended 31 December 2013.

\* The equity dividend paid in the cash flow is different to the dividend disclosed in note 5 due to the non-cash effect of the Dividend Reinvestment Scheme.

# Notes to the unaudited summarised Financial Statements

## 1. Accounting policies

A summary of the principal accounting policies, which have been applied consistently in the current and in prior periods, is set out below.

### Basis of accounting

The Financial Statements have been prepared in accordance with the historical cost convention, modified to include the revaluation of investments, in accordance with applicable UK 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. The accounts are prepared on a going concern basis.

### Consolidation

As permitted by FRS 2 "Accounting for Subsidiary Undertakings", holdings in excess of 50 per cent. of the equity of an investment company may be excluded from consolidation where the holding is held exclusively for subsequent resale.

The results of UniServity Limited, where the Company holds in excess of 50 per cent. of that company's equity are, therefore, excluded from consolidation as the interest in UniServity Limited is held exclusively for subsequent resale and has not previously been consolidated.

### Fixed asset investments

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment policy, and information about the portfolio is provided internally on that basis to the Board.

Upon initial recognition (using trade date accounting) investments are designated by the Company as 'at fair value through profit or loss' and are included at their initial fair value, which is cost (excluding expenses incidental to the acquisition which are written off to the income statement).

Subsequently, the investments are valued at 'fair value', which is measured as follows:

- Investments listed on recognised exchanges are valued at their bid prices at the end of the accounting period or otherwise at fair value based on published price quotations;

- Unquoted investments, where there is not an active market, are valued using an appropriate valuation technique in accordance with the IPEVVCV Guidelines. Indicators of fair value are derived using established methodologies including earnings multiples, the level of third party offers received, prices of recent investment rounds, net assets and industry valuation benchmarks. Where the Company has an investment in an early stage enterprise, the price of a recent investment round is often the most appropriate approach to determining fair value. In situations where a period of time has elapsed since the date of the most recent transaction, consideration is given to the circumstances of the portfolio company since that date in determining fair value. This includes consideration of whether there is any evidence of deterioration or strong definable evidence of an increase in value. In the absence of these indicators, the investment in question is valued at the amount reported at the previous reporting date. Examples of events or changes that could indicate a diminution include:

- the performance and/or prospects of the underlying business are significantly below the expectations on which the investment was based;
- a significant adverse change either in the portfolio company's business or in the technological, market, economic, legal or regulatory environment in which the business operates; or
- market conditions have deteriorated, which may be indicated by a fall in the share prices of quoted businesses operating in the same or related sectors.

It is not the Company's policy to exercise control or significant influence over portfolio companies. Therefore, in accordance with the exemptions under FRS 9 "Associates and Joint Ventures", those undertakings in which the Company holds more than 20 per cent., but less than 50 per cent., of the equity of an investment company, and the investment company is not a subsidiary, are not regarded as associated undertakings.

### 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.



# Notes to the unaudited summarised Financial Statements (continued)

In accordance with FRS 26, fixed term deposits used for cash management are designated as fair value through profit and loss. These investments are classified as current asset investments as they are investments held for the short term.

## Gains and losses on investments

Gains and losses arising from changes in the fair value of the investments are included in the Income statement for the period as a capital item and are allocated to the investment holding reserve.

## Investment income

Dividends receivable on quoted equity shares are recognised on the ex-dividend date. Income receivable on unquoted equity and non-equity shares and loan notes is recognised when the Company's right to receive payment and expect settlement is established. Fixed income returns on non-equity shares and debt securities are recognised on an effective interest rate basis, provided there is no reasonable doubt that payment will be received in due course. Income from fixed interest securities and deposit interest is included on an effective interest basis.

## Investment management fees and other expenses

All expenses, including expenses incidental to the acquisition or disposal of an investment, are accounted for on an accruals basis and are charged wholly to the Income statement except for 75 per cent. of management fees which are allocated to capital to the extent that these relate to an enhancement in the value of the investments. This is 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.

Costs associated with the issue of shares are charged to the share premium account. Costs associated with the buy back of shares are charged to the other distributable reserve, which now includes the special reserve to which these costs were previously charged.

## 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 should be made for deferred tax.

## Foreign exchange

The currency of the primary economic environment in which the Company operates (the functional currency) is pounds Sterling ("Sterling"), which is also the presentational currency of the Company. Transactions involving currencies other than Sterling are recorded at the exchange rate ruling on the transaction date. At each Balance sheet date, monetary items and non-monetary assets and liabilities that are measured at fair value, which are denominated in foreign currencies, are retranslated at the closing rates of exchange. Exchange differences arising on settlement of monetary items and from retranslating at the Balance sheet date of investments and other financial instruments measured at fair value through profit or loss, and other monetary items, are included in the Income statement. Exchange differences relating to investments and other financial instruments measured at fair value are subsequently included in the Investment holding reserve.

## 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 other distributable reserve.

### Investment holding reserve

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

### Other distributable reserve

This reserve accounts for movements from the revenue column of the Income statement, gains and losses compared to cost on the realisation of investments, 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 declared by the Company and payable to equity shareholders are accounted for in the period in which the dividend has been paid or approved by shareholders at an annual general meeting.

# Notes to the unaudited summarised Financial Statements (continued)

## 2. Gains on investments

	Unaudited six months ended 30 June 2014 £'000	Unaudited six months ended 30 June 2013 £'000	Audited year ended 31 December 2013 £'000
Unrealised gains on fixed asset investments held at fair value through profit or loss	140	1,223	4,097
Unrealised gains/(losses) on current asset investments held at fair value through profit or loss	470	(38)	–
Unrealised gains on deferred consideration held at fair value through profit or loss	3	–	–
<b>Unrealised gains sub-total</b>	<b>613</b>	<b>1,185</b>	<b>4,097</b>
Realised (losses)/gains on fixed asset investments held at fair value through profit or loss	(638)	5	3
Realised losses on current asset investments held at fair value through profit or loss	–	–	(50)
Realised gains in respect of escrow receipts from previously sold investments and distributions from investments in liquidation	65	72	30
<b>Realised gains/(losses) sub-total</b>	<b>(573)</b>	<b>77</b>	<b>(17)</b>
	<b>40</b>	<b>1,262</b>	<b>4,080</b>

## 3. Investment income

	Unaudited six months ended 30 June 2014 £'000	Unaudited six months ended 30 June 2013 £'000	Audited year ended 31 December 2013 £'000
<b>Income recognised on investments held at fair value through profit or loss</b>			
Listed fixed interest securities	–	59	76
Loan stock, convertible bonds and discounted debt	360	278	574
Dividends	146	6	826
	<b>506</b>	<b>343</b>	<b>1,476</b>
<b>Income recognised on investments held at amortised cost</b>			
Bank deposit interest	40	87	148
	<b>546</b>	<b>430</b>	<b>1,624</b>

# Notes to the unaudited summarised Financial Statements (continued)

## 4. Investment management fees

	Unaudited six months ended 30 June 2014 £'000	Unaudited six months ended 30 June 2013 £'000	Audited year ended 31 December 2013 £'000
Investment management fees charged to revenue	100	98	190
Investment management fees charged to capital	300	294	571
	<b>400</b>	<b>392</b>	<b>761</b>

Further details of the management agreement under which the investment management fee is paid are given in the Directors' report on pages 23 and 24 of the Annual Report and Financial Statements for the year ended 31 December 2013.

During the period, services with a value of £400,000 (30 June 2013: £392,000; 31 December 2013: £761,000) and £25,000 (30 June 2013: £25,000; 31 December 2013: £50,000) were purchased by the Company from Albion Ventures LLP in respect of investment management and administration fees respectively. At the period end, the amount due to Albion Ventures LLP in respect of these services disclosed as accruals was £216,000 (30 June 2013: £210,000; 31 December 2013: £195,000).

Albion Ventures LLP is, from time to time, eligible to receive transaction fees and Directors' fees from portfolio companies. During the period, fees of £153,000 (30 June 2013: £50,000; 31 December 2013: £190,000) attributable to the investments of the Company were received pursuant to these arrangements.

Albion Ventures LLP holds 7,487 shares as a result of fractional entitlements and dissenting shareholders arising from the merger with Kings Arms Yard VCT 2 PLC on 30 September 2011. In addition, Albion Ventures LLP holds a further 25,606 Ordinary shares in the Company. These shares will be sold for the benefit of the Company at a future date.

## 5. Dividends

	Unaudited six months ended 30 June 2014 £'000	Unaudited six months ended 30 June 2013 £'000	Audited year ended 31 December 2013 £'000
First dividend of 0.5 pence per share paid on 31 May 2013	–	992	992
Second dividend of 0.5 pence per share paid on 30 September 2013	–	–	979
First dividend of 0.5 pence per share paid on 30 April 2014	1,017	–	–
Unclaimed dividends returned to Company	(6)	–	(7)
	<b>1,011</b>	<b>992</b>	<b>1,964</b>

The Directors have declared a second dividend of 0.50 pence per share for the year ended 31 December 2014, which will be paid on 31 October 2014 to shareholders on the register as at 3 October 2014.

# Notes to the unaudited summarised Financial Statements (continued)

## 6. Basic and diluted return/(loss) per share

	Unaudited six months ended 30 June 2014		Unaudited six months ended 30 June 2013		Audited year ended 31 December 2013	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
Return/(loss) attributable to shares (£'000)	299	(260)	179	968	1,147	3,509
Weighted average shares in issue (excluding treasury shares)	197,858,496		202,213,344		198,148,213	
Return/(loss) per share (pence)	0.15	(0.13)	0.10	0.50	0.58	1.77

The weighted average number of shares is calculated excluding the treasury shares of 22,130,000 (30 June 2013: 13,873,000; 31 December 2013: 17,880,000)

There are no convertible instruments, derivatives or contingent share agreements in issue so basic and diluted return/(loss) per share are the same.

## 7. Called-up share capital

	Unaudited 30 June 2014 £'000	Unaudited 30 June 2013 £'000	Audited 31 December 2013 £'000
<b>Allotted, issued and fully paid:</b>			
Allotted, issued and fully paid			
Shares of 1 penny nominal value (£'000)	2,214	2,098	2,099
Number of shares of 1 penny nominal value	221,416,908	209,770,323	209,877,614
<b>Voting rights</b>			
Number of shares of 1 penny nominal value with voting rights	199,286,908	195,897,323	191,997,614

The Company operates a share buy-back programme, as detailed in the Chairman's statement on page 6. During the period the Company purchased 4,250,000 Ordinary shares with a nominal value of £42,500 at a cost of £788,000 including stamp duty (30 June 2013: £1,612,000; 31 December 2013; £2,317,000) to be held in treasury. The Company holds a total of 22,130,000 Ordinary shares in treasury, representing 10 per cent. of the issued Ordinary share capital as at 30 June 2014. The shares purchased for treasury were funded from other distributable reserve.

During the period the Company purchased 1,134,000 Ordinary shares for cancellation (30 June 2013: nil; 31 December 2013: nil) at a cost of £214,000 including stamp duty (30 June 2013: £nil; 31 December 2013: £nil), representing 0.51 per cent. of its issued share capital as at 30 June 2014. The shares purchased for cancellation were funded by the other distributable reserve.

During the period from 1 January 2014 to 30 June 2014, the Company issued the following new shares of 1 penny each under the terms of the Dividend Reinvestment Scheme Circular dated 19 April 2011:

Date of allotment	Number of shares allotted	Issue price (pence per share)	Net consideration received (£'000)	Opening market price per share on allotment date (pence per share)
30 April 2014	218,728	19.95	41	19.00

# Notes to the unaudited summarised Financial Statements (continued)

## 7. Called-up share capital (continued)

Under the terms of the Albion VCTs Top Up Offers 2013/2014, the following Ordinary shares of nominal value 1 penny each were allotted during the period to 30 June 2014:

Date of allotment	Number of shares allotted	Issue price (pence per share)	Net consideration received (£'000)	Opening market price per share on allotment date (pence per share)
31 January 2014	78,946	19.00	15	18.00
31 January 2014	2,179,282	19.20	411	18.00
31 January 2014	2,409,885	19.30	452	18.00
5 April 2014	59,305	21.00	12	19.00
5 April 2014	64,249	21.10	13	19.00
5 April 2014	2,072,451	21.20	426	19.00
	6,864,118		1,329	

Under the terms of the Albion VCTs Prospectus Top Up Offers 2013/2014, the following Ordinary shares of nominal value 1 penny each were allotted during the period to 30 June 2014:

Date of allotment	Number of shares allotted	Issue price (pence per share)	Net consideration received (£'000)	Opening market price per share on allotment date (pence per share)
5 April 2014	5,590,448	21.20	1,150	19.00
			Number of shares issued	Net proceeds (£'000)
Total shares issued under the Albion VCTs Top Up Offers 2013/2014 and the Albion VCTs Prospectus Top Up Offers 2013/2014 for the period to 30 June 2014			12,454,566	2,479

## 8. Reconciliation of revenue return/(loss) on ordinary activities before taxation to net cash flow from operating activities

	Unaudited six months ended 30 June 2014 £'000	Unaudited six months ended 30 June 2013 £'000	Audited year ended 31 December 2013 £'000
Revenue return on ordinary activities before tax	299	179	1,147
Exchange rate movement	(2)	6	(2)
Investment management fees allocated to capital	(300)	(294)	(571)
Movement in accrued loan stock interest	(3)	(23)	(15)
Decrease/(increase) in debtors	113	(45)	(80)
Increase in creditors	15	7	4
<b>Net cash flow from operating activities</b>	<b>122</b>	<b>(170)</b>	<b>483</b>

# Notes to the unaudited summarised Financial Statements (continued)

## 9. Analysis of change in cash during the period

	Unaudited six months ended 30 June 2014 £'000	Unaudited six months ended 30 June 2013 £'000	Audited year ended 31 December 2013 £'000
Opening cash balances	1,225	6,697	6,697
Net cash flow	238	(5,119)	(5,472)
<b>Closing cash balances</b>	<b>1,463</b>	<b>1,578</b>	<b>1,225</b>

## 10. Commitments, contingencies and guarantees

As at 30 June 2014, the Company was committed to making investments of £6,502,000 in respect of further funding to be provided to existing portfolio companies (30 June 2013: £874,000; 31 December 2013: £2,205,000).

## 11. Post balance sheet events

Since 30 June 2014, the Company has made the following investments:

- £900,000 in Omprompt Limited;
- £313,000 in Chonais Holdings Limited;
- £255,000 in Mirada Medical Limited;
- £150,000 in Elateral Group Limited;
- £112,000 in Infinite Ventures (Goathill) Limited;
- £73,000 in MyMeds&Me Limited;
- £60,000 in Green Highland Renewables (Ledgowan) Limited;
- £43,000 in Taunton Hospital Limited; and
- £37,000 in Cisiv Limited

Proceeds of £2,277,000 (including interest) from the disposal of Atego Limited were received after the period end.

The following Ordinary shares of nominal value 1 penny each were allotted under the Albion VCTs Top Up Offers 2013/2014 after 30 June 2014:

Date of allotment	Number of shares allotted	Issue price (pence per share)	Net consideration received (£'000)	Opening market price per share on allotment date (pence per share)
4 July 2014	30,996	20.70	6	19.00
4 July 2014	9,615	20.80	2	19.00
4 July 2014	136,146	20.90	28	19.00
	<b>176,757</b>		<b>36</b>	

Under the Albion VCT Prospectus Top Up Offers 2013/2014 after 30 June 2014:

Date of allotment	Number of shares allotted	Issue price (pence per share)	Net consideration received (£'000)	Opening market price per share on allotment date (pence per share)
4 July 2014	1,809,406	20.90	367	19.00

# Notes to the unaudited summarised Financial Statements (continued)

## 12. Related party disclosures

There are no related party transactions in the period or balances with the Company and UniServy Limited.

Transactions with the Manager are described in Note 4.

## 13. Going concern

The Board's assessment of liquidity risk remains unchanged and is detailed on pages 52 and 53 of the Annual Report and Financial Statements for the year ended 31 December 2013.

The Company has adequate cash and liquid resources, and the major cash outflows of the Company (namely investments, dividends and share buy-backs) 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 in accordance with "Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009", published by the Financial Reporting Council.

## 14. Other information

The information set out in this Half-yearly Financial Report does not constitute the Company's statutory accounts within the terms of section 434 of the Companies Act 2006 for the periods ended 30 June 2014 and 30 June 2013, and is unaudited. The information for the year ended 31 December 2013 does not constitute statutory accounts within the terms of section 434 of the Companies Act 2006 and is derived from the statutory accounts for that financial year, which have been delivered to the Registrar of Companies. The Auditor reported on those accounts; their report was unqualified and did not contain a statement under s498 (2) or (3) of the Companies Act 2006.

## 15. Publication

This Half-yearly Financial Report is being sent to shareholders and copies will be made available to the public at the registered office of the Company, Companies House, the National Storage Mechanism and also electronically at [www.albion-ventures.co.uk/OurFunds/KAY.htm](http://www.albion-ventures.co.uk/OurFunds/KAY.htm).

# Financial summary for the Company and for previous funds

	Unaudited six months ended 30 June 2014 (pence per share)	Unaudited six months ended 30 June 2013 (pence per share)	Audited year ended 31 December 2013 (pence per share)
<b>Net asset value of the Company (formerly SPARK VCT plc; Quester VCT plc)</b>	<b>19.98</b>	19.10	20.45
<b>Dividends paid to shareholders of the Company</b>			
Dividends paid during the period	<b>0.50</b>	0.50	1.00
Cumulative dividend paid	<b>61.83</b>	60.83	61.33
<b>Total net asset value return<sup>(1)</sup> (per 100p invested)</b>			
To shareholders of the Company (formerly SPARK VCT plc; Quester VCT plc)	<b>81.81</b>	79.93	81.78
Total net asset value return including tax benefits <sup>(2)</sup>	<b>101.81</b>	99.93	101.78
<b>Total net asset value return to former shareholders of:</b>			
<b>Quester VCT 2 plc, per 100p invested in shares of that company</b>			
Total net asset value return	<b>67.91</b>	65.98	67.88
Total net asset value return including tax benefits <sup>(2)</sup>	<b>87.91</b>	85.98	87.88
<b>Quester VCT 3 plc, per 100p invested in shares of that company</b>			
Total net asset value return	<b>41.50</b>	39.65	41.47
Total net asset value return including tax benefits <sup>(2)</sup>	<b>61.50</b>	59.65	61.47
<b>Quester VCT 4 plc (renamed SPARK VCT 2 PLC and then Kings Arms Yard VCT 2 PLC), per 100p invested in shares of that company</b>			
Total net asset value return	<b>37.69</b>	35.28	37.65
Total net asset value return including tax benefits <sup>(2)</sup>	<b>57.69</b>	55.28	57.65
<b>Quester VCT 5 plc (renamed SPARK VCT 3 PLC), per 100p invested in shares of that company</b>			
Total net asset value return	<b>48.49</b>	44.97	48.43
Total net asset value return including tax benefits <sup>(2)</sup>	<b>68.49</b>	64.97	68.43

(1) Net asset value plus cumulative dividend per share to ordinary shareholders in the Company since the launch of the Company (then called Quester VCT plc) in April 1996.

(2) Return after 20 per cent. income tax relief but excluding capital gains deferral.

The total returns stated are applicable only to shareholders of shares at the time of each companies launch. They do not represent the return to subsequent subscribers or purchasers of shares.

Source: Albion Ventures LLP



# Merger history for the Company and for previous funds

<b>February 1996</b>	Quester VCT PLC (QVCT) launched
<b>June 2005</b>	QVCT2 and QVCT3 merged into QVCT
<b>June 2008</b>	All Quester names changed to SPARK: QVCT became Spark VCT plc (SVCT) QVCT4 became Spark VCT 2 plc (SVCT2) QVCT5 became Spark VCT 3 plc (SVCT3)
<b>November 2008</b>	SVCT3 merged into SVCT2
<b>January 2011</b>	Albion Ventures became Manager
<b>February 2011</b>	All SPARK names changed to Kings Arms Yard: SVCT became Kings Arms Yard VCT PLC (KAY) SVCT2 became Kings Arms Yard VCT 2 PLC (KAY2)
<b>September 2011</b>	KAY2 merged into KAY

# Dividend history for the Company and for previous funds

## Kings Arms Yard VCT PLC ("KAY")

Dividends paid to shareholders of KAY launched in 1996 (formerly SPARK VCT plc ("SVCT") and originally Quester VCT PLC ("QVCT")).

	(pence per share)
31 January 1997	0.937
31 January 1998	2.547
31 January 1999	2.875
31 January 2000	7.110
31 January 2001	26.650
31 January 2002	1.350
28 February 2006	1.250
28 February 2007	3.910
31 December 2007	4.220
31 December 2008	2.810
31 December 2010	5.000
31 December 2011	0.670
31 December 2012	1.000
31 December 2013	1.000
30 June 2014	0.500
<b>Total dividends paid to 30 June 2014</b>	<b>61.829</b>
Net asset value as at 30 June 2014	19.980
<b>Total net asset value return to 30 June 2014</b>	<b>81.809</b>

# Dividend history for the Company and for previous funds

(continued)

## Quester VCT 2 PLC ("QVCT2")

QVCT2 was launched in 1998 and was merged with KAY (formerly SPARK VCT plc ("SVCT")) and originally Quester VCT PLC ("QVCT") in June 2005 with a share exchange ratio of 1.0249 QVCT shares for each QVCT2 share.

	(pence per share)
28 February 1999	1.000
28 February 2000	3.065
28 February 2001	20.500
28 February 2002	2.000
28 February 2006	1.281
28 February 2007	4.007
31 December 2007	4.325
31 December 2008	2.880
31 December 2010	5.125
31 December 2011	0.687
31 December 2012	1.025
31 December 2013	1.025
30 June 2014	0.512
<b>Total dividends paid to 30 June 2014</b>	<b>47.432</b>
Net asset value as at 30 June 2014	20.478
<b>Total net asset value return to 30 June 2014</b>	<b>67.910</b>

## Quester VCT 3 PLC ("QVCT3")

QVCT3 was launched in 2000 and was merged with KAY (formerly SPARK VCT plc ("SVCT")) and originally Quester VCT PLC ("QVCT") in June 2005 with a share exchange ratio of 0.9816 QVCT shares for each QVCT3 share.

	(pence per share)
28 February 2001	0.750
28 February 2002	1.000
28 February 2003	0.150
28 February 2006	1.227
28 February 2007	3.838
31 December 2007	4.142
31 December 2008	2.758
31 December 2010	4.908
31 December 2011	0.658
31 December 2012	0.982
31 December 2013	0.982
30 June 2014	0.491
<b>Total dividends paid to 30 June 2014</b>	<b>21.886</b>
Net asset value as at 30 June 2014	19.612
<b>Total net asset value return to 30 June 2014</b>	<b>41.498</b>

# Dividend history for the Company and for previous funds

(continued)

## Quester VCT 4 PLC ("QVCT4")

QVCT4 was launched in 2000 and was renamed SPARK VCT 2 plc ("SVCT2") and then Kings Arms Yard VCT 2 PLC ("KAY2"). KAY2 merged with Kings Arms Yard VCT PLC ("KAY") in September 2011 with a share exchange ratio of 1.2806 KAY shares for each KAY2 share.

	(pence per share)
31 October 2002	1.750
31 October 2003	1.150
31 October 2005	1.000
31 October 2006	1.000
31 December 2007	1.000
31 December 2008	1.000
31 December 2010	1.000
31 December 2011	1.000
31 December 2012	1.281
31 December 2013	1.281
30 June 2014	0.640
<b>Total dividends paid to 30 June 2014</b>	<b>12.102</b>
Net asset value as at 30 June 2014	25.586
<b>Total net asset value return to 30 June 2014</b>	<b>37.688</b>

## Quester VCT 5 PLC ("QVCT5")

QVCT5 was launched in 2002 and was renamed SPARK VCT 3 plc ("SVCT3") and merged with SPARK VCT 2 plc ("SVCT2") (originally QVCT4) in November 2008 with a share exchange ratio of 1.4613 SVCT2 shares for each SVCT5 share. The merged company was then renamed Kings Arms Yard VCT 2 PLC ("KAY2"). KAY2 merged with Kings Arms Yard VCT PLC ("KAY") in September 2011 with a share exchange ratio of 1.2806 KAY shares for each KAY2 share.

	(pence per share)
31 December 2003	0.500
31 December 2004	1.000
31 December 2006	1.000
31 December 2007	1.000
31 December 2010	1.461
31 December 2011	1.461
31 December 2012	1.871
31 December 2013	1.871
30 June 2014	0.936
<b>Total dividends paid to 30 June 2014</b>	<b>11.100</b>
Net asset value as at 30 June 2014	37.389
<b>Total net asset value return to 30 June 2014</b>	<b>48.489</b>





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