

## **THE ALBION VCTS**

Albion Development VCT PLC

Albion Enterprise VCT PLC

Albion Technology & General VCT PLC

Albion Venture Capital Trust PLC

Crown Place VCT PLC

Kings Arms Yard VCT PLC

## **REGISTRATION DOCUMENT**

19 March 2014

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT OR AS TO WHAT ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN FINANCIAL ADVICE IMMEDIATELY FROM YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE "FSMA").

THIS DOCUMENT CONSTITUTES A REGISTRATION DOCUMENT (THE "REGISTRATION DOCUMENT") ISSUED BY ALBION DEVELOPMENT VCT PLC, ALBION ENTERPRISE PLC, ALBION TECHNOLOGY & GENERAL VCT PLC, ALBION VENTURE CAPITAL TRUST PLC, CROWN PLACE VCT PLC AND KINGS ARMS YARD VCT PLC (THE "COMPANIES"). ADDITIONAL INFORMATION RELATING TO THE COMPANIES IS CONTAINED IN A SECURITIES NOTE ISSUED BY THE COMPANIES (THE "SECURITIES NOTE"). THIS REGISTRATION DOCUMENT, THE SECURITIES NOTE AND A SUMMARY (THE "SUMMARY") HAVE BEEN PREPARED IN ACCORDANCE WITH THE PROSPECTUS RULES MADE UNDER FSMA AND HAVE BEEN APPROVED BY THE FINANCIAL CONDUCT AUTHORITY (THE "FCA") IN ACCORDANCE WITH FSMA AND CONSTITUTE A PROSPECTUS ISSUED BY THE COMPANIES DATED 19 MARCH 2014. THE PROSPECTUS HAS BEEN FILED WITH THE FCA IN ACCORDANCE WITH THE PROSPECTUS RULES AND YOU ARE ADVISED TO READ THE PROSPECTUS IN FULL.

THIS DOCUMENT HAS BEEN PREPARED FOR THE PURPOSES OF COMPLYING WITH THE PROSPECTUS DIRECTIVE, ENGLISH LAW AND THE RULES OF THE UK LISTING AUTHORITY (THE "UKLA") AND THE INFORMATION DISCLOSED MAY NOT BE THE SAME AS THAT WHICH WOULD BE DISCLOSED IF THIS DOCUMENT HAD BEEN PREPARED IN ACCORDANCE WITH THE LAWS OF A JURISDICTION OUTSIDE ENGLAND.

Each Company and the Directors of each of the Companies (whose names are set out on page 155) accept responsibility for the information contained in the Registration Document. To the best of the knowledge of each Company and its Directors (who have taken all reasonable care to ensure that such is the case) the information contained in the Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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**ALBION DEVELOPMENT VCT PLC**

(Incorporated in England and Wales with Registered number 03654040)

**ALBION ENTERPRISE VCT PLC**

(Incorporated in England and Wales with Registered number 05990732)

**ALBION TECHNOLOGY & GENERAL VCT PLC**

(Incorporated in England and Wales with Registered number 04114310)

**ALBION VENTURE CAPITAL TRUST PLC**

(Incorporated in England and Wales with Registered number 03142609)

**CROWN PLACE VCT PLC**

(Incorporated in England and Wales with Registered number 03495287)

## **KINGS ARMS YARD VCT PLC**

(Incorporated in England and Wales with Registered number 03139019)

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Each Company's existing Shares are listed on the premium segment of the Official List of the UKLA and traded on the London Stock Exchange's main market for listed securities.

Copies of this Registration Document, the Securities Note and the Summary (and any supplementary prospectus published by the relevant Company or Companies) are available free of charge from the offices of the Companies' investment manager, Albion Ventures LLP, 1 King's Arms Yard, London EC2R 7AF and on the "Our Funds" page of Albion Ventures LLP's website: [www.albion-ventures.co.uk](http://www.albion-ventures.co.uk).

The Companies' Shares have not been, nor will they be, registered in the United States under the United States Securities Act of 1933, as amended, (Securities Act) or under the securities laws of Canada, Australia, Japan or South Africa (each a Restricted Territory) and they may not be offered or sold directly or indirectly within the United States or any of the Restricted Territories or to, or for the account or benefit of, US Persons (as defined in Regulation S made under the Securities Act) or any national, citizen or resident of the United States or any of the Restricted Territories. No offer of the Companies' Shares has been, nor will be, made, directly or indirectly, in or into the United States or any of the Restricted Territories or in any other jurisdiction where to do so would be unlawful. The distribution of this document in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities law of any such jurisdiction. Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation to forward this document should read the paragraph entitled "Overseas Investors" on page 148 of this Registration Document before taking any action.

YOUR ATTENTION IS DRAWN TO THE RISK FACTORS ON PAGES 5, 6, 7 AND 8. AN INVESTMENT IN THE COMPANIES IS ONLY SUITABLE FOR INVESTORS WHO ARE CAPABLE OF EVALUATING THE RISKS AND MERITS OF SUCH AN INVESTMENT AND HAVE SUFFICIENT RESOURCES TO BEAR ANY LOSS THAT MAY ARISE.

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## **Risk Factors**

The following are those risk factors which are material to each Company and of which each Company's respective Directors are aware. Material risk factors relating to the Shares are contained in the Securities Note. Additional factors which are not presently known to the Directors, or that the Directors currently deem immaterial, may also have an effect on their respective Company's business, financial condition or results of operations.

### **Risks Relating to the Companies and their Investment Strategies**

- There can be no guarantee that the investment objectives of a Company will be achieved or that suitable investment opportunities will be available. The success of each Company will depend on the Manager's ability to identify, acquire and realise investments in accordance with each Company's investment policy and there can be no assurance that the Manager will be able to do so.
- Investment in unquoted companies, by its nature, involves a higher degree of risk than investment in companies traded on the main market for listed securities of the London Stock Exchange. In particular, smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals. In addition, the market for stock in smaller companies is often less liquid than that for stock in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such stock. Full information for determining their value or the risks to which they are exposed may also not be available.
- The successful implementation of each Company's investment policy is dependent on the expertise of the Manager and its ability to attract and retain suitable staff. Each Company's ability to achieve its investment objectives is largely dependent on the performance of the Manager in the acquisition and disposal of assets and the management of such assets. Each Board has broad discretion to monitor the performance of the Manager and the power to appoint a replacement, but the Manager's performance or that of any replacement cannot be guaranteed.
- There can be no guarantee that any member of the Manager's team referred to in Part I of this document or otherwise with a significant role in the management of the Companies' investments will remain with the Manager or that the Manager will be able to attract and retain other suitable staff. The departure of a key member of the Manager's staff may have an adverse effect on the performance of the Companies.
- The past performance of any one or more of the Companies or other funds managed or advised by the Manager is not a guide to the future performance of the Companies. No assurance can be given that profits will be achieved or that substantial losses will not be incurred.
- Although the Companies may receive customary venture capital rights in connection with some of their unquoted investments, as minority investors they may not be in a position to fully protect their interest.

- Most of the Companies' investments are and will be in companies whose securities are not publicly traded or freely marketed and may, therefore, be difficult, and take time, to realise. There may also be constraints imposed on the realisation of investments in order to maintain the VCT tax status of the Companies.
- It can take a period of years for the underlying value or quality of the businesses of smaller companies, such as those in which the Companies invest, to be fully reflected in their market values and their market values are often also materially affected by general market sentiment, which can be negative for prolonged periods.
- Technology related risks are likely to be greater in early, rather than later, stage technology investments, including the risks of the technology not becoming generally accepted by the market or the obsolescence of the technology concerned, often due to greater financial resources being available to competing companies.
- The success of some investments may be based on the ability of investee companies to establish, protect and enforce intellectual property rights, those rights being broad enough to protect proprietary interests and the rights not infringing third party patents.
- The leisure sector, where a number of the Companies' asset-based investments may be made, is particularly sensitive to any downturn in the economic environment which may impact on the success of investments.
- The success of investments in certain sectors is also subject to regulatory risk including, for example, companies operating in the UK renewable energy sector where the return from an investment may be affected by changes in government subsidies or incentives.
- The Companies' investment valuation methods are 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.
- Failures in key controls, within the Boards or within the Manager's business, could put assets of the Companies at risk or result in reduced or inaccurate information being passed to the Boards or to shareholders. Measures are in place to mitigate information risk in order to ensure the integrity, availability and confidentiality of information used within the business.
- A charge given to the Companies over an asset will not always provide full capital protection for an investment. The Companies may not, therefore, recover the full amount invested in any one investee company.
- Any change of governmental, economic, fiscal, monetary or political policy could materially affect, directly or indirectly, the operation of the Companies and/or the performance of the Companies and the value of and returns from shares and/or their ability to achieve or maintain VCT status.

- The value of an investment in a Company and the dividend stream may go down as well as up. Shareholders may get back less than the amount originally invested in a Company. There is no guarantee that dividends will be paid nor that any dividend objective will be met.
- NAVs for many of the asset-based investments are based on third party valuations as at 31 March 2013. Updated valuations as at 31 March 2014 will be prepared in due course but the impact of these new valuations will not be reflected until the NAVs as at 31 March 2014 are announced.

## **Risks Relating to Taxation and Regulation**

- The information in this document is based on existing legislation, including taxation legislation. The tax reliefs described are those currently available. The tax rules or their interpretation in relation to an investment in any one or more of the Companies and/or rates of tax may change during the life of those Companies and can be retrospective. The value of tax reliefs depends on the personal circumstances of holders of Shares in any one or more of the Companies, who should consult their own tax advisers before making any investment.
- Each Company intends to manage its affairs in respect of each accounting period so as to obtain and thereafter maintain approval as a VCT. However, there can be no guarantee that a Company will be able to maintain VCT status. Where a Company fails to maintain approval as a VCT before Qualifying Investors have held their New Shares in that Company for five years, the income tax relief obtained on the amount subscribed in that Company will have to be repaid by such investors. Dividends paid in an accounting period where VCT status is lost will become taxable and a Qualifying Investor will generally be liable to income tax on the aggregate amount of the dividend and the notional tax credit equal to 1/9<sup>th</sup> of the dividend. The notional tax credit will discharge the income tax liability of a basic rate tax payer. Qualifying Investors who also pay tax at the higher or additional rate can use the notional credit against their tax liability.
- Where approval as a VCT is not maintained, a Company will also lose its exemption from corporation tax on capital gains.
- The disposal of New Shares within five years of their issue will result in some or all of the 30 per cent. income tax relief available upon investment becoming repayable. On this basis, investing in New Shares should be considered a long-term investment.
- The Government confirmed in the Autumn Statement on 5 December 2013 that legislation would be introduced, intended to come into force with effect from 6 April 2014, relating to linked subscriptions and sales of VCT shares. The draft 2014 Finance Bill, published on 10 December 2013, restricts the availability of income tax relief on a subscription for shares in a VCT issued after 5 April 2014 where it is 'linked' to a sale of shares in the same VCT. For these purposes, linked means (i) the sale of the shares in the VCT was conditional on the subscription for shares in the same VCT (or vice versa) or (ii) the subscription for shares in the VCT and the sale of shares in the same VCT were within six months of each other (irrespective of which

comes first). If the subscription is 'linked', the amount on which VCT income tax relief can be claimed will be reduced by the amount of the consideration of any linked sales.

- The Government has indicated that it intends to legislate to deter VCTs from making distributions from converted share premium accounts within a period of three years of the issue of shares from which the share premium account arises. It is expected this will apply to shares issued after 5 April 2014. This is the current view of the broad principles that are likely to underlie the new legislation, but there is no certainty until the legislation is published.
- Changes in legislation concerning VCTs in relation to what constitutes qualifying holdings, qualifying trades and qualifying use of funds may limit the number of qualifying investment opportunities, reduce the level of returns which would otherwise have been achievable or result in the Companies not being able to meet their objectives. Investors should note that funds raised after 5 April 2012 and used by an investee company for the acquisition of shares in another company are restricted from being qualifying holdings for VCT purposes, which may reduce the number of investment opportunities for such funds.



## **Part I: The Directors and the Manager**

### **A. The Directors**

The Directors of each Company are responsible for the determination of the Company's investment objective and policy and have overall responsibility for the Company's activities including the review of investment activity and performance.

The Directors, in conjunction with the Manager, are determined to maintain the VCT status of their respective Company and in this regard recognise its critical importance to existing and potential Shareholders. Each Board has put in place procedures designed to ensure that VCT status is maintained and monitor this closely through the provision of regular reports from the Manager and the VCT Tax Status Adviser on the status of the relevant Company against the various tests that it must meet to maintain its VCT status.

Each Board is also responsible for monitoring and managing the controllable risks to profits and assets in its respective Company. They have each established an ongoing formal process to ensure that risk exposure is reviewed regularly. As part of this regular review, each Board tests its service providers in order to improve both service standards and value for money.

The Directors, all of whom are non-executive and independent of the Manager with the exception of Patrick Reeve, the Managing Partner of Albion Ventures, who sits on the boards of Albion Development VCT, Albion Enterprise VCT and Albion Technology & General VCT, together have relevant experience of similar investment funds, regulatory organisations, corporate governance of listed companies, the private equity industry and investee companies. There is no conflict of interest between a Company, the duties of its Directors and their interests, save in respect of Patrick Reeve, who is a director of Albion Development VCT, Albion Enterprise VCT, Albion Technology & General VCT and a member and Managing Partner of the Manager and is, therefore, interested in those contracts with the Companies referred to in paragraphs 4 in each of Section A, B, and C in Part V below).

### **Corporate Governance**

The Listing Rules require premium-listed companies, such as each Company, to include in their annual report and accounts a statement of how they apply the principles of good corporate governance set out in the UK Corporate Governance Code and whether or not they have complied with the best practice provisions set out in the UK Corporate Governance Code throughout their accounting period. Where any of the provisions have not been complied with, the relevant company must state the provisions in question, the period within which non-compliance occurred and the reasons for non-compliance.

Each Company is a member company of the Association of Investment Companies and as such the AIC Code, which complements the UK Corporate Governance Code and provides a framework of best practice for investment companies, including VCTs, applies to it. The Financial Reporting Council has confirmed that, by following the AIC Corporate Governance Guide for Investment Companies (which was produced in conjunction with the AIC Code in February 2013) (the "AIC Guide"), VCT boards should fully meet their obligations in relation to the UK Corporate Governance Code and paragraph 9.8.6 of the Listing Rules.

The AIC Code provides that, to give greater transparency to investors, it should be best practice for members to state in their annual report whether they are adhering to the principles and following the recommendations contained in the AIC Code and if not, to explain why and, where appropriate, to detail the steps they intend to take to bring themselves into compliance in the future. AIC member companies may also make a statement that, by reporting against the AIC Code and by following the AIC Guide, they are meeting their obligations under the UK Corporate Governance Code (and associated disclosure requirements under paragraph 9.8.6 of the Listing Rules) and as such do not need to report further on issues contained in the UK Corporate Governance Code which are irrelevant to them (as explained in the AIC Guide).

## **1 Directors of Albion Development VCT**

### **Geoffrey Vero (Chairman), FCA (appointed 2 July 2007)**

Geoffrey Vero has spent much of his career in venture capital, serving as a director of Causeway Capital Limited and ABN Amro Private Equity (UK) Limited which invested in small and medium sized unquoted businesses. He is a non-executive Chairman of ESO PLC and a non-executive director of Numis Corporation plc, where he chairs the Audit and Risk Committee.

### **Jonathan Thornton MA, MBA, FCA (appointed 8 December 1998)**

Jonathan Thornton has extensive experience in the management of unquoted investments. He was a director of Close Brothers Group plc from 1984 to 1998 and was responsible for establishing Close Brothers Private Equity LLP (now CBPE Capital), the private equity fund management arm of Close Brothers Group plc. Prior to this he worked for 3i plc and Cinven. Over the past 25 years he has been a non-executive director of a number of smaller unquoted companies which have raised institutional capital and he is an external member of the Manager's investment committee.

### **Dr Andrew Phillipps PhD, MBA (appointed 30 October 2007)**

Andy Phillipps co-founded Active Hotels, an online hotels reservation business in 1999. As chief executive, he grew the business to become a European market leader, before selling it to Priceline Inc. for US\$161 million in 2004. He was retained to run Priceline's international operations until 2006. He subsequently bought into, and was chairman of the online restaurant booking company, Toptable, which was successfully sold to Opentable in Q4 2010 for US\$55 million. He is currently an investor and director of a number of private companies, including i2o Water and Reevo.com. He also lectures in entrepreneurship at INSEAD and London Business School.

### **Patrick Reeve MA, ACA (appointed 11 December 2013)**

Patrick Reeve 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 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.

## **Current and past directorships**

The Directors of Albion Development VCT are currently or have been within the last five years, a member of the administrative, management or supervisory bodies or partners of the companies and partnerships mentioned below:

## **Geoffrey Vero**

### **Current directorships/partnerships**

ESO PLC  
Albion Development VCT  
Aurelia Skincare Limited  
Govern Finance Limited  
Numis Corporation PLC  
Nomina No 206 LLP  
Lt Dougie Dalzell MC Memorial Trust

### **Past directorships/partnerships (five years)**

Crown Place VCT  
Mill Hill School Enterprises

## **Jonathan Thornton**

### **Current directorships/partnerships**

Albion Development VCT  
Jonathan Thornton Limited  
Westwood Lodge (Grafham) Management Ltd  
Ibex (U.K.) International Limited  
Ibex International Associates Limited

### **Past directorships/partnerships (five years)**

Albion Venture Capital Trust

## **Dr Andrew Phillipps**

### **Current directorships/partnerships**

Albion Development VCT  
Reevoo Limited  
I2O Water Limited  
Greentraveller Limited  
Bh Yardley Limited  
Leanworks Limited

### **Past directorships/partnerships (five years)**

The Entrepreneurs Unite Foundation Limited\*  
Howzat Junior LLP  
Opentable International Limited  
Toptable Holdings Limited

\* Voluntarily struck off the Register of Companies at Companies House

## **Patrick Reeve**

### **Current directorships/partnerships**

Albion Development VCT

### **Past directorships/partnerships (five years)**

KingsArmsYard Albion Limited (dissolved)\*

Albion Community Power PLC  
Albion Enterprise VCT  
Albion Income & Growth VCT PLC (in members' voluntary liquidation)  
Albion Prime VCT PLC (in members' voluntary liquidation)  
Albion Technology & General VCT  
Bamboo Investments Limited  
Bamboo Investments (no.2) Limited  
C Ventures Limited  
Ferard-Reeve Publishing Limited  
Radnor Charitable Trust  
The British Private Equity and Venture Capital Association  
UCL Business PLC  
Albion Ventures LLP

Albion Investment Properties Limited  
Evolutions Group Limited (dissolved)\*  
Evolutions Television Limited  
Geronimo Inns VCT I Limited (dissolved)\*  
Geronimo Inns VCT II Limited (dissolved)\*  
Kings Arms Yard VCT  
Opta Sports Data Limited  
Vealnamco (123) Limited (in liquidation)

\* Voluntarily struck off the Register of Companies at Companies House

## **Corporate Governance**

The Board of Albion Development VCT consists solely of non-executive directors of whom Geoffrey Vero is Chairman and Jonathan Thornton is the Senior Independent Director. All of the Albion Development VCT Directors, other than Patrick Reeve who is the Managing Partner of the Manager, are considered by the Board of Albion Development VCT to be independent of the Manager. Jonathan Thornton is an external member of the Manager's Investment Committee. The Board does not consider that a Director's tenure reduces his/her ability to act independently.

By reporting against the AIC Code and by following the AIC Guide, as at the date of this document Albion Development VCT complies with its obligations under the UK Corporate Governance Code.

In view of the requirement in Albion Development VCT's articles of association that all Directors retire by rotation, the Board of Albion Development VCT considers that it is not appropriate for the Directors to be appointed for a specified term as recommended by principle 3 of the AIC Code and provision B.2.3 of the UK Corporate Governance Code. The Board of Albion Development VCT has agreed that each Director will retire and, if appropriate, seek re-election annually after serving on the Board for more than nine years. Patrick Reeve is subject to annual re-election as he is not considered to be an independent director.

The Board of Albion Development VCT has delegated certain responsibilities and functions to the audit committee, the remuneration committee and the nomination committee.

The audit committee, chaired by Jonathan Thornton, operates within clearly defined terms of reference and comprises all the Albion Development VCT Directors other than Patrick

Reeve. The duties of the audit committee include reviewing the annual and interim accounts, the system of internal controls, the terms of appointment of the auditors together with their remuneration, and ensuring that auditor objectivity and independence is safeguarded in the provision of non-audit services by the auditors. It also provides a forum through which the auditors may report to the Board of Albion Development VCT and meets at least twice yearly.

The remuneration committee, chaired by Jonathan Thornton, comprises all of the Albion Development VCT Directors and reviews the Directors' responsibilities and salaries against the market as required.

The nomination committee, chaired by Geoffrey Vero, comprises all the Albion Development VCT Directors other than Patrick Reeve and is convened for the purpose of considering the appointment of additional directors as and when considered appropriate. In considering appointments to the Board of Albion Development VCT, the nomination committee takes into account the ongoing requirements of Albion Development VCT and the need to have a balance of skills, experience and knowledge within its Board, together with diversity of experience and approach.

## **2. Directors of Albion Enterprise VCT**

### **Maxwell Packe (Chairman) FCA (appointed 28 November 2006)**

Maxwell Packe is also chairman of Kelvin Hughes Limited. Since 1996 he has been chairman of a number of private equity-backed companies with successful trade sales, including Crestacare PLC, Corgi Classics Limited and Paragon Book Services Limited. Previously he was founder and chief executive of Household Mortgage Corporation PLC from 1986 until its sale in 1994 to Abbey National Plc.

### **Lord Anthony St. John of Bletso (appointed 28 November 2006)**

Lord Anthony St. John of Bletso is a qualified solicitor. He acts as a consultant to 2e2, a provider of mission critical IT services and solutions. He was a consultant to Merrill Lynch until November 2008. He is chairman of the Governing Boards of Certification International Limited and Eurotrust International Limited. He has been a Crossbench Member of the House of Lords since 1979 and an extra Lord-in-Waiting to HM The Queen since 1999. He serves on several EU Select Committees.

### **Lady Balfour of Burleigh CBE (appointed 28 November 2006)**

Lady Balfour of Burleigh is a non-executive director of Murray International Trust plc and Scottish Oriental Smaller Companies Trust plc. She is also chairman of the Nuclear Liabilities Fund and the Nuclear Liabilities Financing Assurance Board. She was formerly a director of Cable and Wireless plc, Midlands Electricity plc, WH Smith plc, Stagecoach Group plc and other companies.

### **Patrick Reeve MA, ACA (appointed 28 November 2006)**

See Albion Development VCT

## **Current and past directorships**

The Directors of Albion Enterprise VCT are currently or have been within the last five years, a member of the administrative, management or supervisory bodies or partners of the companies and partnerships mentioned below:

### **Maxwell Packe**

<b>Current directorships/partnerships</b>	<b>Past directorships/partnerships (five years)</b>
Albion Enterprise VCT KH Holdco Limited	Vealnamco (123) Limited (in liquidation) Vibrant Energy Surveys Limited Schroder UK Mid Cap Fund PLC Green Energy Property Services Group Limited (dissolved)*
	* Voluntarily struck off the Register of Companies at Companies House

### **Lord Anthony St John of Bletso**

<b>Current directorships/partnerships</b>	<b>Past directorships/partnerships (five years)</b>
Albion Enterprise VCT Maafrika Tikkun UK Christel House Europe Grit Zdp Limited Global Resources Investment Trust Plc African Business Solutions Ltd Hunter Gibson Rados International	Tudor Consultancy Services Limited (dissolved)* Pharmasys Limited Obtala Services Limited Carbondesk Group PLC Spiritel Limited Sharp Interpack Limited Regal Petroleum PLC Equest Balkan Properties PLC

\* Voluntarily struck off the Register of Companies at Companies House

### **Lady Balfour of Burleigh**

<b>Current directorships/partnerships</b>	<b>Past directorships/partnerships (five years)</b>
Albion Enterprise VCT Murray International Trust PLC Nuclear Liabilities Fund Limited The Scottish Oriental Smaller Companies Trust Plc Espirito Limited	Stagecoach Group PLC Scottish American Investment Company PLC

## Patrick Reeve

### Current directorships/partnerships

### Past directorships/partnerships (five years)

See above

## Corporate Governance

The Board of Albion Enterprise VCT consists solely of non-executive directors of whom Maxwell Packe is Chairman and Lord St. John of Bletso is the Senior Independent Director. All of the Albion Enterprise VCT Directors, other than Patrick Reeve who is the Managing Partner of the Manager, are considered by the Board of Albion Enterprise VCT to be independent of the Manager and the Board does not consider that a Director's tenure reduces his ability to act independently.

By reporting against the AIC Code and by following the AIC Guide, as at the date of this document Albion Enterprise VCT complies with its obligations under the UK Corporate Governance Code.

In view of the requirement in Albion Enterprise VCT's articles of association that all Directors retire by rotation, the Board of Albion Enterprise VCT considers that it is not appropriate for the Directors to be appointed for a specified term as recommended by principle 3 of the AIC Code and provision B.2.3 of the UK Corporate Governance Code. Patrick Reeve is subject to annual re-election as he is not considered to be an independent director.

The Board of Albion Enterprise VCT has delegated certain responsibilities and functions to the audit committee, the remuneration committee and the nomination committee.

The audit committee, chaired by Lord St. John of Bletso, operates within clearly defined terms of reference and comprises all the Albion Enterprise VCT Directors, other than Patrick Reeve. The duties of the audit committee include reviewing the annual and interim accounts, the system of internal controls, the terms of appointment of the auditors together with their remuneration, and ensuring that auditor objectivity and independence is safeguarded in the provision of non-audit services by the auditors. It also provides a forum through which the auditors may report to the Board of Albion Enterprise VCT and meets at least twice yearly.

The remuneration committee, chaired by Lady Balfour of Burleigh, comprises all the Albion Enterprise VCT Directors and reviews the Directors' responsibilities and salaries against the market as required.

The nomination committee, chaired by Maxwell Packe, comprises all the Albion Enterprise VCT Directors, other than Patrick Reeve, and is convened for the purpose of considering the appointment of additional directors as and when considered appropriate. In considering appointments to the Board of Albion Enterprise VCT, the nomination committee takes into



account the ongoing requirements of Albion Enterprise VCT and the need to have a balance of skills, knowledge, experience and diversity within its Board.

### **3. Directors of Albion Technology & General VCT**

#### **Dr Neil Cross FCIS (Chairman), (appointed 6 December 2000)**

Dr Neil Cross has extensive experience in private equity and corporate governance. He was formerly an executive director of 3i Group plc from 1989 to 1996, having spent 27 years in a variety of investment and management roles, latterly in charge of the group's international operations. He is a past chairman of the European Venture Capital Association. He has also been a non-executive director of a number of listed and private companies and is presently a non-executive director of BMT Group Limited (Chairman) and Caliburn Absolute Strategies SPC.

#### **Modwenna Rees-Mogg MA (appointed 4 October 2012)**

Modwenna Rees-Mogg, following an early career as a corporate financier at Kleinwort Benson Limited, founded the online media and live events business AngelNews in 2003, which is focused on the early stage investment market, with a special focus on private investors. The company's activities include The VCT & EIS Investor Forum and The Great British Private Investor Summit. The company also runs the national series of Pitching for Management events where entrepreneurs can find experienced business people to join their senior management team and help them grow. She is on the advisory board of Pickering & Chatto (Publishers) Limited and is the author of "Dragons or Angels" and "Crowdfunding" books on angel investing and crowd funding respectively. She is a Visiting Fellow at the Bettany Centre for Entrepreneurship at Cranfield University.

#### **Robin Archibald BCom, CA (appointed 18 November 2013)**

Robin Archibald qualified as a chartered accountant with Touche Ross in Glasgow in 1983, before transferring with Touche Ross to London where he worked in the corporate finance department. Since 1986, he has worked in corporate finance and corporate broking roles, including for Samuel Montagu, SG Warburg Securities and NatWest Wood Mackenzie and is a director of Winterflood Investment Trusts where he was head of corporate finance and broking from August 2004 to August 2013. Since the early nineties, he has concentrated on advising and managing transactions in the UK closed-ended funds sector and has gained a wide experience in fund raising, reorganisations and restructurings for all types of listed funds.

#### **Mary Anne Cordeiro MA (appointed 18 November 2013)**

Mary Anne Cordeiro worked at Goldman Sachs International Limited, first in the mergers and acquisitions department and subsequently in the Financial Institutions Group from 1986 to 1992. She worked in similar roles in corporate finance at Bankers Trust Company and Paribas, and was also co-head of Paribas' Financial Institutions Group, before leaving to found her own business in the finance sector in 1998. More recently, she has applied her scientific and financial strategy expertise to the commercialisation of innovation and to funding growth of early stage companies. She currently advises a number of medical

technology businesses and has helped develop strategies to bring new products and services to market.

**Patrick Reeve MA, ACA (appointed 11 December 2003)**

See Albion Development VCT

**Current and past directorships**

The Directors of Albion Technology & General VCT are currently or have been within the last five years, a member of the administrative, management or supervisory bodies or partners of the companies and partnerships mentioned below:

**Dr Neil Cross**

<b>Current directorships/partnerships</b>	<b>Past directorships/partnerships (five years)</b>
Albion Technology & General VCT	Alliance Unichem Pensions Trustee Limited (dissolved)*
Bernard Matthews UK Pension Fund	Caliburn Special Solutions Limited*
BMT Group Limited	
Caliburn Absolute Strategies SPC	
Caliburn Cayman Limited	
Caliburn Offshore Limited	
Caliburn Special Situations Master Limited	
The Bayard Fund	
The Caliburn Fund	
The Mary Kinross Charitable Trust	

\* Voluntarily struck off the Register of Companies at Companies House

**Modwenna Rees-Mogg**

<b>Current directorships/partnerships</b>	<b>Past directorships/partnerships (five years)</b>
Albion Technology & General VCT	Albion Prime VCT (in members' voluntary liquidation)
Dorita Fairlie Bruce Charitable Trust	
The Shortlist Company Limited	
TMRM Limited	
UK Business Angels Association	

**Robin Archibald****Current directorships/partnerships****Past directorships/partnerships (five years)**

Albion Technology &amp; General VCT

Albion Income &amp; Growth VCT Plc (in members' voluntary liquidation)

**Mary Anne Cordeiro****Current directorships/partnerships****Past directorships/partnerships (five years)**

Albion Technology & General VCT  
 Balletboyz Limited  
 Deccan Heritage Foundation Limited  
 Flexycast Limited  
 Holland Park Gardens (Management) Limited  
 Science to Business Limited

Albion Income & Growth VCT (in members' voluntary liquidation)  
 Myoton Limited

**Patrick Reeve****Current directorships/partnerships****Past directorships/partnerships (five years)**

See above

**Corporate Governance**

The Board of Albion Technology & General VCT consists solely of non-executive directors. Dr. Neil Cross is Chairman. All of the Directors, other than Patrick Reeve who is the Managing Partner of the Manager, are considered by the Board of Albion Technology & General VCT to be independent of the Manager and the Board does not consider that a Director's tenure reduces his/her ability to act independently.

By reporting against the AIC Code and by following the AIC Guide, as at the date of this document Albion Technology & General VCT complies with its obligations under the UK Corporate Governance Code.

In view of the requirement in Albion Technology & General VCT's articles of association that all Directors retire by rotation, the Board of Albion Technology & General considers that it is not appropriate for the Directors to be appointed for a specified term as recommended by principle 3 of the AIC Code and provision B.2.3 of the UK Corporate Governance Code. Patrick Reeve is subject to annual re-election as he is not considered to be an independent director.

The Board of Albion Technology & General VCT has delegated certain responsibilities and functions to the audit committee, the remuneration committee and the nomination committee.

The audit committee, chaired by Robin Archibald, operates within clearly defined terms of reference and comprises all the Albion Technology & General VCT Directors other than Patrick Reeve. The duties of the audit committee include reviewing the annual and interim accounts, the system of internal controls, the terms of appointment of the auditors together with their remuneration, and ensuring that auditor objectivity and independence is safeguarded in the provision of non-audit services by the auditors. It also provides a forum through which the auditors may report to the Board of Albion Technology & General VCT and meets at least twice yearly.

The remuneration committee, chaired by Modwenna Rees-Mogg, comprises all the Albion Technology & General VCT Directors, other than Patrick Reeve, and reviews the Directors' responsibilities and salaries against the market as required.

The nomination committee, chaired by Dr Neil Cross, comprises all the Albion Technology & General VCT Directors, other than Patrick Reeve, and is convened for the purpose of considering the appointment of additional directors as and when considered appropriate. In considering appointments to the Board of Albion Technology & General VCT, the nomination committee takes into account the ongoing requirements of Albion Technology & General VCT and the need to have a balance of skills, experience and knowledge within its Board, together with diversity of experience and approach.

#### **4. Directors of Albion Venture Capital Trust**

##### **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 Istock PLC. After retiring in 2002, he now works as a consultant. He is an external member of the Manager's investment committee.

### **Ebbe Dinesen (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.

### **Jeffrey 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.

### **Current and past directorships**

The Directors of Albion Venture Capital Trust are currently or have been within the last five years, a member of the administrative, management or supervisory bodies or partners of the companies and partnerships mentioned below:

#### **David Watkins**

##### **Current directorships/partnerships**

Albion Venture Capital Trust  
The Distinguished Programs Group LLC  
Resource Pro LLC  
Savanac Insurance Company Limited

##### **Past directorships/partnerships (five years)**

A Winter Developments Limited  
Abbeymajor Limited  
Ad Mcvey Developments Limited  
Alan Goldfinch Developments Limited  
Albion Income & Growth VCT Plc (in members' voluntary liquidation)  
Anderson (Gillian) Developments Limited  
Anderson (Gordon) Developments Limited  
Andrew & Joan Quinlan Developments Limited  
Annette Crane Developments Limited  
Antiquary Developments Limited  
Askes Developments Limited

**Current directorships/partnerships****Past directorships/partnerships (five years)**

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Aubrey Developments Limited  
B L Prestwich No.1 Developments Limited  
B L Prestwich No.2 Developments Limited  
Barga Developments Limited  
Brico Developments Limited  
Budenberg Developments Limited  
Bwc Malson Developments Limited  
C.P. Cotterill Developments Limited  
Cameron Business Developments Limited  
Catherine Hitchcock Developments Limited  
CB Casbolt Developments Limited  
Cedar Developments (CGT) Limited  
CGT Developments II Limited  
CGT Developments Limited  
CGT Developments XII Limited  
CGT Developments XIV Limited  
CGT Developments XV Limited  
CGT Developments XXVII Limited  
Chalwaye Property Developments Limited  
Cleebronn Developments Limited  
Cleobury Developments Limited  
Cobra Bournemouth Developments Limited  
Colyer Developments Limited  
Croy Road Developments Limited  
Dak Developments Limited  
DJ & EM Rooke Property Developments Limited  
Doreen Hanna Developments Limited  
E.E. Wilcox First Developments Limited  
E.E. Wilcox Second Developments Limited  
E.E. Wilcox Third Developments Limited  
E.J. Drake Developments Limited  
Effie Developments Limited  
Forbes Andrew Developments Limited  
Frances Scolah Developments Limited  
G. Muirhead Developments Limited  
Garnell Property Developments Limited (dissolved)\*  
George Bennett Developments Limited  
Gertrude Commercial Developments Limited  
Glenister Estates Developments Limited

**Current directorships/partnerships****Past directorships/partnerships (five years)**

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Harry Hodgson Developments Limited  
Hazel O'Flynn One Developments Limited  
Hazel O'Flynn Three Developments Limited  
Heather Walsh One Developments Limited  
Heather Walsh Two Developments Limited  
Heron Developments Limited  
HJ Norman Developments Limited  
HMJ 19 Developments Limited  
Holly Doreen Lewis Developments Limited  
Hutchison Developments Limited  
Idaho Developments Limited  
J.B. Foster Developments Limited  
J.H. Lane No.1 Developments Limited  
J.H. Lane No.2 Developments Limited  
J.H. Lane No.3 Developments Limited  
J.J.M.B. Developments Limited  
Jack & Barbara Development Limited  
Jack & Harry Development Limited  
(dissolved)\*  
Jack & Peter Development Limited  
Jack & Thomas Development Limited  
Jamie Grace Developments Limited  
JDH Developments Limited  
Jean Barrow 2 Developments Limited  
(dissolved)\*  
Jean Barrow 3 Developments Limited  
Jean Barrow 6 Developments Limited  
(dissolved)\*  
Jean Barrow 7 Developments Limited  
(Dissolved)\*  
Jean Martin Developments Limited  
Jean Murray Developments Limited  
Joyce Developments Limited  
Julier One Developments Limited  
Julier Two Developments Limited  
K + J E Davison Developments Limited  
K.E.R. Developments Limited  
K.P.W.B. Developments Limited  
Kit Symons Developments Limited  
L & E O'Hare Developments Limited  
L Mackinnon Developments Limited

**Current directorships/partnerships****Past directorships/partnerships (five years)**

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Liam Egerton Developments Limited  
Libman Developments Limited  
Linda Billington Developments Limited  
Liz Smith Developments Limited  
(dissolved)\*  
Lonsdale Lindley Developments Limited  
Lorna Lindsey/Barnaby Sharp Developments Limited  
Lorna Lindsey/Hannah Sharp Developments Limited  
M & R Weston Developments Limited  
M I Strachan Developments Limited  
M Mcfarland Commercial Developments Limited  
M. G. Clubbs Developments Limited  
M.D Bear Developments Limited  
(dissolved)\*  
M.E. Chambers Four Developments Limited  
M.J.C. Commercial Developments Limited  
M.W.M.P. Developments Limited  
Major Mincoff (1) Developments Limited  
Malann Developments Limited  
Margheat Developments Limited  
Marriott 1 Developments Limited  
Marriott 2 Developments Limited  
Marriott 3 Developments Limited  
Marriott 4 Developments Limited  
Martin Brown Developments Limited  
Mary Goldfinch Developments Limited  
Maudlin Developments Limited  
Mckenna (No.1) Developments Limited  
Mckenna (No.2) Developments Limited  
Mcluskie Developments Limited  
Mills Developments Limited  
Miss Ickliss Developments Limited  
Miss Ruth Betts Developments Limited  
MJSW73 Developments Limited  
Monabri Developments Limited  
Morag Frost No.1 Developments Limited  
Morag Frost No.2 Developments Limited  
Morag Frost No.3 Developments Limited



**Current directorships/partnerships****Past directorships/partnerships (five years)**

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Morag Frost No.4 Developments Limited  
Morag Frost No.5 Developments Limited  
Morag Frost No.6 Developments Limited  
Morag Frost No.7 Developments Limited  
Morley Kay Developments Limited  
Mr J Johnston No.1 Commercial Developments Limited  
Mr J Johnston No.2 Commercial Developments Limited  
Mr J Johnston No.3 Commercial Developments Limited  
Mr J Johnston No.4 Commercial Developments Limited  
Mr J Johnston No.5 Commercial Developments Limited  
Mrs E Trent Developments Limited  
Mrs J M Spruytenburg Developments Limited  
Mrs M Johnston No.1 Commercial Developments Limited  
Mrs M Johnston No.2 Commercial Developments Limited  
Mrs M Johnston No.3 Commercial Developments Limited  
Mrs M Johnston No.4 Commercial Developments Limited  
Mrs M Johnston No.5 Commercial Developments Limited  
Mrs P Thompson Developments Limited  
Murray Cowan Developments Limited  
Narcoossee Developments Limited  
Netta Appleton Developments Limited  
Norden Hill Developments Limited  
O & J Developments Limited  
Paddock End Developments Limited  
Panilodge Limited (dissolved)\*  
PBEA 1 Developments Limited  
PBEA 2 Developments Limited  
PBEA 3 Developments Limited  
PBEA 4 Developments Limited  
PBEA 5 Developments Limited  
Peggy & Harry Development Limited

**Current directorships/partnerships****Past directorships/partnerships (five years)**

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Peggy & Peter Development Limited  
Peggy & Thomas Development Limited  
Penny Developments Limited  
Perrins (Dmn) Developments Limited  
Peteheat Developments Limited  
Peter Heaney 1 Developments Limited  
Peter Heaney 10 Developments Limited  
Peter Heaney 2 Developments Limited  
Peter Heaney 3 Developments Limited  
Peter Heaney 4 Developments Limited  
Peter Heaney 5 Developments Limited  
Peter Heaney 6 Developments Limited  
Peter Heaney 7 Developments Limited  
Peter Heaney 8 Developments Limited  
Peter Heaney 9 Developments Limited  
Pettitt Developments Limited  
Phyllis Mary Pilkington Developments Limited  
Prmc Developments Limited  
Public House Developments Limited  
Pusey CCS Developments Limited  
Pussinboots Developments Limited  
Pyemont Developments Limited  
R & M Speldhurst Developments Limited  
R L Bauer - CTC 1 Developments Limited  
R Walker Developments Limited  
R. Danning Developments Limited  
R.D.B.B. Developments Limited  
R.W. & M. Fawcett Developments Limited  
Raleigh Park Developments Limited  
Raymond T Walker Developments Limited  
RBH Developments Limited  
Renaude Limited  
Richard P Gammidge Developments Limited  
Richmond C L Developments Limited  
Richmond E L Developments Limited  
Ripper Developments Limited  
Ritchie Developments Limited  
Robert Graham Price Developments Limited  
Robert Rainey Five Developments Limited

**Current directorships/partnerships****Past directorships/partnerships (five years)**

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Robert Rainey Four Developments Limited  
Robert Rainey One Developments Limited  
Robert Rainey Six Developments Limited  
Robert Rainey Three Developments Limited  
Robert Rainey Two Developments Limited  
Rod Stanley Developments Limited  
Rosalie Developments Limited  
Rose Mount Property Developments Limited  
Rosemason Developments Limited  
Roundacre Developments Limited  
Rudsdale Developments Limited  
S M Byfield Developments Limited  
S. Pritt Developments (Cumbria) Limited  
S.C. (Highgate) Developments Limited  
S.G.Y. Property (No.1) Developments Limited  
S.M.E.F. Property Developments Limited  
Scorah Property Developments Limited  
Sephrein Developments Limited  
SGB 2007 Developments Limited  
SGP Developments Limited  
Shabrash Developments Limited  
Shangri-La Developments Limited  
Shc 1 Developments Limited  
Shc 2 Developments Limited  
Sheelagh Ann Aird Property Developments Limited  
Sheila Coomes Developments Limited  
Shirley Turner Developments Limited  
Simpson (Much Wenlock) Developments Limited  
Sinar 1 Developments Limited  
Sinar 2 Developments Limited  
Sladen (No. 1) Developments Limited  
Sladen (No. 2) Developments Limited  
Sladen (No. 3) Developments Limited  
Sladen (No. 4) Developments Limited  
Sladen (No. 5) Developments Limited  
Springfield Property Developments Limited  
Stal Developments Limited  
Tendele Developments Limited

**Current directorships/partnerships****Past directorships/partnerships (five years)**

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The Second Potterton Property Developments Limited  
The SGV Milligan Benefit Developments Limited  
TMD Abergavenny Developments Limited  
Tom Drake Developments Limited  
Treetops (1) Developments Limited  
Treetops (2) Developments Limited  
Trudy Hawes Developments Limited  
Twerne Limited (Dissolved)\*  
Value Added Limited  
Vicars Cross Developments Limited (dissolved)\*  
W.E.F. Property Developments Limited  
W.M. Connor 1 Developments Limited  
W.M. Rodber Developments Limited  
Warne Developments Limited  
Whielden Developments Limited  
Wickenden Developments Limited  
Wilkins Developments Limited  
William Stonebridge Developments Limited  
Worthy Trading Limited  
Wvsh Developments Limited (dissolved)\*

\* Voluntarily struck off the Register of Companies at Companies House

**John Kerr****Current directorships/partnerships****Past directorships/partnerships (five years)**

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Albion Venture Capital Trust  
Dilbey Limited  
Farley House Limited

Albion Income & Growth VCT PLC (in members' voluntary liquidation)  
Guardian Homecare (Northampton) Limited\*

\* Voluntarily struck off the Register of Companies at Companies House

## **Ebbe Dinesen**

<b>Current directorships/partnerships</b>	<b>Past directorships/partnerships (five years)</b>
Albion Venture Capital Trust	Albion Prime VCT PLC (in members' voluntary liquidation) Welland Inns VCT Limited (dissolved)* Welland Inns VCT (Hotels) Limited (dissolved)*

\* Voluntarily struck off the Register of Companies at Companies House

## **Jeffrey Warren**

<b>Current directorships/partnerships</b>	<b>Past directorships/partnerships (five years)</b>
Albion Venture Capital Trust Orbel Health Limited	Citysocialising Ltd Oxford Biotherapeutics Ltd

## **Corporate Governance**

The Board of Albion Venture Capital Trust consists solely of non-executive directors of whom David Watkins is Chairman and Jeffrey Warren is the Senior Independent Director. All of the Albion Venture Capital Trust Directors are considered by the Board of Albion Venture Capital Trust to be independent of the Manager. John Kerr is an external member of the Manager's Investment Committee. The Board does not consider that a Director's tenure reduces his/her ability to act independently.

By reporting against the AIC Code and by following the AIC Guide, as at the date of this document, Albion Venture Capital Trust complies with its obligations under the UK Corporate Governance Code.

In view of the requirement in Albion Venture Capital Trust's articles of association that all Directors retire by rotation, the Board of Albion Venture Capital Trust considers that it is not appropriate for the Directors to be appointed for a specified term as recommended by principle 3 of the AIC Code and provision B.2.3 of the UK Corporate Governance Code. The Board of Albion Venture Capital Trust has agreed that each Director will retire and, if appropriate, seek re-election annually after serving on the Board for more than nine years.

The Board of Albion Venture Capital Trust has delegated certain responsibilities and functions to the audit committee, the remuneration committee and the nomination committee.

The audit committee, chaired by John Kerr, operates within clearly defined terms of reference and comprises all the Albion Venture Capital Trust Directors. The duties of the audit committee include reviewing the annual and interim accounts, the system of internal controls, the terms of appointment of the auditors together with their remuneration, and ensuring that auditor objectivity and independence is safeguarded in the provision of non-audit services by the auditors. It also provides a forum through which the auditors may report to the Board of Albion Venture Capital Trust and meets at least twice yearly.

The remuneration committee, chaired by Jeffrey Warren, operates within clearly defined terms of reference and comprises all the Albion Venture Capital Trust Directors. It reviews the Directors' responsibilities and salaries against the market as required.

The nomination committee, chaired by David Watkins, operates within clearly defined terms of reference and comprises all the Albion Venture Capital Trust Directors. The committee is convened for the purpose of considering the appointment of additional directors as and when considered appropriate. In considering appointments to the Board of Albion Venture Capital Trust, the nomination committee takes into account the ongoing requirements of Albion Venture Capital Trust and the need to have a balance of skills, experience and knowledge within its Board, together with diversity of experience and approach.

## **5. Directors of Crown Place VCT**

### **Patrick Crosthwaite FCSI (Chairman) (appointed 13 January 2006)**

Patrick Crosthwaite was from 1989 to 1999 managing director of Henderson Crosthwaite Limited, a private client portfolio management and broking business. Subsequently he served as a director of Carr Shepherds Crosthwaite (part of the Investec Group). He was the director responsible for Investment Process and Research at Gerrard Limited from 2003 to 2005. He is currently Chairman of the Maybourne Hotels Group Pension and Life Insurance Scheme.

### **Rachel Beagles (appointed 13 January 2006)**

Rachel Beagles was Co-Head of the Pan-European Banks Equity Research and Sales Team and a managing director of Corporate and Investment Banking Group Division at Deutsche Bank AG until April 2003. She is a non-executive director of Schroder UK Mid Cap Fund PLC, Securities Trust of Scotland PLC, Blackrock Emerging Europe PLC and New India Investment Trust PLC.

### **Karen Brade (appointed 8 October 2010)**

Karen Brade has over 20 years of experience in project finance and private equity. Karen began her career at Citibank where she worked on various multi-national project finance transactions. From 1994 to 2004 she was at the Commonwealth Development Corporation (now known as Actis), a leading emerging markets private equity firm, where she held a variety of positions in equity and debt investing, portfolio management, fund raising and investor development. Since 2005 she has been an adviser to hedge funds, family offices and private equity houses. She is a non-executive director of Aberdeen Japan Investment Trust PLC.

## **Richard Huntingford FCA (appointed 15 May 2012)**

Richard Huntingford is a Chartered Accountant who spent 12 years at KPMG where he advised a wide range of clients, followed by 20 years in the media industry. Richard founded Chrysalis Radio in 1994 as a start-up venture and went on to develop Chrysalis Group PLC from its record label origins into a broadly based media group before presiding over a realisation programme that delivered significant value for Chrysalis shareholders. He also served as a NED of Virgin Mobile in 2005 to 2006 and as Chairman of Boomerang Plus PLC from 2008 to 2012. He is currently chairman of UTV Media PLC and a non-executive director of Creston PLC and JP Morgan Mid Cap Investment Trust PLC.

### **Current and past directorships**

The Directors of Crown Place VCT are currently or have been within the last five years, a member of the administrative, management or supervisory bodies or partners of the companies and partnerships mentioned below:

#### **Patrick Crosthwaite**

<b>Current directorships/partnerships</b>	<b>Past directorships/partnerships (five years)</b>
Crown Place VCT Pellipar Investments Limited Pellipar Services Company Limited Skinners' (Cheapside) Limited Skinners' (Cheapside) No.2 Limited Skinners' Investment Company Limited	The Skinners' Almshouse Charity

#### **Rachel Beagles**

<b>Current directorships/partnerships</b>	<b>Past directorships/partnerships (five years)</b>
Crown Place VCT Schroder UK Mid Cap Fund Plc Securities Trust of Scotland Plc Blackrock Emerging Europe Plc New India Investment Trust Plc NewlonBuild Limited	Outward Housing Newlon Housing Trust

## **Karen Brade**

### **Current directorships/partnerships**

### **Past directorships/partnerships (five years)**

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Crown Place VCT  
Moor Park Charitable Trust Limited  
The Hereford Cathedral Perpetual Trust  
CP1 VTC PLC  
CP2 VCT PLC  
Aberdeen Japan Investment Trust PLC  
Meadow Arts Co. Limited

## **Richard Huntingford**

### **Current directorships/partnerships**

### **Past directorships/partnerships (five years)**

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Crown Place VCT  
Creston PLC  
CP1 VCT PLC  
CP2 VCT PLC  
RNLH Consulting Limited  
UTV Media Plc  
JP Morgan Mid Cap Investment Trust Plc  
Beatlounge Limited  
Prince's Trust Trading Limited

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Boom Pictures Productions Limited

## **Corporate Governance**

The Board of Crown Place VCT consists solely of non-executive directors of whom Patrick Crosthwaite is Chairman and Rachel Beagles is the Senior Independent Director. All of the Crown Place VCT Directors are considered by the Board of Crown Place VCT to be independent of the Manager. The Board does not consider that a Director's tenure reduces his/her ability to act independently.

By reporting against the AIC Code and by following the AIC Guide, as at the date of this document Crown Place VCT complies with its obligations under the UK Corporate Governance Code.

In view of the requirement in Crown Place VCT's articles of association that all Directors retire by rotation, the Board of Crown Place VCT considers that it is not appropriate for the Directors to be appointed for a specified term as recommended by principle 3 of the AIC Code and provision B.2.3 of the UK Corporate Governance Code.



The Board of Crown Place VCT has delegated certain responsibilities and functions to the audit committee, the remuneration committee and the nomination committee.

The audit committee, chaired by Rachel Beagles, operates within clearly defined terms of reference and comprises all the Crown Place VCT Directors. The duties of the audit committee include reviewing the annual and interim accounts, the system of internal controls, the terms of appointment of the auditors together with their remuneration, and ensuring that auditor objectivity and independence is safeguarded in the provision of non-audit services by the auditors. It also provides a forum through which the auditors may report to the Board of Crown Place VCT and meets at least twice yearly.

The remuneration committee, chaired by Patrick Crosthwaite, operates within clearly defined terms of reference and comprises all the Crown Place VCT Directors. It reviews the Directors' responsibilities and salaries against the market as required.

The nomination committee, chaired by Patrick Crosthwaite, operates within clearly defined terms of reference and comprises all the Crown Place VCT Directors. The committee is convened for the purpose of considering the appointment of additional directors as and when considered appropriate. In considering appointments to the Board of Crown Place VCT, the nomination committee takes into account the ongoing requirements of Crown Place VCT and the need to have a balance of skills, experience and knowledge within its Board, together with diversity of experience and approach.

## **6. Directors of Kings Arms Yard VCT**

### **Robin Field (Chairman) (appointed 21 January 2009)**

Robin Field began his commercial career with Jardine Matheson & Co. in the Far East where he fulfilled a number of managerial roles, including that of general manager of the largest independent shipping agency in Taiwan. He then gained an MBA with distinction at INSEAD, before serving as a strategy consultant with the LEK Partnership. He was chief executive of Filofax Group plc when the company floated on the London Stock Exchange in 1996.

### **Thomas Chambers (appointed 3 October 2011)**

Thomas Chambers has over ten years' operational experience at mobile operating systems provider Symbian Limited (now part of Nolie Oyj) and at ADSL/fixed line phone provider First Telecom plc. Since 2002, Thomas has had a range of industry, venture capital and government, non-executive and advisory roles giving insight into, in particular, the technology and communications sectors. As CFO of Symbian he played a significant leadership role in the creation of the first Smartphones. He was also CFO of Robert Walters plc which he took through its listing on the London Stock Exchange in 1996. He spent six years in corporate finance at Dresdner Kleinwort Benson Limited after a five year career with Price Waterhouse. He is currently non-executive Treasurer and a council member of the University of Surrey, sits on the advisory board of Green Square Partners LLP, is a non-executive director of NCC Group plc and of a number of private companies.

### **Martin Fiennes (appointed 5 April 2011)**

Martin Fiennes is a self-employed corporate finance adviser. He trades as Gatehouse Capital, a technology corporate finance business based in Oxford which specialises in fund-raising and M&A for UK technology companies. Prior to starting Gatehouse Capital, Martin worked for nine years with Top Technology Ventures where he was responsible for making investments in early stage UK technology companies. Martin has wide experience in marketing and management roles, including as an executive director in a start-up in the leisure sector. He was, until its sale in 2011, a non-executive director of Focus Solutions Group plc. Martin is also a Trustee of the HDH Wills 1965 Charitable Trust and a non-executive director of Drayton Manor Park Limited.

### **Alan Lamb (appointed 3 October 2011)**

Alan Lamb has broad experience as a manager and entrepreneur in technology businesses, from early stage through to being part of a large public company. He founded Flexion Inc. in 1998 to provide new generation communication systems for smaller businesses. Previously, he founded Airtech Computer Security that grew to become a highly profitable group delivering secure electronic payments solutions. Having sold Airtech to Racal Electronics plc in 1994, he was divisional managing director responsible for banking and communications security business in Europe and the USA. In the last ten years he has focused on developing spin-out companies from UK universities as a mentor, chairman and non-executive director. He formed Blaze Photonics which was sold to Crystal Fibre; and Identum which was sold to Trend Micro. He is currently on the board of Promethean Particles Limited, a supplier of specialist nano-particles; and Resilient Networks plc which provides smart voice services to banks and government.

### **Current and past directorships**

The Directors of Kings Arms Yard VCT are currently or have been within the last five years, a member of the administrative, management or supervisory bodies or partners of the companies and partnerships mentioned below:

#### **Robin Field**

<b>Current directorships/partnerships</b>	<b>Past directorships/partnerships (five years)</b>
Kings Arms Yard VCT	Wall Luxury Essentials Ltd Debate Mate Limited Artemis VCT Plc Artemis AIM VCT Plc Zola Hotels Limited Zola Hotels (Amersham) Limited G.L.T.C. Limited Unanimis Holdings Limited

## Thomas Chambers

### Current directorships/partnerships

Kings Arms Yard VCT  
Wine Equals Friends Limited  
Tadsum Limited  
NIU Solutions Holdings Limited  
NCC Group Plc

### Past directorships/partnerships (five years)

Kings Arms Yard VCT 2 PLC\* (dissolved)  
System C Healthcare Limited  
Symbian Limited  
Symbian Software Limited

\* Voluntarily struck off the Register of Companies at Companies House

## Martin Fiennes

### Current directorships/partnerships

Kings Arms Yard VCT  
The HDH Wills 1965 Charitable Trust  
MD. Hamilton (Farms) Limited  
Drayton Manor Park Limited  
Gatehouse Finance Limited

### Past directorships/partnerships (five years)

Focus Solutions Group Limited  
Focus Solutions EBT Trustee Limited

## Alan Lamb

### Current directorships/partnerships

Kings Arms Yard VCT  
Oxford Heyderum Limited  
Promethean Particles Limited  
Gyrometric Systems Limited  
TTE Systems Ltd (in liquidation)  
Resilient Networks Plc

### Past directorships/partnerships (five years)

Kings Arms Yard VCT 2 PLC\* (dissolved)  
Nano-Porous Solutions Limited

\* Voluntarily struck off the Register of Companies at Companies House

## Corporate Governance

The Board of Kings Arms Yard VCT consists solely of non-executive directors of whom Robin Field is Chairman and Martin Fiennes is the Senior Independent Director. All of the Kings Arms Yard VCT Directors are considered by the Board of Kings Arms Yard VCT to be independent of the Manager. The Board does not consider that a Director's tenure reduces his/her ability to act independently.

By reporting against the AIC Code and by following the AIC Guide, as at the date of this document Kings Arms Yard VCT complies with its obligations under the UK Corporate Governance Code.

In view of the requirement in Kings Arms Yard VCT's articles of association that all Directors retire by rotation, the Board of Kings Arms Yard VCT considers that it is not appropriate for the Directors to be appointed for a specified term as recommended by principle 3 of the AIC Code and provision B.2.3 of the UK Corporate Governance Code.

The Board of Kings Arms Yard VCT has delegated certain responsibilities and functions to the audit committee.

The audit committee, chaired by Thomas Chambers, operates within clearly defined terms of reference and comprises all the Kings Arms Yard VCT Directors. The duties of the audit committee include reviewing the annual and interim accounts, the system of internal controls, the terms of appointment of the auditors together with their remuneration, and ensuring that auditor objectivity and independence is safeguarded in the provision of non-audit services by the auditors. It also provides a forum through which the auditors may report to the Board of Kings Arms Yard VCT and meets at least twice yearly.

The Board as a whole is responsible for the appointment and remuneration of Directors and, given the small size of the Board, separate remuneration and appointment committees are not considered appropriate.

## **B. The Manager**

Albion Ventures LLP is the Companies' investment manager and is a limited liability partnership incorporated and registered in England and Wales under number OC341524 pursuant to the Limited Liability Partnerships Act 2000. The registered office and principal place of business of Albion Ventures is 1 Kings Arms Yard, London EC2R 7AF (telephone number 020 7601 1850). Albion Ventures is authorised and regulated by the Financial Conduct Authority to advise on investments, arrange deals in investments and to make arrangements with a view to transactions in investments, arrange deals in investments and to make arrangements with a view to transactions in investments. The principal legislation under which Albion Ventures operates is the Limited Liability Partnership Act 2000 and the applicable provisions of CA 2006 (and regulations made thereunder).

The following are specifically responsible for the management and administration of the Companies.

### **Patrick Reeve MA, ACA**

See Albion Development VCT above.

**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, principally 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 Director of Finance. 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, 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. 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), 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.

## **Part II: Investment Policies of the Companies**

### **A. Albion Development VCT**

#### **Investment policy**

*Albion Development VCT's investment strategy is to provide investors with a regular and predictable source of dividend income combined with the prospect of long term capital growth through allowing investors the opportunity to participate in a balanced portfolio of lower risk, asset-backed investments that provide a strong income stream, combined with investment in a smaller number of higher risk companies with greater growth prospects. In neither category would investee 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.*

*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.*

#### **Venture Capital Trust status**

*In addition to the investment policy described above, the HMRC rules drive the Company's investment allocation and risk diversification policies. In order to maintain status under Venture Capital Trust legislation, the following tests must be met:*

- (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.*



*"Qualifying holdings" for Albion Development VCT 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. The Company may not control a portfolio company.*

*Investee company gross assets must not exceed £15 million immediately prior to the investment and £16 million immediately thereafter. The maximum each company can receive from State Aided risk capital schemes is £5 million in any twelve month period.*

*Those investments which are permitted for both classes of share will be allocated between them in the ratio of funds available for investment.*

### *Gearing*

*As defined by its Articles of Association, Albion Development VCT's maximum exposure in relation to gearing is restricted to 10 per cent. of the adjusted share capital and reserves. The Albion Development VCT Directors do not currently have any intention to utilise long term gearing.*

## **B. Albion Enterprise VCT**

### **Investment policy**

*Albion Enterprise VCT's investment objective is to provide investors with a regular and predictable source of dividend income combined with the prospect of longer term capital growth. The Company intends to achieve this by investing up to 50 per cent. of the net funds raised in an asset-based portfolio of lower risk, ungeared businesses, principally operating in the leisure sector and related areas (the "Asset-based Portfolio"). The balance of the net funds raised, 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 lower risk, income producing businesses to 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. Funds awaiting investment in Qualifying Investments or retained for liquidity purposes will be held on deposit, invested in floating rate notes (in both cases with banks with a Moody's credit rating of 'A' or above) or invested in government gilts.*

*The Company's investment portfolio will thus be structured with the objective of providing a balance between income and capital growth for the longer term. The Asset-based Portfolio is designed to provide stability and income whilst still maintaining the potential for capital growth. The Growth Portfolio is intended to provide diversified exposure through its portfolio of investments in unquoted UK companies. Stock specific risk will be reduced by the Company's policy of holding a diversified portfolio of Qualifying Investments.*



### *Venture capital trust status*

*In addition to the investment policy described above, the HMRC rules drive the Company's investment allocation and risk diversification policies. In order to maintain status under Venture Capital Trust legislation, the following tests must be met:*

- (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.*

*'Qualifying holdings' for Albion Enterprise VCT 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. The Company may not control a portfolio company.*

*Portfolio company gross assets must not exceed £15 million immediately prior to the investment and £16 million immediately thereafter. The maximum each company can receive from State Aided risk capital schemes is £5 million in any twelve month period.*

### *Gearing*

*As defined by its Articles of Association, Albion Enterprise VCT's maximum exposure in relation to gearing is restricted to 10 per cent. of the adjusted share capital and reserves. The Directors do not currently have any intention to utilise short term or long term gearing.*

## **C. Albion Technology & General VCT**

### **Investment policy**

*Albion Technology & General VCT's investment strategy is to provide investors with a regular and predictable source of dividend income combined with the prospect of long term capital growth through allowing investors the opportunity to participate in a balanced portfolio of technology and non-technology businesses. It is intended that the Company's investment portfolio will be split approximately as follows:*

- 40 per cent. in unquoted UK technology related companies; and*
- 60 per cent. in unquoted UK non-technology companies.*

*This split is subject to the availability of good quality new investment opportunities arising within the UK technology and non-technology sectors.*

*In neither of the categories listed above would portfolio companies normally have any external borrowing with a charge ranking ahead of the Company. Up to two-thirds of investments (by cost) will comprise loan stock secured with a first charge on the portfolio company's assets.*

*The Manager pursues a longer term investment approach, with a view to providing shareholders with a strong, predictable dividend flow, combined with the prospects of capital growth. This is achieved in two ways. Firstly, controlling the Company's exposure to technology risk by ensuring that many of the companies in the non-technology portfolio have property as their major asset, with no external borrowings. Secondly, by balancing the investment portfolio by sector, so that those areas such as leisure and business services, which are susceptible to changes in consumer sentiment, are complemented by sectors with more predictable long term characteristics, such as healthcare and the environment.*

### **Venture capital trust status**

*In addition to the investment policy described above, HMRC rules drive the Company's investment allocation and risk diversification policies. In order to maintain its status under Venture Capital Trust legislation, the following tests must be met:*

- (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.*

*"Qualifying holdings" for Albion Technology & General VCT 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. The Company may not control a portfolio company.*

*Portfolio company gross assets must not exceed £15 million immediately prior to the investment and £16 million immediately thereafter. The maximum each company can receive from State Aided risk capital schemes is £5 million in any twelve month period.*

#### *Gearing*

*As defined by its Articles of Association, Albion Technology & General's maximum exposure in relation to gearing is restricted to 10 per cent. of the adjusted share capital and reserves. The Albion Technology & General VCT Directors do not currently have any intention to utilise long term gearing.*

### **D. Albion Venture Capital Trust VCT**

#### **Investment Policy**

*Albion Venture Capital Trust's investment strategy 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 with the objective of providing 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 investee company. Funds managed or advised by Albion Ventures typically own 50 per cent. of the equity of the investee company; and*

- *Other than the loan stock issued to funds managed or advised by Albion Ventures, investee companies do not normally have external borrowings.*

#### *Venture Capital Trust Status*

*In addition to the investment policy described above, the HMRC rules drive the Company's investment allocation and risk diversification policies. In order to maintain status under Venture Capital Trust legislation, the following tests must be met:*

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 investee 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 investee company.*

*"Qualifying holdings" for Albion Venture Capital Trust 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. The Company may not control a portfolio company.*

*Investee company gross assets must not exceed £15 million immediately prior to the investment and £16 million immediately thereafter. The maximum each company can receive from State Aided risk capital schemes is £5 million in any twelve month period.*

## *Gearing*

*As defined by its Articles of Association, Albion Venture Capital Trust's maximum exposure in relation to gearing is restricted to 10 per cent. of the adjusted share capital and reserves.*

*The Albion Venture Capital Trust Directors do not currently have any intention to utilise long term gearing.*

## **E. Crown Place VCT**

### **Investment policy**

*Crown Place VCT's investment policy and maximum exposures policy is designed to meet the requirements of investors who seek to protect the capital value of their investment whilst still providing an attractive level of return. In pursuing this policy, the Manager aims to build a portfolio which concentrates on two complementary investment areas. The first are lower risk, often asset-based investments that can provide a strong income stream combined with protection of capital. These investments will be balanced by a smaller proportion by value of the portfolio invested in higher risk companies with greater growth prospects.*

*The following investment restrictions were described in the prospectus issued by Crown Place VCT in November 2005:*

- *No holding of the Company in any other company will represent more than 15 per cent. by cost at the time of investment, of the Company's portfolio; and*
- *Not more than 20 per cent. of the total assets in the Company's portfolio will be invested in the securities of companies which are property companies, defined as companies primarily engaged in property activities which include:*
  - (a) the holding of properties and development of properties for letting and retention as investments; or*
  - (b) the purchase and development of properties for subsequent sale; or*
  - (c) the purchase of land for development of properties for retention as investments.*

*The Company currently holds two AIM investments which it will realise over time. The Company does not currently intend to make new investments in AIM quoted shares.*

### *Venture Capital Trust status*

*In addition to the investment policy described above, the HMRC rules drive the Company's investment allocation and risk diversification policies. In order to maintain its status under Venture Capital Trust legislation, the following tests must be met:*

- (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 during 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 London Stock Exchange.*

*These tests drive a spread of investment risk through disallowing holdings of more than 15 per cent. in one portfolio company.*

*'Qualifying holdings' for Crown Place VCT 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 shares and securities, insurance, banking, and agriculture. The Company may not control a portfolio company.*

*Portfolio company gross assets must not exceed £15 million immediately prior to the investment and £16 million immediately thereafter. The maximum each company can receive from State Aided risk capital schemes is £5 million in any twelve month period.*

#### *Gearing*

*As defined by its Articles of Association, Crown Place VCT's maximum exposure in relation to gearing is restricted to the amount of the adjusted share capital and reserves of the latest published audited consolidated balance sheet. The Directors do not currently have any intention to utilise long term gearing.*

### **F. Kings Arms Yard VCT**

#### **Investment policy**

*Kings Arms Yard's 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 lower risk, 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 lower risk, 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 with the objective of providing 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.

#### *Venture capital trust status*

In addition to the investment policy described above, the Company's investment allocation and risk diversification policies are substantially driven by the relevant HMRC rules and, in order to maintain its status under Venture Capital Trust legislation, it is the intention of the Company to apply the following policies in this respect:

- (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 retain more 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 London Stock Exchange.

*These tests drive a spread of investment risk through disallowing holdings of more than 15 per cent. in one portfolio company.*

*'Qualifying holdings' for the Company 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. The Company may not control a portfolio company.*

*Portfolio company gross assets must not exceed £15 million immediately prior to the investment and £16 million immediately thereafter. The maximum each company can receive from State Aided risk capital schemes is £5 million in any twelve month period. Portfolio companies may have up to 250 employees.*

### *Gearing*

*As defined by its Articles of Association, Kings Arms Yard's maximum exposure in relation to gearing is restricted to the amount equal to the Adjusted Capital and Reserves. The Directors do not currently have any intention to utilise long term gearing.*



## Part III: Financial Information on the Companies

### A. Albion Development VCT

Albion Development VCT has produced annual statutory accounts for the three financial years ended 31 December 2010, 2011 and 2012 and half yearly financial reports for the six month periods ended 30 June 2012 and 2013 (which contain the information as set out below). Albion Development VCT's former auditors PKF(UK) LLP (now BDO LLP of 55 Baker Street, London W1U 7EU) reported on the three annual statutory accounts without qualification and without statements under sections 495 to 497 of CA 2006.

The annual reports referred to above were prepared in accordance with UK generally accepted accounting practice (GAAP), the fair value rules of CA 2006 and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. The annual reports contain a description of Albion Development VCT's financial condition, changes in financial condition and results of operations for each relevant financial year and are being incorporated by reference and can be accessed at the following website: [www.albion-ventures.co.uk](http://www.albion-ventures.co.uk).

<b>Ordinary Shares Description</b>	<b>December 2010 Annual Report</b>	<b>December 2011 Annual Report</b>	<b>December 2012 Annual Report</b>	<b>Unaudited Half year report for six months ended 30 June 2012</b>	<b>Unaudited Half year report for six months ended 30 June 2013</b>
Balance sheet	Page 35	Page 37	Page 35	Page 15	Page 15
Income statement (or equivalent)	Page 33	Page 35	Page 33	Page 12	Page 12
Statement showing all changes in equity (or equivalent note)	Page 38	Page 40	Page 38	Page 18	Page 18
Cash flow statements	Page 41	Page 43	Page 41	Page 21	Page 21
Accounting policies and notes	Page 43-59	Page 45-62	Page 43-60	Page 23-33	Page 24-36
Auditors' report	Page 31	Page 33	Page 31	N/A	N/A

Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of this Prospectus. Those parts of the annual

statutory accounts and the half yearly financial reports referred to above which are not being incorporated into this document by reference are either not relevant for investors or are covered elsewhere in this Prospectus.

<b>D Shares Description</b>	<b>December 2010 Annual Report</b>	<b>December 2011 Annual Report</b>	<b>December 2012 Annual Report</b>	<b>Unaudited Half year report for six months ended 30 June 2012</b>	<b>Unaudited Half year report for six months ended 30 June 2013</b>
Balance sheet	Page 36	Page 38	Page 36	Page 16	Page 16
Income statement (or equivalent)	Page 33	Page 35	Page 33	Page 13	Page 13
Statement showing all changes in equity (or equivalent note)	Page 39	Page 41	Page 39	Page 19	Page 19
Cash flow statements	Page 42	Page 44	Page 42	Page 422	Page 22
Accounting policies and notes	Page 43-59	Page 45-62	Page 43-60	Page 23-33	Page 24-36
Auditors' report	Page 31	Page 33	Page 31	N/A	N/A

Albion Development VCT's published annual report and accounts for the three financial years ended 31 December 2010, 2011 and 2012 and the half yearly reports for the six month periods ended 30 June 2012 and 2013 contain, on the pages specified in the table below, descriptions of its financial condition (in both capital and revenue terms), details of its investment activity and portfolio exposure and changes in its financial condition for each of those periods:

<b>Ordinary Shares Description</b>	<b>December 2010 Annual Report</b>	<b>December 2011 Annual Report</b>	<b>December 2012 Annual Report</b>	<b>Unaudited Half year report for six months ended 30 June 2012</b>	<b>Unaudited Half year report for six months ended 30 June 2013</b>
Objective	Page 3	Page 3	Page 3	Page 3	Page 3

Performance summary	Page 4-5	Page 4-5	Page 4-5	Page 4-5	Page 4
Results and dividend	Page 6	Page 7	Page 6	Page 6	Page 6
Investment policy	Page 18	Page 18	Page 17	Page 5-6	Page 5-6
Chairman's statement	Page 6-7	Page 6-7	Page 6	Page 5	Page 5
Manager's review	Page 8	Page 8	Page 7	N/A	N/A
Portfolio summary	Page 11-13	Page 11- 13	Page 10-12	Page 8-9	Page 8-9
Valuation policy	Page 43	Page 45	Page 43	Page 23	Page 23

<b>D Shares Description</b>	<b>December 2010 Annual Report</b>	<b>December 2011 Annual Report</b>	<b>December 2012 Annual Report</b>	<b>Unaudited Half year report for six months ended 30 June 2012</b>	<b>Unaudited Half year report for six months ended 30 June 2013</b>
Objective	Page 3	Page 3	Page 3	Page 3	Page 3
Performance summary	Page 4-5	Page 4-5	Page 4-5	Page 4	Page 4
Results and dividend	Page 6	Page 7	Page 6	Page 6	Page 6
Investment policy	Page 18	Page 18	Page 17	Page 5-6	Page 5-6
Chairman's statement	Page 6-7	Page 6-7	Page 6	N/A	N/A
Manager's review	Page 8	Page 8	Page 7	N/A	N/A
Portfolio summary	Page 14	Page 14	Page 13	Page 10	Page 10
Valuation policy	Page 43	Page 45	Page 43	Page 23	Page 23

The key figures that summarise Albion Development VCT's financial position in respect of the three financial years ended 31 December 2010, 2011 and 2012 and for the unaudited six month periods ended 30 June 2012 and 2013 which have been extracted without material adjustment from the historical financial information referred to above, are set out in the

following table:

<b>Ordinary Shares</b>	<b>December 2010 Annual Report</b>	<b>December 2011 Annual Report</b>	<b>December 2012 Annual Report</b>	<b>Unaudited Half year report for six months ended 30 June 2012</b>	<b>Unaudited Half year report for six months ended 30 June 2013</b>
Profit/loss on ordinary activities before taxation (£'000)	1,134	1,443	1,138	306	1,025
Earnings per share (p)	3.90	4.70	3.50	0.90	3.10
Dividends per share (p)	8.00	5.00	5.00	2.50	2.50
Net assets (£'000)	22,020	22,905	23,860	23,592	25,485
NAV per share (p)	75.40	75.50	74.00	73.90	74.60

<b>D Shares</b>	<b>December 2010 Annual Report</b>	<b>December 2011 Annual Report</b>	<b>December 2012 Annual Report</b>	<b>Unaudited Half year report for six months ended 30 June 2012</b>	<b>Unaudited Half year report for six months ended 30 June 2013</b>
Profit/loss on ordinary activities before taxation (£'000)	(43)	163	550	230	404
Earnings per share (p)	(0.60)	2.50	8.40	3.50	6.00
Dividends per share (p)	1.00	2.50	3.50	1.75	2.50
Net assets (£'000)	5,898	5,909	6,245	6,029	6,433

NAV per share (p)	93.00	93.00	97.90	94.70	101.50
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The net asset value per Albion Development VCT Share as at 30 September 2013 (being the most recent unaudited NAV per Share published by Albion Development VCT prior to the publication of this document) was 72.90p per Albion Development VCT Ordinary Share and 106.0p per Albion Development VCT D Share.

### **No significant change**

There has been no significant change in the financial or trading position of Albion Development VCT since 30 June 2013 (being the last date up to which Albion Development VCT has published interim unaudited financial information).

## **B. Albion Enterprise VCT**

Albion Enterprise VCT has produced annual statutory accounts for the three financial years ended 31 March 2011, 2012 and 2013 and unaudited half yearly financial reports for the six month periods ended 30 September 2012 and 2013 (which contain the information as set out below). Albion Enterprise VCT's former auditors, PKF(UK) LLP (now BDO LLP of 55 Baker Street, London W1U 7EU) reported on the statutory accounts for the two financial years ended 31 March 2011 and 31 March 2012 and BDO LLP reported on the statutory accounts for the financial year ended 31 March 2013 without qualification and without statements under sections 495 to 497 of CA 2006.

The annual reports referred to above were prepared in accordance with UK generally accepted accounting practice (GAAP), the fair value rules of CA 2006 and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. The annual reports contain a description of Albion Enterprise VCT's financial condition, changes in financial condition and results of operations for each relevant financial year and are being incorporated by reference and can be accessed at the following website: [www.albion-ventures.co.uk](http://www.albion-ventures.co.uk).

Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of this Prospectus. Those parts of the annual statutory accounts and half yearly financial reports referred to above which are not being incorporated into this document by reference are either not relevant for investors or are covered elsewhere in this Prospectus.

<b>Description</b>	<b>March 2011 Annual Report</b>	<b>March 2012 Annual Report</b>	<b>March 2013 Annual Report</b>	<b>Unaudited Half year report for six months ended 30 September 2012</b>	<b>Unaudited Half year report for six months ended 30 September 2013</b>
Balance sheet	Page 30	Page 32	Page 30	Page 10	Page 10
Income statement (or equivalent)	Page 29	Page 31	Page 29	Page 9	Page 9
Statement showing all changes in equity (or equivalent note)	Page 31	Page 33	Page 31	Page 11	Page 11
Cash flow statements	Page 32	Page 34	Page 32	Page 12	Page 12
Accounting policies and notes	Page 33-45	Page 35-48	Page 33-46	Page 13-18	Page 13-20
Auditors' report	Page 28	Page 30	Page 28	N/A	N/A

Albion Enterprise VCT's published annual report and accounts for the three financial years ended 31 March 2011, 2012 and 2013 and the half yearly reports for the six month periods ended 30 September 2012 and 2013 contain, on the pages specified in the table below, descriptions of its financial condition (in both capital and revenue terms), details of its investment activity and portfolio exposure and changes in its financial condition for each of those periods:

<b>Description</b>	<b>March 2011 Annual Report</b>	<b>March 2012 Annual Report</b>	<b>March 2013 Annual Report</b>	<b>Unaudited Half year report for six months ended 30 September 2012</b>	<b>Unaudited Half year report for six months ended 30 September 2013</b>
Objective	Page 3	Page 3	Page 3	Page 3	Page 3
Performance summary	Page 4-5	Page 4-5	Page 4-5	Page 4	Page 4

Results and dividend	Page 6	Page 7	Page 6	Page 6	Page 6
Investment policy	Page 15-16	Page 15-16	Page 15	Page 5	Page 5
Chairman's statement	Page 6-7	Page 6-7	Page 6	N/A	N/A
Manager's review	Page 8	Page 8	Page 7	N/A	N/A
Portfolio summary	Page 11-12	Page 11-12	Page 10-11	Page 8	Page 8
Valuation policy	Page 33	Page 35	Page 33	Page 13	Page 13

The key figures that summarise Albion Enterprise VCT's financial position in respect of the three financial years ended 31 March 2011, 2012 and 2013 and the unaudited six month periods ended 30 September 2012 and 2013 which have been extracted without material adjustment from the historical financial information referred to above, are set out in the following table:

	<b>March 2011 Annual Report</b>	<b>March 2012 Annual Report</b>	<b>March 2013 Annual Report</b>	<b>Unaudited Half year report for six months ended 30 September 2012</b>	<b>Unaudited Half year report for six months ended 30 September 2013</b>
Profit/loss on ordinary activities before taxation (£'000)	577	253	3,469	274	1,641
Earnings per share (p)	1.90	0.80	10.50	0.80	4.90
Dividends per share (p)	3.00	3.00	3.50	1.75	2.50
Net assets (£'000)	27,533	27,963	29,599	27,345	31,086
NAV per share (p)	87.10	84.90	92.90	84.60	95.40

The net asset value per Albion Enterprise VCT Share as at 31 December 2013 (being the most recent unaudited NAV per Share published by Albion Enterprise VCT prior to the publication of this document) was 98p per Albion Enterprise VCT Share (prior to the dividend of 2.5p per

Share paid on 28 February 2014).

### No significant change

There has been no significant change in the financial or trading position of Albion Enterprise VCT since 30 September 2013 (being the last date up to which Albion Enterprise VCT has published unaudited interim financial information).

### C. Albion Technology & General VCT

Albion Technology & General VCT has produced annual statutory accounts for the three financial years ended 31 December 2010, 2011 and 2012 and half yearly financial reports for the six month periods ended 30 June 2012 and 2013 (which contain the information as set out below). Albion Development VCT's former auditors, PKF(UK) LLP (now BDO LLP of 55 Baker Street, London W1U 7EU) reported on the three annual statutory accounts without qualification and without statements under sections 495 to 497 of CA 2006.

The annual reports referred to above were prepared in accordance with UK generally accepted accounting practice (GAAP), the fair value rules of CA 2006 and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. The annual reports contain a description of Albion Technology & General VCT's financial condition, changes in financial condition and results of operations for each relevant financial year and are being incorporated by reference and can be accessed at the following website: [www.albion-ventures.co.uk](http://www.albion-ventures.co.uk).

Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of this Prospectus. Those parts of the annual statutory accounts and half yearly financial reports referred to above which are not being incorporated into this document by reference are either not relevant for investors or are covered elsewhere in this Registration Document.

Description	December 2010 Annual Report	December 2011 Annual Report	December 2012 Annual Report	Unaudited Half year report for six months ended 30 June 2012	Unaudited Half year report for six months ended 30 June 2013
Balance sheet	-	Page 34	Page 32	Page 12	Page 11
Ordinary Shares	Page 41	-	-	-	-
C Shares*	Page 42	-	-	-	-
Income statement (or equivalent)	-	Page 33	Page 31	Page 11	Page 10
Ordinary Shares	Page 39	-	-	-	-
C Shares	Page 39	-	-	-	-



Statement showing all changes in equity (or equivalent note)	-	Page 35	Page 33	Page 13	Page 12
<i>Ordinary Shares</i>	Page 44	-	-	-	-
<i>C Shares</i>	Page 45	-	-	-	-
Cash flow statements	-	Page 36	Page 34	Page 14	Page 13
<i>Ordinary Shares</i>	Page 47	-	-	-	-
<i>C Shares</i>	Page 48	-	-	-	-
Accounting policies and notes	Page 49-68	Page 37-50	Page 35-48	Page 15-21	Page 14-20
Auditors' report	Page 37	Page 32	Page 30	-	-

\* The C Shares merged with the Ordinary Shares in 2011 on a conversion ratio of 0.7779 Ordinary Shares for every C Share.

Albion Technology & General VCT's published annual report and accounts for the three financial years ended 31 December 2010, 2011 and 2012 and the half yearly reports for the six month periods ended 30 June 2012 and 2013 contain, on the pages specified in the table below, descriptions of its financial condition (in both capital and revenue terms), details of its investment activity and portfolio exposure and changes in its financial condition for each of those periods:

<b>Description</b>	<b>December 2010 Annual Report</b>	<b>December 2011 Annual Report</b>	<b>December 2012 Annual Report</b>	<b>Unaudited Half year report for six months ended 30 June 2012</b>	<b>Unaudited Half year report for six months ended 30 June 2013</b>
Objective Performance summary	Page 3 Page 4-6	Page 3 Page 4-5	Page 3 Page 4-5	Page 3 Page 4	Page 3 Page 4
Results and dividend	Page 8	Page 6	Page 6	Page 6	Page 6
Investment policy	Page 22	Page 17	Page 16	Page 3	Page 3

Chairman's statement	Page 7-8	Page 6-7	Page 6	N/A	N/A
Manager's review	Page 9-10	Page 8	Page 7	N/A	N/A
Portfolio summary	Page 13-18	Page 11-13	Page 10-12	Page 9-10	Page 8-9
Valuation policy	Page 49	Page 37	Page 35	Page 15	Page 14

	<b>December 2010 Annual Report</b>	<b>December 2011 Annual Report</b>	<b>December 2012 Annual Report</b>	<b>Unaudited Half year report for six months ended 30 June 2012</b>	<b>Unaudited Half year report for six months ended 30 June 2013</b>
Profit/loss on ordinary activities before taxation (£'000)	-	875	1,522	297	1,267
<i>Ordinary Shares</i>	346	-	-	-	-
<i>C Shares</i>	(632)	-	-	-	-
Earnings per share (p)	-	2.20	3.70	0.70	3.00
<i>Ordinary Shares</i>	2.60	-	-	-	-
<i>C Shares</i>	(1.90)	-	-	-	-
Dividends per share (p)	-	5.00	5.00	-	2.50
<i>Ordinary Shares</i>	8.00	-	-	2.50	-
<i>C Shares</i>	3.00	-	-	1.90	-
Net assets (£'000)		33,547	34,459	34,121	36,237
<i>Ordinary Shares</i>	11,073	-	-	-	-
<i>C Shares</i>	23,018	-	-	-	-
NAV per share (p)	-	85.10	84.00	83.30	84.60
<i>Ordinary Shares</i>	87.60	-	-	-	-
<i>C Shares</i>	68.10	-	-	-	-

The key figures that summarise Albion Technology & General VCT's financial position in respect of the three financial years ended 31 December 2010, 2011 and 2012 and the unaudited six month periods ended 30 June 2012 and 2013 which have been extracted without material adjustment from the historical financial information referred to above, are

set out in the following table:

The net asset value per Albion Technology & General VCT Ordinary Share as at 14 November 2013 (being the most recent unaudited NAV per Ordinary Share published by Albion Technology & General VCT prior to the publication of this document) was 83.38p per Albion Technology & General VCT Share (prior to the dividend of 1.25p per Share paid on 31 January 2014).

### **No significant change**

There has been no significant change in the financial or trading position of Albion Technology & General VCT since 30 June 2013 (being the last date up to which Albion Technology & General VCT has published interim unaudited financial information), other than the announcement of the results of the merger with Albion Income & Growth VCT PLC (as described in Albion Technology & General VCT's prospectus dated 10 October 2013) on 15 November 2013. Pursuant to the merger, 33,664,049 shares were issued at a deemed issue price of 83.38p per share.

### **D. Albion Venture Capital Trust**

Albion Venture Capital Trust has produced annual statutory accounts for the three financial years ended 31 March 2011, 2012 and 2013 and half yearly financial reports for the six month periods ended 30 September 2012 and 2013 (which contain the information as set out below). Albion Venture Capital Trust's former auditors, PKF(UK) LLP (now BDO LLP of 55 Baker Street, London W1U 7EU) reported on the statutory accounts for the two financial years ended 31 March 2011 and 31 March 2012 and BDO LLP reported on the statutory accounts for the financial year ended 31 March 2013 without qualification and without statements under sections 495 to 497 of CA 2006.

The annual reports referred to above were prepared in accordance with UK generally accepted accounting practice (GAAP), the fair value rules of CA 2006 and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. The annual reports contain a description of Albion Venture Capital Trust's financial condition, changes in financial condition and results of operations for each relevant financial year and are being incorporated by reference and can be accessed at the following website: [www.albion-ventures.co.uk](http://www.albion-ventures.co.uk).

Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of this Prospectus. Those parts of the annual statutory accounts and half yearly financial reports referred to above which are not being incorporated into this document by reference are either not relevant for investors or are covered elsewhere in this Prospectus.

	<b>March 2011 Annual Report</b>	<b>March 2012 Annual Report</b>	<b>March 2013 Annual Report</b>	<b>Unaudited Half year report for six months ended 30 September 2012</b>	<b>Unaudited Half year report for six months ended 30 September 2013</b>
<b>Description</b>					

Balance sheet	Page 31	Page 31	Page 33	Page 10	Page 10
Income statement (or equivalent)	Page 30	Page 30	Page 32	Page 9	Page 9
Statement showing all changes in equity (or equivalent note)	Page 32	Page 32	Page 34	Page 11	Page 11
Cash flow statements	Page 33	Page 33	Page 35	Page 12	Page 12
Accounting policies and notes	Page 34-45	Page 34-45	Page 36-48	Page 13-20	Page 13-20
Auditors' report	Page 29	Page 29	Page 31	N/A	N/A

Albion Venture Capital Trust's published annual report and accounts for the three financial years ended 31 March 2011, 2012 and 2013 and the half yearly reports for the six month periods ended 30 September 2012 and 2013 contain, on the pages specified in the table below, descriptions of its financial condition (in both capital and revenue terms), details of its investment activity and portfolio exposure and changes in its financial condition for each of those periods:

	<b>March 2011 Annual Report</b>	<b>March 2012 Annual Report</b>	<b>March 2013 Annual Report</b>	<b>Unaudited Half year report for six months ended 30 September 2012</b>	<b>Unaudited Half year report for six months ended 30 September 2013</b>
<b>Description</b>					
Objective Performance summary	Page 3 Page 4-5	Page 3 Page 4-5	Page 3 Page 4-5	Page 3 Page 4	Page 3 Page 4
Results and dividend	Page 6	Page 7	Page 7	Page 6	Page 6
Investment policy	Page 15-16	Page 15-16	Page 17	Page 3	Page 5-6
Chairman's statement	Page 6-7	Page 6-7	Page 6-7	N/A	N/A
Manager's review	Page 8	Page 8	Page 8-9	N/A	N/A

Portfolio summary	Page 11-12	Page 11-12	Page 12-13	Page 8	Page 8
Valuation policy	Page 34	Page 34	Page 36	Page 13	Page 13

The key figures that summarise Albion Venture Capital Trust's financial position in respect of the three financial years ended 31 March 2011, 2012 and 2013 and for the unaudited six month periods ended 30 September 2012 and 2013 which have been extracted without material adjustment from the historical financial information referred to above, are set out in the following table:

	<b>March 2011 Annual Report</b>	<b>March 2012 Annual Report</b>	<b>March 2013 Annual Report</b>	<b>Unaudited Half year report for six months ended 30 September 2012</b>	<b>Unaudited Half year report for six months ended 30 September 2013</b>
Profit/loss on ordinary activities before taxation (£'000)	1,187	815	984	580	753
Earnings per share (p)	3.66	2.10	2.00	1.60	1.20
Dividends per share (p)	5.00	5.00	5.00	2.50	2.50
Net assets (£'000)	28,761	28,386	41,681	42,680	42,607
NAV per share (p)	80.50	78.00	74.20	76.00	73.00

The net asset value per Albion Venture Capital Trust Share as at 31 December 2013 (being the most recent unaudited NAV per Share published by Albion Venture Capital Trust prior to the publication of this document) was 70.90p per Albion Venture Capital Trust Share.

### **No significant change**

There has been no significant change in the financial or trading position of Albion Venture Capital Trust since 30 September 2013 (being the last date up to which Albion Venture Capital Trust has published interim unaudited financial information).

### **E. Crown Place VCT**

Crown Place VCT has produced annual statutory accounts for the three financial years ended 30 June 2011, 2012 and 2013 and half yearly financial reports for the six month periods ended 31 December 2012 and 2013 (which contain the information as set out below). Crown Place VCT's

former auditors, PKF(UK) LLP (now BDO LLP of 55 Baker Street, London W1U 7EU) reported on the statutory accounts for the two financial years ended 30 June 2011 and 30 June 2012 and BDO LLP reported on the statutory accounts for the financial year ended 30 June 2013 without qualification and without statements under sections 495 to 497 of CA 2006.

The annual reports referred to above were prepared, in respect of Crown Place VCT, in accordance with UK generally accepted accounting practice (GAAP), the fair value rules of CA 2006 and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' with the financial statements for the Crown Place VCT group (namely, Crown Place VCT, CP1 VCT PLC and CP2 VCT PLC) being prepared in accordance with IFRS adopted for use in the European Union (and therefore comply with Article 4 of the EU IAS regulation). The annual reports contain a description of Crown Place VCT's financial condition, changes in financial condition and results of operations for each relevant financial year and are being incorporated by reference and can be accessed at the following website: [www.albion-ventures.co.uk](http://www.albion-ventures.co.uk).

Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of this Prospectus. Those parts of the annual statutory accounts referred to above which are not being incorporated into this document by reference are either not relevant for investors or are covered elsewhere in this Prospectus.

<b>Description</b>	<b>June 2011 Annual Report</b>	<b>June 2012 Annual Report</b>	<b>June 2013 Annual Report</b>	<b>Unaudited Half year report for six months ended 31 December 2012</b>	<b>Unaudited Half year report for six months ended 31 December 2013</b>
Balance sheet	Page 33	Page 32	Page 32	Page 14-15	Page 14-15
Income statement (or equivalent)	Page 32	Page 31	Page 31	Page 13	Page 13
Statement showing all changes in equity (or equivalent note)	Page 35	Page 34	Page 34	Page 16-17	Page 16-17
Cash flow statements	Page 37	Page 36	Page 36	Page 18	Page 18
Accounting policies and notes	Page 38-53	Page 37-52	Page 37-52	Page 19-27	Page 19-27
Auditors' report	Page 31	Page 30	Page 30	N/A	N/A

Crown Place VCT's published annual report and accounts for the three financial years ended 30 June 2011, 2012 and 2013 and the half yearly financial reports for the six month periods ended 31 December 2012 and 2013 contain, on the pages specified in the table below, descriptions of its financial condition (in both capital and revenue terms), details of its investment activity and portfolio exposure and changes in its financial condition for each of those periods:

	<b>June 2011 Annual Report</b>	<b>June 2012 Annual Report</b>	<b>June 2013 Annual Report</b>	<b>Unaudited Half year report for six months ended 31 December 2012</b>	<b>Unaudited Half year report for six months ended 31 December 2013</b>
<b>Description</b>					
Objective	Page 3	Page 3	Page 3	Page 3	Page 3
Performance summary	Page 4-5	Page 4-5	Page 4-5	Page 4-5	Page 4-5
Results and dividend	Page 35	Page 6	Page 6	Page 4-5	Page 4-5
Investment policy	Page 6	Page 16-17	Page 36	Page 3	Page 3
Chairman's and notes	Page 6-7	Page 6-7	Page 16-17	N/A	N/A
Manager's review	Page 8	Page 8	Page 8	Page 10-12	Page 10-12
Portfolio summary	Page 11-14	Page 11-13	Page 11-13	Page 10-12	Page 10-12
Valuation policy	Page 39	Page 39	Page 38	Page 19	Page 19

The key figures that summarise Crown Place VCT's financial position in respect of the three financial years ended 30 June 2011, 2012 and 2013 and the six month periods ended 31 December 2012 and 2013 which have been extracted without material adjustment from the historical financial information referred to above, are set out in the following table:

	<b>June 2011 Annual Report</b>	<b>June 2012 Annual Report</b>	<b>June 2013 Annual Report</b>	<b>Unaudited Half year report for six months ended 31 December 2012</b>	<b>Unaudited Half year report for six months ended 31 December 2013</b>
<b>Description</b>					
Profit/loss on ordinary activities before taxation (£'000)	1,574	1,083	1,726	686	956
Earnings per share (p)	2.15	1.41	2.14	0.86	1.14
Dividends per share (p)	2.50	2.50	2.50	1.25	1.25

Net assets (£'000)	25,661	25,950	27,166	25,761	26,891
NAV per share (p)	33.65	32.60	32.26	32.24	32.16

The net asset value per Crown Place VCT Share as at 31 December 2013 (being the most recent unaudited NAV per Share published by Crown Place VCT prior to the publication of this document) was 32.16p per Crown Place VCT Share.

### **No significant change**

There has been no significant change in the financial or trading position of Crown Place VCT or its group since 31 December 2013 (being the last date up to which Crown Place VCT has published consolidated interim unaudited financial information).

### **F. Kings Arms Yard VCT**

Kings Arms Yard VCT has produced annual statutory accounts for the three financial years ended 31 December 2010, 2011 and 2012 as well as half yearly financial reports for the six month periods ended 30 June 2012 and 2013 (which contain the information as set out below). Kings Arms VCT's auditors, Grant Thornton UK LLP of 30 Finsbury Square, London EC2P 2YU reported on these statutory accounts without qualification and without statements under sections 495 to 497 of CA 2006.

The annual reports referred to above were prepared in accordance with UK generally accepted accounting practice (GAAP), the fair value rules of CA 2006 and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. The annual reports contain a description of Kings Arms Yard VCT's financial condition, changes in financial condition and results of operations for each relevant financial year and are being incorporated by reference and can be accessed at the following website: [www.albion-ventures.co.uk](http://www.albion-ventures.co.uk).

Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of this Prospectus. Those parts of the annual statutory accounts and half yearly financial reports referred to above which are not being incorporated into this document by reference are either not relevant for investors or are covered elsewhere in this Prospectus.



	<b>December 2010 Annual Report</b>	<b>December 2011 Annual Report</b>	<b>December 2012 Annual Report</b>	<b>Unaudited Half year report for six months ended 30 June 2012</b>	<b>Unaudited Half year report for six months ended 30 June 2013</b>
<b>Description</b>					
Balance sheet	Page 31	Page 30	Page 32	Page 10	Page 12
Income statement (or equivalent)	Page 30	Page 29	Page 31	Page 9	Page 11
Statement showing all changes in equity (or equivalent note)	Page 32	Page 31	Page 33	Page 11	Page 13
Cash flow statements	Page 33	Page 32	Page 34	Page 12	Page 14
Accounting policies and notes	Page 34-45	Page 33-45	Page 35-46	Page 13-22	Page 15-21
Auditors' report	Page 29	Page 28	Page 30	N/A	N/A

Kings Arms Yard VCT's published annual report and accounts for the three financial years ended 31 December 2010, 2011 and 2012 and the half yearly financial reports for the six month periods ended 30 June 2012 and 2013 contain, on the pages specified in the table below, descriptions of its financial condition (in both capital and revenue terms), details of its investment activity and portfolio exposure and changes in its financial condition for each of those periods:

	<b>December 2010 Annual Report</b>	<b>December 2011 Annual Report</b>	<b>December 2012 Annual Report</b>	<b>Unaudited Half year report for six months ended 30 June 2012</b>	<b>Unaudited Half year report for six months ended 30 June 2013</b>
<b>Description</b>					
Objective	Page 3	Page 3	Page 3	Page 3	Page 3
Performance summary	Page 4	Page 4-5	Page 4-5	Page 4	Page 4
Results and dividend	Page 5-6	Page 5	Page 6	Page 6	Page 5
Investment policy	Page 16	Page 14-15	Page 15-16	Page 3	Page 3

Chairman's statement	Page 5-7	Page 5-6	Page 6-7	Page 5-6	Page 5-7
Manager's review	Page 8-9	Page 7-8	Page 8-9	N/A	N/A
Portfolio summary	Page 12	Page 11	Page 12	Page 8	Page 9-10
Valuation policy	Page 34	Page 33	Page 35	Page 13	Page 15

The key figures that summarise Kings Arms Yard VCT's financial position in respect of the three financial years ended 31 December 2010, 2011 and 2012 and the unaudited six month periods ended on 30 June 2012 and 2013 which have been extracted without material adjustment from the historical financial information referred to above, are set out in the following table:

	<b>December 2010 Annual Report</b>	<b>December 2011 Annual Report</b>	<b>December 2012 Annual Report</b>	<b>Unaudited Half year report for six months ended 30 June 2012</b>	<b>Unaudited Half year report for six months ended 30 June 2013</b>
Profit/loss on ordinary activities before taxation (£'000)	(1,214)	1,060	6,466	1,792	1,147
Earnings per share (p)	(1.10)	0.80	3.10	0.90	0.60
Dividends per share (p)	5.00	0.67	1.00	0.50	0.50
Net assets (£'000)	18,283	34,986	38,830	35,745	37,412
NAV per share (p)	16.60	16.70	18.90	17.10	19.10

The net asset value per Kings Arms Yard VCT Share as at 30 September 2013 (being the most recent unaudited NAV per Share published by Kings Arms Yard VCT prior to the publication of this document) was 18.80p per Kings Arms Yard VCT Share.

**No significant change**

There has been no significant change in the financial or trading position of Kings Arms Yard VCT since 30 June 2013 (being the last date up to which Kings Arms Yard VCT has published interim unaudited financial information).

## Part IV: Portfolio Information

Set out below are the largest investments of each Company as at the date of this document (the values of GAV being as at 30 September 2013 for Albion Development VCT and Kings Arms Yard VCT, as at 15 November 2013 for Albion Technology & General VCT and as at 31 December 2013 for Albion Enterprise VCT, Albion Venture Capital Trust and Crown Place VCT) which have an aggregate value for each Company of at least 50 per cent. of its respective gross assets and/or where they have an individual value of greater than 5 per cent. of its respective gross assets. The following information is unaudited.

### A. Albion Development VCT

Company	Sector	Type	Cost £'000	Valuation £'000	% GAV
Blackbay Limited	IT	Equity	269	907	3.61%
Blackbay Limited	IT	Loan notes	550	681	2.71%
Radnor House School (Holdings) Limited	Education	Equity	147	669	2.66%
Radnor House School (Holdings) Limited	Education	Loan notes	587	612	2.44%
The Weybridge Club Limited	Other Leisure	Equity	456	-	0.00%
The Weybridge Club Limited	Other Leisure	Loan notes	1,064	1,188	4.73%
Peakdale Molecular Limited	Healthcare	Equity	630	743	2.96%
Peakdale Molecular Limited	Healthcare	Loan notes	278	328	1.30%
The Street by Street Solar Programme Ltd	Renewables	Equity	287	133	0.53%
The Street by Street Solar Programme Ltd	Renewables	Loan notes	574	865	3.44%
Chonais Holdings Limited	Renewables	Loan notes	917	917	3.65%
Alto Prodotto Wind Limited	Renewables	Equity	235	190	0.76%
Alto Prodotto Wind Limited	Renewables	Loan notes	470	705	2.81%
Bravo Inns II Limited	Pubs	Equity	271	269	1.07%
Bravo Inns II Limited	Pubs	Loan notes	549	560	2.23%
Lowcosttravelgroup Limited	Travel & Leisure	Equity	348	654	2.60%
Lowcosttravelgroup Limited	Travel & Leisure	Loan notes	87	164	0.65%
Mirada Medical Limited	Pharmaceuticals	Equity	80	565	2.25%

Mirada Medical Limited	Pharmaceuticals	Loan notes	160	217	0.87%
Albion Investment Properties Limited	Other Leisure	Equity	102	-	0.00%
Albion Investment Properties Limited	Other Leisure	Loan notes	827	780	3.11%
Taunton Hospital Limited	Healthcare	Equity	190	331	1.32%
Taunton Hospital Limited	Healthcare	Loan notes	386	383	1.53%
Hilson Moran Holdings Limited	Engineering	Equity	150	329	1.31%
Hilson Moran Holdings Limited	Engineering	Loan notes	259	329	1.31%
Regenerco Renewable Energy Limited	Renewables	Equity	203	41	0.16%
Regenerco Renewable Energy Limited	Renewables	Loan notes	409	612	2.44%

## B. Albion Enterprise VCT

Company	Sector	Type	Cost £'000	Valuation £'000	% GAV
Radnor House School Limited	Education	Equity	340	1,586	4.92%
Radnor House School Limited	Education	Loan Notes	1,360	1,456	4.52%
Bravo Inns II Limited	Pubs	Equity	710	705	2.19%
Bravo Inns II Limited	Pubs	Loan Notes	1,441	1,468	4.56%
Mirada Medical Limited	Healthcare	Equity	167	1,342	4.16%
Mirada Medical Limited	Healthcare	Loan Notes	222	276	0.86%
Masters Pharmaceuticals Limited	Healthcare	Equity	462	686	2.13%
Masters Pharmaceuticals Limited	Healthcare	Loan Notes	608	696	2.16%
Regenerco Renewables Energy Limited	Renewables	Equity	394	79	0.25%
Regenerco Renewables Energy Limited	Renewables	Loan Notes	801	1,195	3.71%
Alto Prodotto Limited	Renewables	Equity	333	264	0.82%
Alto Prodotto Limited	Renewables	Loan Notes	667	1,000	3.10%
Taunton Nursing Home Limited	Healthcare	Equity	330	594	1.84%
Taunton Nursing Home Limited	Healthcare	Loan Notes	670	666	2.07%
Dysis Medical Ltd	Healthcare	Equity	1,221	1,196	3.71%
TEG (Perth) Biogas Limited	Renewables	Equity	296	367	1.14%
TEG (Perth) Biogas Limited	Renewables	Loan Notes	690	722	2.24%
The Street by Street Solar Programme Limited	Renewables	Equity	287	204	0.63%
The Street by Street Solar Programme Limited	Renewables	Loan Notes	573	860	2.67%
Greenenerco Limited	Renewables	Equity	300	-	0.00%
Greenenerco Limited	Renewables	Loan Notes	700	1,000	3.10%

## C. Albion Technology & General VCT

Company	Sector	Type	Cost £'000	Valuation £'000	% GAV
Blackbay Limited	IT	Loan notes	2,013	2,175	3.39%
Blackbay Limited	IT	Equity	2,146	2,879	4.49%
Radnor House School (Holdings) Limited	Education	Loan notes	2,168	2,273	3.55%
Radnor House School (Holdings) Limited	Education	Equity	1,055	2,429	3.79%
Kensington Health Clubs Limited	Other Leisure	Loan notes	4,057	3,717	5.80%
Kensington Health Clubs Limited	Other Leisure	Equity	1,168	-	0.00%
The Weybridge Club Limited	Other Leisure	Loan notes	3,324	3,415	5.33%
The Weybridge Club Limited	Other Leisure	Equity	324	-	0.00%
Process Systems Enterprise Limited	IT	Equity	2,019	3,014	4.71%
Bravo Inns II Limited	Pubs	Loan notes	1,796	1,808	2.82%
Bravo Inns II Limited	Pubs	Equity	843	817	1.28%
Lowcosttravelgroup Limited	Travel & Leisure	Loan notes	344	370	0.58%
Lowcosttravelgroup Limited	Travel & Leisure	Equity	2,294	2,189	3.42%
The Charnwood Pub Company Limited	Pubs	Loan notes	2,653	2,253	3.52%
The Charnwood Pub Company Limited	Pubs	Equity	828	-	0.00%
Mi-Pay Limited	Business services	Loan notes	665	490	0.77%
Mi-Pay Limited	Business services	Equity	3,014	1,662	2.59%
Orchard Portman Hospital Limited	Healthcare	Loan notes	1,085	1,084	1.69%
Orchard Portman Hospital Limited	Healthcare	Equity	653	936	1.46%
AMS Sciences Limited	Life science	Loan notes	1,502	1,654	2.58%
AMS Sciences Limited	Life science	Equity	451	172	0.27%

## D. Albion Venture Capital Trust

Company	Sector	Type	Cost £'000	Valuation £'000	% GAV
Kew Green VCT (Stansted) Limited	Hotels	Equity	3,117	4,066	9.74%
Kew Green VCT (Stansted) Limited	Hotels	Loan Notes	3,606	3,736	8.95%
Oakland Care Centre Limited	Healthcare	Equity	1,080	2,127	5.10%
Oakland Care Centre Limited	Healthcare	Loan Notes	1,918	2,071	4.96%
Crown Hotel Harrogate Limited	Hotels	Equity	825	-	0.00%
Crown Hotel Harrogate Limited	Hotels	Loan Notes	3,420	3,084	7.39%
The Stanwell Hotel Limited	Hotels	Equity	1,056	-	0.00%
The Stanwell Hotel Limited	Hotels	Loan Notes	3,621	2,345	5.62%
Radnor House School Limited	Education	Equity	351	1,155	2.77%
Radnor House School Limited	Education	Loan Notes	1,030	1,059	2.54%
The Weybridge Club Limited	Other Leisure	Equity	422	-	0.00%
The Weybridge Club Limited	Other Leisure	Loan Notes	1,714	1,768	4.24%



## E. Crown Place VCT

Company	Sector	Type	Cost £'000	Valuation £'000	% GAV
Radnor House School (Holdings) Limited	Education	Equity	313	1,459	5.39%
Radnor House School (Holdings) Limited	Education	Loan notes	1,251	1,324	4.89%
Oakland Care Centre Limited	Healthcare	Equity	528	1,237	4.57%
Oakland Care Centre Limited	Healthcare	Loan notes	1,072	1,205	4.45%
ELE Advanced Technologies Limited	IT	Equity	1,050	2,183	8.06%
The Crown Hotel Harrogate Limited	Hotels	Equity	792	-	0.00%
The Crown Hotel Harrogate Limited	Hotels	Loan notes	2,184	1,923	7.10%
Kensington Health Club Limited	Other leisure	Equity	616	-	0.00%
Kensington Health Club Limited	Other leisure	Loan notes	1,173	986	3.64%
Orchard Portman Hospital Limited	Healthcare	Equity	242	444	1.64%
Orchard Portman Hospital Limited	Healthcare	Loan notes	503	502	1.85%
Lowcosttravelgroup Limited	Travel & Leisure	Equity	356	735	2.71%
Lowcosttravelgroup Limited	Travel & Leisure	Loan notes	99	175	0.64%
Blackbay Limited	IT	Equity	149	510	1.88%
Blackbay Limited	IT	Loan notes	305	387	1.43%
Kew Green (Stansted) VCT Limited	Hotels	Equity	300	180	0.66%
Kew Green (Stansted) VCT Limited	Hotels	Loan notes	655	659	2.43%

## F. Kings Arms Yard VCT

Company	Sector	Type	Cost £'000	Valuation £'000	% GAV
Elateral Holdings Limited	Business Services	Loan notes	2,244	4,436	138.50%
Oxford Immunotec Limited	Healthcare	Equity	1,524	3,743	116.86%
Atego Group Limited	IT	Loan notes	564	569	17.77%
Atego Group Limited	IT	Equity	384	2,054	64.12%
Cluster Seven Ltd	IT	Loan notes	1,476	1,761	54.99%
Cluster Seven Ltd	IT	Equity	743	502	15.66%
Sift Ltd	Media	Loan notes	390	421	13.14%
Sift Ltd	Media	Equity	2,885	942	29.41%
Hilson Moran Holdings Limited	Engineering	Loan notes	518	657	20.52%
Hilson Moran Holdings Limited	Engineering	Equity	300	658	20.55%
Chonais Holdings Limited	Renewables	Loan notes	1,306	1,306	40.76%
Alto Prodotto Wind Limited	Renewables	Loan notes	667	1,000	31.22%
Alto Prodotto Wind Limited	Renewables	Equity	333	270	8.42%
Antenova Limited	Technology	Equity	1,543	1,237	38.61%

## **Part V: General Information**

### **Section A: Albion Development VCT - General Information**

#### **1 Incorporation and administration**

- (a) Albion Development VCT was incorporated and registered in England and Wales on 21 October 1998 with limited liability as a public limited company under the Companies Act 1985 with the name Close Brothers Development VCT PLC and with registered number 03654040. The name of Close Brothers Development VCT PLC was changed to Albion Development VCT PLC by special resolution passed on 25 March 2009.
- (b) Albion Development VCT was issued with a certificate under section 117 of the Companies Act 1985 by the Registrar of Companies on 30 October 1998.
- (c) Albion Development VCT's registered office and principal place of business is at 1 King's Arms Yard, London EC2R 7AF and its telephone number is +44 (0) 20 7601 1850. Albion Development VCT is domiciled in England. Albion Development VCT does not have (and has not had since incorporation) any subsidiaries or any employees and it neither owns nor occupies any premises.
- (d) Albion Development VCT has been granted approval as a VCT under section 274 of ITA 2007 and the Albion Development VCT Directors have managed and intend to manage the affairs of Albion Development VCT in such a manner so as to comply with section 274 of ITA 2007.
- (e) A VCT is unregulated but is required to manage its affairs to obtain and maintain approval as a VCT under the provisions of section 274 of ITA 2007. Albion Development VCT operates under CA 2006 and the regulations made thereunder. Albion Development VCT is not regulated by the FCA or any other regulatory body but, as a company whose shares are admitted to the Official List, is subject to the Listing Rules and the Disclosure and Transparency Rules.
- (f) The ISIN number for the Albion Development VCT Shares is GB0004832472.

#### **2 Share capital**

- (a) As at 31 December 2010, Albion Development VCT's share capital comprised 32,439,999 Ordinary Shares and 6,335,155 D Shares of which 3,243,696 Ordinary Shares were held in treasury.
- (b) Albion Development VCT's issued share capital history since 31 December 2010 is as follows:
  - during the financial year ended 31 December 2011, Albion Development VCT issued 2,366,168 new Ordinary Shares and 17,497 new D Shares, no Ordinary Shares and no D Shares were sold out of treasury and 723,700 Ordinary Shares and no D Shares were bought back to be held in treasury. During the year there were also 982,372 Ordinary Shares no D Shares

cancelled. As at 31 December 2011, the issued share capital of Albion Development VCT comprised 33,823,775 Ordinary Shares and 6,352,652 D Shares, of which 3,467,396 Ordinary Shares and no D Shares were held in treasury;

- during the financial year ended 31 December 2012, Albion Development VCT issued 2,659,237 new Ordinary Shares and 25,324 new D Shares, no Ordinary Shares and no D Shares were sold out of treasury and no Ordinary Shares and no D Shares were bought back to be held in treasury. During the year there were also 804,832 Ordinary Shares and no D Shares cancelled. As at 31 December 2012, the issued share capital of Albion Development VCT comprised 35,648,200 Ordinary Shares and 6,377,976 D Shares, of which 3,428,000 Ordinary Shares and no D Shares were held in treasury;
  - during the financial year ended 31 December 2013, Albion Development VCT issued 2,654,966 new Ordinary Shares and 35,215 new D Shares, 341,000 Ordinary Shares and 25,625 D Shares were bought back to be held in treasury and no Ordinary Shares and no D Shares were sold out of treasury. As at 31 December 2013, the issued share capital of Albion Development VCT comprised 37,728,166 Ordinary Shares and 6,381,604 D Shares, of which 3,769,000 Ordinary Shares and 25,625 D Shares were held in treasury;
  - during the period from 31 December 2013 to 14 March 2014 (being the latest practicable date prior to the publication of this document), Albion Development VCT issued 1,113,029 new Ordinary Shares and no new D Shares and no Ordinary Shares and no D Shares were bought back to be held in treasury; and
  - as at 14 March 2014 (being the latest practicable date prior to the publication of this document), the issued share capital of Albion Development VCT comprised 38,841,195 Ordinary Shares and 6,381,604 D Shares, of which 3,769,000 Ordinary Shares and 25,625 D Shares were held in treasury.
- (c) The following authorities were granted at the annual general meeting of Albion Development VCT on 6 June 2013 by the passing of ordinary and special resolutions:
- (i) That the Directors be generally and unconditionally authorised in accordance with section 551 of the CA 2006 to allot shares in the Company up to a nominal amount of £35,678 for Ordinary shares and £6,378 for D shares, provided that this authority shall expire 18 months from the date that this resolution is passed, or, if earlier, the conclusion of the next Annual General Meeting of the Company but so that the Company may, before the expiry, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the Director may allot shares or grant rights to subscribe for or convert securities into shares pursuant to such an offer or agreement as if this authority had not expired.

- (ii) That, subject to and conditional on the passing of resolution (i) above, the Directors be empowered, pursuant to section 570 of the CA 2006, to allot equity securities (within the meaning of section 560 of the CA 2006) for cash pursuant to the authority conferred by resolution (i) above as if section 561(1) of the CA 2006 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 the Albion VCTs top up offers 2012/2013 and similar top up offers; and
  - (d) otherwise than pursuant to paragraphs (a) to (c) above, up to an aggregate nominal amount of £35,678 for Ordinary shares and £6,378 for D Shares.

provided that this authority shall expire 18 months from the date that this resolution is passed, or, if earlier, the conclusion of the next annual general meeting of the Company, 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.

- (iii) That the Company be generally and unconditionally authorised to make market purchases (within the meaning of Section 693(4) of the CA 2006) of Ordinary shares and D shares of 1 penny each in the capital of the Company, 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 CA 2006, provided that:
- (a) the maximum number of shares hereby authorised to be purchased is 5,348,162 Ordinary shares and 956,058 D shares, equal to 14.99 per cent. of the shares in issue;
  - (b) the minimum price, exclusive of any expenses, which may be paid for an Ordinary share or a D share is 1 penny;

- (c) the maximum price, exclusive of any expenses, which may be paid for each Ordinary or D 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 6 December 2014, whichever is earlier; and
- (e) the Company may make a contract or contracts to purchase Ordinary or D 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 and D 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 (iii) is intended to apply equally to shares to be held by the Company as treasury shares in accordance with the Regulations.

- (iv) That the Directors be empowered to sell treasury shares at the higher of the prevailing current share price and the price bought in at.
- (d) Assuming a NAV per Albion Development VCT Share of 72.90p (being the unaudited NAV per Albion Development VCT Share as at 30 September 2013) for the purposes of the Pricing Formula and that the Albion Development VCT Offer is fully subscribed, immediately following the Albion Development VCT Offer the issued share capital of Albion Development VCT will be 47,698,198 Albion Development VCT Ordinary Shares and 6,381,604 D Shares (excluding 3,769,000 Albion Development VCT Ordinary Shares and 25,625 D Shares held in treasury).

### **3 Directors' and other interests**

- (a) As at 14 March 2014 (being the last practicable date prior to publication of this document), Albion Development VCT was not aware of any person who, directly or indirectly, has an interest in Albion Development VCT's capital or voting rights which is notifiable under UK law.
- (b) As at 14 March 2014 (being the latest practicable date before the publication of this document) the holdings of Albion Development VCT Shares of the Albion Development VCT Directors (including any nominee holdings and holdings of connected persons) were as follows:

<b>Director</b>	<b>No. of Albion Development VCT Ordinary Shares</b>	<b>No. of Albion Development VCT D Shares</b>	<b>% of issued Albion Development VCT voting Share capital</b>
Patrick Reeve	63,647	40,849	0.252%
Dr Andrew Phillipps	137,606	25,625	0.394%
Jonathan Thornton	90,595	10,400	0.244%
Geoffrey Vero	25,820	10,400	0.087%

- (c) Albion Development VCT Directors may act as directors of companies in which Albion Development VCT invests and receive and retain fees in that capacity.
- (d) None of the Albion Development VCT Directors has a service contract with Albion Development VCT, and no such contract is proposed. However, Albion Development VCT has entered into letters of appointment with each of the Albion Development VCT Directors under the terms of which the Albion Development VCT chairman is entitled to annual remuneration of £20,500 and the other Albion Development VCT Directors (other than Patrick Reeve) are entitled to annual remuneration of £20,500 each respectively. No Albion Development VCT Director has a notice period in excess of three months. Albion Development VCT Directors may be removed from office under the terms of Albion Development VCT's articles of association or may resign from office, in each case, with immediate effect at any time.

It is estimated that the aggregate amount payable to the Albion Development VCT Directors by Albion Development VCT for the financial period ending on 31 December 2014 under the arrangements in force at the date of this document will not exceed £61,500 (plus payments in relation to out-of-pocket expenses). For the year ended 31 December 2013, Geoffrey Vero received £20,500, Jonathan Thornton received £20,500, David Pinckney (who resigned on 6 June 2013) received £9,000 and Andrew Phillipps received £20,500. The Albion Development VCT Directors receive no other benefits in addition to their fees detailed above.

- (e) No loan or guarantee has been granted or provided by Albion Development VCT to or for the benefit of any Albion Development VCT Director.
- (f) None of the Albion Development VCT Directors nor any member of their respective immediate families has, or has had, an interest in any transaction or transactions which are or were unusual in their nature or conditions or significant to the business of Albion Development VCT and which were effected by Albion Development VCT during the current or immediately preceding financial year or during an earlier financial year and remaining in any respect outstanding or unperformed.



- (g) Albion Development VCT has taken out directors' and officers' liability insurance for the benefit of the Albion Development VCT Directors, which is renewable on an annual basis.
- (h) No Albion Development VCT Director is, or has been, interested in any transaction which is, or was, unusual in its nature or conditions or significant to the business of Albion Development VCT and which was effected by Albion Development VCT in the period since its incorporation and remains in any respect outstanding or unperformed.
- (i) None of the Albion Development VCT Directors have any convictions in relation to fraudulent offences during the previous five years.
- (j) Save for those companies which have an asterisk alongside their name in Part I above (which were voluntarily struck off the Register of Companies at Companies House) and as set out below, there were no bankruptcies, receiverships or liquidations of any companies or partnerships where any of the Albion Development VCT Directors were acting as (i) a member of the administrative, management or supervisory body, (ii) a partner with unlimited liability, in the case of a limited partnership with a share capital, (iii) a founder where the company had been established for fewer than five years or (iv) a senior manager during the previous five years:
- Patrick Reeve is a director of Albion Income & Growth VCT PLC which was placed in members' voluntary liquidation on 15 November 2012 pursuant to a merger with Albion Technology & General VCT.
  - Patrick Reeve is a director of Albion Prime VCT PLC which was placed in members' voluntary liquidation on 25 September 2012 pursuant to a merger with Albion Venture Capital Trust.
  - Patrick Reeve is also a director of Evolutions Group Limited which was placed into members' voluntary liquidation on 20 December 2011. As at the date of the latest filed liquidator's progress report there were no secured or preferential creditors, £27,667.90 has been paid to unsecured creditors and £3,757,521.60 had been distributed to shareholders (constituting a total return on capital of 1.45 pence per £1 ordinary share).
  - Patrick Reeve was also a director of Vealnamco (123) Limited until 1 July 2009. The company subsequently was placed into administration on 18 May 2010 and moved from administration to creditors' voluntary liquidation on 6 May 2011. As at the date of the latest filed liquidator's progress report a first and final payment of £163,045 had been made to the only secured creditor to satisfy the outstanding balance of £580,714.05. Also as at the date of the latest filed liquidator's progress report, the liquidator has accepted one claim from an unsecured creditor amounting to £83,308.42 of which a distribution of £2,500 has been made. It is anticipated that a second and final distribution will be made to the unsecured creditor shortly.



- (k) There have been no official public incriminations of and/or sanctions on any Albion Development VCT Director by statutory or regulatory authorities (including designated professional bodies) and no Albion Development VCT Director has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the previous five years.

#### **4 Material contracts**

Save as disclosed in this paragraph, Albion Development VCT has not entered, other than in the ordinary course of business, into any contract which is or may be material to Albion Development VCT within the two years immediately preceding the publication of this document or into any contract which contains any provision under which Albion Development VCT has any obligation or entitlement which is material to Albion Development VCT as at the date of this document:

- (a) A Management Agreement dated 10 December 1998 (as novated, amended and supplemented) pursuant to which the Manager provides discretionary investment management and remuneration services to Albion Development VCT.

Under the Management Agreement, the Manager is paid an annual management fee equal to 2.25 per cent of Albion Development VCT's net assets which is paid quarterly in arrears.

The total annual running costs of the Company, including fees payable to the Manager, Directors' fees, professional fees and the costs incurred by the Company in the ordinary course of business (but excluding any exceptional items and performance fees payable by the Manager) are capped at an amount equal to 3.5 per cent of the Company's net assets, with any excess being met by the Manager by way of a reduction in management fees.

The Manager is, in addition, entitled to performance fee. No performance fee is payable to the Manager until the total return exceeds 6.5 pence per Albion Development VCT Share per annum from a base on 1 January 2007 of 98.7 pence for the Albion Development VCT Ordinary Shares and 100 pence for the Albion Development VCT D Shares from the date of first admission of those shares. If the target return is not achieved in a period, the cumulative shortfall is carried forward to the next accounting period and has to be made up before an incentive fee becomes payable. To the extent that the total return exceeds the threshold over the relevant period, a performance fee will be paid to the Manager of an amount equal to 20 per cent. of the excess.

The Management Agreement is terminable by either party by one year's prior written notice, subject to earlier termination by either party in the event of, inter alia, either party committing a material breach of the Management Agreement and failing to rectify the same within 45 days of being requested to do so or if Albion Development VCT fails to become or ceases to be a venture capital trust for tax purposes or if the Manager shall cease to be lawfully able to carry out its obligations under the Management Agreement.

If terminated by Albion Development VCT without due cause or on less than requisite notice, the Manager shall be entitled to receive an amount representing the fees which would have been payable during the period for which notice shall not have been given, calculated by reference to the previous quarterly payments.

The Management Agreement will terminate automatically without compensation, if either party enters into liquidation or has a receiver or administrator appointed over it or its assets, if the Manager ceases to be permitted to act as manager, if the Manager commits an act of fraud or upon the passing of a resolution for the voluntary liquidation, reconstruction or reorganisation of Albion Development VCT as provided under Albion Development VCT's Articles of Association.

The Management Agreement contains provisions indemnifying the Manager against any liability not due to its default, negligence, fraud, breach of FSMA or the rules of the FCA.

In line with common practice in the VCT sector, the Manager is entitled to an arrangement fee, payable by each Investee Company, of approximately 2 per cent on each investment made and is entitled to any non-executive director fees in respect of the Manager's representation on the boards of Investee Companies.

For the purposes of calculating the fees paid to the Manager, the values of the investments are calculated in accordance with Albion Development VCT normal accounting policies, with any disputes being referred to Albion Development VCT's auditors.

The annual management fees will be charged as to 75 per cent against capital reserves for accounting purposes, with the balance and all other expenses being charged against revenue. Any performance fees payable to the Manager will be allocated between capital and revenue reserves on a basis to be determined by the Board.

- (b) A letter from the Manager to RAM dated 14 March 2014 (the "**RAM Appointment Letter**"), whereby RAM was appointed to act as promoter to the Companies in connection with any proposed public offerings. The appointment is for the period 17 March 2014 to 30 September 2014 and may be terminated earlier by one party in the event of a material breach of its obligations by the other. In consideration of RAM performing its role as promoter to the Companies under this letter, RAM will receive from the Manager a commission of 1.5 per cent. on the first £0.6 million of gross funds, a fee of 2.0 per cent. on funds raised in excess of £0.6 million and £5.6 million and a fee of 1 per cent. for any funds raised in excess of £5.6 million.
- (c) An offer agreement dated 19 March 2014 between the Companies, the Directors, the Manager and Howard Kennedy Corporate Services LLP (the "**Sponsor**"), under which the Sponsor has agreed to act as sponsor to the Offers (the "**Offer Agreement**"). The Companies and the Manager have given customary representations, warranties and indemnities to the Sponsor. The Sponsor may terminate the Offer Agreement at any time prior to Admission if, amongst others, it becomes aware of any material breach of warranty prior to Admission or if any statement contained in the Prospectus is or has become untrue, inaccurate or misleading in any material and adverse respect. The Offer Agreement provides that if

any director suffers or incurs any liability arising from the responsibility statement contained in the Securities Note and/or this document, and such liability arises solely as a result of negligence on the part of another director or relates to a Company of which the innocent director is not a director, then such negligent director is to indemnify the innocent director against all costs, charges, claims and liabilities suffered or incurred. Under the Offer Agreement, each Company has agreed to pay the Manager a fee of an amount equal to 3 per cent. of the gross proceeds of the Offers received by the Company out of which the Manager will bear all of the costs of the Offers as described in paragraph 6(c) below.

- (d) An allocation of investments agreement dated 8 December 2010 (as supplemented by a side letter dated 6 June 2013) (the "**Allocation Agreement**") between the Manager and the Companies, pursuant to which the parties have agreed how the allocation of investment opportunities will be regulated. This agreement provides that where more than one Company wishes to invest in an investee company, the allocation shall be made in accordance with the ratio of funds available for investment, save that (i) where a Company has less than 75 per cent of its holdings being qualifying, such weighting shall be increased to 1.5 times or (ii) where a Company is in the process of disposing an investment, such expected funds shall have a weighting reduced to 0.5 times.
- (e) A letter of engagement dated 7 March 2014 between the Companies and Howard Kennedy Corporate Services LLP (the "**Engagement Letter**") pursuant to which Howard Kennedy Corporate Services LLP will act as sponsor to the Companies for the purposes of the Offers. The engagement may be terminated at any time by either party on giving reasonable written notice to the other.
- (f) An agreement between the Companies and the Manager dated 19 March 2014 (the "**Trust Agreement**") pursuant to which Albion Venture Capital Trust has agreed to hold the subscription monies received under the Offers as trustee for itself and the other Companies until Shares are allotted by the Companies, following which funds will be distributed to the relevant Companies.

## **5 Dividend policy**

The current annual dividend target of Albion Development VCT is 5p per Albion Development VCT Ordinary Share and 5p per D Share, but this cannot be guaranteed.

## **6 Miscellaneous**

- (a) There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on Albion Development VCT's prospects for at least the current financial year. There have been no important events, so far as Albion Development VCT and the Albion Development VCT Directors are aware, relating to the development of Albion Development VCT or its business.
- (b) RAM Capital Partners is the promoter of the Offers. Save as disclosed in paragraph 4(b) above, no amount of cash, securities or benefits has been paid, issued or given to the Promoter in relation to the Offers and none is intended to be given.

- (c) The costs of Albion Development VCT's Offer, including irrecoverable VAT and permissible annual trail commission, will be paid by the Manager out of its fee of 3.0 per cent. of the gross proceeds of the Offer. The Manager has agreed to meet any permissible annual trail commission payments and pay the expenses of the Offer. If the maximum of £3,500,000 is raised for Albion Development VCT, the net proceeds of the Albion Development VCT Offer will amount to approximately £3,395,000. The issue premium on an Albion Development VCT Share will be the difference between the issue price of the Albion Development VCT Shares under the Albion Development VCT Offer and the nominal value of an Albion Development VCT Share of £0.01.
- (d) Albion Development VCT does not have any major Shareholders and no Shareholders of Albion Development VCT have different voting rights. To the best of the knowledge and belief of the Albion Development VCT Directors, Albion Development VCT is not directly controlled by any other party and, as at 14 March 2014 (being the latest practicable date prior to the publication of this document) there are no arrangements in place that may, at a subsequent date, result in a change of control of Albion Development VCT.
- (e) There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Albion Development VCT is aware), during the previous 12 months which may have, or have had in the recent past, significant effects on Albion Development VCT's financial position or profitability.
- (f) The typical investor for whom investment in Albion Development VCT is designed is an individual retail investor aged 18 or over who is a UK tax payer and who already has a portfolio of VCT and non-VCT investments (such as unit trusts, OEICs, investment trusts and direct shareholdings in listed and non-listed companies).
- (g) None of Albion Development VCT's capital is under option, nor are there any conditional or unconditional agreements for any part of Albion Development VCT's capital to be put under option.
- (h) Albion Development VCT Shareholders will be informed by means of the interim and/or annual report or through a public announcement if the investment restrictions which apply to Albion Development VCT as a VCT (as detailed in this document) are breached.
- (i) There were no related party transactions for Albion Development VCT undertaken during the financial periods covered by the historical financial information referred to in Part III of this document which required disclosure and the Company has not entered into any related party transactions between 30 June 2013 and the date of this document.
- (j) Applications will be made for the admission of the Albion Development VCT Shares to be issued under the Albion Development VCT Offer to the premium segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange. The Albion Development VCT Shares shall be in registered form and may be in either certificated or uncertificated form. Albion Development VCT Shares in uncertificated form will be credited to CREST accounts.

- (k) Albion Development VCT is subject to the investment restrictions relating to a venture capital trust in ITA 2007 (a summary of which is set out in paragraph 5 of Section G of this Part V). In addition, for so long as the Albion Development VCT Shares are admitted to the Official List, Albion Development VCT is required to abide by applicable Listing Rules including the following:
- (i) Albion Development VCT will at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy;
  - (ii) Albion Development VCT will not conduct any trading activity which is significant in the context of Albion Development VCT (or, if applicable, its group as a whole); and
  - (iii) not more than 10 per cent. in aggregate of the value of the total assets of Albion Development VCT at the time the investment is made will be invested in other closed-ended investment funds which are listed on the Official List unless those investment funds have stated investment policies to invest no more than 15 per cent. of their total assets in other investment companies which are listed on the Official List.

## **Section B: Albion Enterprise VCT PLC - General Information**

### **1 Incorporation and administration**

- (a) Albion Enterprise VCT was incorporated and registered in England and Wales on 7 November 2006 with limited liability as a public limited company under the Companies Act 1985 with the name Close Enterprise VCT PLC and with registered number 05990732. The name Close Enterprise VCT PLC was changed to Albion Enterprise VCT PLC by special resolution passed on 23 March 2009.
- (b) Albion Enterprise VCT was issued with a certificate under section 117 of the Companies Act 1985 by the Registrar of Companies on 28 November 2006.
- (c) Albion Enterprise VCT's registered office and principal place of business is at 1 King's Arms Yard, London EC2R 7AF, with telephone number +44 (0) 20 7601 1850.
- (d) Albion Enterprise VCT is domiciled in England. Albion Enterprise VCT does not have (and has not had since incorporation) any subsidiaries, subsidiary undertakings or any employees and it neither owns nor occupies any premises.
- (e) Albion Enterprise VCT has been granted approval as a VCT under section 274 of ITA 2007 and the Albion Enterprise VCT Directors have managed and intend to manage the affairs of Albion Enterprise VCT in such a manner so as to comply with section 274 of ITA 2007.
- (f) A VCT is unregulated but is required to manage its affairs to obtain and maintain approval as a VCT under the provisions of section 274 of ITA 2007. Albion Enterprise VCT operates under CA 2006 and the regulations made thereunder. Albion Enterprise VCT is not regulated by the FCA or any other regulatory body but, as a company whose shares are admitted to the Official List, is subject to the Listing Rules and the Disclosure and Transparency Rules.
- (g) The ISIN number for the Albion Enterprise VCT Shares is GB00B1G3LR35.

### **2 Share capital**

- (a) As at 31 March 2010, Albion Enterprise VCT's share capital comprised 30,377,492 Shares of which 54,967 Shares were held in treasury.
- (b) The Company's issued share capital history since 31 March 2010 is as follows:
  - during the financial year ended 31 March 2011, Albion Enterprise VCT issued 1,495,755 new Albion Enterprise VCT Shares, no Albion Enterprise VCT Shares were sold out of treasury and 219,043 Albion Enterprise VCT Shares were bought back to be held in treasury. As at 31 March 2011, the issued share capital of Albion Enterprise VCT comprised 31,873,247 Albion Enterprise VCT Shares, of which 274,010 Albion Enterprise VCT Shares were held in treasury;



- during the financial year ended 31 March 2012, Albion Enterprise VCT issued 1,532,599 new Albion Enterprise VCT Shares, no Albion Enterprise VCT Shares were sold out of treasury and 199,000 Albion Enterprise VCT Shares were bought back to be held in treasury. As at 31 March 2012, the issued share capital of Albion Enterprise VCT comprised 33,405,846 Albion Enterprise VCT Shares, of which 473,000 Albion Enterprise VCT Shares were held in treasury;
  - during the financial year ended 31 March 2013, Albion Enterprise VCT issued 1,246,032 new Albion Enterprise VCT Shares, no Albion Enterprise VCT Shares were sold out of treasury and 2,182,666 Albion Enterprise VCT Shares were bought back to be held in treasury. During the year, there were also 196,484 Albion Enterprise VCT Shares cancelled. As at 31 March 2013, the issued share capital of Albion Enterprise VCT comprised 34,458,394 Albion Enterprise VCT Shares, of which 2,599,255 Albion Enterprise VCT Shares were held in treasury;
  - during the period from 31 March 2013 to 14 March 2014 (this being the latest practicable date prior to the publication of this document) Albion Enterprise VCT issued 3,059,247 new Albion Enterprise VCT Shares, no Albion Enterprise VCT Shares were sold out of treasury and 1,683,000 Albion Enterprise VCT Shares were bought back to be held in treasury. During this period, 693,255 Albion Enterprise VCT Shares were cancelled; and
  - as at 14 March 2014, the issued share capital of Albion Enterprise VCT comprised 36,824,386 Albion Enterprise VCT Shares, of which 3,680,000 Albion Enterprise VCT Shares were held in treasury.
- (c) The following authorities were granted at the annual general meeting of Albion Enterprise VCT on 14 August 2013 by the passing of ordinary and special resolutions:
- (i) That the Directors be generally and unconditionally authorised in accordance with section 551 of the CA 2006 to allot Ordinary shares of nominal value 1 penny per share in the Company up to an aggregate nominal amount of £36,339 (which comprises 10 per cent. of the Company's Ordinary shares) provided that this authority shall expire 18 months from the date that this resolution is passed, or, if earlier, the conclusion of the next Annual General Meeting of the Company, but so that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or convert securities into shares pursuant to such an offer or agreement as if this authority had not expired.
  - (ii) That, subject to and conditional on the passing of resolution (i) above, the Directors be empowered, pursuant to section 570 of the CA 2006, to allot equity securities (within the meaning of section 560 of the CA 2006) for cash pursuant to the authority conferred by resolution (i) above as if section 561(1)

of the CA 2006 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) pursuant to any dividend reinvestment scheme introduced or operated by the Company; and
- (c) otherwise than pursuant to sub-paragraphs (a) to (b) above, up to an aggregate nominal amount of £36,339 (equal to 10 per cent. of the Ordinary share capital).

This authority shall expire 18 months from the date that this resolution is passed, or, if earlier, the conclusion of the next Annual General Meeting of the Company, 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.

“Rights issue” means an offer of equity securities to holders of shares in the capital of the Company on the register on a record date fixed by the Directors in proportion as nearly as may be to the respective numbers of Ordinary shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with any treasury shares, 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 or any other matter.

- (iii) That the Company be generally and unconditionally authorised to make market purchases (within the meaning of Section 693(4) of the CA 2006) 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 CA 2006, provided that:
  - (a) the maximum aggregate number of shares hereby authorised to be purchased is 14.99 per cent. of the Ordinary share capital of the Company as at the date of the passing of this resolution;
  - (b) the minimum price which may be paid for a share be 1 penny (exclusive of expenses);
  - (c) the maximum price (exclusive of expenses) which may be paid for a share shall be an amount being not more than the higher of (i) 105 per cent. of the average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange), for the shares for the five business days immediately preceding the day of purchase; and (ii) the higher of the price of the last independent trade and the highest current independent bid relating to a share on the trading venue where the purchase is carried out; and



- (d) unless previously varied, revoked or renewed, the authority hereby conferred shall expire 18 months from the date that this resolution is passed or, if earlier, at the conclusion of the annual general meeting of the Company to be held after the passing of this resolution, save that the Company may, at any time prior to such expiry, enter into a contract or contracts to purchase shares under such authority which would or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of shares pursuant to any such contract or contracts as if the authority conferred hereby had not expired.

Under section 724-732 of the CA 2006, 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 (iii) is intended to apply equally to shares to be held by the Company as treasury shares in accordance with the Regulations.

- (iv) That the Directors be empowered to sell treasury shares at the higher of the prevailing current share price and the price at which they were bought in at.
- (d) Assuming a NAV per Albion Enterprise VCT Share of 95.5p (being the unaudited NAV per Albion Enterprise VCT Share as at 31 December 2013 as adjusted for the dividend of 2.5p per Albion Enterprise VCT Share paid on 28 February 2014), for the purposes of the Pricing Formula and that the Albion Enterprise VCT Offer is fully subscribed, immediately following the Albion Enterprise VCT Offer the issued share capital of Albion Enterprise VCT will be 35,599,623 Albion Enterprise VCT Shares (excluding 3,680,000 Albion Enterprise VCT Shares held in treasury).

### 3 Directors' and other interests

- (a) As at 14 March 2014 (being the latest practicable date prior to publication of this document), Albion Enterprise VCT was not aware of any person who, directly or indirectly, has an interest in Albion Enterprise VCT's capital or voting rights which is notifiable under UK law.
- (b) As at 14 March 2014 (being the latest practicable date before the publication of this document) the holdings of Albion Enterprise VCT Shares of the Albion Enterprise VCT Directors (including nominee holdings and holdings of connected persons) were as follows:

<b>Director</b>	<b>Albion Enterprise VCT No. of Shares</b>	<b>% of issued Albion Enterprise VCT voting Share capital</b>
Patrick Reeve	61,938	0.187%
Lord Anthony St John of Bletso	20,700	0.062%

Maxwell Packe	260,116	0.785%
Lady Balfour of Burleigh	26,548	0.080%

- (c) Albion Enterprise VCT Directors may act as directors of companies in which Albion Enterprise VCT invests and receive and retain fees in that capacity.
- (d) None of the Albion Enterprise VCT Directors has a service contract with Albion Enterprise VCT, and no such contract is proposed. However, Albion Enterprise VCT has entered into letters of appointment with each of the Albion Enterprise VCT Directors under the terms of which the Albion Enterprise VCT chairman is entitled to annual remuneration of £20,000 and the other Albion Enterprise VCT Directors (other than Patrick Reeve) are entitled to annual remuneration of £18,000 each respectively. No Albion Enterprise VCT Director has a notice period in excess of three months. Albion Enterprise VCT Directors may be removed from office under the terms of Albion Enterprise VCT's articles of association or may resign from office, in each case, with immediate effect at any time.

It is estimated that the aggregate amount payable to the Albion Enterprise VCT Directors by Albion Enterprise VCT for the financial period ending on 31 March 2014 under the arrangements in force at the date of this document will not exceed £74,000 (plus payments in relation to out-of-pocket expenses). For the financial year ended 31 March 2013, Maxwell Packe received £20,000, Lord Anthony St John of Bletso received £18,000, Lady Balfour of Burleigh received £18,000 and Albion Ventures LLP received £18,000 (for Patrick Reeve's services). The Albion Enterprise VCT Directors receive no other remuneration benefits in addition to their fees detailed above.

- (e) No loan or guarantee has been granted or provided by Albion Enterprise VCT to or for the benefit of any Albion Enterprise VCT Director.
- (f) None of the Albion Enterprise VCT Directors nor any member of their respective immediate families has, or has had, an interest in any transaction or transactions which are or were unusual in their nature or conditions or significant to the business of Albion Enterprise VCT and which were effected by Albion Enterprise VCT during the current or immediately preceding financial year or during an earlier financial year and remaining in any respect outstanding or unperformed.
- (g) Albion Enterprise VCT has taken out directors' and officers' liability insurance for the benefit of the Albion Enterprise VCT Directors, which is renewable on an annual basis.
- (h) No Albion Enterprise VCT Director is, or has been, interested in any transaction which is, or was, unusual in its nature or conditions or significant to the business of Albion Enterprise VCT and which was effected by Albion Enterprise VCT in the period since its incorporation and remains in any respect outstanding or unperformed.

- (i) None of the Albion Enterprise VCT Directors have any convictions in relation to fraudulent offences during the previous five years.
- (j) Save for those companies which have an asterisk alongside their name in Part I above (which were voluntarily struck off the Register of Companies at Companies House) and as set out below, there were no bankruptcies, receiverships or liquidations of any companies or partnerships where any of the Albion Enterprise VCT Directors were acting as (i) a member of the administrative, management or supervisory body, (ii) a partner with unlimited liability, in the case of a limited partnership with a share capital, (iii) a founder where the company had been established for fewer than five years or (iv) a senior manager during the previous five years:
- Patrick Reeve is a director of Albion Income & Growth VCT PLC which was placed in members' voluntary liquidation on 15 November 2012 pursuant to a merger with Albion Technology & General VCT.
  - Patrick Reeve is a director of Albion Prime VCT PLC which was placed in members' voluntary liquidation on 25 September 2012 pursuant to a merger with Albion Venture Capital Trust.
  - Patrick Reeve is also a director of Evolutions Group Limited which was placed into members' voluntary liquidation on 20 December 2011. As at the date of the latest filed liquidator's progress report there were no secured or preferential creditors, £27,667.90 has been paid to unsecured creditors and £3,757,521.60 had been distributed to shareholders (constituting a total return on capital of 1.45 pence per £1 ordinary share).
  - Patrick Reeve was also a director of Vealnamco (123) Limited until 1 July 2009. The company subsequently was placed into administration on 18 May 2010 and moved from administration to creditors' voluntary liquidation on 6 May 2011. As at the date of the latest filed liquidator's progress report a first and final payment of £163,045 had been made to the only secured creditor to satisfy the outstanding balance of £580,714.05. Also as at the date of the latest filed liquidator's progress report, the liquidator has accepted one claim from an unsecured creditor amounting to £83,308.42 of which a distribution of £2,500 has been made. It is anticipated that a second and final distribution will be made to the unsecured creditor shortly.
  - Maxwell Packe is a director of Vealnamco (123) Limited which is in liquidation. The company was placed into administration on 18 May 2010 and moved from administration to creditors' voluntary liquidation on 6 May 2011. As at the date of the latest filed liquidator's progress report a first and final payment of £163,045 had been made to the only secured creditor to satisfy the outstanding balance of £580,714.05. Also as at the date of the latest filed liquidator's progress report, the liquidator has accepted one claim from an unsecured creditor amounting to £83,308.42 of which a distribution of £2,500 has been made. It is anticipated that a second and final distribution will be made to the unsecured creditor shortly.

- Maxwell Packe was also a non-executive chairman of Vibrant Energy Surveys Limited which was in liquidation. The company was placed into administration on 15 July 2009 and moved from administration to creditors' voluntary liquidation on 9 July 2010. The company was eventually dissolved on 7 December 2012. As at the date of the last filed liquidators' progress report, the claims of 21 unsecured creditors had been agreed on claims totalling £589,215.52. A first and final dividend of 10.06p in the pound was paid to unsecured creditors from the prescribed part.
- (k) There have been no official public incriminations of and/or sanctions on any Albion Enterprise VCT Director by statutory or regulatory authorities (including designated professional bodies) and no Albion Enterprise VCT Director has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the previous five years.

#### **4 Material contracts**

Save as disclosed in this paragraph, Albion Enterprise VCT has not entered, other than in the ordinary course of business, into any contract which is or may be material to Albion Enterprise VCT within the two years immediately preceding the publication of this document or into any contract which contains any provision under which Albion Enterprise VCT has any obligation or entitlement which is material to Albion Enterprise VCT as at the date of this document:

- (a) A Management Agreement dated 8 December 2006 (as novated, amended and supplemented) pursuant to which the Manager provides discretionary investment management and remuneration services to Albion Enterprise VCT.

Under the Management Agreement, the Manager is paid an annual management fee equal to 2.5 per cent. of Albion Enterprise VCT's net assets which is paid quarterly in arrears.

The total annual running costs of the Company, including fees payable to the Manager, Directors' fees, professional fees and the costs incurred by the Company in the ordinary course of business (but excluding any exceptional items and performance fees payable by the Manager) are capped at an amount equal to 3.5 per cent. of the Company's net assets, with any excess being met by the Manager by way of a reduction in management fees.

The Manager is, in addition, entitled to a performance fee. No performance fee is payable to the Manager until the total return exceeds base rate plus 2 per cent. per annum per Share from the original subscription price of £1. If the target return is not achieved in a period, the cumulative shortfall is carried forward to the next accounting period and has to be made up before an incentive fee becomes payable. To the extent that the total return exceeds the threshold over the relevant period, a performance fee will be paid to the Manager of an amount equal to 20 per cent. of the excess.

The Management Agreement is terminable by either party by one year's prior written notice, subject to earlier termination by either party in the event of, inter alia, either party committing a material breach of the Management Agreement and failing to rectify the same within 45 days of being requested to do so or if Albion Enterprise VCT fails to become or ceases to be a venture capital trust for tax purposes or if the Manager shall cease to be lawfully able to carry out its obligations under the Management Agreement.

If terminated by Albion Enterprise VCT without due cause or on less than requisite notice, the Manager shall be entitled to receive an amount representing the fees which would have been payable during the period for which notice shall not have been given, calculated by reference to the previous quarterly payments.

The Management Agreement will terminate automatically without compensation, if either party enters into liquidation or has a receiver or administrator appointed over it or its assets, if the Manager ceases to be permitted to act as manager, if the Manager commits an act of fraud or upon the passing of a resolution for the voluntary liquidation, reconstruction or reorganisation of Albion Enterprise VCT as provided under Albion Enterprise VCT's Articles of Association.

The Management Agreement contains provisions indemnifying the Manager against any liability not due to its default, negligence, fraud, breach of FSMA or the rules of the FCA.

In line with common practice in the VCT sector, the Manager is entitled to an arrangement fee, payable by each Investee Company, of approximately 2 per cent on each investment made and is entitled to any non-executive director fees in respect of the Manager's representation on the boards of Investee Companies.

For the purposes of calculating the fees paid to the Manager, the values of the investments are calculated in accordance with Albion Enterprise VCT's normal accounting policies, with any disputes being referred to Albion Enterprise VCT's auditors.

The annual management fees will be charged as to 75 per cent against capital reserves for accounting purposes, with the balance and all other expenses being charged against revenue. Any performance fees payable to the Manager will be allocated between capital and revenue reserves on a basis to be determined by the Board.

- (b) The RAM Appointment Letter referred to in paragraph 4(b) of Section A above.
- (c) The Offer Agreement referred to in paragraph 4(c) of Section A above.
- (d) The Allocation Agreement referred to in paragraph 4(d) of Section A above.
- (e) The Engagement Letter referred to in paragraph 4(e) Section A above.
- (f) The Trust Agreement referred to in paragraph 4(f) of Section A above.

## **5 Dividend policy**

The current annual dividend target of Albion Enterprise VCT is 5p per Albion Enterprise VCT Share, but this cannot be guaranteed.

## **6 Miscellaneous**

- (a) There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on Albion Enterprise VCT's prospects for at least the current financial year. There have been no important events, so far as Albion Enterprise VCT and the Albion Enterprise VCT Directors are aware, relating to the development of Albion Enterprise VCT or its business.
- (b) RAM Capital Partners is the promoter of the Offers. Save as disclosed in paragraph 4(B) of Section A above, no amount of cash, securities or benefits has been paid, issued or given to the Promoter in relation to the Offers and none is intended to be given.
- (c) The costs of Albion Enterprise VCT's Offer, including irrecoverable VAT and permissible annual trail commission, will be paid by the Manager out of its fee of 3.0 per cent. of the gross proceeds of the Offer. The Manager has agreed to meet any permissible annual trail commission payments and pay the expenses of the Offer. If the maximum of £1,900,000 is raised for Albion Enterprise VCT, the net proceeds of the Albion Enterprise VCT Offer will amount to approximately £1,843,000. The issue premium on an Albion Enterprise VCT Share will be the difference between the issue price of the Albion Enterprise VCT Shares under the Albion Enterprise VCT Offer and the nominal value of an Albion Enterprise VCT Share of £0.01.
- (d) Albion Enterprise VCT does not have any major Shareholders and no Shareholders of Albion Enterprise VCT have different voting rights. To the best of the knowledge and belief of the Albion Enterprise VCT Directors, Albion Enterprise VCT is not directly controlled by any other party and, as at 14 March 2014 (being the latest practicable date prior to the publication of this document) there are no arrangements in place that may, at a subsequent date, result in a change of control of Albion Enterprise VCT.
- (e) There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Albion Enterprise VCT is aware), during the previous 12 months which may have, or have had in the recent past, significant effects on Albion Enterprise VCT's financial position or profitability.
- (f) The typical investor for whom investment in Albion Enterprise VCT is designed is an individual retail investor aged 18 or over who is a UK tax payer and who already has a portfolio of VCT and non-VCT investments (such as unit trusts, OEICs, investment trusts and direct shareholdings in listed and non-listed companies).
- (g) None of Albion Enterprise VCT's capital is under option, nor are there any conditional or unconditional agreements for any part of Albion Enterprise VCT's capital to be put under option.



- (h) Albion Enterprise VCT Shareholders will be informed by means of the interim and/or annual report or through a public announcement if the investment restrictions which apply to Albion Enterprise VCT as a VCT (as detailed in this document) are breached.
- (i) There were no related party transactions for Albion Enterprise VCT undertaken during the financial periods covered by the historical financial information referred to in Part III of this document which required disclosure and the Company has not entered into any related party transactions between 30 September 2013 and the date of this document.
- (j) Applications will be made for the admission of the Albion Enterprise VCT Shares to be issued under the Albion Enterprise VCT Offer to the premium segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange. The Albion Enterprise VCT Shares shall be in registered form and may be in either certificated or uncertificated form. Albion Enterprise VCT Shares in uncertificated form will be credited to CREST accounts.
- (k) Albion Enterprise VCT is subject to the investment restrictions relating to a venture capital trust in ITA 2007 (a summary of which is set out in paragraph 5 of Section G of this Part V). In addition, for so long as the Albion Enterprise VCT Shares are admitted to the Official List, Albion Enterprise VCT is required to abide by applicable Listing Rules including the following:
  - (i) Albion Enterprise VCT will at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy;
  - (ii) Albion Enterprise VCT will not conduct any trading activity which is significant in the context of Albion Enterprise VCT (or, if applicable, its group as a whole); and
  - (iii) not more than 10 per cent. in aggregate of the value of the total assets of Albion Enterprise VCT at the time the investment is made will be invested in other closed-ended investment funds which are listed on the Official List unless those investment funds have stated investment policies to invest no more than 15 per cent. of their total assets in other investment companies which are listed on the Official List.

## **Section C: Albion Technology & General VCT - General Information**

### **1 Incorporation and administration**

- (a) Albion Technology & General VCT was incorporated and registered in England and Wales on 21 November 2000 with limited liability as a public limited company under the Companies Act 1985 with the name Close Technology & General VCT PLC and with registered number 04114310. The name of Close Technology & General VCT PLC was changed to Albion Technology & General VCT PLC by special resolution passed on 25 March 2009.
- (b) Albion Technology & General VCT was issued with a certificate under section 117 of Companies Act 1985 by the Registrar of Companies on 11 December 2000.
- (c) Albion Technology & General VCT's registered office and principal place of business is at 1 King's Arms Yard, London EC2V 7AF, with telephone number +44 (0) 20 7601 1850
- (d) Albion Technology & General VCT is domiciled in England. Albion Technology & General VCT does not have (and has not had since incorporation) any subsidiaries, subsidiary undertakings or any employees and it neither owns nor occupies any premises.
- (e) Albion Technology & General VCT has been granted approval as a VCT under section 274 of ITA 2007 and the Albion Technology & General VCT Directors have managed and intend to manage the affairs of Albion Technology & General VCT in such a manner so as to comply with section 274 of ITA 2007.
- (f) A VCT is unregulated but is required to manage its affairs to obtain and maintain approval as a VCT under the provisions of section 274 of ITA 2007. Albion Technology & General VCT operates under CA 2006 and the regulations made thereunder. Albion Technology & General VCT is not regulated by the FCA or any other regulatory body but, as a company whose shares are admitted to the Official List, is subject to the Listing Rules and the Disclosure and Transparency Rules.
- (g) The ISIN number for the Albion Technology & General VCT Shares is GB0005581672.

### **2 Share capital**

- (a) As at 31 December 2010, Albion Technology & General VCT's share capital comprised 13,770,233 Albion Technology & General VCT Ordinary Shares and 35,774,708 Albion Technology & General VCT C Shares of which 1,125,870 Albion Technology & General VCT Ordinary Shares and 1,986,267 Albion Technology & General VCT C Shares were held in treasury.
- (b) Albion Technology & General VCT's issued share capital history since 31 December 2010 is as follows:



- during the financial year ended 31 December 2011, Albion Technology & General VCT issued 29,953,543 new Albion Technology & General VCT Shares and 903,935 Albion Technology & General VCT C Shares, 1,357,000 Albion Technology & General VCT Ordinary Shares and 337,000 Albion Technology & General VCT C Shares were bought back to be held in treasury and no Albion Technology & General VCT Shares were sold out of treasury. During the year, there were also 36,678,643 Albion Technology & General VCT C Shares cancelled and 2,323,567 Albion Technology & General C Shares held in treasury were converted to 1,807,502 Albion & Technology Ordinary Shares. As at 31 December 2011, the issued share capital of Albion Technology & General VCT comprised 43,723,776 Albion Technology & General VCT Shares, of which 4,290,372 Albion Technology & General VCT Shares were held in treasury;
  - during the financial year ended 31 December 2012, Albion Technology & General VCT issued 2,317,220 new Albion Technology & General VCT Shares, 650,070 Albion Technology & General VCT Shares were bought back to be held in treasury and no Albion Technology & General VCT Shares were sold out of treasury. During the year, there were also 675,308 Albion Technology & General VCT Share cancelled. As at 31 December 2012, the issued share capital of Albion Technology & General VCT comprised 45,365,688 Albion Technology & General VCT Shares, of which 4,341,070 Albion Technology & General VCT Shares were held in treasury;
  - during the financial year ended 31 December 2013, Albion Technology & General VCT issued 36,172,011 new Albion Technology & General VCT Shares, no Albion Technology & General VCT Shares were bought back to be held in treasury and no Albion Technology & General VCT Shares were sold out of treasury. As at 31 December 2013, the issued share capital of Albion Technology & General VCT comprised 79,945,976 Albion Technology & General VCT Shares, of which 4,341,070 Albion Technology & General VCT Shares were held in treasury. During this period, 1,591,723 Albion Technology & General VCT Shares were cancelled;
  - during the period from 31 December 2013 to 14 March 2014 (this being the latest practicable date prior to the publication of this document), Albion Technology & General VCT issued 1,229,223 new Albion Technology & General VCT Shares and no Albion Technology & General VCT Shares were bought back to be held in treasury; and
  - as at 14 March 2014, the issued share capital of Albion Technology & General VCT comprised 81,175,199 Albion Technology & General VCT Shares, of which 4,341,070 Albion Technology & General VCT Shares were held in treasury.
- (c) The following authorities were granted at the general meeting of Albion Technology & General VCT on 4 November 2013 by the passing of ordinary and special resolutions:

- (i) That, subject to the Scheme (as defined in and provided for in the circular to shareholders dated 10 October 2013 relating to the merger of the Company with Albion Income & Growth VCT PLC (the “Circular”)) becoming unconditional:
  - (i) the acquisition of the assets and liabilities of Albion Income & Growth VCT PLC on the terms set out in the Circular be and hereby is approved; and
  - (ii) in addition to existing authorities, the directors of the Company be and hereby are generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (“the Act”) to exercise all the powers of the Company to allot shares in the Company up to an aggregate nominal amount of £450,000 in connection with the Scheme, provided that this authority shall expire on the date falling 18 months from the date of the passing of this resolution (unless renewed, varied or revoked by the Company in general meeting)
- (ii) That, in addition to existing authorities and the authority conferred by paragraph (ii) of resolution (i) set out in this notice, the directors of the Company be and hereby are generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £81,111.17, provided that, the authority hereby conferred shall expire on the conclusion of the annual general meeting of the Company to be held in 2014 (unless renewed, varied or revoked by the Company in general meeting) but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require shares to be allotted or rights to be granted after such expiry.
- (iii) That, in addition to existing authorities, the directors of the Company be and hereby are empowered pursuant to sections 570 and 573 of the Act to allot or make offers or agreements to allot equity securities (which expression shall have the meaning ascribed to it in section 560(1) of the Act) for cash pursuant to the authority given pursuant to resolution (ii) above or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to such allotment, provided that the authority conferred by this resolution shall expire on the conclusion of the annual general meeting of the Company to be held in 2014 (unless renewed, varied or revoked by the Company in general meeting) and provided further that this authority shall be limited to the allotment and issue of shares up to an aggregate nominal value representing 10 per cent. of the issued share capital of the Company from time to time, where the proceeds may, in whole or part, be used to purchase shares.
- (iv) That, in addition to existing authorities, the Company be and hereby is empowered to make one or more market purchases within the meaning of

section 693(4) of the Act of its own shares (either for cancellation or for the retention as treasury shares for future re-issue or transfer) provided that:

- (i) the aggregate number of shares which may be purchased shall not exceed 13,729,447 (or, if lower, such number of shares which represents 14.99 per cent. of the issued share capital of the Company immediately following the issue of shares pursuant to the Scheme);
  - (ii) the minimum price which may be paid per share is the nominal value thereof;
  - (iii) the maximum price which may be paid per share is an amount equal to the higher of (i) 105 per cent. of the average of the middle market quotation per share taken from the London Stock Exchange daily official list for the five business days immediately preceding the day on which such Share is to be purchased; and (ii) the amount stipulated by Article 5(1) of the Buy Back and Stabilisation Regulation 2003;
  - (iv) the authority conferred by this resolution shall expire on the conclusion of the annual general meeting of the Company to be held in 2014 (unless renewed, varied or revoked by the Company in general meeting); and
  - (v) the Company may make a contract to purchase shares under the authority conferred by this resolution prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of such shares.
- (v) That:
- (i) the amount standing to the credit of the share premium account of the Company, at the date an order is made confirming such cancellation by the Court, be and hereby is cancelled; and
  - (ii) the amount standing to the credit of the capital redemption reserve of the Company, at the date an order is made confirming such cancellation by the Court, be and hereby is cancelled.
- (d) Assuming a NAV per Albion Technology & General VCT Share of 82.13p (being the unaudited NAV per Albion Technology & General VCT Share as at 15 November 2013 as adjusted for the dividend of 1.25p per Albion Technology & General VCT Share paid on 31 January 2014), for the purposes of the Pricing Formula and that the Albion Technology & General VCT Offer is fully subscribed, immediately following the Albion Technology & General VCT Offer the issued share capital of Albion Technology & General VCT will be 83,716,023 Albion Technology & General VCT Shares (excluding 4,341,070 Albion Technology & General VCT Shares held in treasury).

### 3 Directors' and other interests

- (a) As at 14 March 2014 (being the latest practicable date prior to publication of this document), Albion Technology & General VCT was not aware of any person who, directly or indirectly, has an interest in Albion Technology & General VCT's capital or voting rights which is notifiable under UK law.
- (b) As at 14 March 2014 (being the latest practicable date before the publication of this document) the holdings of Albion Technology & General VCT Shares of the Albion Technology & General VCT Directors (including nominee holdings and holdings of connected persons) were as follows:

<b>Director</b>	<b>Albion Technology &amp; General VCT No. of Shares</b>	<b>% of issued Albion Technology &amp; General VCT voting Share capital</b>
Patrick Reeve	554,195	0.682%
Neil Cross	177,790	0.231%
Mary Anne Cordeiro	3,993	0.005%
Modwenna Rees-Mogg	3,504	0.005%
Robin Archibald	-	-

- (c) Albion Technology & General VCT Directors may act as directors of companies in which Albion Technology & General VCT invests and receive and retain fees in that capacity.
- (d) None of the Albion Technology & General VCT Directors has a service contract with Albion Technology & General VCT, and no such contract is proposed. However, Albion Technology & General VCT has entered into letters of appointment with each of the Albion Technology & General VCT Directors under the terms of which the Albion Technology & General VCT chairman is entitled to annual remuneration of £19,000, and the other Albion Technology & General VCT Directors (other than Patrick Reeve) are entitled to annual remuneration of £19,000 each respectively. No Albion Technology & General VCT Director has a notice period in excess of three months. Albion Technology & General VCT Directors may be removed from office under the terms of Albion Technology & General VCT's articles of association or may resign from office, in each case, with immediate effect at any time.

It is estimated that the aggregate amount payable to the Albion Technology & General VCT Directors by Albion Technology & General VCT for the financial period ending on 31 December 2014 under the arrangements in force at the date of this document will not exceed £76,000 (plus payments in relation to out-of-pocket expenses). For

the year ended 31 December 2013, Dr Neil Cross received £17,600, Sir Edmund Burton (who resigned on 15 November 2013) received £15,700, Modwenna Rees-Mogg received £17,600, Robin Archibald received £2,400, Mary Anne Cordeiro received £2,400 and Albion Ventures LLP received £15,300 (for Patrick Reeve's services). The Albion Technology & General VCT Directors receive no other remuneration benefits in addition to their fees detailed above.

- (e) No loan or guarantee has been granted or provided by Albion Technology & General VCT to or for the benefit of any Albion Technology & General VCT Director.
- (f) None of the Albion Technology & General VCT Directors nor any member of their respective immediate families has, or has had, an interest in any transaction or transactions which are or were unusual in their nature or conditions or significant to the business of Albion Technology & General VCT and which were effected by Albion Technology & General VCT during the current or immediately preceding financial year or during an earlier financial year and remaining in any respect outstanding or unperformed.
- (g) Albion Technology & General VCT has taken out directors' and officers' liability insurance for the benefit of the Albion Technology & General VCT Directors, which is renewable on an annual basis.
- (h) No Albion Technology & General VCT Director is, or has been, interested in any transaction which is, or was, unusual in its nature or conditions or significant to the business of Albion Technology & General VCT and which was effected by Albion Technology & General VCT in the period since its incorporation and remains in any respect outstanding or unperformed.
- (i) None of the Albion Technology & General VCT Directors have any convictions in relation to fraudulent offences during the previous five years.
- (j) Save as set out below, there were no bankruptcies, receiverships or liquidations of any companies or partnerships where any of the Albion Technology & General VCT Directors were acting as (i) a member of the administrative, management or supervisory body, (ii) a partner with unlimited liability, in the case of a limited partnership with a share capital, (iii) a founder where the company had been established for fewer than five years or (iv) a senior manager during the previous five years:
  - Patrick Reeve is a director of Albion Income & Growth VCT PLC which was placed in members' voluntary liquidation on 15 November 2012 pursuant to a merger with Albion Technology & General VCT.
  - Patrick Reeve is a director of Albion Prime VCT PLC which was placed in members' voluntary liquidation on 25 September 2012 pursuant to a merger with Albion Venture Capital Trust.
  - Patrick Reeve is also a director of Evolutions Group Limited which was placed into members' voluntary liquidation on 20 December 2011. As at the date of

the latest filed liquidator's progress report there were no secured or preferential creditors, £27,667.90 has been paid to unsecured creditors and £3,757,521.60 had been distributed to shareholders (constituting a total return on capital of 1.45 pence per £1 ordinary share).

- Patrick Reeve was also a director of Vealnamco (123) Limited until 1 July 2009. The company subsequently was placed into administration on 18 May 2010 and moved from administration to creditors' voluntary liquidation on 6 May 2011. As at the date of the latest filed liquidator's progress report a first and final payment of £163,045 had been made to the only secured creditor to satisfy the outstanding balance of £580,714.05. Also as at the date of the latest filed liquidator's progress report, the liquidator has accepted one claim from an unsecured creditor amounting to £83,308.42 of which a distribution of £2,500 has been made. It is anticipated that a second and final distribution will be made to the unsecured creditor shortly.
- Robin Archibald and Mary Anne Cordeiro were directors of Albion Income & Growth VCT PLC which was placed in members' voluntary liquidation on 15 November 2013 pursuant to a merger with Albion Technology & General VCT.
- Modwenna Rees-Mogg was a director of Albion Prime VCT which was placed in members' voluntary liquidation on 25 September 2012 pursuant to a merger with Albion Venture Capital Trust.

- (k) There have been no official public incriminations of and/or sanctions on any Albion Technology & General VCT Director by statutory or regulatory authorities (including designated professional bodies) and no Albion Technology & General VCT Director has ever been disqualified by a Court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the previous five years.

#### **4 Material contracts**

Save as disclosed in this paragraph, Albion Technology & General VCT has not entered, other than in the ordinary course of business, into any contract which is or may be material to Albion Technology & General VCT within the two years immediately preceding the publication of this document or into any contract which contains any provision under which Albion Technology & General VCT has any obligation or entitlement which is material to Albion Technology & General VCT as at the date of this document:

- (a) A Management Agreement dated 14 December 2000 (as novated, amended and supplemented) pursuant to which the Manager provides discretionary investment management and remuneration services to Albion Technology & General VCT.

Under the Management Agreement, the Manager is paid an annual fee to 2.5 per cent of Albion Technology & General VCT's net assets which is paid quarterly in arrears.

The total annual running costs of the Company, including fees payable to the Manager, Directors' fees, professional fees and the costs incurred by the Company in



the ordinary course of business (but excluding any exceptional items and performance fees payable by the Manager) are capped at an amount equal to 3.0 per cent of the Company's net assets, with any excess being met by the Manager by way of a reduction in management fees.

The Manager is, in addition, entitled to a performance fee. No performance fee is payable to the Manager until the total return exceeds RPI plus 2 per cent. per annum per Share from the date of first admission to the Official List of the Ordinary Shares, former C Shares and former Albion Income & Growth VCT PLC Shares. If the target return is not achieved in a period, the cumulative shortfall is carried forward to the next accounting period and has to be made up before an incentive fee becomes payable. To the extent that the total return exceeds the threshold over the relevant period, a performance fee will be paid to the Manager of an amount equal to 15 per cent. of the excess.

The Management Agreement is terminable by either party by one year's prior written notice, subject to earlier termination by either party in the event of, inter alia, either party committing a material breach of the Management Agreement and failing to rectify the same within 45 days of being requested to do so or if Albion Technology & General VCT fails to become or ceases to be a venture capital trust for tax purposes or if the Manager shall cease to be lawfully able to carry out its obligations under the Management Agreement.

If terminated by Albion Technology & General VCT without due cause or on less than requisite notice, the Manager shall be entitled to receive an amount representing the fees which would have been payable during the period for which notice shall not have been given, calculated by reference to the previous quarterly payments.

The Management Agreement will terminate automatically without compensation, if either party enters into liquidation or has a receiver or administrator appointed over it or its assets, if the Manager ceases to be permitted to act as manager, if the Manager commits an act of fraud or upon the passing of a resolution for the voluntary liquidation, reconstruction or reorganisation of Albion Technology & General VCT as provided under Albion Technology & General VCT's Articles of Association.

The Management Agreement contains provisions indemnifying the Manager against any liability not due to its default, negligence, fraud, breach of FSMA or the rules of the FCA.

In line with common practice in the VCT sector, the Manager is entitled to an arrangement fee, payable by each Investee Company, of approximately 2 per cent. on each investment made and is entitled to any non-executive director fees in respect of the Manager's representation on the boards of Investee Companies.

For the purposes of calculating the fees paid to the Manager, the values of the investments are calculated in accordance with Albion Technology & General VCT's normal accounting policies, with any disputes being referred to Albion Technology & General VCT's auditors.

The annual management fees will be charged as to 75 per cent. against capital reserves for accounting purposes, with the balance and all other expenses being charged against revenue. Any performance fees payable to the Manager will be allocated between capital and revenue reserves on a basis to be determined by the Board.

- (b) The RAM Appointment Letter referred to in paragraph 4(b) of Section A above.
- (c) The Offer Agreement referred to in paragraph 4(c) of Section A above.
- (d) The Allocation Agreement referred to in paragraph 4(d) of Section A above.
- (e) The Engagement Letter referred to in paragraph 4(e) Section A above.
- (f) The Trust Agreement referred to in paragraph 4(f) of Section A above.

## **5 Dividend policy**

The current annual dividend target of Albion Technology & General VCT is 5p per Albion Technology & General VCT Share, but this cannot be guaranteed.

## **6 Miscellaneous**

- (a) There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on Albion Technology & General VCT's prospects for at least the current financial year. There have been no important events, so far as Albion Technology & General VCT and the Albion Technology & General VCT Directors are aware, relating to the development of Albion Technology & General VCT or its business.
- (b) RAM Capital Partners is the promoter of the Offers. Save as disclosed in paragraph 4(b) of Section A above, no amount of cash, securities or benefits has been paid, issued or given to the Promoter in relation to the Offers and none is intended to be given.
- (c) The costs of Albion Technology & General VCT's Offer, including irrecoverable VAT and permissible annual trail commission, will be paid by the Manager out of its fee of 3.0 per cent. of the gross proceeds of the Offer. The Manager has agreed to meet any permissible annual trail commission payments and pay the expenses of the Offer. If the maximum of £5,600,000 is raised for Albion Technology & General VCT, the net proceeds of the Albion Technology & General VCT Offer will amount to approximately £5,432,000. The issue premium on an Albion Technology & General VCT Share will be the difference between the issue price of the Albion Technology & General VCT Shares under the Albion Technology & General VCT Offer and the nominal value of an Albion Technology & General VCT Share of £0.01.
- (d) Albion Technology & General VCT does not have any major Shareholders and no Shareholders of Albion Technology & General VCT have different voting rights. To the best of the knowledge and belief of the Albion Technology & General VCT Directors, Albion Technology & General VCT is not directly controlled by any other



party and, as at 14 March 2014 (being the latest practicable date prior to the publication of this document) there are no arrangements in place that may, at a subsequent date, result in a change of control of Albion Technology & General VCT.

- (e) There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Albion Technology & General VCT is aware), during the previous 12 months which may have, or have had in the recent past, significant effects on Albion Technology & General VCT's financial position or profitability.
- (f) The typical investor for whom investment in Albion Technology & General VCT is designed is an individual retail investor aged 18 or over who is a UK tax payer and who already has a portfolio of VCT and non-VCT investments (such as unit trusts, OEICs, investment trusts and direct shareholdings in listed and non-listed companies).
- (g) None of Albion Technology & General VCT's capital is under option, nor are there any conditional or unconditional agreements for any part of Albion Technology & General VCT's capital to be put under option.
- (h) Albion Technology & General VCT Shareholders will be informed by means of the interim and/or annual report or through a public announcement if the investment restrictions which apply to Albion Technology & General VCT as a VCT (as detailed in this document) are breached.
- (i) There were no related party transactions for Albion Technology & General VCT undertaken during the financial periods covered by the historical financial information referred to in Part III of this document which required disclosure and the Company has not entered into any related party transactions between 30 June 2013 and the date of this document.
- (j) Applications will be made for the admission of the Albion Technology & General VCT Shares to be issued under the Albion Technology & General VCT Offer to the premium segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange. The Albion Technology & General VCT Shares shall be in registered form and may be in either certificated or uncertificated form. Albion Technology & General VCT Shares in uncertificated form will be credited to CREST accounts.
- (k) Albion Technology & General VCT is subject to the investment restrictions relating to a venture capital trust in ITA 2007 (a summary of which is set out in paragraph 5 of Section G of this Part V). In addition, for so long as the Albion Technology & General VCT Shares are admitted to the Official List, Albion Technology & General VCT is required to abide by applicable Listing Rules including the following:
  - (i) Albion Technology & General VCT will at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy;

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- (ii) Albion Technology & General VCT will not conduct any trading activity which is significant in the context of Albion Technology & General VCT (or, if applicable, its group as a whole); and
- (iii) not more than 10 per cent, in aggregate of the value of the total assets of Albion Technology & General VCT at the time the investment is made will be invested in other closed-ended investment funds which are listed on the Official List unless those investment funds have stated investment policies to invest no more than 15 per cent, of their total assets in other investment companies which are listed on the Official List.

## **Section D: Section D: Albion Venture Capital Trust - General Information**

### **1 Incorporation and administration**

- (a) Albion Venture Capital Trust was incorporated and registered in England and Wales on 22 December 1995 with limited liability as a public limited company under the Companies Act 1985 with the name Close Brothers Venture Capital Trust PLC and with registered number 03142609. The name of Close Brothers Venture Capital Trust PLC was changed to Albion Venture Capital Trust PLC by special resolution passed on 27 March 2009.
- (b) Albion Venture Capital Trust was issued with a certificate under section 117 of the Companies Act 1985 by the Registrar of Companies on 7 February 1996.
- (c) Albion Venture Capital Trust's registered office and principal place of business is at 1 King's Arms Yard, London EC2R 7AF and its telephone number is +44 (0) 20 7601 1850. Albion Venture Capital Trust is domiciled in England. Albion Venture Capital Trust does not have (and has not had since incorporation) any subsidiaries or any employees and it neither owns nor occupies any premises.
- (d) Albion Venture Capital Trust has been granted approval as a VCT under section 274 of ITA 2007 and the Albion Venture Capital Trust Directors have managed and intend to manage the affairs of Albion Venture Capital Trust in such a manner so as to comply with section 274 of ITA 2007.
- (e) A VCT is unregulated but is required to manage its affairs to obtain and maintain approval as a VCT under the provisions of section 274 of ITA 2007. Albion Venture Capital Trust operates under CA 2006 and the regulations made thereunder. Albion Venture Capital Trust is not regulated by the FCA or any other regulatory body but, as a company whose shares are admitted to the Official List, is subject to the Listing Rules and the Disclosure and Transparency Rules.
- (f) The ISIN number for the Albion Venture Capital Trust Shares is GB0002039625.

### **2 Share capital**

- (a) As at 31 March 2010, Albion Venture Capital Trust's share capital comprised 36,099,232 Albion Venture Capital Trust Shares of which 1,303,278 Albion Venture Capital Trust Shares were held in treasury.
- (b) Albion Venture Capital Trust's issued share capital history since 31 March 2010 is as follows:
  - during the financial year ended 31 March 2011, Albion Venture Capital Trust issued 1,672,949 new Albion Venture Capital Trust Shares, no Albion Venture Capital Trust Shares were sold out of treasury and 739,995 Albion Venture Capital Trust Shares were bought back to be held in treasury. As at 31 March 2011, the issued share capital of Albion Venture Capital Trust comprised 37,772,181 Albion Venture Capital Trust Shares, of which 2,043,273 Albion Venture Capital Trust Shares were held in treasury;

- during the financial year ended 31 March 2012, Albion Venture Capital Trust issued 1,694,938 new Albion Venture Capital Trust Shares and 1,036,100 Albion Venture Capital Trust Shares were bought back to be held in treasury. As at 31 March 2012, the issued share capital of Albion Venture Capital Trust comprised 39,467,119 Albion Venture Capital Trust Shares, of which 3,079,373 Albion Venture Capital Trust Shares were held in treasury;
  - during the financial year ended 31 March 2013, Albion Venture Capital Trust issued a total of 22,394,061 new Albion Venture Capital Trust Shares (the majority of these being issued as a result of the merger with Albion Prime VCT PLC) and 1,073,067 Albion Venture Capital Trust Shares were bought back to be held in treasury. As at 31 March 2013, the issued share capital of Albion Venture Capital Trust comprised 60,317,650 Albion Venture Capital Trust Shares, of which 4,152,440 Albion Venture Capital Trust Shares were held in treasury;
  - during the period from 31 March 2013 to 14 March 2014 (being the latest practicable date prior to the publication of this document) Albion Venture Capital Trust issued 4,902,202 new Albion Venture Capital Trust Shares and 631,000 Albion Venture Capital Trust Shares were bought back to be held in treasury; and
  - as at 14 March 2014 (being the latest practicable date prior to the publication of this document), the issued share capital of Albion Venture Capital Trust comprised 64,588,852 Albion Venture Capital Trust Shares, of which 4,695,440 Albion Venture Capital Trust Shares were held in treasury.
- (c) The following authorities were granted at the annual general meeting of Albion Venture Capital Trust on 29 July 2013 by the passing of ordinary and special resolutions:
- (i) That the Directors be generally and unconditionally authorised in accordance with section 551 of the CA 2006 to allot shares of nominal value 1 penny per share in the Company up to an aggregate nominal amount of £62,922 representing 10 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.
  - (ii) That, subject to and conditional on the passing of resolution (i) above, the Directors be empowered, pursuant to section 570 of the CA 2006, to allot equity securities (within the meaning of section 560 of the CA 2006) for cash pursuant to the authority conferred by resolution (i) above as if section 561(1) of the CA 2006 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 outside of the Prospectus Rules; and
- (d) otherwise than pursuant to paragraphs (a) to (c) above, up to an aggregate nominal amount of £62,822 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.

- (iii) That the Company be generally and unconditionally authorised to make market purchases (within the meaning of Section 693(4) of the CA 2006) of Ordinary shares of 1 penny 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 CA 2006, 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 (iii) 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.

- (iv) That the Directors be empowered to sell treasury shares at the higher of the prevailing current share price and the price bought in at.
- (d) Assuming a NAV per Albion Venture Capital Trust Share of 70.90p (being the unaudited NAV per Albion Venture Capital Trust Share as at 31 December 2013) for the purposes of the Pricing Formula and that the Albion Venture Capital Trust Offer is fully subscribed, immediately following the Albion Venture Capital Trust Offer the issued share capital of Albion Venture Capital Trust will be 63,887,621 Albion Venture Capital Trust Shares (excluding 4,695,440 Albion Venture Capital Trust Shares held in treasury).

### 3. Directors' and other interests

- (a) As at 14 March 2014 (being the latest practicable date prior to publication of this document), Albion Venture Capital Trust was not aware of any person who, directly or indirectly, has an interest in Albion Venture Capital Trust's capital or voting rights which is notifiable under UK law.
- (b) As at 14 March 2014 (being the latest practicable date before the publication of this document) the holdings of Albion Venture Capital Trust Shares of the Albion Venture Capital Trust Directors (including nominee holdings and holdings of connected persons) were as follows:

Director	Albion Venture Capital Trust No. of Shares	% of issued Albion Venture Capital Trust voting Share capital
John Kerr	13,109	0.022%

David Watkins	10,000	0.017%
Jeffrey Roger Warren	20,000	0.033%
Ebbe Dinesen	21,180	0.035%

- (c) Albion Venture Capital Trust Directors may act as directors of companies in which Albion Venture Capital Trust invests and receive and retain fees in that capacity.
- (d) None of the Albion Venture Capital Trust Directors has a service contract with Albion Venture Capital Trust, and no such contract is proposed. However, Albion Venture Capital Trust has entered into letters of appointment with each of the Albion Venture Capital Trust Directors under the terms of which the Albion Venture Capital Trust chairman is entitled to annual remuneration of £20,000 and the other Albion Venture Capital Trust Directors are entitled to annual remuneration of £20,000 each respectively. No Albion Venture Capital Trust Director has a notice period in excess of three months.

It is estimated that the aggregate amount payable to the Albion Venture Capital Trust Directors by Albion Venture Capital Trust for the financial period ending on 31 March 2014 under the arrangements in force at the date of this document will not exceed £80,000 (plus payments in relation to out-of-pocket expenses). For the financial year ended 31 March 2013, David Watkins received £20,000, John Kerr received £20,000, Jonathan Rounce (who resigned on 25 September 2012) received £10,000, Ebbe Dinesen received £10,000 and Jeffrey Warren received £20,000. The Albion Venture Capital Trust Directors receive no other benefits in addition to their fees detailed above.

- (e) No loan or guarantee has been granted or provided by Albion Venture Capital Trust to or for the benefit of any Albion Venture Capital Trust Director.
- (f) None of the Albion Venture Capital Trust Directors nor any member of their respective immediate families has, or has had, an interest in any transaction or transactions which are or were unusual in their nature or conditions or significant to the business of Albion Venture Capital Trust and which were effected by Albion Venture Capital Trust during the current or immediately preceding financial year or during an earlier financial year and remaining in any respect outstanding or unperformed.
- (g) Albion Venture Capital Trust has taken out directors' and officers' liability insurance for the benefit of the Albion Venture Capital Trust Directors, which is renewable on an annual basis.
- (h) No Albion Venture Capital Trust Director is, or has been, interested in any transaction which is, or was, unusual in its nature or conditions or significant to the business of Albion Venture Capital Trust and which was effected by Albion Venture Capital Trust in the period since its incorporation and remains in any respect outstanding or unperformed.



- (i) None of the Albion Venture Capital Trust Directors have any convictions in relation to fraudulent offences during the previous five years.
- (j) Save for those companies which have an asterisk alongside their name in Part I above (which were voluntarily struck off the Register of Companies at Companies House) and as set out below, there were no bankruptcies, receiverships or liquidations of any companies or partnerships where any of the Albion Venture Capital Trust Directors were acting as (i) a member of the administrative, management or supervisory body, (ii) a partner with unlimited liability, in the case of a limited partnership with a share capital, (iii) a founder where the company had been established for fewer than five years or (iv) a senior manager during the previous five years:
- Ebbe Dinesen was a director Albion Prime VCT PLC which was placed in members' voluntary liquidation on 25 September 2012 pursuant to a merger with Albion Venture Capital Trust.
  - David Watkins and John Kerr were directors of Albion Income & Growth VCT PLC which was placed in members' voluntary liquidation on 15 November 2013 pursuant to a merger with Albion Technology & General VCT.

In addition:

- Jeffrey Warren and David Watkins were executive directors of Mountleigh Group PLC which entered into administrative receivership in June 1992. Jeffrey Warren resigned on 5 March 1992 and David Watkins resigned on 10 June 1992. At the time of the administrative receivership, the filed statement of affairs showed a deficit for creditors of approximately £500,000,000.
  - Jeffrey Warren was also a non-executive director of Courts PLC. He resigned on 21 December 2004. The company was placed into administration on 8 December 2004, the administration was moved to creditors' voluntary liquidation on 2 December 2007 and the company was eventually dissolved on 26 November 2010.
- (l) There have been no official public incriminations of and/or sanctions on any Albion Venture Capital Trust Director by statutory or regulatory authorities (including designated professional bodies) and no Albion Venture Capital Trust Director has ever been disqualified by a Court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the previous five years.

#### **4 Material contracts**

Save as disclosed in this paragraph, Albion Venture Capital Trust has not entered, other than in the ordinary course of business, into any contract which is or may be material to Albion Venture Capital Trust within the two years immediately preceding the publication of this document or into any contract which contains any provision under which Albion Venture Capital Trust has any obligation or entitlement which is material to Albion Venture Capital Trust as at the date of this document:



- (a) A Management Agreement dated 13 February 1996 (as novated, amended and supplemented) pursuant to which the Manager provides discretionary investment management and remuneration services to Albion Venture Capital Trust.

Under the Management Agreement, the Manager is paid an annual fee equal to 1.9 per cent. of Albion Venture Capital Trust's net assets which is paid quarterly in arrears.

The total annual running costs of the Company, including fees payable to the Manager, Directors' fees, professional fees and the costs incurred by the Company in the ordinary course of business (but excluding any exceptional items and performance fees payable by the Manager) are capped at an amount equal to 3.5 per cent. of the Company's net assets, with any excess being met by the manager by way of a reduction in management fees.

The Manager is, in addition, entitled to a performance fee. No performance fee is payable to the Manager until the total return exceeds 5 per cent. per annum per Share. If the target return is not achieved in a period, the cumulative shortfall is carried forward to the next accounting period and has to be made up before an incentive fee becomes payable. To the extent that the total return exceeds the threshold over the relevant period, a performance fee will be paid to the Manager of an amount equal to 8 per cent. of the excess.

The Management Agreement is terminable by either party by one year's prior written notice, subject to earlier termination by either party in the event of, inter alia, either party committing a material breach of the Management Agreement and failing to rectify the same within 45 days of being requested to do so or if Albion Venture Capital Trust fails to become or ceases to be a venture capital trust for tax purposes or if the Manager shall cease to be lawfully able to carry out its obligations under the Management Agreement.

If terminated by Albion Venture Capital Trust without due cause or on less than requisite notice, the Manager shall be entitled to receive an amount representing the fees which would have been payable during the period for which notice shall not have been given, calculated by reference to the previous quarterly payments.

The Management Agreement will terminate automatically without compensation, if either party enters into liquidation or has a receiver or administrator appointed over it or its assets, if the Manager ceases to be permitted to act as manager, if the Manager commits an act of fraud or upon the passing of a resolution for the voluntary liquidation, reconstruction or reorganisation of Albion Venture Capital Trust as provided under Albion Venture Capital Trust's Articles of Association.

The Management Agreement contains provisions indemnifying the Manager against any liability not due to its default, negligence, fraud, breach of FSMA or the rules of the FCA.

In line with common practice in the VCT sector, the Manager is entitled to an arrangement fee, payable by each Investee Company, of approximately 2 per cent. on

each investment made and is entitled to any non-executive director fees in respect of the Manager's representation on the boards of Investee Companies.

For the purposes of calculating the fee paid to the Manager, the values of the investments are calculated in accordance with Albion Venture Capital Trust's normal accounting policies, with any disputes being referred to Albion Venture Capital Trust's auditors.

The annual management fees will be charged as to 75 per cent. against capital reserves for accounting purposes, with the balance and all other expenses being charged against revenue. Any performance fees payable to the Manager will be allocated between capital and revenue reserves on a basis to be determined by the Board.

- (b) The RAM Appointment Letter referred to in paragraph 4(b) of Section A above.
- (c) The Offer Agreement referred to in paragraph 4(c) of Section A above.
- (d) The Allocation Agreement referred to in paragraph 4(d) of Section A above.
- (e) The Engagement Letter referred to in paragraph 4(e) Section A above.
- (f) The Trust Agreement referred to in paragraph 4(f) of Section A above.

## **5 Dividend policy**

The current annual dividend target of Albion Venture Capital Trust is 5p per Albion Venture Capital Trust Share, but this cannot be guaranteed.

## **6 Miscellaneous**

- (a) There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on Albion Venture Capital Trust's prospects for at least the current financial year. There have been no important events, so far as Albion Venture Capital Trust and the Albion Venture Capital Trust Directors are aware, relating to the development of Albion Venture Capital Trust or its business.
- (b) RAM Capital Partners is the promoter of the Offers. Save as disclosed in paragraph 4(b) of Section A above, no amount of cash, securities or benefits has been paid, issued or given to the Promoter in relation to the Offers and none is intended to be given.
- (c) The costs of Albion Venture Capital Trust's Offer, including irrecoverable VAT and permissible annual trail commission, will be paid by the Manager out of its fee of 3.0 per cent. of the gross proceeds of the Offer. The Manager has agreed to meet any permissible annual trail commission payments and pay the expenses of the Offer. If the maximum of £2,200,000 is raised for Albion Venture Capital Trust, the net proceeds of the Albion Venture Capital Trust Offer will amount to approximately £2,134,000. The issue premium on an Albion Venture Capital Trust Share will be the difference between the issue price of the Albion Venture Capital Trust Shares under

the Albion Venture Capital Trust Offer and the nominal value of an Albion Venture Capital Trust Share of £0.01.

- (d) Other than JM Finn Nominees which has a beneficial interest of 3.15 per cent. of Albion Venture Capital Trust's issued share capital, Albion Venture Capital Trust is not aware of any major Shareholders and no Shareholders of Albion Venture Capital Trust have different voting rights. To the best of the knowledge and belief of the Albion Venture Capital Trust Directors, Albion Venture Capital Trust is not directly controlled by any other party and, as at 14 March 2014 (being the latest practicable date prior to the publication of this document) there are no arrangements in place that may, at a subsequent date, result in a change of control of Albion Venture Capital Trust.
- (e) There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Albion Venture Capital Trust is aware), during the previous 12 months which may have, or have had in the recent past, significant effects on Albion Venture Capital Trust's financial position or profitability.
- (f) The typical investor for whom investment in Albion Venture Capital Trust is designed is an individual retail investor aged 18 or over who is a UK tax payer and who already has a portfolio of VCT and non-VCT investments (such as unit trusts, OEICs, investment trusts and direct shareholdings in listed and non-listed companies).
- (g) None of Albion Venture Capital Trust's capital is under option, nor are there any conditional or unconditional agreements for any part of Albion Venture Capital Trust's capital to be put under option.
- (h) Albion Venture Capital Trust Shareholders will be informed by means of the interim and/or annual report or through a public announcement if the investment restrictions which apply to Albion Venture Capital Trust as a VCT (as detailed in this document) are breached.
- (i) There were no related party transactions for Albion Venture Capital Trust undertaken during the financial periods covered by the historical financial information referred to in Part III of this document which required disclosure and the Company has not entered into any related party transactions between 30 September 2013 and the date of this document.
- (j) Applications will be made for the admission of the Albion Venture Capital Trust Shares to be issued under the Albion Venture Capital Trust Offer to the premium segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange. The Albion Venture Capital Trust Shares shall be in registered form and may be in either certificated or uncertificated form. Albion Venture Capital Trust Shares in uncertificated form will be credited to CREST accounts.
- (k) Albion Venture Capital Trust is subject to the investment restrictions relating to a venture capital trust in ITA 2007 (a summary of which is set out in paragraph 5 of Section G of this Part V). In addition, for so long as the Albion Venture Capital Trust

Shares are admitted to the Official List, Albion Venture Capital Trust is required to abide by applicable Listing Rules including the following:

- (i) Albion Venture Capital Trust will at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy;
- (ii) Albion Venture Capital Trust will not conduct any trading activity which is significant in the context of Albion Venture Capital Trust (or, if applicable, its group as a whole); and
- (iii) not more than 10 per cent. in aggregate of the value of the total assets of Albion Venture Capital Trust at the time the investment is made will be invested in other closed-ended investment funds which are listed on the Official List unless those investment funds have stated investment policies to invest no more than 15 per cent. of their total assets in other investment companies which are listed on the Official List.

## **Section E: Crown Place VCT - General Information**

### **1 Incorporation and administration**

- (a) Crown Place VCT was incorporated and registered in England and Wales on 14 January 1998 with limited liability as a public limited company under the Companies Act 1985 with the name Murray VCT 3 PLC and with registered number 03495287. The name Murray VCT 3 PLC was changed to Crown Place VCT PLC by special resolution passed on 13 January 2006.
- (b) Crown Place VCT was issued with a certificate under section 117 of the Companies Act 1985 by the Registrar of Companies on 23 January 1998.
- (c) Crown Place VCT's registered office and principal place of business is at 1 King's Arms Yard, London EC2R 7AF, with telephone number +44 (0) 20 7601 1850.
- (d) Crown Place VCT is domiciled in England. Crown Place VCT does not have any employees and it neither owns nor occupies any premises. Crown Place VCT has two subsidiaries, CP1 VCT PLC (registered number 03049972) and CP2 VCT PLC (registered number 03307069).
- (e) Crown Place VCT has been granted approval as a VCT under section 274 of ITA 2007 and the Crown Place VCT Directors have managed and intend to manage the affairs of Crown Place VCT in such a manner so as to comply with section 274 of ITA 2007.
- (f) A VCT is unregulated but is required to manage its affairs to obtain and maintain approval as a VCT under the provisions of section 274 of ITA 2007. Crown Place VCT operates under CA 2006 and the regulations made thereunder. Crown Place VCT is not regulated by the FCA or any other regulatory body but, as a company whose shares are admitted to the Official List, is subject to the Listing Rules and the Disclosure and Transparency Rules.
- (g) The ISIN number for the Crown Place VCT Shares is GB0002577434.

### **2 Share capital**

- (a) As at 30 June 2010, Crown Place VCT's share capital comprised 79,177,624 Shares of which 7,260,410 Shares were held in treasury.
- (b) The Company's issued share capital history since 30 June 2010 is as follows:
  - during the financial year ended 30 June 2011, Crown Place VCT issued 5,193,428 new Crown Place VCT Shares, no Crown Place VCT Shares were sold out of treasury and no Crown Place VCT Shares were bought back to be held in treasury. During the year, 861,875 Crown Place VCT Shares were cancelled. As at 30 June 2011, the issued share capital of Crown Place VCT comprised 83,509,177 Crown Place VCT Shares, of which 7,260,410 Crown Place VCT Shares were held in treasury;

- during the financial year ended 30 June 2012, Crown Place VCT issued 4,996,899 new Crown Place VCT Shares, no Crown Place VCT Shares were sold out of treasury and 1,646,500 Crown Place VCT Shares were bought back to be held in treasury. During the year, 71,000 Crown Place VCT Shares were cancelled. As at 30 June 2012, the issued share capital of Crown Place VCT comprised 88,435,076 Crown Place VCT Shares, of which 8,835,910 Crown Place VCT Shares were held in treasury;
  - during the financial year ended 30 June 2013, Crown Place VCT issued 6,741,328 new Crown Place VCT Shares, no Crown Place VCT Shares were sold out of treasury and 728,000 Crown Place VCT Shares were bought back to be held in treasury. During the year, 2,176,500 Crown Place VCT Shares were cancelled. As at 30 June 2013, the issued share capital of Crown Place VCT comprised 92,999,904 Crown Place VCT Shares, of which 8,794,410 Crown Place VCT Shares were held in treasury;
  - during the period from 30 June 2013 to 14 March 2014 (this being the latest practicable date prior to the publication of this document) Crown Place VCT issued 2,964,945 new Crown Place VCT Shares, no Crown Place VCT Shares were sold out of treasury, 293,000 Crown Place VCT Shares were bought back and cancelled and no Crown Place VCT Shares were bought back to be held in treasury; and
  - as at 14 March 2014, the issued share capital of Crown Place VCT comprised 94,817,849 Crown Place VCT Shares, of which 8,794,410 Crown Place VCT Shares were held in treasury.
- (c) The following authorities were granted at the annual general meeting of Crown Place VCT on 14 November 2013 by the passing of ordinary and special resolutions:
- (i) The Directors be generally and unconditionally authorised in accordance with section 551 of the CA 2006 to allot shares in the Company up to an aggregate nominal amount of £929,999 (which comprises 10 per cent. of the Ordinary share capital) such authority to expire on 14 May 2016, 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; and all unexercised authorities previously granted to the Directors to allot relevant securities be, and are hereby, revoked.
  - (ii) That subject to and conditional on the passing of resolution (i) above, the Directors be empowered, pursuant to section 570 of the CA 2006, to allot equity securities (within the meaning of section 560 of the CA 2006) for cash pursuant to the authority conferred by resolution (i) above as if section 561(1) of the CA 2006 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, open offer;
- (b) in connection with any dividend reinvestment scheme introduced and operated by the Company; and
- (c) otherwise than pursuant to sub-paragraphs above, in respect of the Ordinary shares, to an aggregate nominal amount of £929,999 (equal to 10 per cent. of the Ordinary share capital).

and 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 requirement of any recognised regulatory body or any stock exchange in, any territory.

- (iii) That, subject to and in accordance with the Company's Articles of Association, the Company be generally and unconditionally authorised to make one or more market purchases (within the meaning of Section 693(4) of the CA 2006) of Ordinary shares of 10p 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 CA 2006, provided that:
  - (a) the maximum aggregate number of shares hereby authorised to be purchased is 13,940,685 Ordinary shares (representing approximately 14.99 per cent. of the issued Ordinary shares as at the date of this Notice);
  - (b) the minimum price, exclusive of any expenses, which may be paid for an Ordinary share is 10p;
  - (c) the maximum price, exclusive of expenses that 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 as derived from the London Stock Exchange Daily Official List, for a share over 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 conclusion of the next Annual General Meeting of the Company or eighteen months from the date of the passing of this 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 expiration of the authority, and may make a purchase of Ordinary shares in pursuance of any such contract or contracts.

Under the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003, 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 (iii) is intended to apply equally to shares to be held by the Company as treasury shares in accordance with the Regulations.

- (iv) That the Directors be empowered to sell treasury shares at the higher of the prevailing current share price and the price at which they were bought in at.
- (d) Assuming a NAV per Crown Place VCT Share of 30.91p (being unaudited the NAV per Crown Place VCT Share as at 31 December 2013), for the purposes of the Pricing Formula and that the Crown Place VCT Offer is fully subscribed, immediately following the Crown Place VCT Offer the issued share capital of Crown Place VCT will be 92,358,484 Crown Place VCT Shares (excluding 8,794,410 Crown Place VCT Shares held in treasury).

### 3 Directors' and other interests

- (a) As at 14 March 2014 (being the latest practicable date prior to publication of this document), Crown Place VCT was not aware of any person who, directly or indirectly, has an interest in Crown Place VCT's capital or voting rights which is notifiable under UK law.
- (b) As at 14 March 2014 (being the latest practicable date before the publication of this document) the holdings of Crown Place VCT Shares of the Crown Place VCT Directors (including nominee holdings and holdings of connected persons) were as follows:

<b>Director</b>	<b>Crown Place VCT No. of Shares</b>	<b>% of issued Crown Place VCT Share capital</b>
Patrick Crosthwaite	16,000	0.018%
Rachel Beagles	115,485	0.134%
Karen Brade	5,499	0.006%



Richard Huntingford	19,788	0.023%
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- (c) Crown Place VCT Directors may act as directors of companies in which Crown Place VCT invests and receive and retain fees in that capacity.
- (d) None of the Crown Place VCT Directors has a service contract with Crown Place VCT, and no such contract is proposed. However, Crown Place VCT has entered into letters of appointment with each of the Crown Place VCT Directors under the terms of which the Crown Place VCT chairman is entitled to annual remuneration of £21,000, the chairman of the audit committee is entitled to annual remuneration of £19,000 and the other Crown Place VCT Directors are entitled to annual remuneration of £17,500 each respectively. No Crown Place VCT Director has a notice period in excess of three months. Crown Place VCT Directors may be removed from office under the terms of Crown Place VCT's articles of association or may resign from office, in each case, with immediate effect at any time.

It is estimated that the aggregate amount payable to the Crown Place VCT Directors by Crown Place VCT for the financial period ending on 30 June 2014 under the arrangements in force at the date of this document will not exceed £75,000 (plus payments in relation to out-of-pocket expenses). For the financial year ended 30 June 2013, Patrick Crosthwaite received £21,000, Rachel Beagles received £19,000, Karen Brade received £17,500 and Richard Huntingford received £17,500. The Crown Place VCT Directors receive no other remuneration benefits in addition to their fees detailed above.

- (e) No loan or guarantee has been granted or provided by Crown Place VCT to or for the benefit of any Crown Place VCT Director.
- (f) None of the Crown Place VCT Directors nor any member of their respective immediate families has, or has had, an interest in any transaction or transactions which are or were unusual in their nature or conditions or significant to the business of Crown Place VCT and which were effected by Crown Place VCT during the current or immediately preceding financial year or during an earlier financial year and remaining in any respect outstanding or unperformed.
- (g) Crown Place VCT has taken out directors' and officers' liability insurance for the benefit of the Crown Place VCT Directors, which is renewable on an annual basis.
- (i) None of the Crown Place VCT Directors have any convictions in relation to fraudulent offences during the previous five years.
- (j) Save for those companies which have an asterisk alongside their name in Part I above (which were voluntarily struck off the Register of Companies at Companies House) and as set out below, there were no bankruptcies, receiverships or liquidations of any companies or partnerships where any of the Crown Place VCT Directors were acting as (i) a member of the administrative, management or supervisory body, (ii) a partner with unlimited liability, in the case of a limited partnership with a share capital, (iii) a

founder where the company had been established for fewer than five years or (iv) a senior manager during the previous five years:

- Rachel Beagles was a non-executive director of Webface Technology Ventures Limited from 1 June 2007 to 22 December 2008. The company was subsequently wound up by the court on 17 November 2010 pursuant to the Insolvency Act 1986 following a winding-up petition issued by the Commissioners for HM Revenue & Customs.
- (k) There have been no official public incriminations of and/or sanctions on any Crown Place VCT Director by statutory or regulatory authorities (including designated professional bodies) and no Crown Place VCT Director has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the previous five years.

#### **4 Material contracts**

Save as disclosed in this paragraph, Crown Place VCT has not entered, other than in the ordinary course of business, into any contract which is or may be material to Crown Place VCT within the two years immediately preceding the publication of this document or into any contract which contains any provision under which Crown Place VCT has any obligation or entitlement which is material to Crown Place VCT as at the date of this document:

- (a) A Management Agreement dated 8 July 2005 (as novated, amended and supplemented) pursuant to which the Manager provides discretionary investment management and remuneration services to Crown Place VCT.

Under the Management Agreement, the Manager is paid an annual fee equal to 1.75 per cent. of Crown Place VCT's net assets which is paid quarterly in arrears.

The total annual running costs of the Company, including fees payable to the Manager, Directors' fees, professional fees and the costs incurred by the Company in the ordinary course of business (but excluding any exceptional items and performance fees payable by the Manager) are capped at an amount equal to 3.5 per cent. of the Company's net assets, with any excess being met by the manager by way of a reduction in management fees.

The Manager is, in addition, entitled to a performance fee. No performance fee is payable to the Manager until the total return exceeds base rate plus 2 per cent. per annum per Crown Place VCT Share. If the target return is not achieved in a period, the cumulative shortfall is carried forward to the next accounting period and has to be made up before an incentive fee becomes payable. To the extent that the total return exceeds a target return over the relevant period, a performance fee will be paid to the Manager of an amount equal to 20 per cent. of the excess. For these purposes, the target return in respect of a financial period is growth in NAV over the NAV of the previous period plus, in each case, dividends (both revenue and capital) paid or declared, of not less than the aggregate of the base rate of The Royal Bank of Scotland PLC averaged over that period plus 2 per cent.

The Management Agreement is terminable by either party by one year's prior written notice, subject to earlier termination by either party in the event of, inter alia, either party committing a material breach of the Management Agreement and failing to rectify the same within 45 days of being requested to do so or if Crown Place VCT fails to become or ceases to be a venture capital trust for tax purposes or if the Manager shall cease to be lawfully able to carry out its obligations under the Management Agreement.

If terminated by Crown Place VCT without due cause or on less than requisite notice, the Manager shall be entitled to receive an amount representing the fees which would have been payable during the period for which notice shall not have been given, calculated by reference to the previous quarterly payments.

The Management Agreement will terminate automatically without compensation, if either party enters into liquidation or has a receiver or administrator appointed over it or its assets, if the Manager ceases to be permitted to act as manager, if the Manager commits an act of fraud or upon the passing of a resolution for the voluntary liquidation, reconstruction or reorganisation of Crown Place VCT as provided under Crown Place VCT's Articles of Association.

The Management Agreement contains provisions indemnifying the Manager against any liability not due to its default, negligence, fraud, breach of FSMA or the rules of the FCA.

In line with common practice in the VCT sector, the Manager is entitled to an arrangement fee, payable by each Investee Company, of approximately 2 per cent on each investment made and is entitled to any non-executive director fees in respect of the Manager's representation on the boards of Investee Companies.

For the purposes of calculating the fee paid to the Manager, the values of the investments are calculated in accordance with Crown Place VCT's normal accounting policies, with any disputes being referred to Crown Place VCT's auditors.

The annual management fees will be charged as to 75 per cent against capital reserves for accounting purposes, with the balance and all other expenses being charged against revenue. Any performance fees payable to the Manager will be allocated between capital and revenue reserves on a basis to be determined by the Board.

- (b) The RAM Appointment Letter referred to in paragraph 4(b) of Section A above.
- (c) The Offer Agreement referred to in paragraph 4(c) of Section A above.
- (d) The Allocation Agreement referred to in paragraph 4(d) of Section A above.
- (e) The Engagement Letter referred to in paragraph 4(e) Section A above.
- (f) The Trust Agreement referred to in paragraph 4(f) of Section A above.

## **5 Dividend policy**

The current annual dividend target of Crown Place VCT is 2.5p per Crown Place VCT Share, but this cannot be guaranteed.

## **6 Miscellaneous**

- (a) There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on Crown Place VCT's prospects for at least the current financial year. There have been no important events, so far as Crown Place VCT and the Crown Place VCT Directors are aware, relating to the development of Crown Place VCT or its business.
- (b) RAM Capital Partners is the promoter of the Offers. Save as disclosed in paragraph 4(b) of Section A above, no amount of cash, securities or benefits has been paid, issued or given to the Promoter in relation to the Offers and none is intended to be given.
- (c) The costs of Crown Place VCT's Offer, including irrecoverable VAT and permissible annual trail commission, will be paid by the Manager out of its fee of 3.0 per cent. of the gross proceeds of the Offer. The Manager has agreed to meet any permissible annual trail commission payments and pay the expenses of the Offer. If the maximum of £1,500,000 is raised for Crown Place VCT, the net proceeds of the Crown Place VCT Offer will amount to approximately £1,455,000. The issue premium on a Crown Place VCT Share will be the difference between the issue price of the Crown Place VCT Shares under the Crown Place VCT Offer and the nominal value of a Crown Place VCT Share of £0.10.
- (d) Crown Place VCT does not have any major Shareholders and no Shareholders of Crown Place VCT have different voting rights. To the best of the knowledge and belief of the Crown Place VCT Directors, Crown Place VCT is not directly controlled by any other party and, as at 14 March 2014 (being the latest practicable date prior to the publication of this document) there are no arrangements in place that may, at a subsequent date, result in a change of control of Crown Place VCT.
- (e) There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Crown Place VCT is aware), during the previous 12 months which may have, or have had in the recent past, significant effects on Crown Place VCT and/or its group's financial position or profitability.
- (f) The typical investor for whom investment in Crown Place VCT is designed is an individual retail investor aged 18 or over who is a UK tax payer and who already has a portfolio of VCT and non-VCT investments (such as unit trusts, OEICs, investment trusts and direct shareholdings in listed and non-listed companies).
- (g) None of Crown Place VCT's capital is under option, nor are there any conditional or unconditional agreements for any part of Crown Place VCT's capital to be put under option.

- (h) Crown Place VCT Shareholders will be informed by means of the interim and/or annual report or through a public announcement if the investment restrictions which apply to Crown Place VCT as a VCT (as detailed in this document) are breached.
- (i) There were no related party transactions for Crown Place VCT undertaken during the financial periods covered by the historical financial information referred to in Part III of this document which required disclosure and the Company has not entered into any related party transactions between 31 December 2013 and the date of this document.
- (j) Applications will be made for the admission of the Crown Place VCT Shares to be issued under the Crown Place VCT Offer to the premium segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange. The Crown Place VCT Shares shall be in registered form and may be in either certificated or uncertificated form. Crown Place VCT Shares in uncertificated form will be credited to CREST accounts.
- (k) Crown Place VCT is subject to the investment restrictions relating to a venture capital trust in ITA 2007 (a summary of which is set out in paragraph 5 of Section G of this Part V). In addition, for so long as the Crown Place VCT Shares are admitted to the Official List, Crown Place VCT is required to abide by applicable Listing Rules including the following:
  - (i) Crown Place VCT will at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy;
  - (ii) Crown Place VCT will not conduct any trading activity which is significant in the context of Crown Place VCT (or, if applicable, its group as a whole); and
  - (iii) not more than 10 per cent. in aggregate of the value of the total assets of Crown Place VCT at the time the investment is made will be invested in other closed-ended investment funds which are listed on the Official List unless those investment funds have stated investment policies to invest no more than 15 per cent. of their total assets in other investment companies which are listed on the Official List.

## **Section F: Kings Arms Yard VCT - General Information**

### **1 Incorporation and administration**

- (a) Kings Arms Yard VCT was incorporated and registered in England and Wales on 18 December 1995 with limited liability as a public limited company under the Companies Act 1985 with the name Quester VCT PLC and with registered number 03139019. The name Quester VCT PLC was changed to Spark VCT PLC by special resolution passed on 23 June 2008 and the name Spark VCT PLC was changed to Kings Arms Yard VCT PLC by special resolution passed on 11 February 2011.
- (b) Kings Arms Yard VCT was issued with a certificate under section 117 of the Companies Act 1985 by the Registrar of Companies on 19 February 1996.
- (c) Kings Arms Yard VCT's registered office and principal place of business is at 1 King's Arms Yard, London EC2R 7AF, with telephone number +44 (0) 20 7601 1850.
- (d) Kings Arms Yard VCT is domiciled in England. Kings Arms Yard VCT does not have (and has not had since incorporation) any subsidiaries, subsidiary undertakings or any employees and it neither owns nor occupies any premises.
- (e) Kings Arms Yard VCT has been granted approval as a VCT under section 274 of ITA 2007 and the Kings Arms Yard VCT Directors have managed and intend to manage the affairs of Kings Arms Yard VCT in such a manner so as to comply with section 274 of ITA 2007.
- (f) A VCT is unregulated but is required to manage its affairs to obtain and maintain approval as a VCT under the provisions of section 274 of ITA 2007. Kings Arms Yard VCT operates under CA 2006 and the regulations made thereunder. Kings Arms Yard VCT is not regulated by the FCA or any other regulatory body but, as a company whose shares are admitted to the Official List, is subject to the Listing Rules and the Disclosure and Transparency Rules.
- (g) The ISIN number for the Kings Arms Yard VCT Shares is GB0007174294.

### **2 Share capital**

- (a) As at 31 December 2010, Kings Arms Yard VCT's share capital comprised 110,370,135 Kings Arms Yard VCT Shares of which no Kings Arms Yard VCT Shares were held in treasury.
- (b) The Company's issued share capital history since 31 December 2010 is as follows:
  - during the financial year ended 31 December 2011, Kings Arms Yard VCT issued a total of 99,144,764 new Kings Arms Yard VCT Shares (the majority of these having been issued as a result of the merger with Kings Arms Yard 2 VCT PLC), no Kings Arms Yard VCT Shares were sold out of treasury and no Kings Arms Yard VCT Shares were bought back to be held in treasury. As at 31 December 2011, the issued share capital of Kings Arms Yard VCT



comprised 209,467,597 Kings Arms Yard VCT Shares, of which no Kings Arms Yard VCT Shares were held in treasury;

- during the financial year ended 31 December 2012, Kings Arms Yard VCT issued 200,038 new Kings Arms Yard VCT Shares, no Kings Arms Yard VCT Shares were sold out of treasury and 4,242,088 Kings Arms Yard VCT Shares were bought back to be held in treasury. As at 31 December 2012, the issued share capital of Kings Arms Yard VCT comprised 209,667,635 Kings Arms Yard VCT Shares, of which 4,242,000 Kings Arms Yard VCT Shares were held in treasury;
- during the financial year ended 31 December 2013, Kings Arms Yard VCT issued 209,979 new Kings Arms Yard VCT Shares, no Kings Arms Yard VCT Shares were sold out of treasury and 13,638,000 Kings Arms Yard VCT Shares were bought back to be held in treasury. As at 31 December 2013, the issued share capital of Kings Arms Yard VCT comprised 209,877,614 Kings Arms Yard VCT Shares, of which 17,880,000 Kings Arms Yard VCT Shares were held in treasury;
- during the period from 31 December 2013 to 14 March 2014 (this being the latest practicable date prior to the publication of this document) Kings Arms Yard VCT issued 4,668,113 new Kings Arms Yard VCT Shares, no Kings Arms Yard VCT Shares were sold out of treasury and no Kings Arms Yard VCT Shares were bought back to be held in treasury; and
- as at 14 March 2014, the issued share capital of Kings Arms Yard VCT comprised 214,545,727 Kings Arms Yard VCT Shares, of which 17,880,000 Kings Arms Yard VCT Shares were held in treasury.

(c) The following authorities were granted at the annual general meeting of Kings Arms Yard VCT on 24 May 2013 by the passing of ordinary and special resolutions:

- (i) That the Directors be generally and unconditionally authorised in accordance with section 551 of the CA 2006 to allot shares of 1 penny each in the capital of the Company, up to an maximum aggregate nominal amount of £209,667, provided that this authority shall expire 18 months from the date that this resolution is passed, or, if earlier, the conclusion of the next Annual General Meeting of the Company, but so that the Company may, before the expiry, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or convert securities into shares pursuant to such an offer or agreement as if the authority had not expired.
- (ii) That, subject to and conditional on the passing of resolution (i) above, the Directors be empowered, pursuant to section 570 of the CA 2006, to allot equity securities (within the meaning of section 560 of the CA 2006) for cash pursuant to the authority conferred by resolution (i) above as if section 561(1)

of the CA 2006 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) pursuant to any dividend reinvestment scheme introduced or operated by the Company; and
- (c) otherwise than pursuant to paragraphs (a) to (b) above, up to an aggregate nominal amount of £209,667.

In each case, where the proceeds may be used in whole or part to purchase shares, and that this authority shall expire 18 months from the date that this resolution is passed or, if earlier, the conclusion of the next Annual General Meeting, 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.

- (iii) That the Company be generally and unconditionally authorised to make market purchases (within the meaning of Section 693(4) of the CA 2006) of Ordinary shares of 1 penny each in the capital of the Company 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 CA 2006, provided that:
  - (a) the maximum aggregate number of shares hereby authorised to be purchased is 31,429,178;
  - (b) the minimum price, exclusive of any expenses, which may be paid for a share be 1 penny;
  - (c) the maximum price, exclusive of any expenses, which may be paid for a share shall be an amount equal to the higher of (a) 105 per cent, of the average of the middle market quotations for the share, as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the day on which the 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 18 months from the date that this resolution is passed, or if earlier, at the conclusion of the next annual general meeting; and
- (e) the Company may make a contract or contracts to purchase 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 as if the authority conferred hereby had not expired.

Under sections 724-732 of the Act, 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 (iii) is intended to apply equally to shares to be held by the Company as treasury shares in accordance with the Act.

- (iv) That the Directors be empowered to sell treasury shares at the higher of the prevailing current share price and the price bought in at.
- (d) Assuming a NAV per Kings Arms Yard VCT Share of 18.80p (being unaudited the NAV per Kings Arms Yard VCT Share as at 30 September 2013), for the purposes of the Pricing Formula and that the Kings Arms Yard VCT Offer is fully subscribed, immediately following the Kings Arms Yard VCT Offer the issued share capital of Kings Arms Yard VCT will be 212,754,335 Kings Arms Yard VCT Shares (excluding 17,880,000 Kings Arms Yard VCT Shares held in treasury).

### 3 Directors' and other interests

- (a) As at 14 March 2014 (being the latest practicable date prior to publication of this document), Kings Arms Yard VCT was not aware of any person who, directly or indirectly, has an interest in Kings Arms Yard VCT's capital or voting rights which is notifiable under UK law.
- (b) As at 14 March 2014 (being the latest practicable date before the publication of this document) the holdings of Kings Arms Yard VCT Shares of the Kings Arms Yard VCT Directors (including nominee holdings and holdings of connected persons) were as follows:

<b>Director</b>	<b>Kings Arms Yard VCT No. of Shares</b>	<b>% of issued Kings Arms Yard VCT voting Share capital</b>
Robin Field <sup>1</sup>	208,993	0.106%

<sup>1</sup> Robin Field intends to apply for £110,000 worth of Kings Arms Yard VCT Shares under the Offers for the next tax year. Robin Field has also previously made an application for £10,000 worth of Kings Arms Yard Shares for the current tax year under the prospectus top up offers and these Kings Arms Yard VCT Shares are due to be allotted to him on 5 April.

Alan Lamb	121,182	0.062%
Thomas Chambers	383,781	0.195%
Martin Fiennes	132,500	0.067%

- (c) Kings Arms Yard VCT Directors may act as directors of companies in which Kings Arms Yard VCT invests and receive and retain fees in that capacity.
- (d) None of the Kings Arms Yard VCT Directors has a service contract with Kings Arms Yard VCT, and no such contract is proposed. However, Kings Arms Yard VCT has entered into letters of appointment with each of the Kings Arms Yard VCT Directors under the terms of which the Kings Arms Yard VCT chairman is entitled to annual remuneration of £22,500, the chairman of the audit committee is entitled to annual remuneration of £20,000 and the other Kings Arms Yard VCT Directors are entitled to annual remuneration of £17,500 each respectively. No Kings Arms Yard VCT Director has a notice period in excess of three months. Kings Arms Yard VCT Directors may be removed from office under the terms of Kings Arms Yard VCT's articles of association or may resign from office, in each case, with immediate effect at any time.

It is estimated that the aggregate amount payable to the Kings Arms Yard VCT Directors by Kings Arms Yard VCT for the financial period ending on 31 December 2014 under the arrangements in force at the date of this document will not exceed £77,500 (plus payments in relation to out-of-pocket expenses). For the financial year ended 31 December 2013, Robin Field received £22,500, Thomas Chambers received £17,500, Martin Fiennes received £15,000 and Alan Lamb received £15,000. The Kings Arms Yard VCT Directors receive no other remuneration benefits in addition to their fees detailed above.

- (e) No loan or guarantee has been granted or provided by Kings Arms Yard VCT to or for the benefit of any Kings Arms Yard VCT Director.
- (f) None of the Kings Arms Yard VCT Directors nor any member of their respective immediate families has, or has had, an interest in any transaction or transactions which are or were unusual in their nature or conditions or significant to the business of Kings Arms Yard VCT and which were effected by Kings Arms Yard VCT during the current or immediately preceding financial year or during an earlier financial year and remaining in any respect outstanding or unperformed.
- (g) Kings Arms Yard VCT has taken out directors' and officers' liability insurance for the benefit of the Kings Arms Yard VCT Directors, which is renewable on an annual basis.
- (h) No Kings Arms Yard VCT Director is, or has been, interested in any transaction which is, or was, unusual in its nature or conditions or significant to the business of Kings

Arms Yard VCT and which was effected by Kings Arms Yard VCT in the period since its incorporation and remains in any respect outstanding or unperformed.

- (i) None of the Kings Arms Yard VCT Directors have any convictions in relation to fraudulent offences during the previous five years.
- (j) Save for those companies which have an asterisk alongside their name in Part I above (which were voluntarily struck off the Register of Companies at Companies House) and as set out below, there were no bankruptcies, receiverships or liquidations of any companies or partnerships where any of the Kings Arms Yard VCT Directors were acting as (i) a member of the administrative, management or supervisory body, (ii) a partner with unlimited liability, in the case of a limited partnership with a share capital, (iii) a founder where the company had been established for fewer than five years or (iv) a senior manager during the previous five years:
  - Alan Lamb was a non-executive director of Flexion Systems Limited (placed into receivership in January 2001), Voxent Systems Limited (placed into receivership in September 2004) and Data Perspective Limited (dissolved on 19 May 2009).
  - Alan Lamb is also a non-executive director of TTE Systems Limited which was placed into voluntary liquidation on 20 June 2013.
- (k) There have been no official public incriminations of and/or sanctions on any Kings Arms Yard VCT Director by statutory or regulatory authorities (including designated professional bodies) and no Kings Arms Yard VCT Director has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the previous five years.

#### **4 Material contracts**

Save as disclosed in this paragraph, Kings Arms Yard VCT has not entered, other than in the ordinary course of business, into any contract which is or may be material to Kings Arms Yard VCT within the two years immediately preceding the publication of this document or into any contract which contains any provision under which Kings Arms Yard VCT has any obligation or entitlement which is material to Kings Arms Yard VCT as at the date of this document:

- (a) A Management Agreement dated 8 December 2010 pursuant to which the Manager provides discretionary investment management and remuneration services to Kings Arms Yard VCT.

Under the Management Agreement, the Manager is paid an annual management fee equal to 2 per cent. of the Kings Arms Yard VCT's net assets which is paid quarterly in arrears.

The total annual running costs of the Company, including fees payable to the Manager, Directors' fees, professional fees and the costs incurred by the Company in the ordinary course of business (but excluding any exceptional items and performance fees payable by the Manager) are capped at an amount equal to 3.0 per

cent of the Company's net assets, with any excess being met by the manager by way of a reduction in management fees.

The Manager is, in addition, entitled to a performance fee. No performance fee is payable to the Manager until the total return exceeds RPI plus 2 per cent. per annum per Kings Arms Yard VCT Share from the year end or half year on which the net asset value is equal to, or greater than, 20 pence per Kings Arms Yard VCT Share. If the target return is not achieved in a period, the cumulative shortfall is carried forward to the next accounting period and has to be made up before an incentive fee becomes payable. To the extent that the total return exceeds the threshold over the relevant period, a performance fee will be paid to the Manager of an amount equal to 15 per cent. of the excess.

The Management Agreement is terminable by either party by one year's prior written notice, subject to earlier termination by either party in the event of, inter alia, either party committing a material breach of the Management Agreement and failing to rectify the same within 45 days of being requested to do so or if Kings Arms Yard VCT fails to become or ceases to be a venture capital trust for tax purposes or if the Manager shall cease to be lawfully able to carry out its obligations under the Management Agreement.

If terminated by the Kings Arms Yard VCT without due cause or on less than requisite notice, the Manager shall be entitled to receive an amount representing the fees which would have been payable during the period for which notice shall not have been given, calculated by reference to the previous quarterly payments.

The Management Agreement will terminate automatically without compensation, if either party enters into liquidation or has a receiver or administrator appointed over it or its assets, if the Manager ceases to be permitted to act as manager, if the Manager commits an act of fraud or upon the passing of a resolution for the voluntary liquidation, reconstruction or reorganisation of Kings Arms Yard VCT as provided under Kings Arms Yard VCT's Articles of Association.

The Management Agreement contains provisions indemnifying the Manager against any liability not due to its default, negligence, fraud, breach of FSMA or the rules of the FCA.

In line with common practice in the VCT sector, the Manager is entitled to an arrangement fee, payable by each Investee Company, of approximately 2 per cent. on each investment made and is entitled to any non-executive director fees in respect of the Manager's representation on the boards of Investee Companies.

For the purposes of calculating the fees paid to the Manager, the values of the investments are calculated in accordance with the Kings Arms Yard VCT's normal accounting policies, with any disputes being referred to Kings Arms Yard VCT's auditors.

The annual management fees will be charged as to 75 per cent. against capital reserves for accounting purposes, with the balance and all other expenses being charged against revenue. Any performance fees payable to the Manager will be

allocated between capital and revenue reserves on a basis to be determined by the Board.

- (b) The RAM Appointment Letter referred to in paragraph 4(b) of Section A above.
- (c) The Offer Agreement referred to in paragraph 4(c) of Section A above.
- (d) The Allocation Agreement referred to in paragraph 4(d) of Section A above.
- (e) The Engagement Letter referred to in paragraph 4(e) Section A above.
- (f) The Trust Agreement referred to in paragraph 4(f) of Section A above.

## **5 Dividend policy**

The current annual dividend target of Kings Arms Yard VCT is 1p per Kings Arms Yard VCT Share, but this cannot be guaranteed.

## **6 Miscellaneous**

- (a) There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on Kings Arms Yard VCT's prospects for at least the current financial year. There have been no important events, so far as Kings Arms Yard VCT and the Kings Arms Yard VCT Directors are aware, relating to the development of Kings Arms Yard VCT or its business.
- (b) RAM Capital Partners is the promoter of the Offers. Save as disclosed in paragraph 4(b) of Section A above, no amount of cash, securities or benefits has been paid, issued or given to the Promoter in relation to the Offers and none is intended to be given.
- (c) The costs of Kings Arms Yard VCT's Offer, including irrecoverable VAT and permissible annual trail commission, will be paid by the Manager out of its fee of 3.0 per cent. of the gross proceeds of the Offer. The Manager has agreed to meet any permissible annual trail commission payments and pay the expenses of the Offer. If the maximum of £2,900,000 is raised for Kings Arms Yard VCT, the net proceeds of the Kings Arms Yard VCT Offer will amount to approximately £2,813,000. The issue premium on a Kings Arms Yard VCT Share will be the difference between the issue price of the Kings Arms Yard VCT Shares under the Kings Arms Yard VCT Offer and the nominal value of a Kings Arms Yard VCT Share of £0.01.
- (d) Kings Arms Yard VCT does not have any major Shareholders and no Shareholders of Kings Arms Yard VCT have different voting rights. To the best of the knowledge and belief of the Kings Arms Yard VCT Directors, Kings Arms Yard VCT is not directly controlled by any other party and, as at 14 March 2014 (being the latest practicable date prior to the publication of this document) there are no arrangements in place that may, at a subsequent date, result in a change of control of Kings Arms Yard VCT.
- (e) There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Kings Arms Yard VCT is

aware), during the previous 12 months which may have, or have had in the recent past, significant effects on Kings Arms Yard VCT's financial position or profitability.

- (f) The typical investor for whom investment in Kings Arms Yard VCT is designed is an individual retail investor aged 18 or over who is a UK tax payer and who already has a portfolio of VCT and non-VCT investments (such as unit trusts, OEICs, investment trusts and direct shareholdings in listed and non-listed companies).
- (g) None of Kings Arms Yard VCT's capital is under option, nor are there any conditional or unconditional agreements for any part of Kings Arms Yard VCT's capital to be put under option.
- (h) Kings Arms Yard VCT Shareholders will be informed by means of the interim and/or annual report or through a public announcement if the investment restrictions which apply to Kings Arms Yard VCT as a VCT (as detailed in this document) are breached.
- (i) Related party transactions for Kings Arms Yard VCT undertaken in the two financial years ended 31 December 2011 and 2012 are set out in the respective audited reports and accounts for those years which are incorporated by reference in Note 22 on page 45 for the financial year ended 31 December 2011, in Note 22 on page 46 for the financial year ended 31 December 2012, in Note 12 on page 17 of the half-yearly financial report for the six months to 30 June 2012 and in Note 12 on page 20 of the half-yearly financial report for the six months to 30 June 2013. Apart from the payment of Kings Arms Yard VCT Directors' remuneration on the basis set out in paragraph 3(d) above, Kings Arms Yard VCT has not entered into any related party transactions within the meaning of IFRS or UK GAAP in the financial year ended 30 June 2013 and to the date of this document in the current financial year.
- (j) Applications will be made for the admission of the Kings Arms Yard VCT Shares to be issued under the Kings Arms Yard VCT Offer to the premium segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange. The Kings Arms Yard VCT Shares shall be in registered form and may be in either certificated or uncertificated form. Kings Arms Yard VCT Shares in uncertificated form will be credited to CREST accounts.
- (k) Kings Arms Yard VCT is subject to the investment restrictions relating to a venture capital trust in ITA 2007 (a summary of which is set out in paragraph 5 of Section G of this Part V). In addition, for so long as the Kings Arms Yard VCT Shares are admitted to the Official List, Kings Arms Yard VCT is required to abide by applicable Listing Rules including the following:
  - (i) Kings Arms Yard VCT will at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy;
  - (ii) Kings Arms Yard VCT will not conduct any trading activity which is significant in the context of Kings Arms Yard VCT (or, if applicable, its group as a whole); and

- (iii) not more than 10 per cent. in aggregate of the value of the total assets of Kings Arms Yard VCT at the time the investment is made will be invested in other closed-ended investment funds which are listed on the Official List unless those investment funds have stated investment policies to invest no more than 15 per cent. of their total assets in other investment companies which are listed on the Official List.



## **Section G: General Information on the Companies**

### **1 Articles of the Companies**

The principal object and purpose of each Company is to carry on business as a general commercial company.

The material provisions of each Company's articles of association are as detailed below. The provisions set out below, apply mutatis mutandis, to each Company, unless otherwise stated. Reference in this section to the "Company" means, as the case may be, one or more Companies, references to the "Directors" and the "Board" mean the directors of or the board of directors of the relevant Company from time to time and references to the "Articles" are to the articles of association of the relevant Company.

#### **1.1 Voting rights**

- (a) Subject to the provisions of CA 2006 or any special terms as to voting on which any shares may have been issued, or may for the time being be held, and to any suspension or abrogation of voting rights pursuant to the Articles, on a show of hands every member who is present in person or by proxy at any general meeting of the Company shall have one vote and on a poll every member who is present in person or who (being a corporation) is present by a representative or by proxy shall have one vote for every share of which he is the holder.
- (b) A proxy need not be a member of the Company. The appointment of a proxy shall, subject to the provisions of CA 2006, be in writing and in any common form or in such other form as the Board of the Company may approve and (i) if in writing but not in electronic form, made under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, under its common seal or under the hand of some officer or attorney or other person duly authorised in that behalf, or (ii) if in writing in electronic form, submitted by or on behalf of the appointor and authenticated.
- (c) The appointment of a proxy, in the case of an instrument in writing, shall be deposited at the registered office of the Company or at such other place or places within the United Kingdom as is specified not less than 48 hours before the time of the holding of the meeting or, in the case of an appointment in electronic form, shall be received at any address which is specified for the purpose not less than 48 hours before the time of the holding of the meeting.
- (d) No member shall, unless the Board otherwise determines, be entitled to be present or to vote, either personally or by proxy or to be reckoned in the quorum at any general meeting unless all calls or other sums payable by him in respect of his shares have been paid or unless the Board otherwise determines, after failure to provide the Company with information concerning interests in those shares required to be provided under the Articles or CA 2006 where the shares in question represent at least 0.25 per cent. of their class.



- (e) In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall have the second or casting vote in addition to any other vote that he may have.

## **1.2 Issue of Shares**

- (a) Subject to the provisions of CA 2006 and the Articles and to any relevant authority of the Company in general meeting required by CA 2006, unissued shares shall be at the disposal of the Board and they may allot, grant options over, offer or otherwise deal with or dispose of them or rights to subscribe for or convert any security into shares to such persons at such time and on such terms as the Board may decide, provided that no share may be issued at a discount to its nominal value. The Board may also issue redeemable shares on such terms as provided in the Articles.
- (b) Subject to the provisions of CA 2006 and to any special rights for the time being attaching to any existing shares, any shares may be allotted or issued with, or have attached to them, such preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine.

## **1.3 Transfer of Shares**

- (a) Subject to such of the restrictions of the Articles and CA 2006 as may be applicable, any member may transfer all or any of his shares by an instrument of transfer in the usual form or in any other form that the Board may approve. Such instrument shall be signed for or on behalf of the transferor and (in the case of a partly paid share) the transferee.
- (b) The Board may, in its absolute discretion, refuse to register any transfer of a share unless (i) it is in respect of a share which is fully paid up, (ii) it is in respect of only one class of shares, (iii) it is in favour of a single transferee or not more than four joint transferees, (iv) it is duly stamped (if so required) and (v) it is delivered for registration to the registered office of the Company or such other place as the Board may from time to time determine, accompanied (save in certain circumstances) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution of the transfer by him or, if the transfer is executed by some other person on his behalf, the authority of that person to do so.
- (c) The Board shall not however refuse to register any transfer of partly paid shares which are listed on the London Stock Exchange where such refusal would prevent dealing in such shares from taking place on an open and proper basis.
- (d) Uncertificated shares may be transferred by means of a relevant system. The Board may refuse to register a transfer of uncertificated shares in such circumstances as may be permitted or required by the regulations relating thereto and the relevant system.

- (e) Where the shares in question represent at least 0.25 per cent. of their class, unless the Board otherwise determines, the member in question may not (other than in limited circumstances) transfer them after failure to provide the Company with information concerning interests in those shares required to be provided under the Articles or CA 2006.

#### **1.4 Variation of rights**

Where the Company's share capital is divided into different classes of shares, the rights attached to any shares or class of shares may be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares), or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of shares of that class of shares. The quorum for such a class meeting is two persons holding or representing by proxy at least one third of the nominal amount of the issued shares of that class.

#### **1.5 Alteration of capital**

The Company may from time to time in general meeting, by ordinary resolution, increase its share capital by such sums to be divided into shares of such amount as the resolution prescribes, consolidate and divide all or any of its share capital into shares of larger nominal amounts than its existing shares, cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled, and sub-divide its shares, or any of them into shares of a smaller amount and may by such resolution determine that, as between the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred or deferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares.

#### **1.6 Dividends and distributions**

The Company may, subject to the provisions of CA 2006 and the Articles, by ordinary resolution from time to time declare dividends to be paid to members not exceeding the amount recommended by the Board. Subject to the provisions of CA 2006, in so far as, in the Board's opinion, the financial position of the Company justifies such payments, the Board may pay interim dividends on any class of shares including those carrying a fixed dividend. The Board may, if authorised by an ordinary resolution of the Company, offer shareholders in respect of any dividend the right to receive Shares instead of cash. The Board may withhold dividends payable (with no obligation to pay interest thereon) on shares (where such shares represent at least 0.25 per cent. of their class) after there has been a failure to provide the Company with information concerning interests in those shares required to be provided under the Articles or CA 2006 until such failure has been remedied. Any dividend unclaimed after a period of 12 years from the date such dividend is payable shall, if the Board resolves, be forfeited and shall revert to the Company.

#### **1.7 Distribution of realised capital profits**

At any time when the Company has given notice in the prescribed form (which has not been revoked) to the Registrar of Companies of its intention to carry on business as an investment company (a Relevant Period), distribution of the Company's capital profits (within the meaning of section 833(2)(c) of CA 2006) shall be prohibited except to the extent that the requirements for investment company status under section 833 of CA 2006 do not require a company to prohibit the distribution of its capital profits in its memorandum or articles of association. The Board shall establish a reserve to be called the capital reserve. During a Relevant Period, all surpluses arising from the realisation or revaluation of investments and all other monies realised on or derived from the realisation, repayment of or other dealing with any capital asset in excess of the book value thereof and all other monies which are considered by the Board to be in the nature of accretion to capital shall be credited to the capital reserve. Subject to CA 2006, the Board may determine whether any amount received by the Company is to be dealt with as income or capital or partly one way and partly the other. During a Relevant Period, any loss realised on the realisation or repayment of or other dealing with any investments or other capital assets and, subject to CA 2006, any expense or liability (or provision thereof) which the Board considers to relate to a capital item or which the Board otherwise considers appropriate to be debited to the capital reserve shall be carried to the debit of the capital reserve. During a Relevant Period, all sums carried and standing to the credit of the capital reserve may be applied for any of the purposes to which the sums standing to any revenue reserve are applicable except and provided that, notwithstanding any other provision of the Articles, no part of the capital reserve or any other money in the nature of accretion to capital shall be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined by section 829 of CA 2006), except to the extent that the requirements for investment company status under section 833 of CA 2006 do not require a company to prohibit the distribution of its capital profits in its memorandum or articles of association, or be applied in paying dividends on any shares in the Company. In periods other than a Relevant Period, any amount standing to the credit of the capital reserve may be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined by section 829 of CA 2006) or applied in paying dividends on any shares in the Company.

## **1.8 Duration and winding up**

- (a) The Articles provide that the Board shall procure that, at the annual general meeting of the Company falling in 2010 for Kings Arms Yard VCT PLC, 2011 for Crown Place VCT PLC, 2012 for Albion Technology & General VCT PLC and Albion Venture Capital Trust PLC, 2015 for Albion Development VCT PLC and 2017 for Albion Enterprise VCT PLC and at every fifth annual general meeting thereafter, an ordinary resolution will be proposed to the effect that the Company shall continue in being as a VCT. If, at any such meeting, such resolution is not passed the Board shall, within nine months of such meeting, convene an extraordinary general meeting to propose a special resolution for the re-organisation or re-construction of the Company or a special resolution to wind up the Company voluntarily.

- (b) If the Company shall be wound up, the liquidator may, with the authority of an extraordinary resolution and subject to any sanction, divide among the members in specie or in kind the whole or part of the assets of the Company and may determine how such a division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest the whole or any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit and the liquidation of the Company may be closed and the Company dissolved, but no member shall be compelled to accept any assets in respect of which there is a liability.

## **1.9 Directors**

- (a) Unless otherwise determined by ordinary resolution of the Company, the Directors (disregarding alternate Directors) shall not be less than two but there shall be no maximum number of Directors.

The Company may by ordinary resolution appoint a person who is willing to be a Director. The Board may appoint any person who is willing to act as a Director. The Board may appoint one or more of its body to hold any employment or executive office and may revoke or terminate such appointment, without prejudice to any claim for damages for breach of contract between the Director and the Company.

A Director shall not be required to hold any shares in the Company.

The Company may by ordinary resolution remove any director before the expiration of his period of office.

- (b) The business and affairs of the Company shall be managed by the Board, which may exercise all such powers of the Company, subject nevertheless to the provisions of CA 2006.
- (c) Subject to the provisions of the Articles, at every annual general meeting one third of the Directors who are subject to retirement by rotation or, if their number is not a multiple of three, then the number nearest to but not exceeding one third, shall retire from office. If there are fewer than three Directors who are subject to retirement by rotation, one Director will retire. Any Director who is not required to retire by rotation but who has been in office for three years or more since his appointment or re-appointment or who has otherwise held office at not than three consecutive annual general meetings shall retire from office.

## **1.10 Authorisation of interests of Directors**

- (a) Subject to the provisions of CA 2006 and of the Articles, a Director, notwithstanding his office:
  - (i) may enter into or otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested, either in regard to his tenure of any office or place of profit or as vendor, purchaser or otherwise;

- (ii) may hold any other office or place of profit under the Company (except that of auditor or of auditor of a subsidiary of the Company) in conjunction with the office of director and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange, either in addition to or in lieu of any remuneration provided for by any other Article;
  - (iii) may be a Director or other officer, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
  - (iv) shall not be liable to account to the Company for any benefit resulting from any contract by reason of the Director holding that office or the fiduciary relationship established by that office and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.
- (b) A Director who is interested in any contract, arrangement, transaction or proposal with the Company shall declare the nature of his interest at a meeting of the Board in accordance with CA 2006.
- (c) The Board may authorise any matter which, if not so authorised, would or might result in a director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (a "**Conflicted Director**").

Any such authorisation may be given subject to terms and conditions as the Board think fit to impose at the time of such authorisation or subsequently and the authorisation may be varied or terminated by the Board at any time. Any such authorisation is only effective if given by the non-Conflicted Directors and if any requirement as to the quorum of the meeting is met by the non-Conflicted Directors.

If a matter has been so authorised by the Board, the Conflicted Director:

- (i) shall be released from any duty to disclose to the Company any confidential information relating to the matter in question which he received or has received from a third party; and
  - (ii) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any matter, or from any office employment or position, which has been approved by the Board pursuant to the provisions described above (subject in any such case to any terms or conditions to which such approval is for the time being subject).
- (d) Save as provided in the Articles, a Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any contract, arrangement, transaction or any proposal whatsoever to which the Company is or is to be a party and in which he is, to his knowledge, alone

or together with any person connected with him, materially interested, unless the resolution concerns any of the following matters:

- (i) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiaries;
  - (ii) a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
  - (iii) any proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiaries in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
  - (iv) any contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning any other body corporate (a relevant company) in which he (together with persons connected with him), directly or indirectly (and whether as an officer or shareholder, creditor or otherwise), does not hold or have a beneficial interest in one per cent. or more of either a relevant company or an intermediate company (as defined in the Articles) (any such interest being deemed for the purposes of this Article to be a material interest in all circumstances);
  - (v) any contract, arrangement, transaction or proposal relating to an arrangement for the benefit of the employees of the Company or its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees to which such arrangement relates; or
  - (vi) any proposal concerning the purchase and/or maintenance of any insurance policy for the benefit of persons including directors.
- (e) A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment or its termination) of two or more Directors to offices or places of profit with the Company or any company in which the Company is interested, such proposals may be divided and a separate resolution considered in relation to each Director. In such case each of the Directors concerned (if not otherwise debarred from voting under these Articles) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- (f) Subject to the provisions of CA 2006 and the Articles:
- (i) the Board shall have the power to purchase and maintain insurance at the expense of the Company for, or for the benefit of any persons who are or were



at any time Directors, officers or employees of the Company, including insurance against any liability incurred by such persons in relation to or in connection with their duties, powers or offices in relation to the Company; and

- (ii) every Director, alternate Director, secretary and other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, damages and liabilities incurred by him in connection with his duties or the exercise of his powers.

### **1.11 Borrowing powers**

The Board may exercise all powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and uncalled capital and, subject to the provisions of CA 2006, to create and issue debentures, other loan stock and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. Such powers are however limited so that the aggregate principal amount outstanding in respect of monies borrowed by the Company shall not, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to the adjusted share capital and reserves of the Company (for Kings Arms Yard), 10 per cent. thereof (for Albion Development VCT, Albion Enterprise VCT, Albion Technology & General VCT and Albion Venture Capital Trust) and 90 per cent. thereof (for Crown Place VCT).

### **1.12 Untraced members**

Subject to various notice requirements, the Company may sell at the best price reasonably obtainable any share held by a member provided that for a period of 12 years at least three dividends (whether interim or final) on those shares have become payable and no such dividend has been claimed, no cheque or warrant has been cashed and the Company has not received any communication during the relevant period from the holder of the shares.

### **1.13 General meetings**

Annual general meetings and other general meetings of the Company shall be called by at least such minimum period of notice as is prescribed under CA 2006.

### **1.14 Notifiable interests**

Obligations by Shareholders to disclose to the Companies notifiable interests in their shares are stated in Part 22 of CA 2006, sections 89A to 89L of FSMA and the Disclosure and Transparency Rules. In accordance with the Articles, failure by any member to provide the Company with the information as requested by any notice serviced in accordance with section 793 of CA 2006 may result in the member being restricted in respect of his shareholdings and, inter alia, the withholding of any dividend payable to him.



## **2 Valuation policy**

Unquoted equity, debt issued at a discount and convertible bonds are designated as fair value through profit or loss ("FVTPL"). Unquoted investments' fair value is determined by the Directors in accordance with the September 2009 International Private Equity and Venture Capital Valuation Guidelines (IPEVCV guidelines).

Unquoted loan stocks (excluding debt issued at a discount and convertible bonds) are classified as loans and receivables and measured at amortised cost using the effective interest rate method less impairment.

## **3 Custody arrangements**

The Manager acts as custodian for each Company's unquoted assets and, in that capacity, is responsible for ensuring safe custody and dealing with settlement arrangements. Certificates representing the investments made by the Companies are deposited with NatWest Bank and segregated within a secure safe. Computershare Trustees (Jersey) Limited acts as custodian of depository receipts in one investee company held by Kings Arms Yard VCT.

## **4 Taxation**

The following paragraphs, which are intended as a general guide only and are based on current legislation and HMRC practice, summarise advice received by the Directors as to the position of the Shareholders who hold shares other than for trading purposes. Any person who is in any doubt as to his taxation position or is subject to taxation in any jurisdiction other than the United Kingdom should consult his professional advisers.

- (a) Taxation of dividends - under current law, no tax will be withheld by a Company when it pays a dividend.
- (b) Stamp duty and stamp duty reserve tax - the Directors have been advised that no stamp duty or stamp duty reserve tax will be payable on the issue of New Shares. The Directors have also been advised that the transfer of shares in a Company will, subject to any applicable exemptions, be liable to ad valorem stamp duty at the rate of 0.5 per cent. of the consideration paid. An unconditional agreement to transfer such shares if not completed by a duly stamped stock transfer will be subject to stamp duty reserve tax generally at the rate of 50p per £100 (or part thereof) of the consideration paid.
- (c) Close company - the Directors of each Company believe that their Company is not, and expect that following the Offers will not be, a close company within the meaning of ITA 2007. If a Company was a close company in any accounting period, approval as a VCT for that Company would be withdrawn.

## 5 VCT Status

Each Company has to satisfy a number of tests to continue to qualify as a VCT. A summary of these tests is set out below. The following information is based on current UK law and practice and is subject to changes therein, is given by way of a general summary and does not constitute legal or tax advice.

### (a) Qualification as a VCT

To qualify as a VCT, a company must be approved as such by HMRC. To obtain such approval it must:

- 1 not be a close company;
- 2 have each class of its ordinary share capital listed on a regulated market;
- 3 derive its income wholly or mainly from shares or securities;
- 4 have at least 70 per cent. by HMRC Value of its investments in shares or securities in Qualifying Investments of which at least 70 per cent. must be in eligible shares (30 per cent. for funds raised before 6 April 2011);
- 5 have at least 10 per cent. by HMRC Value of each Qualifying Investment in eligible shares;
- 6 not have more than 15 per cent. by HMRC Value of its investments in a single company at the time of investment (other than a VCT or a company which would, if its shares were listed, qualify as a VCT);
- 7 not retain more than 15 per cent. of its income derived from shares and securities in any accounting period; and
- 8 not make an investment in a company which causes that company to receive more than £5 million of State Aid investment (including from VCTs) in the twelve months ending on the date of the investment.

The term "eligible shares" means ordinary shares which carry no preferential rights to assets on a winding-up and no rights to be redeemed, although they may have certain preferential rights to dividends. For funds raised before 6 April 2011, "eligible shares" are ordinary shares which do not carry any rights to be redeemed or a preferential right to dividends or to assets on a winding up.

### (b) Qualifying Investments

A Qualifying Investment consists of shares or securities first issued to the VCT (and held by it ever since) by a company satisfying the conditions set out in Chapter 4 of Part 6 of ITA 2007.

The conditions are detailed, but include that the company must be a Qualifying Company, have gross assets not exceeding £15 million immediately before and £16

million immediately after the investment, have fewer than 250 full-time equivalent employees, apply the money raised for the purposes of a qualifying trade within a certain time period, cannot be controlled by another company and at the time of investment did not obtain more than £5 million of investment from EU state aided risk capital measures in the twelve month period ending on the date of the investment by the VCT. In certain circumstances, an investment in a company by a VCT can be split into a part which is a qualifying holding and a part which is a non-qualifying holding.

(c) Qualifying Companies

A Qualifying Company must be unquoted (for VCT purposes this includes companies whose shares are traded on AIM) and must carry on a qualifying trade. For this purpose certain activities are excluded such as dealing in land or shares or providing financial services. The qualifying trade must either be carried on by, or be intended to be carried on by, the Qualifying Company or by a qualifying subsidiary at the time of the issue of shares or securities to the VCT (and at all times thereafter).

The company must have a permanent establishment in the UK, but the company need not be UK resident. A company intending to carry on a qualifying trade must begin to trade within two years of the issue of shares or securities to the VCT and continue it thereafter.

A Qualifying Company may have no subsidiaries other than qualifying subsidiaries which must, in most cases, be at least 51 per cent. owned.

VCT funds raised after 5 April 2012 cannot be used by a Qualifying Company to fund the purchase of shares in another company.

(d) Approval as a VCT

A VCT must be approved at all times by HMRC. Approval has effect from the time specified at approval. A VCT cannot be approved unless the tests detailed above are met throughout the most recent complete accounting period of the VCT and HMRC is satisfied that they will be met in relation to the accounting period of the VCT which is current when the application is made. However, where a VCT raises further funds, VCTs are given grace periods to invest those funds before those funds need to meet such tests. Each Company has received approval as a VCT from HMRC.

(e) Withdrawal of approval

Approval of a VCT may be withdrawn by HMRC if the various tests set out above are not satisfied. The exemption from corporation tax on capital gains will not apply to any gain realised after the point at which VCT status is lost. Withdrawal of approval generally has effect from time to time when notice is given to the VCT but in relation to capital gains tax of the VCT only can be backdated to not earlier than the first day of the accounting period commencing immediately after the last accounting period of the VCT in which all of the tests were satisfied.

## **6 Conflicts of Interest**

The Manager may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Companies. In particular, it currently does, and may continue to, provide investment management, investment advice or other services in relation to a number of other funds or companies/clients that may have similar investment objectives and/or policies to that of the Companies and may receive ad valorem and/or performance-related fees for doing so. As a result, the Manager may have conflicts of interest in allocating investments among the Companies and other clients and in effecting transactions between the Company and other clients. The Manager may give advice or take action with respect to such other clients that differs from the advice given or actions taken with respect to the Companies.

The Boards of each of the Companies have noted that the Manager has other clients and have satisfied themselves that the Manager has procedures in place to address potential conflicts of interest.

## **7 Overseas investors**

No person receiving a copy of this document in any territory other than the UK may treat the same as constituting an invitation or offer to him unless, in the relevant territory, such an invitation or offer could be lawfully made to him without contravention of any registration or other legal requirements.

The distribution of this document in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of these restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities law of any such jurisdiction.

It is the responsibility of any person outside the UK wishing to make an application to satisfy himself as to the full observance of the laws of the relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

No action has been taken to permit the distribution of the Prospectus in any jurisdiction outside the UK where such action is required to be taken.

The New Shares have not been, nor will they be, registered in the United States under the United States Securities Act of 1933, as amended, (Securities Act) or under the securities laws of any Restricted Territory and they may not be offered or sold directly or indirectly within the United States or any of the Restricted Territories or to, or for the account or benefit of US Persons (as defined in Regulation S made under the Securities Act) or any national, citizen or resident of the United States or any of the Restricted Territories. The Offers are not being made, directly or indirectly, in or into the United States or any of the Restricted Territories or in any other jurisdiction where to do so would be unlawful. In particular, prospective shareholders who are resident in the United States or any Restricted Territory should note that this document is being sent for information purposes only.

All applicants under the Offers will be required to warrant that they are not a US Person (within the meaning of Regulation S made under the United States Securities Act of 1933, as amended), nor a resident, national or citizen of a Restricted Territory.

## **8 Documents available for inspection**

Copies of the following documents will be available for inspection during usual business hours on weekdays, weekends and public holidays excepted, at the offices of Albion Ventures LLP, 1 King's Arms Yard, London EC2R 7AF whilst the Offers are open:

- the memorandum and articles of each Company;
- the material contracts of each Company as referred to in Part V of this Registration Document;
- the audited and unaudited financial statements for each Company, as applicable, as referenced in Part III of this document;
- this Registration Document;
- the Securities Note; and
- the Summary.

Where information has been sourced from a third party, this information has been accurately reproduced and as far as the Companies are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Howard Kennedy Corporate Services LLP is acting as sponsor to each Company in respect of their respective applications for Admission. Howard Kennedy Corporate Services LLP has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.

## Part VI: Definitions

In this document, the following words and expressions have the following meanings:

Admission	the respective dates on which the New Shares allotted pursuant to the Offers are listed on the premium segment of the Official List and admitted to trading on the London Stock Exchange's main market for listed securities
AIC	the Association of Investment Companies
AIC Code	the AIC's Code of Corporate Governance issued in February 2013
AIC Guide	the AIC Corporate Governance Guide for Investment Companies issued in February 2013
AIM	the AIM Market of the London Stock Exchange
Albion Development VCT	Albion Development VCT PLC
Albion Development VCT Directors	the directors of Albion Development VCT (and each an Albion Development VCT Director)
Albion Development VCT Offer	the offer for subscription of New Shares in Albion Development VCT contained in the Prospectus
Albion Enterprise VCT	Albion Enterprise VCT PLC
Albion Enterprise VCT Directors	the directors of Albion Enterprise VCT (and each an Albion Enterprise VCT Director)
Albion Enterprise VCT Offer	the offer for subscription of New Shares in Albion Enterprise VCT contained in the Prospectus
Albion Technology & General VCT	Albion Technology & General VCT PLC
Albion Technology & General VCT Directors	the directors of Albion Technology & General VCT (and each an Albion Technology & General VCT Director)

Albion Technology & General VCT Offer	the offer for subscription of New Shares in Albion Technology & General VCT contained in the Prospectus
Albion Venture Capital Trust	Albion Venture Capital Trust PLC
Albion Venture Capital Trust Directors	the directors of Albion Venture Capital Trust (and each an Albion Venture Capital Trust Director)
Albion Venture Capital Trust Offer	the offer for subscription of New Shares in Albion Venture Capital Trust contained in the Prospectus
Albion Ventures or the Manager	Albion Ventures LLP, or its predecessor business
Boards	the boards of Directors of the Companies (and each a Board)
Business Day	any day (other than a Saturday or Sunday) on which clearing banks are open for normal banking business in sterling
CA 2006	the Companies Act 2006, as amended
Companies	Albion Development VCT, Albion Enterprise VCT, Albion Technology & General VCT, Albion Venture Capital Trust, Crown Place VCT and Kings Arms Yard VCT (and each a Company)
CREST	the computerised settlement system to facilitate the transfer of title to securities in uncertificated form operated by Euroclear UK & Ireland Limited
Crown Place VCT	Crown Place VCT PLC
Crown Place VCT Directors	the directors of Crown Place VCT (and each a Crown Place VCT Director)
Crown Place VCT Offer	the offer for subscription of New Shares in Crown Place VCT contained in the Prospectus
Disclosure and Transparency Rules	the disclosure and transparency rules made by the FCA under section 73A of FSMA



FCA	the Financial Conduct Authority
FSMA	the Financial Services and Markets Act 2000
HMRC	Her Majesty's Revenue and Customs
HMRC Value	the original cost of an investment, adjusted to the value at the time of any addition to that investment in accordance with section 278 of the Income Tax Act 2007
IFRS	International Financial Reporting Standards
ITA 2007	the Income Tax Act 2007 (as amended)
Kings Arms Yard VCT	Kings Arms Yard VCT PLC
Kings Arms Yard VCT Directors	the directors of Kings Arm Yard VCT (and each a Kings Arms Yard VCT Director)
Kings Arms Yard VCT Offer	the offer for subscription of New Shares in Kings Arms Yard VCT contained in the Prospectus
LLP	a limited liability partnership
Listing Rules	the listing rules made by the UK Listing Authority under section 74 of FSMA
London Stock Exchange	London Stock Exchange plc
Moody's	Moody's is a credit rating agency registered in the European Union.
NAV or net asset value	in relation to a share, the net asset value of a share calculated in accordance with the relevant company's accounting policies and, in relation to a company, the aggregate net asset value attributable to that company's issued shares (excluding any shares held in treasury)
New Shares	new Shares in a Company to be issued under its Offer
Offer Price	the subscription price of the New Shares under each Offer as calculated in accordance with the Pricing Formula

Offers	the Albion Development VCT Offer, the Albion Enterprise VCT Offer, the Albion Technology & General VCT Offer, the Albion Venture Capital Trust Offer, the Crown Place VCT Offer and the Kings Arms Yard VCT Offer (and each an Offer)
Official List	the official list of the UK Listing Authority
Pricing Formula	the formula to be used to calculate the Offer Price of the New Shares under each Offer as set out in the Securities Note
Prospectus	this Registration Document, the Securities Note and the Summary
Qualifying Company	an unquoted (including AIM-traded) company which satisfies the requirements of Part 4 of Chapter 6 of ITA 2007
Qualifying Investment	shares in, or securities of, a Qualifying Company held by a VCT which meet the requirements of Part 4 of Chapter 6 of ITA 2007
Qualifying Investor	an individual aged 18 or over who satisfies the conditions of eligibility for tax relief available to investors in a VCT
Registrars	Computershare Investor Services PLC
Registration Document	this document dated 19 March 2014
Regulatory Information Service	a regulatory information service approved by the FCA
Restricted Territories	Canada, Australia, Japan and South Africa
Securities Note	the securities note issued by the Companies dated 19 March 2014 in connection with the Offers
Shareholders	holders of Shares in any one or more of the Companies (and each a Shareholder)
Shares	ordinary shares of 1p (or 10p in the case of Crown Place VCT) each in the capital of a Company (and each a Share)

Sponsor	Howard Kennedy Corporate Services LLP
Summary	the summary issued by the Companies dated 19 March 2014 in connection with the Offers
this document	the Registration Document
UK Corporate Governance Code	the UK Corporate Governance Code issued by the Financial Reporting Council in September 2012
UK GAAP	UK Generally Accepted Accounting Principles
UK Listing Authority	the FCA in its capacity as the competent authority for the purposes of Part VI of FSMA
VCT Value	the value of an investment calculated in accordance with section 278 of ITA 2007
Venture Capital Trust or VCT	a venture capital trust as defined in section 259 of ITA 2007

## **Directors, Manager and Advisers**

### **Directors of Albion Development VCT PLC**

Geoffrey Vero  
Jonathan Thornton  
Andrew Phillipps  
Patrick Reeve

### **Directors of Albion Technology & General VCT PLC**

Neil Cross  
Modwenna Rees-Mogg  
Robin Archibald  
Mary Anne Cordeiro  
Patrick Reeve

### **Directors of Crown Place VCT PLC**

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Karen Brade  
Richard Huntingford

### **Manager and Secretary**

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Lord St John of Bletso  
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### **Directors of Albion Venture Capital Trust PLC**

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John Kerr  
Jeff Warren  
Ebbe Dinesen

### **Directors of Kings Arms Yard VCT PLC**

Robin Field  
Thomas Chambers  
Martin Fiennes  
Alan Lamb

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