

Half-yearly Financial Report
(unaudited) for the six months to
30 June 2009

Albion Technology & General VCT PLC

4114310

SATURDAY



ADDK0CFB

A14 15/08/2009 342

COMPANIES HOUSE

Contents

Page	
2	Company Information
3	Investment Objectives and Financial Calendar
4	Financial Highlights
5	Interim Management Report
7	Responsibility Statement
8	<i>Portfolio of Investments</i>
14	Summary Income Statement – Ordinary shares
15	Summary Income Statement – C shares
16	Summary Income Statement – Combined
17	Summary Balance Sheet – Ordinary shares
18	Summary Balance Sheet – C shares
19	Summary Balance Sheet – Combined
20	Summary Reconciliation of Movement in Shareholders' Funds – Ordinary shares
22	Summary Reconciliation of Movement in Shareholders' Funds – C shares
24	Summary Cash Flow Statement – Ordinary shares
25	Summary Cash Flow Statement – C shares
26	Summary Cash Flow Statement – Combined
27	Notes to the Summarised Financial Statements

Company Information

Company number	4114310
Directors	Dr N E Cross, Chairman Lt Gen Sir Edmund Burton KBE M J Hart P H Reeve
Company secretary and registered office	Albion Ventures LLP 1 King's Arms Yard London EC2R 7AF
Investment manager	Albion Ventures LLP 1 King's Arms Yard London EC2R 7AF
Registrars	Capita Registrars Limited Northern House Penistone Road Fenay Bridge Huddersfield HD8 0LA
Custodian	Capita Trust Company Limited Phoenix House 7th Floor 18 King William Street London EC4N 7HE
Auditors	PKF (UK) LLP Farringdon Place 20 Farringdon Road London EC1M 3AP
Taxation adviser	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Legal advisers	Berwin Leighton Paisner LLP Adelaide House London Bridge London EC4R 9HA

Albion Technology & General VCT PLC is a member of the Association of Investment Companies.

Shareholder information	For help relating to dividend payments, shareholdings and share certificates please contact Capita Registrars Limited: Tel: 0871 664 0300 (calls cost 10p per minute plus network extras) Email: ssd@capitaregistrars.com Website: www.capitaregistrars.com For enquiries relating to the performance of the Fund please contact Albion Ventures LLP: Tel: 020 7601 1850 Email: info@albion-ventures.co.uk Website: www.albion-ventures.co.uk
IFA information	Independent Financial Advisors with questions please contact Albion Ventures LLP: Tel: 08442 579 722 (calls cost 4p per minute plus network extras) Email: info@albion-ventures.co.uk Website: www.albion-ventures.co.uk

Investment Objectives

Albion Technology & General VCT PLC ("the Company") is a Venture Capital Trust which raised £14.3 million in December 2000 and 2002, and raised a further £35.0 million during 2006 through the launch of a C share issue. The Company offers investors the opportunity to participate in a balanced portfolio of technology and non-technology businesses. Over the longer term, it is intended that the Company's investment portfolio be split approximately as follows:

- 40% in unquoted UK technology-related companies; and
- 60% in unquoted UK non-technology companies.

Financial Calendar

Record date for C share dividend	21 August 2009
Payment date for C share dividend	18 September 2009
Financial year end	31 December 2009

A dividend for the Ordinary shares has not been declared for 2009 because the 8 pence dividend for 2009 was paid in advance on 30 December 2008.

Financial Highlights

	Ordinary shares 30 June 2009 pence per share	Ordinary shares 30 June 2008 pence per share	C shares 30 June 2009 pence per share	C shares 30 June 2008 pence per share
Revenue return	1.3	2.7	0.5	1.6
Capital return	(1.3)	(2.9)	(7.3)	(3.2)
Net asset value	86.9	110.1	73.3	89.4
			Ordinary share pence per share	C share pence per share
Total shareholder net asset value return to 30 June 2009				
Total dividends paid during the year ended:				
31 December 2001			1.0	–
31 December 2002			2.0	–
31 December 2003			1.5	–
31 December 2004			7.5	–
31 December 2005			9.0	–
31 December 2006			8.0	0.5
31 December 2007			8.0	2.5
31 December 2008			16.0	4.5
Total dividends paid to 30 June 2009			53.0	7.5
Net asset value as at 30 June 2009			86.9	73.3
Total shareholder net asset value return to 30 June 2009			139.9	80.8

The Directors have declared a C share dividend of one penny per C share (out of revenue profits) to be paid on 18 September 2009 to shareholders on the register at 21 August 2009. The Ordinary shares' 2009 dividend of 8 pence was paid in advance on 30 December 2008. The C shares' first dividend of 2009 was also paid in advance on 30 December 2008.

Interim Management Report

Introduction

The results for Albion Technology & General VCT PLC for the six months to 30 June 2009 show a nil return for the Ordinary share portfolio and a negative return of 6.8p for the C share portfolio. The relatively strong performance for the Ordinary shares in a difficult economic climate reflects the maturity of its investment portfolio, which is now on average over seven years old. The C share portfolio, by contrast, is on average less than two years old and has yet to develop the robustness required to show growth in the current recession.

Investment performance and progress

The Ordinary share portfolio benefited in particular from the sale of two of its long standing AIM investments, Tepnel Life Sciences and Pilat Media Global. Together these resulted in an uplift of £393,000 over the valuation at the previous year end. This went a long way towards covering provisions against investments in other parts of the portfolio. In the C share portfolio, half of the write downs came as a result of third party valuations of our pub and health and fitness club investments, in line with the commercial property market, though the majority of these units are trading profitably. In addition, provisions were made against Oxsensis (heat sensor technology) and Helveta (software for the tracking of tropical timber), in both cases following slower than hoped-for progress. Meanwhile, Chichester Holdings (drink distribution) saw a decline in its previously strong level of profitability. Nevertheless, the portfolio as a whole remains stable, despite the cautious view of investment valuations, since it is the VCT's policy to ensure that investee companies do not have external bank borrowings.

Both Ordinary and C share portfolios have seen a sharp decline in their investment income over the course of the year. Much of this is the result of the current very low market interest rates; these have not only resulted in a sharp decline in non qualifying income, but also affected the revenue from qualifying investments where certain loan stocks have floating rate interest.

Investment activity in the period has been relatively muted, with £278,000 invested from the Ordinary share portfolio, and £1.19 million invested in the

C share portfolio. These amounts included £420,000 invested in Forth Photonics, a company involved in the development and sale of detectors for cervical cancer. The balance was invested in existing investee companies, partly to fund further purchases at attractive prices (in the case of pubs), partly to fund further growth and partly to ensure that the relevant company achieves profitability.

Split of Ordinary share portfolio valuation by sector as at 30 June 2009

Source: Albion Ventures LLP

Split of C share portfolio valuation by sector as at 30 June 2008

Source: Albion Ventures LLP

Related party transactions

Details of material related party transactions for the reporting period can be found in note 15 to this Half-yearly Financial Report.

Interim Management Report continued

Risks and uncertainties

The key risks affecting the company remain the recession in the UK and the difficult continuing outlook for the world economy in general. As mentioned above, because it is our policy that investee companies do not have external gearing, our portfolio remains relatively well equipped to cope with this broader, negative climate. Other risks and uncertainties remain unchanged, and are as detailed on page 25 of the Annual Report & Financial Statements for the year ended 31 December 2008.

Outlook

The key tasks for the VCT are threefold: first, to ensure that those companies that are not yet in profit, are positioned to achieve profitability, second, that the investment portfolio is capable of generating a satisfactory level of income for the VCT, and third, to take advantage of the interesting investment opportunities at attractive values that are now available in the market. Good progress has been made in the former area over the past six months and, in the latter area, we are particularly concentrating on areas such as healthcare and environment, both in technology and non-technology areas, where we see strong, longer term growth. Having said that, we are also taking advantage of value opportunities in other sectors as they arise.

Results and dividends

As at 30 June 2009 the net asset value of the Ordinary shares was 86.9p (30 June 2008: 110.1p). The net asset value of the C shares was 73.3p (30 June 2008: 89.4p). Revenue return before tax for the six months in respect of the Ordinary shares was £203,000 (six months to 30 June 2008: £470,000) and for the C shares the revenue return before tax was £212,000 (six months to 30 June 2008: £770,000).

Shareholders will recall that a third dividend in respect of each share class was paid in December 2008 and that no first dividend was payable for either the Ordinary shares or the C shares in respect of the current year. The C Shares will pay a second dividend of one penny per share, payable on 18 September 2009 to shareholders on the register at 21 August 2009. There will be no second dividend for the Ordinary Shares and it is expected that the bi-annual dividends will resume on their normal pattern in respect of both classes in 2010.

Dr N E Cross
Chairman

7 August 2009



Responsibility Statement

The Directors are responsible for preparing the Half-yearly Financial Report. The Directors have chosen to prepare the financial statements for the Company in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP").

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view in accordance with UK GAAP of the state of affairs of the Company at the end of the period and of the profit and loss of the Company for that period and comply with UK GAAP and the Companies Act 2006. In preparing those financial statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether all applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

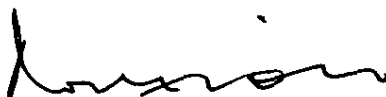
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company, for the systems of internal control and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors confirm that the Financial Statements comply with the above requirements.

The accounting policies applied to the Half-yearly Financial Report have been consistently applied in current and prior periods and are those applied in the Report and Financial Statements for the year ended 31 December 2008.

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

By order of the Board

DR N E Cross
Chairman



7 August 2009

Portfolio of Investments

Ordinary shares

The following is a summary of the qualifying technology fixed asset investments as at 30 June 2009.

Investee company	% voting rights	% voting rights of AVL* managed companies	Investment to date at cost £'000	Cumulative movement in carrying/fair value £'000	Total carrying/fair value £'000
Xceleron Limited	7.3	45.1	680	10	690
Blackbay Limited	2.3	32.9	258	66	324
Peakdale Molecular Limited	6.0	14.9	427	(262)	165
Dexela Limited	2.1	34.8	155	3	158
Mi-Pay Limited	2.1	38.5	172	(37)	135
SparesFinder Limited	10.3	14.3	675	(559)	116
RFI Global Services Limited	2.5	27.0	202	(94)	108
Lowcosttravelgroup Limited	2.0	26.0	200	(92)	108
Helveta Limited	1.3	28.6	129	(23)	106
Mirada Medical Limited	2.7	45.0	90	1	91
Forth Photonics Limited	0.6	12.2	80	–	80
Portrait Software PLC**	0.6	0.6	310	(241)	69
Oxsensis Limited	1.3	22.3	125	(62)	63
Rostima Limited	1.1	35.0	79	(42)	37
Point 35 Microstructures Limited	0.9	28.1	65	(21)	44
Process Systems Enterprise Limited	0.5	15.9	50	(21)	29
Bond International PLC**	0.1	0.1	12	10	22
Red-M Group Limited	1.0	10.7	105	(88)	17
OneclickHR PLC**	0.1	0.1	58	(49)	9
Palm Tree Technology plc	0.2	2.1	38	(32)	6
Total technology investments			3,910	(1,533)	2,377

* AVL is Albion Ventures LLP

** AIM quoted investments

Portfolio of Investments continued

Ordinary shares (continued)

The following is a summary of the qualifying non-technology fixed asset investments as at 30 June 2009.

Investee company	% voting rights	% voting rights of AVL* managed companies	Investment to date at cost £'000	Cumulative movement in carrying/fair value £'000	Total carrying/fair value £'000
Evolutions Television Limited	10.7	49.9	1,942	(865)	1,077
The O Garden Company Limited	33.3	49.8	2,401	(1,401)	1,000
Consolidated PR Limited	10.6	25.5	691	(117)	574
Peakdale Molecular Limited**	n/a	n/a	578	(14)	564
The Weybridge Club Limited	3.3	50.0	530	(38)	492
Bravo Inns II Limited	2.5	50.0	225	(11)	214
CS (Brixton) Limited	3.9	50.0	150	22	172
Tower Bridge Health Clubs Limited	2.9	50.0	183	(23)	160
Kensington Health Clubs Limited	1.2	50.0	256	(108)	148
Prime Care Holdings Limited	3.0	42.2	143	4	147
Opta Sportsdata Limited	1.0	14.0	110	8	118
Welland Inns VCT Limited	2.5	50.0	264	(152)	112
Chichester Holdings Limited	2.3	50.0	150	(40)	110
CS (Greenwich) Limited	2.0	50.0	110	(21)	89
The Charnwood Pub Company Limited	1.5	50.0	110	(23)	87
GB Pub Company VCT Limited	3.9	50.0	177	(97)	80
Bravo Inns Limited	1.6	50.0	140	(65)	75
The Dunedin Pub Company VCT Limited	2.4	50.0	123	(61)	62
CS (Exeter) Limited	4.0	50.0	60	(1)	59
Novello Pub Limited	4.3	50.0	123	(66)	57
City Screen (Liverpool) Limited	4.6	50.0	50	(10)	40
Premier Leisure (Suffolk) Limited	1.4	45.0	110	(81)	29
Vibrant Energy Assessors Limited	1.7	25.6	133	(108)	25
CS (Norwich) Limited	1.9	50.0	30	(9)	21
Riverbourne Health Club Limited	1.5	50.0	30	(24)	6
Pelican Pub Limited	5.0	50.0	18	(17)	1
Total non-technology investments			8,837	(3,318)	5,519
Total qualifying investments			12,747	(4,851)	7,896

* AVL is Albion Ventures LLP

** This part of the Peakdale investment is in loan stock secured against debtors and property is classified as a non-technology holding.

Portfolio of Investments continued

Ordinary shares (continued)

The following is a summary of the non-qualifying fixed asset investments as at 30 June 2009.

Investee company	% voting rights	% voting rights of AVL* managed companies	Investment to date at cost £'000	Cumulative movement in carrying/fair value £'000	Total carrying/fair value £'000
Unquoted investments:					
Smiles Pub Company Limited	22.6	100.0	434	(71)	363
Consolidated PR Limited	2.2	25.5	33	20	53
Total unquoted non-qualifying investments			467	(51)	416
Quoted non-qualifying investments:					
OneclickHR PLC**			43	(37)	6
Portrait Software PLC**			1	(1)	-
Total quoted non-qualifying investments			44	(38)	6
Total non-qualifying investments			511	(89)	422

* AVL is Albion Ventures LLP

** AIM quoted investments

Split of Ordinary share portfolio between technology and non-technology investments at 30 June 2009

Source: Albion Ventures LLP

Portfolio of Investments continued

C shares

The following is a summary of the qualifying technology fixed asset investments as at 30 June 2009.

Investee company	% voting rights	% voting rights of AVL* managed companies	Investment to date at cost £'000	Cumulative movement in carrying/fair value £'000	Total carrying/ fair value £'000
Helveta Limited	12.0	28.6	1,136	(206)	930
Mi-Pay Limited	13.0	38.5	1,051	(229)	822
Blackbay Limited	5.6	32.9	620	158	778
Dexela Limited	10.0	34.8	740	20	760
Rostima Limited	12.8	35.0	946	(501)	445
Xceleron Limited	8.9	45.1	820	(244)	576
Point 35 Microstructures Limited	9.0	28.1	676	(218)	458
Oxsensis Limited	7.6	22.3	705	(353)	352
Forth Photonics Limited	2.8	12.2	340	-	340
Process Systems Enterprise Limited	5.5	15.9	520	(211)	309
Mirada Medical Limited	9.9	45.0	140	-	140
RFI Global Services Limited	1.3	27.0	112	(52)	60
Lowcosttravelgroup Limited	2.0	26.0	480	(423)	57
Total technology investments			8,286	(2,259)	6,027

* AVL is Albion Ventures LLP

Portfolio of Investments continued

C share (continued)

The following is a summary of the qualifying non-technology fixed asset investments as at 30 June 2009.

Investee company	% voting rights	% voting rights of AVL* managed companies	Investment to date at cost £'000	Cumulative movement in carrying/fair value £'000	Total carrying/fair value £'000
Chichester Holdings Limited	12.9	50.0	1,850	(183)	1,667
Kensington Health Clubs Limited	12.2	50.0	2,744	(1,146)	1,598
The Charnwood Pub Company Limited	29.1	50.0	1,370	(190)	1,180
Droxford Hospital Limited	18.7	50.0	1,000	(3)	997
Bravo Inns II Limited	9.6	50.0	840	(47)	793
The Weybridge Club Limited	3.4	50.0	784	(70)	714
Bravo Inns Limited	14.5	50.0	1,290	(598)	692
Welland Inns VCT Limited	8.0	50.0	909	(337)	572
Opta Sportsdata Limited	4.8	14.0	515	39	554
Prime Care Holdings Limited	10.6	42.2	500	16	516
Premier Leisure (Suffolk) Limited	10.9	45.0	890	(654)	236
The Dunedin Pub Company VCT Limited	8.0	50.0	409	(204)	205
CS (Norwich) Limited	10.6	50.0	170	(50)	120
Vibrant Energy Assessors Limited	7.7	25.6	600	(485)	115
Riverbourne Health Club Limited	15.5	50.0	310	(251)	59
Evolutions Television Limited	0.4	49.9	85	(39)	46
Total non-technology investments			14,266	(4,202)	10,064
Total qualifying investments			22,552	(6,461)	16,091

* AVL is Albion Ventures LLP

Portfolio of Investments continued

C share (continued)

The following is a summary of the non-qualifying fixed asset investments as at 30 June 2009.

Investee company	% voting rights	% voting rights of AVL* managed companies	Investment to date at cost £'000	Cumulative movement in carrying/fair value £'000	Total carrying/fair value £'000
Kensington Health Clubs Limited	n/a	n/a	494	(57)	437
Total non-qualifying investments			494	(57)	437

* AVL is Albion Ventures LLP

The following is a summary of current asset investments as at 30 June 2009.

Current asset investment	Investment to date at cost £'000	Cumulative movement in carrying/fair value £'000	Total carrying/fair value £'000
Rabobank Floating Rate Note July 2010	5,000	(8)	4,992
UBS Floating Rate Note April 2011	1,000	-	1,000
Total non-qualifying investments	6,000	(8)	5,992

Split of C share portfolio between technology and non-technology investments at 30 June 2009

Source: Albion Ventures LLP

Summary Income Statement

Ordinary shares

		Unaudited six months ended 30 June 2009			Unaudited six months ended 30 June 2008			Audited year ended 31 December 2008		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses on investments	3	–	(132)	(132)	–	(257)	(257)	–	(2,029)	(2,029)
Investment income	4	254	–	254	560	–	560	875	–	875
Investment management fees		(36)	(106)	(142)	(55)	(163)	(218)	(94)	(281)	(375)
Recovery of VAT	6	20	59	79	–	–	–	61	182	243
Other expenses		(35)	–	(35)	(35)	–	(35)	(69)	–	(69)
Return/(loss) on ordinary activities before tax		203	(179)	24	470	(420)	50	773	(2,128)	(1,355)
Tax (charge)/credit on ordinary activities		(40)	10	(30)	(117)	41	(76)	(196)	28	(168)
Return/(loss) attributable to shareholders		163	(169)	(6)	353	(379)	(26)	577	(2,100)	(1,523)
Basic and diluted return/(loss) per share (pence)*	7	1.3	(1.3)	–	2.7	(2.9)	(0.2)	4.4	(16.0)	(11.6)

* excluding treasury shares

Comparative figures have been extracted from the unaudited Half-yearly Financial Report for the six months ended 30 June 2008 and the audited statutory accounts for the year ended 31 December 2008.

The accompanying notes on pages 27 to 36 form an integral part of this Half-yearly Financial Report.

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

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

There are no recognised gains or losses other than the results for the periods disclosed above. Accordingly a Statement of Total Recognised Gains and Losses is not required. The difference between the reported loss on ordinary activities before tax and the historical profit is due to the fair value movements on investments. As a result a Note on Historical Cost Profit and Losses has not been prepared.

Summary Income Statement continued

C shares

		Unaudited six months ended 30 June 2009			Unaudited six months ended 30 June 2008			Audited year ended 31 December 2008		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses on investments	3	-	(2,394)	(2,394)	-	(880)	(880)	-	(3,772)	(3,772)
Investment income	4	371	-	371	968	-	968	1,727	-	1,727
Investment management fees		(82)	(247)	(329)	(119)	(355)	(474)	(210)	(631)	(841)
Recovery of VAT	6	-	-	-	-	-	-	83	249	332
Other expenses		(77)	-	(77)	(79)	-	(79)	(164)	-	(164)
Return/(loss) on ordinary activities before tax		212	(2,641)	(2,429)	770	(1,235)	(465)	1,436	(4,154)	(2,718)
Tax (charge)/credit on ordinary activities		(32)	52	20	(192)	89	(103)	(378)	109	(269)
Return/(loss) attributable to shareholders		180	(2,589)	(2,409)	578	(1,146)	(568)	1,058	(4,045)	(2,987)
Basic and diluted return/(loss) per share (pence)*	7	0.5	(7.3)	(6.8)	1.6	(3.2)	(1.6)	3.0	(11.4)	(8.4)

* excluding treasury shares

Comparative figures have been extracted from the unaudited Half-yearly Financial Report for the six months ended 30 June 2008 and the audited statutory accounts for the year ended 31 December 2008.

The accompanying notes on pages 27 to 36 form an integral part of this Half-yearly Financial Report.

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

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

There are no recognised gains or losses other than the results for the periods disclosed above. Accordingly a Statement of Total Recognised Gains and Losses is not required. The difference between the reported loss on ordinary activities before tax and the historical profit is due to the fair value movements on investments. As a result a Note on Historical Cost Profit and Losses has not been prepared.

Summary Income Statement continued

Combined

		Unaudited six months ended 30 June 2009			Unaudited six months ended 30 June 2008			Audited year ended 31 December 2008		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses on investments	3	-	(2,526)	(2,526)	-	(1,137)	(1,137)	-	(5,801)	(5,801)
Investment income	4	625	-	625	1,528	-	1,528	2,602	-	2,602
Investment management fees		(118)	(353)	(471)	(174)	(518)	(692)	(304)	(912)	(1,216)
Recovery of VAT	6	20	59	79	-	-	-	144	431	575
Other expenses		(112)	-	(112)	(114)	-	(114)	(233)	-	(233)
Return/(loss) on ordinary activities before tax		415	(2,820)	(2,405)	1,240	(1,655)	(415)	2,209	(6,282)	(4,073)
Tax (charge)/credit on ordinary activities		(72)	62	(10)	(309)	130	(179)	(574)	137	(437)
Return/(loss) attributable to shareholders		343	(2,758)	(2,415)	931	(1,525)	(594)	1,635	(6,145)	(4,510)

Comparative figures have been extracted from the unaudited Half-yearly Financial Report for the six months ended 30 June 2008 and the audited statutory accounts for the year ended 31 December 2008.

The accompanying notes on pages 27 to 36 form an integral part of this Half-yearly Financial Report.

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

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

There are no recognised gains or losses other than the results for the periods disclosed above. Accordingly a Statement of Total Recognised Gains and Losses is not required. The difference between the reported loss on ordinary activities before tax and the historical profit is due to the fair value movements on investments. As a result a Note on Historical Cost Profit and Losses has not been prepared.

Summary Balance Sheet

Ordinary shares

	Note	Unaudited 30 June 2009 £'000	Unaudited 30 June 2008 £'000	Audited 31 December 2008 £'000
Fixed asset investments				
Qualifying		7,896	9,609	8,551
Non-qualifying		422	441	427
Total fixed asset investments	8	8,318	10,050	8,978
Current assets				
Trade and other debtors		147	104	714
Cash at bank and in hand	12	2,758	4,578	1,647
		2,905	4,682	2,361
Creditors: amounts falling due within one year		(19)	(290)	(79)
Net current assets		2,886	4,392	2,282
Net assets		11,204	14,442	11,260
Capital and reserves				
Called-up share capital	9	6,851	6,806	6,851
Share premium		215	176	215
Special reserve		5,554	5,554	5,554
Capital redemption reserve		400	400	400
Own treasury shares reserve		(763)	(502)	(713)
Realised capital reserve		3,420	4,220	3,321
Unrealised capital reserve		(5,015)	(2,888)	(4,747)
Revenue reserve		542	676	379
Total equity shareholders' funds		11,204	14,442	11,260
Net asset value per share (pence)*		86.9	110.1	86.8

* excluding treasury shares

Comparative figures have been extracted from the unaudited Half-yearly Financial Report for the six months ended 30 June 2008 and the audited statutory accounts for the year ended 31 December 2008.

The accompanying notes on pages 27 to 36 form an integral part of this Half-yearly Financial Report.

Summary Balance Sheet continued

C shares

	Note	Unaudited 30 June 2009 £'000	Unaudited 30 June 2008 £'000	Audited 31 December 2008 £'000
Fixed asset investments				
Qualifying		16,091	14,542	17,440
Non-qualifying		437	–	494
Total fixed asset investments	8	16,528	14,542	17,934
Current assets				
Trade and other debtors		255	466	811
Current asset investments		5,992	9,977	9,938
Cash at bank and in hand	12	2,943	7,462	212
		9,190	17,905	10,961
Creditors: amounts falling due within one year		(82)	(654)	(520)
Net current assets		9,108	17,251	10,441
Net assets		25,636	31,793	28,375
Capital and reserves				
Called-up share capital	9	17,809	17,760	17,809
Share premium		41	11	41
Special reserve		15,773	15,768	15,773
Own treasury shares reserve		(360)	(13)	(30)
Realised capital reserve		(1,158)	(954)	(961)
Unrealised capital reserve		(6,821)	(1,537)	(4,429)
Revenue reserve		352	758	172
Total equity shareholders' funds		25,636	31,793	28,375
Net asset value per share (pence)*		73.3	89.4	79.8

* excluding treasury shares

Comparative figures have been extracted from the unaudited Half-yearly Financial Report for the six months ended 30 June 2008 and the audited statutory accounts for the year ended 31 December 2008.

The accompanying notes on pages 27 to 36 form an integral part of this Half-yearly Financial Report.

Summary Balance Sheet continued

Combined

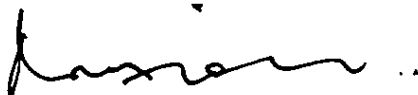
	Note	Unaudited 30 June 2009 £'000	Unaudited 30 June 2008 £'000	Audited 31 December 2008 £'000
Fixed asset investments				
Qualifying		23,987	24,151	25,991
Non-qualifying		859	441	921
Total fixed asset investments	8	24,846	24,592	26,912
Current assets				
Trade and other debtors		402	570	1,525
Current asset investments		5,992	9,977	9,938
Cash at bank and in hand	12	5,701	12,040	1,859
		12,095	22,587	13,322
Creditors: amounts falling due within one year		(101)	(944)	(599)
Net current assets		11,994	21,643	12,723
Net assets		36,840	46,235	39,635
Capital and reserves				
Called-up share capital	9	24,660	24,566	24,660
Share premium		256	187	256
Special reserve		21,327	21,322	21,327
Capital redemption reserve		400	400	400
Own treasury shares reserve		(1,123)	(515)	(743)
Realised capital reserve		2,262	3,266	2,360
Unrealised capital reserve		(11,836)	(4,425)	(9,176)
Revenue reserve		894	1,434	551
Total equity shareholders' funds		36,840	46,235	39,635

Comparative figures have been extracted from the unaudited Half-yearly Financial Report for the six months ended 30 June 2008 and the audited statutory accounts for the year ended 31 December 2008.

The accompanying notes on pages 27 to 36 form an integral part of this Half-yearly Financial Report.

These financial statements were approved by the Board of Directors, and authorised for issue on 7 August 2009 and were signed on its behalf by

Dr N E Cross
Chairman



Summary Reconciliation of Movement in Shareholders' Funds (unaudited)

Ordinary shares

	Called-up share capital £'000	Share premium £'000	Special reserve* £'000	Capital redemption reserve £'000	Own treasury shares reserve* £'000	Realised capital reserve* £'000	Unrealised capital reserve* £'000	Revenue reserve* £'000	Total £'000
As at 31 December 2008	6,851	215	5,554	400	(713)	3,321	(4,747)	379	11,260
Net realised gains on investments in the period	-	-	-	-	-	136	-	-	136
Movement in unrealised appreciation	-	-	-	-	-	-	(268)	-	(268)
Capitalised investment management fee	-	-	-	-	-	(106)	-	-	(106)
Capitalised tax	-	-	-	-	-	10	-	-	10
Recoverable VAT capitalised	-	-	-	-	-	59	-	-	59
Purchase of own treasury shares	-	-	-	-	(50)	-	-	-	(50)
Revenue return attributable to shareholders	-	-	-	-	-	-	-	163	163
As at 30 June 2009	6,851	215	5,554	400	(763)	3,420	(5,015)	542	11,204
As at 1 January 2008	6,795	165	5,554	400	(282)	4,067	(2,092)	586	15,193
Net realised gains on investments in the period	-	-	-	-	-	539	-	-	539
Movement in unrealised appreciation	-	-	-	-	-	-	(796)	-	(796)
Capitalised investment management fee	-	-	-	-	-	(164)	-	-	(164)
Capitalised tax	-	-	-	-	-	41	-	-	41
Purchase of own treasury shares	-	-	-	-	(220)	-	-	-	(220)
Issue of equity (net of costs)	11	11	-	-	-	-	-	-	22
Revenue return attributable to shareholders	-	-	-	-	-	-	-	353	353
Dividends paid	-	-	-	-	-	(263)	-	(263)	(526)
As at 30 June 2008	6,806	176	5,554	400	(502)	4,220	(2,888)	676	14,442

Summary Reconciliation of Movement in Shareholders' Funds (unaudited) continued

Ordinary shares (continued)

	Called-up share capital £'000	Share premium £'000	Special reserve* £'000	Capital redemption reserve £'000	Own treasury shares reserve* £'000	Realised capital reserve* £'000	Unrealised capital reserve* £'000	Revenue reserve* £'000	Total £'000
As at 1 July 2008	6,806	176	5,554	400	(502)	4,220	(2,888)	676	14,442
Net realised gains on investments in the period	—	—	—	—	—	87	—	—	87
Movement in unrealised appreciation	—	—	—	—	—	—	(1,859)	—	(1,859)
Capitalised investment management fee	—	—	—	—	—	(117)	—	—	(117)
Capitalised tax	—	—	—	—	—	(13)	—	—	(13)
Recoverable VAT capitalised	—	—	—	—	—	182	—	—	182
Purchase of own treasury shares	—	—	—	—	(211)	—	—	—	(211)
Issue of equity (net of costs)	45	39	—	—	—	—	—	—	84
Revenue return attributable to shareholders	—	—	—	—	—	—	—	224	224
Dividends paid	—	—	—	—	—	(1,038)	—	(521)	(1,559)
As at 31 December 2008	<u>6,851</u>	<u>215</u>	<u>5,554</u>	<u>400</u>	<u>(713)</u>	<u>3,321</u>	<u>(4,747)</u>	<u>379</u>	<u>11,260</u>

* Included within these reserves is an amount of £3,738,000 (30 June 2008: £7,060,000; 31 December 2008: £3,794,000) which is considered distributable. The Special reserve has been treated as distributable in determining the amounts available for distribution.

Summary Reconciliation of Movement in Shareholders' Funds (unaudited) continued

C shares

	Called-up share capital £'000	Share premium £'000	Special reserve* £'000	Own treasury shares reserve* £'000	Realised capital reserve* £'000	Unrealised capital reserve* £'000	Revenue reserve* £'000	Total £'000
As at 31 December 2008	17,809	41	15,773	(30)	(961)	(4,429)	172	28,375
Net realised gains on investments in the period	-	-	-	-	(2)	-	-	(2)
Movement in unrealised appreciation	-	-	-	-	-	(2,392)	-	(2,392)
Capitalised investment management fee	-	-	-	-	(247)	-	-	(247)
Capitalised tax	-	-	-	-	52	-	-	52
Purchase of own treasury shares	-	-	-	(330)	-	-	-	(330)
Revenue return attributable to shareholders	-	-	-	-	-	-	180	180
As at 30 June 2009	17,809	41	15,773	(360)	(1,158)	(6,821)	352	25,636
As at 1 January 2008	17,740	-	15,768	-	(745)	(600)	712	32,875
Net realised gains on investments in the period	-	-	-	-	57	-	-	57
Movement in unrealised appreciation	-	-	-	-	-	(937)	-	(937)
Capitalised investment management fee	-	-	-	-	(355)	-	-	(355)
Capitalised tax	-	-	-	-	89	-	-	89
Purchase of own treasury shares	-	-	-	(13)	-	-	-	(13)
Issue of equity (net of costs)	20	11	-	-	-	-	-	31
Revenue return attributable to shareholders	-	-	-	-	-	-	578	578
Dividends paid	-	-	-	-	-	-	(532)	(532)
As at 30 June 2008	17,760	11	15,768	(13)	(954)	(1,537)	758	31,793

Summary Reconciliation of Movement in Shareholders' Funds (unaudited) continued

C shares (continued)

	Called-up share capital £'000	Share premium £'000	Special reserve* £'000	Own treasury shares reserve* £'000	Realised capital reserve* £'000	Unrealised capital reserve* £'000	Revenue reserve* £'000	Total £'000
As at 1 July 2008	17,760	11	15,768	(13)	(954)	(1,537)	758	31,793
Movement in unrealised appreciation	-	-	-	-	-	(2,892)	-	(2,892)
Capitalised investment management fee	-	-	-	-	(276)	-	-	(276)
Capitalised tax	-	-	-	-	20	-	-	20
Recoverable VAT capitalised	-	-	-	-	249	-	-	249
Release of previous cost accrual	-	-	5	-	-	-	-	5
Purchase of own treasury shares	-	-	-	(17)	-	-	-	(17)
Issue of equity (net of costs)	49	30	-	-	-	-	-	79
Revenue return attributable to shareholders	-	-	-	-	-	-	480	480
Dividends paid	-	-	-	-	-	-	(1,066)	(1,066)
As at 31 December 2008	17,809	41	15,773	(30)	(961)	(4,429)	172	28,375

* Included within these reserves is an amount of £7,786,000 (30 June 2008: £14,022,000; 31 December 2008: £10,525,000) which is considered distributable. The Special reserve has been treated as distributable in determining the amounts available for distribution.

Summary Cash Flow Statement

Ordinary shares

	Note	Unaudited six months ended 30 June 2009 £'000	Unaudited six months ended 30 June 2008 £'000	Audited year ended 31 December 2008 £'000
Operating activities				
Investment income received		262	334	679
Deposit interest received		16	121	201
Dividend income received		10	8	10
Investment management fees paid (net of VAT refund)		119	(229)	(501)
Other cash payments		(38)	(47)	(59)
Interclass account movement		355	62	(254)
Net cash inflow from operating activities	11	724	249	76
Taxation				
UK corporation tax (paid)/received		(126)	16	(199)
Capital expenditure and financial investments				
Purchase of investments		(210)	(404)	(2,084)
Disposal of investments		773	1,385	2,208
Net cash inflow from investing activities		563	981	124
Equity dividends paid				
Dividends paid	5	-	(526)	(2,085)
Net cash inflow/(outflow) before financing		1,161	720	(2,084)
Financing				
Purchase of own shares		(50)	(220)	(431)
Issue of share capital (net of costs)		-	22	106
Net cash outflow from financing		(50)	(198)	(325)
Cash inflow/(outflow) in the year	12	1,111	522	(2,409)

Summary Cash Flow Statement continued

C shares

	Note	Unaudited six months ended 30 June 2009 £'000	Unaudited six months ended 30 June 2008 £'000	Audited year ended 31 December 2008 £'000
Operating activities				
Investment income received		512	655	1,226
Deposit interest received		32	211	322
Dividend income received		57	–	53
Investment management fees paid (net of VAT refund)		(10)	(492)	(1,102)
Other cash payments		(84)	(79)	(169)
Interclass account movement		(15)	(40)	(84)
Net cash inflow from operating activities	11	492	255	246
Taxation				
UK corporation tax paid		(219)	(61)	(398)
Capital expenditure and financial investments				
Purchase of investments		(2,253)	(1,795)	(7,687)
Disposal of investments		5,041	5,348	5,340
Net cash inflow/(outflow) from investing activities		2,788	3,553	(2,347)
Equity dividends paid				
Dividends paid	5	–	(532)	(1,598)
Net cash inflow/(outflow) before financing		3,061	3,215	(4,097)
Financing				
Purchase of own shares		(330)	(13)	(30)
Issue of share capital (net of costs)		–	31	110
Net cash (outflow)/inflow from financing		(330)	18	80
Cash inflow/(outflow) in the year	12	2,731	3,233	(4,017)

Summary Cash Flow Statement continued

Combined

	Note	Unaudited six months ended 30 June 2009 £'000	Unaudited six months ended 30 June 2008 £'000	Audited year ended 31 December 2008 £'000
Operating activities				
Investment income received		774	989	1,905
Deposit interest received		48	332	523
Dividend income received		67	8	63
Investment management fees paid (net of VAT refund)		109	(721)	(1,603)
Other cash payments		(122)	(126)	(228)
Interclass account movement		340	22	(338)
Net cash inflow from operating activities	11	1,216	504	322
Taxation				
UK corporation tax paid		(345)	(45)	(597)
Capital expenditure and financial investments				
Purchase of investments		(2,463)	(2,199)	(9,771)
Disposal of investments		5,814	6,733	7,548
Net cash inflow/(outflow) from investing activities		3,351	4,534	(2,223)
Equity dividends paid				
Dividends paid	5	-	(1,058)	(3,683)
Net cash inflow/(outflow) before financing		4,222	3,935	(6,181)
Financing				
Purchase of own shares		(380)	(233)	(461)
Issue of share capital (net of costs)		-	53	216
Net cash outflow from financing		(380)	(180)	(245)
Cash inflow/(outflow) in the year	12	3,842	3,755	(6,426)

Notes to the Summarised Financial Statements for the six months ended 30 June 2009

1. Accounting convention

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

2. Accounting policies

Investments

Quoted and unquoted equity investments

In accordance with FRS 26 "Financial Instruments Recognition and Measurement", quoted and unquoted equity investments are designated as fair value through profit or loss ("FVTPL"). Investments listed on recognised exchanges are valued at the closing bid prices at the end of the accounting period. Unquoted investments' fair value is determined by the Directors in accordance with the International Private Equity and Venture Capital Valuation Guidelines (IPEVCV guidelines).

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

Unquoted loan stock

Unquoted loan stock is classified as loans and receivables in accordance with FRS 26 and carried at amortised cost using the Effective Interest Rate method ("EIR") less impairment. Movements in respect of capital provisions are reflected in the capital column of the Income Statement and are reflected in the Realised capital reserve following sale, or in the Unrealised capital reserve on revaluation.

Loan stocks which are not impaired or past due are considered fully performing in terms of contractual interest and capital repayments and the Board does not consider that there is a current likelihood of a shortfall on security cover for these assets. For unquoted loan stock, the amount of the impairment is the difference between the asset's cost and the present value of estimated future cash flows, discounted at the effective interest rate.

Floating rate notes

In accordance with FRS 26, floating rate notes are designated as fair value through profit or loss. Floating rate notes are valued at market bid price at the balance sheet date. Floating rate notes are classified as current asset investments as they are investments held for the short term and comparative classification in the Balance Sheet for 30 June 2008 has been restated accordingly.

Warrants, convertibles and unquoted equity derived instruments

Warrants, convertibles and unquoted equity derived instruments are only valued if their exercise or contractual conversion terms would allow them to be exercised or converted as at the balance sheet date, and if there is additional value to the Company in exercising or converting as at the balance sheet date. Otherwise these instruments are held at nil value. The valuation techniques used are those used for the underlying equity investment.

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

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

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

It is not the Company's policy to exercise control or significant influence over investee companies. Therefore in accordance with the exemptions under FRS 9 "Associates and joint ventures", those undertakings in which the Company holds more than 20% of the equity are not regarded as associated undertakings.

Investment income

Quoted and unquoted equity income

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

Unquoted Loan stock and other preferred income

Fixed returns on non-equity shares and debt securities are recognised on a time apportionment basis using the effective interest rate over the life of the financial instrument. Income which is not capable of being

Notes to the Summarised Financial Statements for the six months ended 30 June 2009 *continued*

received within a reasonable period of time is reflected in the capital value of the investment.

Bank interest income

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

Floating rate note income

Floating rate note income is recognised on an accrual basis using the interest rate applicable to the floating rate note at that time.

Investment management fees and other expenses

All expenses have been accounted for on an accrual basis. Expenses are charged through the Revenue account except the following which are charged through the Realised capital reserve:

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

Under the terms of the Management Agreement, total expenses including management fees and excluding performance fees will not exceed 3.5% of net asset value at the year end.

Performance incentive fee

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

Taxation

Taxation is applied on a current basis in accordance with FRS 16 "Current tax". Taxation associated with capital expenses is applied in accordance with the SORP. In accordance with FRS 19 "Deferred tax", deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those

in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

The specific nature of taxation of venture capital trusts means that it is unlikely that any deferred tax will arise. The Directors have considered the requirements of FRS 19 and do not believe that any provision should be made.

Reserves

Realised capital reserve

The following are disclosed in this reserve:

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

Unrealised capital reserve

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

Special reserve

The cancellation of the share premium account has created a special reserve that can be used to fund market purchases and subsequent cancellation of own shares, to cover gross realised losses, and for other distributable purposes.

Capital redemption reserve

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

Own treasury shares reserve

This reserve accounts for amounts by which the distributable reserves of the Company are diminished through the repurchase of the Company's own shares for treasury.

Share premium account

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

Notes to the Summarised Financial Statements for the six months ended 30 June 2009 continued

Dividends

In accordance with FRS 21 "Events after the balance sheet date", dividends declared by the Company are accounted for in the period in which the dividend has been paid, or approved by shareholders in an Annual General Meeting.

C shares

Until such time that C shares are converted into Ordinary shares, all investments and returns attributable to this class of share are separately identifiable from the existing Ordinary shares. All residual expenses are allocated on the basis of total funds raised for each class of share.

3. Losses on investments

	Six months ended 30 June 2009 (unaudited)		
	Ordinary shares £'000	C shares £'000	Total £'000
Unrealised gains/(losses) on fixed asset investments held at fair value through profit or loss account	275	(1,610)	(1,335)
Unrealised losses on fixed asset investments held at amortised cost	(543)	(839)	(1,382)
Unrealised losses on fixed asset investments	(268)	(2,449)	(2,717)
Unrealised profits on current asset investments held at fair value through profit or loss account	–	57	57
Unrealised losses sub-total	(268)	(2,392)	(2,660)
Realised gains/(losses) on investments held at fair value through profit or loss account	136	(2)	134
	(132)	(2,394)	(2,526)

	Six months ended 30 June 2008 (unaudited)		
	Ordinary shares £'000	C shares £'000	Total £'000
Unrealised losses on fixed asset investments held at fair value through profit or loss account	(876)	(948)	(1,824)
Unrealised gains on fixed asset investments held at amortised cost	80	–	80
Unrealised losses on fixed asset investments	(796)	(948)	(1,744)
Unrealised gains on current asset investments held at fair value through profit or loss account	–	11	11
Unrealised losses sub-total	(796)	(937)	(1,733)
Realised gains on investments held at fair value through profit or loss account	539	57	596
	(257)	(880)	(1,137)

Notes to the Summarised Financial Statements for the six months ended 30 June 2009 continued

3. Losses on investments (continued)

	Year ended 31 December 2008 (audited)		
	Ordinary shares £'000	C shares £'000	Total £'000
Unrealised losses on fixed asset investments held at fair value through profit or loss account	(2,000)	(3,503)	(5,503)
Unrealised losses on fixed asset investments held at amortised cost	(655)	(298)	(953)
Unrealised losses on fixed asset investments	(2,655)	(3,801)	(6,456)
Unrealised losses on current asset investments held at fair value through profit or loss account	–	(28)	(28)
Unrealised losses sub-total	(2,655)	(3,829)	(6,484)
Realised gains on investments held at fair value through profit or loss account	626	57	683
	(2,029)	(3,772)	(5,801)

Investments valued on amortised cost basis are unquoted loan stock instruments.

4. Investment income

	Six months ended 30 June 2009 (unaudited)		
	Ordinary shares £'000	C shares £'000	Total £'000
Income recognised on investments held at fair value through profit or loss			
UK dividend income	10	57	67
Floating rate note interest	–	80	80
Bank deposit interest income	15	32	47
	25	169	194
Income recognised on investments held at amortised cost			
Return on loan stock investments	229	202	431
	254	371	625

Notes to the Summarised Financial Statements for the six months ended 30 June 2009 continued

4. Investment income (continued)

	Six months ended 30 June 2008 (unaudited)		
	Ordinary	C shares	Total
	shares £'000	£'000	£'000
Income recognised on investments held at fair value through profit or loss			
UK dividend income	1	-	1
Management fees received from equity investments	7	-	7
Floating rate note interest	-	337	337
Bank deposit interest income	111	196	307
Other income	2	6	8
	<u>121</u>	<u>539</u>	<u>660</u>
Income recognised on investments held at amortised cost			
Return on loan stock investments	439	429	868
	<u>560</u>	<u>968</u>	<u>1,528</u>
	Year ended 31 December 2008 (audited)		
	Ordinary	C shares	Total
	shares £'000	£'000	£'000
Income recognised on investments held at fair value through profit or loss			
UK dividend income	10	53	63
Management fees received from equity investments	9	3	12
Floating rate note interest	-	609	609
Bank deposit interest income	191	307	498
	<u>210</u>	<u>972</u>	<u>1,182</u>
Income recognised on investments held at amortised cost			
Return on loan stock investments	665	755	1,420
	<u>875</u>	<u>1,727</u>	<u>2,602</u>

All of the Company's income is derived from operations based in the United Kingdom.

Notes to the Summarised Financial Statements for the six months ended 30 June 2009 continued

5. Dividends Ordinary shares

	Unaudited six months ended 30 June 2009 £'000	Unaudited six months ended 30 June 2008 £'000	Audited year ended 31 December 2008 £'000
Dividend of 4p per share paid on 30 May 2008 (2p revenue and 2p capital)	–	526	526
Dividend of 4p per share paid on 3 October 2008 (2p revenue and 2p capital)	–	–	524
Dividend of 8p per share paid on 30 December 2008 (2p revenue and 6p capital)	–	–	1,035
	<u>–</u>	<u>526</u>	<u>2,085</u>

The Ordinary share's 2009 dividend of 8 pence was paid in advance on 30 December 2008.

C shares

	Unaudited six months ended 30 June 2009 £'000	Unaudited six months ended 30 June 2008 £'000	Audited year ended 31 December 2008 £'000
Revenue dividend of 1.5p per share paid on 30 May 2008	–	532	532
Revenue dividend of 1.5p per share paid on 3 October 2008	–	–	533
Revenue dividend of 1.5p per share paid on 30 December 2008	–	–	533
	<u>–</u>	<u>532</u>	<u>1,598</u>

The C share's first dividend of 2009 of 1.5 pence was paid in advance on 30 December 2008.

In addition to the dividends paid above, the Board has declared a dividend of one penny per C share to be paid on 18 September 2009 to shareholders on the register on 21 August 2009.

6. Recovery of VAT

Following the HMRC business briefing permitting the recovery of historic VAT that had been charged on management fees, the Ordinary shares have recognised £79,000 in the six months to 30 June 2009 which was in addition to the £575,000 that was recognised in the Income Statement for the year to 31 December 2008.

7. Basic and diluted return per share

Return per share has been calculated on 12,951,822 Ordinary shares excluding treasury shares (30 June 2008: 13,255,675; 31 December 2008: 13,128,893) and 35,401,114 C shares (30 June 2008: 35,486,821; 31 December 2008: 35,505,045) being the weighted number of shares in issue for the period.

There are no convertible instruments, derivatives or contingent share agreements in issue for Albion Technology & General VCT PLC hence there are no dilution effects to the return per share. The basic return per share is therefore the same as the diluted return per share.

Notes to the Summarised Financial Statements for the six months ended 30 June 2009 *continued*

8. Investments

Ordinary share fixed asset investments held at fair value through profit or loss total £6,243,000 (30 June 2008: £3,175,000; 31 December 2008: £2,156,000). Fixed asset investments held at amortised cost total £2,075,000 (30 June 2008: £6,875,000; 31 December 2008: £6,822,000).

C share fixed asset investments held at fair value through profit or loss total £5,148,000 (30 June 2008: £6,423,000; 31 December 2008: £5,938,000). Fixed asset investments held at amortised cost total £11,380,000 (30 June 2008: £8,119,000; 31 December 2008: £11,996,000).

C share current asset investments held at fair value through profit or loss total £5,992,000 (30 June 2008: £9,977,000; 31 December 2008: £9,938,000).

9. Share Capital

	Unaudited six months ended 30 June 2009 £'000	Unaudited six months ended 30 June 2008 £'000	Audited year ended 31 December 2008 £'000
Authorised			
70,000,000 Ordinary shares of 50p each (30 June 2008 and 31 December 2008: 70,000,000)	35,000	35,000	35,000
40,000,000 C shares of 50p each (30 June 2008 and 31 December 2008: 40,000,000)	20,000	20,000	20,000
	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>
Allotted, called-up and fully paid			
13,702,045 Ordinary shares of 50p each (30 June 2008: 13,611,991; 31 December 2008: 13,702,045)	6,851	6,806	6,851
35,618,841 C shares of 50p each (30 June 2008: 35,519,776; 31 December 2008: 35,618,841)	17,809	17,760	17,809
	<u>24,660</u>	<u>24,566</u>	<u>24,660</u>
Allotted, called-up and fully paid excluding treasury shares			
12,897,002 Ordinary shares of 50p each (30 June 2008: 13,118,518; 31 December 2008: 12,971,408)	6,494	6,559	6,486
34,981,186 C shares of 50p each (30 June 2008: 35,504,980; 31 December 2008: 35,580,045)	17,491	17,752	17,790
	<u>23,985</u>	<u>24,311</u>	<u>24,276</u>

10. Treasury Shares

During the period to 30 June 2009 the Company purchased 74,406 Ordinary shares and 598,859 C shares to be held in treasury at a cost of £50,000 and £330,000 respectively, representing 0.57% and 1.68% of its issued share capital as at 1 January 2009 respectively. The shares purchased for treasury were funded from the Own treasury shares reserve. The total number of Ordinary shares held in treasury as at 30 June 2009 was 805,043 (30 June 2008: 493,473; 31 December 2008: 730,637) and the total number of C shares held in treasury as at 30 June 2009 was 637,655 (30 June 2008: 14,796; 31 December 2008: 38,796) representing 6.21% and 1.79% of each respective class of share capital as at 1 January 2009.

Notes to the Summarised Financial Statements for the six months ended 30 June 2009 *continued*

11. Reconciliation of revenue return on ordinary activities before taxation to net cash inflow from operating activities

	Six months ended 30 June 2009 (unaudited)		
	Ordinary	C shares	Total
	shares £'000	£'000	£'000
Revenue return on ordinary activities before tax	203	212	415
Investment management fee charged to capital	(106)	(247)	(353)
Recoverable VAT capitalised	59	-	59
Movement in accrued amortised loan stock interest	31	60	91
Decrease in operating debtors	200	458	658
(Decrease)/increase in operating creditors	(18)	24	6
Interclass account movement	355	(15)	340
Net cash inflow from operating activities	724	492	1,216

	Six months ended 30 June 2008 (unaudited)		
	Ordinary	C shares	Total
	shares £'000	£'000	£'000
Revenue return on ordinary activities before tax	470	770	1,240
Investment management fee charged to capital	(163)	(355)	(518)
Movement in accrued amortised loan stock interest	(102)	(65)	(167)
Decrease/(increase) in operating debtors	66	(66)	-
Decrease in operating creditors	(22)	(29)	(51)
Net cash inflow from operating activities	249	255	504

	Year ended 31 December 2008 (audited)		
	Ordinary	C shares	Total
	shares £'000	£'000	£'000
Revenue return on ordinary activities before tax	773	1,436	2,209
Investment management fee charged to capital	(281)	(631)	(912)
Recoverable VAT capitalised	182	249	431
Movement in accrued amortised loan stock interest	3	(130)	(127)
Increase in operating debtors	(238)	(335)	(573)
Decrease in operating creditors	(109)	(259)	(368)
Interclass account movement	(254)	(84)	(338)
Net cash inflow from operating activities	76	246	322

Notes to the Summarised Financial Statements for the six months ended 30 June 2009 continued

12. Analysis of change in cash during the period

	Six months ended 30 June 2009 (unaudited)		
	Ordinary shares	C shares	Total
	£'000	£'000	£'000
Beginning of the period	1,647	212	1,859
Net cash inflow	1,111	2,731	3,842
End of the period	2,758	2,943	5,701

	Six months ended 30 June 2008 (unaudited)		
	Ordinary shares	C shares	Total
	£'000	£'000	£'000
Beginning of the period	4,056	4,229	8,285
Net cash inflow	522	3,233	3,755
End of the period	4,578	7,462	12,040

	Year ended 31 December 2008 (audited)		
	Ordinary shares	C shares	Total
	£'000	£'000	£'000
Beginning of the year	4,056	4,229	8,285
Net cash outflow	(2,409)	(4,017)	(6,426)
End of the year	1,647	212	1,859

13. Contingencies, guarantees and financial commitments

The Company has no contingencies, guarantees and financial commitments.

14. Post balance sheet events

Since 30 June 2009, the Company has completed the following material transactions:

- Investment in Geronimo Inns VCT I Limited of £760,000.
- Investment in Geronimo Inns VCT II Limited of £760,000.
- Investment in Bravo Inns II Limited of £190,000.
- Investment in Rostima Limited of £35,000.

Notes to the Summarised Financial Statements for the six months ended 30 June 2009 continued

15. Related party transactions

The Manager, Albion Ventures LLP, is considered to be a related party by virtue of the fact that it is party to a management agreement from the Company. During the period, services of a total value of £471,000 (30 June 2008: £692,000; 31 December 2008: £1,216,000), were purchased by the Company from Albion Ventures LLP. At the financial period end, the amount due from Albion Ventures LLP in respect of these services was £30,000 (30 June 2008: creditor £312,000; 31 December 2008: creditor £12,000).

Albion Ventures LLP has reclaimed VAT from HMRC as described in note 6. A net sum of £79,000 has been recognised in the Income Statement for the period which is net of historic management and performance fees to be paid to Albion Ventures LLP.

Patrick Reeve is managing partner of the Manager, Albion Ventures LLP. During the period, the Company was charged £10,000 by Albion Ventures LLP in respect of his services as a Director (30 June 2008: £10,000; 31 December 2008: £20,000). At the financial period end, the amount due to Albion Ventures LLP in respect of these services was £nil (30 June 2008: £5,000; 31 December 2008: £nil).

16. Other information

The information set out in this Half-yearly Financial Report does not constitute the Company's statutory accounts within the terms of section 434 of the Companies Act 2006 for the periods ended 30 June 2009 and 30 June 2008, and is unaudited. The information for the year ended 31 December 2008 does not constitute statutory accounts within the terms of section 434 of the Companies Act 2006 and is derived from the statutory accounts for the financial year, which have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified and did not contain a statement under s498 (2) or (3) of the Companies Act 2006.

17. Publication

This Half-yearly Financial Report is being sent to shareholders and copies will be made available to the public at the registered office of the Company, Companies House, the FSA viewing facility and also electronically at www.albion-ventures.co.uk under the 'Our Funds' section.