Annual Report and Financial Statements for the year ended 31 December 2011

Albion Technology & General VCT PLC

ALBION VENTURES

Contents

Company information

Company number	4114310
Directors	Dr N E Cross, Chairman Lt Gen Sir Edmund Burton KBE M J Hart P H Reeve
Manager, company secretary and registered office	Albion Ventures LLP 1 King's Arms Yard London EC2R 7AF
Registrar	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6ZZ
Auditor	PKF (UK) LLP Farringdon Place 20 Farringdon Road London EC1M 3AP
Taxation adviser	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Legal adviser	Berwin Leighton Paisner 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 Computershare Investor Services PLC:
Tel: 0870 873 5854 (UK National Rate call, lines are open 8.30am – 5.30pm; Mon – Fri, calls may be recorded)
Website: www.computershare.co.uk
Shareholders can access holdings and valuation information regarding any of their shares held with Computershare by registering on Computershare's website.

IFA information

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

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

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

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 raised a further £2.5 million under the Albion VCTs Linked Top Up Offers in 2011 and 2012.

The Company offers investors the opportunity to participate in a balanced portfolio of technology and non-technology businesses. The Company's investment portfolio is intended to be split approximately as follows:

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

The Investment 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. First, by controlling the VCT's exposure to technology risk through ensuring that many of the companies in the non-technology portfolio have property as their major asset, with no external borrowings. Second, 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.

Financial calendar

Record date for first dividend	13 April 2012
Payment of first dividend	30 April 2012
Annual General Meeting	22 June 2012
Announcement of half-yearly results for the six months ended 30 June 2012	August 2012
Payment of second dividend subject to Board approval	October 2012

Financial highlights

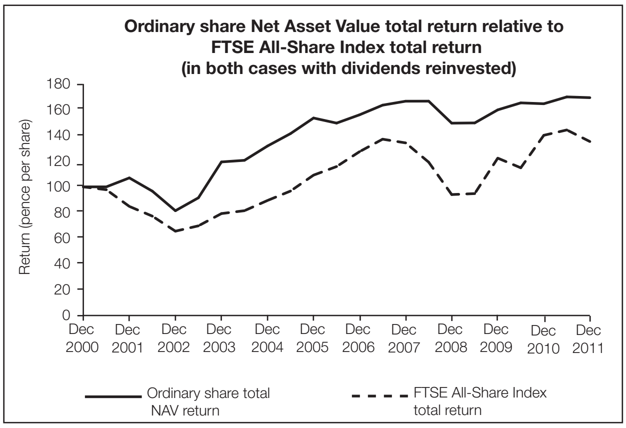
Ordinary shares

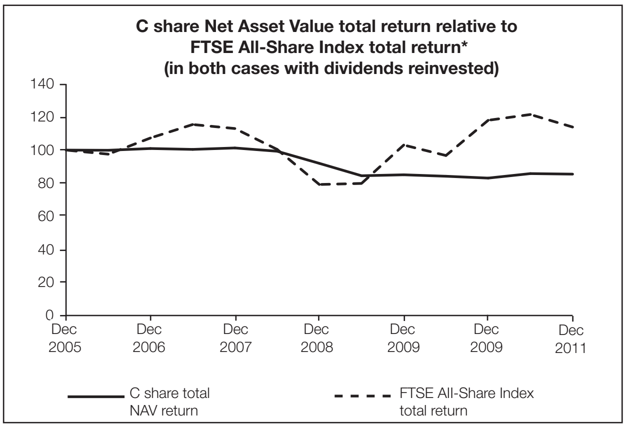
151.1p — Net asset value plus dividends since launch to 31 December 2011.

5.0p — Tax free dividend per share paid in the year to 31 December 2011.

85.1p — Net asset value per share as at 31 December 2011.

2.5p — The Board has declared a first dividend for the year to 31 December 2012 of 2.5 pence per share.





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

*The C Shares converted to Ordinary shares on 31 March 2011 on the basis of their respective net asset values, with each C shareholder receiving 0.7779 Ordinary shares for each C share they owned.

Financial highlights (continued)

Ordinary shares

	31 December 2011 (pence per share)	31 December 2010 (pence per share)
Dividends paid	**5.0**	8.0
Revenue return	**1.6**	1.6
Capital return	**0.6**	1.0
Net asset value	**85.1**	87.6

Total shareholder net asset value return to 31 December 2011:

		Ordinary shares 31 December 2011 (pence per share)[i]	**C shares 31 December 2011 (pence per share)[i]**
Total dividends paid during the year ended:	31 December 2001[ii]	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 [iii]	16.0	4.5
	31 December 2009	–	1.0
	31 December 2010	8.0	3.0
	31 December 2011	5.0	3.8
Total dividends paid to 31 December 2011		66.0	15.3
Net asset value as at 31 December 2011		85.1	66.2
Total shareholder net asset return to 31 December 2011		**151.1**	**81.5**

In addition to the dividends paid above, the Board has declared a first dividend for the year ending 31 December 2012, of 2.5 pence per Ordinary share to be paid on 30 April 2012 to shareholders on the register at 13 April 2012.

The C shares converted to Ordinary shares on 31 March 2011 on the basis of the respective net asset values with each C shareholder receiving 0.7779 Ordinary shares for each C share that they owned.

Notes

(i) Excludes tax benefits upon subscription.

(ii) Based on subscription by the first closing on 16 January 2001. Investors subscribing thereafter, up to 30 June 2001 received 0.5 pence per share.

(iii) The Ordinary shares' dividend of 8.0 pence per share for 2009 was paid in advance on 30 December 2008. The C shares' first dividend for 2009 of 1.5 pence per share was also paid in advance on 30 December 2008.

Chairman's statement

Introduction

The results for Albion Technology & General VCT for the year to 31 December 2011, which is the first year following the merger of the Ordinary shares and the C shares, showed an improvement over 2010, with a total return of 2.2 pence per share. The year saw both a welcome rise in income and an overall net gain on investments.

Investment performance and progress

The investment return benefited both from the sale of our investment in Dexela, which realised a return of between two and three times cost (dependent on an earn-out) and from the successful sale of the investment in Evolutions Television at a level considerably higher than its previous holding value. This underpins the Board's conservative approach to valuations of its unquoted investments. In addition, there were further improved performances from our portfolio of cinemas, from our long-standing investment in sparesFinder, and a good uplift in the third party professional valuation of Radnor House School. Against this there were disappointing reductions in the values of Helveta, Xceleron and Mi-Pay, each of which required further finance to support slower than anticipated growth, which partially held back the VCT's overall performance for the year.

During the year, some £4.8 million new money was invested or committed for investment. New investments included a number of projects in the renewable energy sector, as well as participation in the MBO of Hilson Moran, an international firm of mechanical and engineering consultants.

Risks and uncertainties

The outlook for the UK and Global economies continues to be the key risk affecting your Company, including the effects of the currency and debt constraints which are increasingly becoming apparent. Importantly, however, investment risk is mitigated through a variety of processes including our policy of ensuring that the VCT has a first charge over investee companies' assets wherever possible. Meanwhile, opportunities within our target sectors continue to arise at attractive valuations, including in the healthcare and environmental sectors, which continue to be two core areas of activity.

A detailed analysis of the other risks and uncertainties facing the business is shown in the Directors' report and enhanced business review within this Annual Report and Financial Statements.

Discount management and share buy-backs

It remains the Board's primary objective to maintain sufficient resources for investment in existing and new investee companies and for the continued payment of dividends to shareholders. Therefore, the Board's policy is to buy back shares in the market, subject to the overall constraint that such purchases are in the VCT's interests, including the maintenance of sufficient resources for investment in new and existing investee companies and the continued payment of dividends to shareholders.

It is the Board's intention for such buy-backs to be in the region of 10 to 15 per cent. discount to net asset value, so far as market conditions and liquidity permit. In order to ensure that these conditions are satisfied, the Company will limit the sum available for buy-backs for the 6 month period to 30 June 2012 to £250,000.

Results and dividends

As at 31 December 2011, the net asset value was 85.1 pence per share. The revenue return before taxation was £835,000 compared to £778,000 for the aggregate of the Ordinary and C shares for the previous year.

The Company will pay a first dividend for the financial year to 31 December 2012 of 2.50 pence per Ordinary share on 30 April 2012 to shareholders on the register on 13 April 2012.

Continuation as a venture capital trust

Under the terms of your Company's Articles of Association at the 2012 Annual General Meeting and every five years thereafter, members have the opportunity to confirm that they wish the Company to continue as a venture capital trust. Otherwise the Board is required to make proposals for the reorganisation, reconstruction or the orderly liquidation and winding up of the Company and present these to the members at a general meeting. Those shareholders who have been using their investment in the VCT to defer a capital gain should note that, on a return of capital, that gain would become chargeable at the prevailing rate of capital gains tax.

Since its launch in 2000, the Ordinary share portfolio has paid out dividends of 66 pence per share and achieved a total return (net asset value plus dividends but not counting the up-front tax benefits) of just over 151 pence per share. This puts the Company firmly in the top quartile of all venture capital trusts. The C shares, by contrast, which were launched at the end of 2005, suffered from the fact that the portfolio's key investment period was at the top of the market in the years 2006 and 2007 and has fared less well; it has paid out total dividends of just over 15 pence per share, and recorded a total return of just over 81 pence per share. The disappointing return of the C shares to date, however, has not been driven by realised capital losses, but by unrealised write-downs of investments that we believe still have significant potential. Now that the two classes of share have merged, the

Chairman's statement (continued)

investments in the Ordinary share portfolio offer a strong degree of maturity while the C share portfolio offers the potential for further capital upside.

Your Board believes that VCTs have the potential to be highly effective long-term savings vehicles with strong tax-free dividend streams. Consequently, in view of the track record of the Ordinary shares and the potential latent within the enlarged investment portfolio, your Board recommends that shareholders should vote in favour of the Company continuing as a venture capital trust for a further five years, as they intend to vote in respect of their own shares.

The Albion VCTs Linked Top Up Offers

On 1 November 2011, the Company announced the launch of the Albion VCTs Linked Top Up Offer 2011/2012. In aggregate, the Albion VCTs will be aiming to raise approximately £15 million across seven of the VCTs managed by Albion Ventures LLP, of which Albion Technology & General VCT PLC's share will be £2.25 million. This builds on the success of the Albion VCTs Linked Top Up Offer 2010/2011, which raised £11.8 million, of which Albion Technology & General VCT's share was £1.7 million.

The proceeds of the Offer will be used to provide further resources to the Albion VCTs at a time when a number of attractive new investment opportunities are being seen. An Investor Guide and Offer document has been sent to shareholders and may be obtained from www.albion-ventures.co.uk.

After the year end, the Company issued 936,304 Ordinary shares under the Offer at a price of 88.9 pence per share. Further details are shown in note 21.

Outlook and prospects

The outlook for the UK and Global economies remains uncertain. Nevertheless, a significant number of our companies have special assets or business capabilities, and we believe that, over the longer term, they will provide strong returns for shareholders. In addition, we have been rebalancing our investment portfolio to provide more emphasis on areas that we see as being more resilient, such as renewable energy, which we see as having promising prospects for growth.

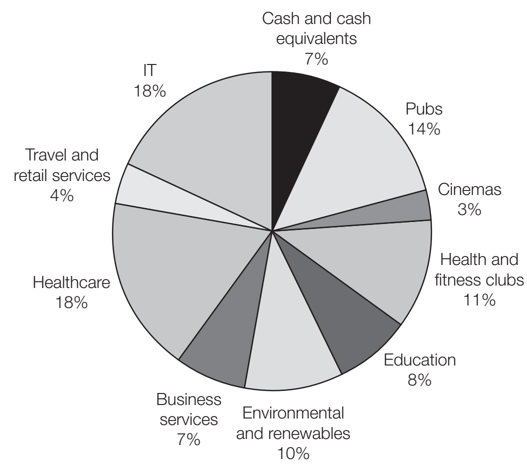
Dr Neil Cross
Chairman
3 April 2012

Manager's report

The sector analysis of Albion Technology & General VCT PLC's investment portfolio as at 31 December 2011 is shown below. By valuation, the "general" portfolio, including asset-based investments, now accounts for 57 per cent. of the net asset value, while the technology portfolio accounts for 33 per cent., with cash, liquid resources and other net current assets providing the balance of the portfolio.

The healthcare element of the portfolio now accounts for 18 per cent. (2010: 22 per cent., including Dexela, which was sold during 2011), while the environmental and renewable portion is now 10 per cent., up from 7 per cent. last year.

Split of portfolio by sector



Portfolio review

In the technology portfolio, sparesFinder, Process Systems Enterprise, Blackbay, Mirada Medical and Rostima all showed the potential for strong further growth and uplifts in value. The key reductions in value within the portfolio were our investments in Xceleron (where there was a major restructuring), Helveta and Mi-Pay, all of which are operating in young, potentially high-growth, global markets and all of which required further financing during the year, as those markets have been taking longer to develop than anticipated. Partial provisions were also made against our investments in Masters Pharmaceuticals and Dysis.

In our "General" portfolio, cinemas continue to perform particularly well, while profitability continues to climb at our health and fitness clubs and our pubs. Meanwhile, the first year's operation of Radnor House School was sufficiently strong to justify a substantially increased professional valuation, plus it now has twice its budgeted pupils and Chichester Holdings has seen a sharp increase in profitability, leading it to begin paying interest once more.

Realisations

Your Company has been going through an extensive programme of realisations. In 2010 these amounted to £1.5 million, while in 2011, the sales of Evolutions Television and the initial proceeds on Dexela, amounted to £3.6 million. Together, these two disposals resulted in gains of £1.4 million above the holding levels at 31 December 2010, and net positive returns since investment of £1.5 million. Further disposals are anticipated in the current year.

New investments

During the year £1.2 million was invested in renewable energy projects, £770,000 in care homes, £440,000 in the MBO of Hilson Moran and £75,000 in Abcodia, a life sciences spin-out from University College London. The balance of investments, amounting to £2.3 million, were to fund growth in existing portfolio companies. Looking to the future, we are planning for renewable energy, with its long-term, inflation projected cash flows, to account for up to 15 per cent. of the investment portfolio.

Albion Ventures LLP
Manager
3 April 2012

The Board of Directors

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

Dr Neil Cross FCIS, (appointed 6 December 2000) 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 has 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.

Lieutenant General Sir Edmund Burton KBE, MA, DSc, FIET, FBCS, (appointed 6 December 2000) has provided advice to government departments on Information Risk and Assurance and on obtaining business benefits from technology investment. He was Deputy Chief of Defence Staff (Systems) from 1997 to 1999, with specific responsibility for developing a balanced and affordable equipment and research programme for the United Kingdom Armed Forces. His military career prior to that included three years as Commandant of the Royal Military College of Science at Shrivenham and two years as military attaché at the British Embassy in Washington. On 31 December 2003, he completed a three year appointment as Executive Chairman of the Police Information Technology Organisation. He undertook the review of MOD's data losses in 2008 at the request of the Secretary of State. He is visiting professor at Cranfield University, Chairman of the Information Assurance Advisory Council and advisor to the Telecommunications Industry Security Advisory Council.

Michael Hart (appointed 6 December 2000) has considerable experience in the software and IT sector. He was, until October 2004, executive chairman of AFA Systems PLC, the AIM-quoted developer of treasury software for financial institutions which he founded in 1995. Prior to that, he was managing director of ACT Group PLC, which he joined in 1989 after 15 years at Siemens Nixdorf.

Patrick Reeve MA, ACA, (appointed 11 December 2003) 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 plc in 1989, initially in the development capital subsidiary, where he was a director specialising in the financing of smaller unquoted companies. He joined the corporate finance division in 1991, where he was also a director. He established Albion Ventures LLP (formerly Close Ventures Limited) with the launch of Albion Venture Capital Trust PLC (formerly Close Brothers Venture Capital Trust PLC) in the spring of 1996. He is the managing partner of Albion Ventures LLP and is director of Albion Income & Growth VCT PLC, Albion Prime VCT PLC and Albion Enterprise VCT PLC, all managed by Albion Ventures LLP. He is also a director of Healthcare & Leisure Property Limited, for which Albion Ventures LLP acts as an investment adviser.

All Directors, except for Patrick Reeve are members of the Audit and the Nomination Committees.

The Manager

Albion Ventures LLP, is authorised and regulated by the Financial Services Authority and is the Manager of Albion Technology & General VCT PLC. In addition to Albion Technology & General VCT PLC, it manages a further seven venture capital trusts, and currently has total funds under management of approximately £230 million. Albion was awarded “VCT Manager of the Year” at the “Unquote” British Private Equity Awards 2009, “VCT of the Year” for Albion Development VCT PLC at the 2009 Investor AllStar Awards and “Investor of the Year” at the Independent Healthcare Awards 2011.

The following are specifically responsible for the management and administration of the VCTs managed by Albion Ventures LLP, including Albion Technology & General VCT PLC:

Patrick Reeve, MA, ACA, details included in the Board of Directors section.

Will Fraser-Allen, BA (Hons), ACA, 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 LLP (then Close Ventures Limited) in 2001 since when he has focused on leisure and healthcare investing. Will became deputy managing partner of Albion Ventures LLP in 2009. He has a BA in History from Southampton University.

Isabel Dolan BSc (Hons), ACA, MBA, qualified as a chartered accountant with Moore Stephens. From 1993 to 1997 she was Head of Recoveries at the Specialised Lending Services of the Royal Bank of Scotland plc and from 1997 to 2001 she was at 3i plc, latterly as a portfolio director. She joined Albion Ventures LLP (then Close Ventures Limited) in 2005, having previously been finance director for a number of unquoted companies. Isabel became operations partner at Albion Ventures LLP in 2009. She has a BSc in Biochemistry with Pharmacology from Southampton University and an MBA from London Business School.

Dr Andrew Elder MA, FRCS, joined Albion Ventures LLP (then Close Ventures Limited) in 2005 and became a partner in 2009. He 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 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), ACA, 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 LLP (then Close Ventures Limited) 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 LLP 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 LLP (then Close Ventures Limited) in 2005 and became a partner in Albion Ventures LLP in 2009. He has a BSc in Economics from Warwick University.

Michael Kaplan BA, MBA. Prior to joining Albion Ventures LLP (then Close Ventures Limited) in 2007, Michael was a project leader with the Boston Consulting Group (BCG) where he focused on the retail and financial services sectors. More recently, Michael was part of BCG’s growing Private Equity practice – which provides strategic due diligence to some of the world’s biggest PE funds. Prior to his time with BCG, Michael was the chief financial officer for Widevine Technologies, a security software company based in Seattle. Michael has a BA from the University of Washington and an MBA from INSEAD. He became a partner in Albion Ventures LLP in 2010.

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

Dr Christoph Ruedig MA, MBA, joined Albion Ventures LLP as an Investment Manager in October 2011 and primarily focuses on Albion’s healthcare investments, alongside Andrew Elder. He initially practiced 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 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 LLP (then Close Ventures Limited) in 1998. Henry became a partner in Albion Ventures LLP in 2009. He holds an MA degree in Classics from Oxford University.

Robert Whitby-Smith BA (Hons), MSI, ACA. 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 three VCT portfolios (Murray VCT PLC, Murray VCT 2 PLC and Murray VCT 3 PLC now renamed Crown Place VCT PLC) formerly managed by Aberdeen Murray Johnson, and is responsible for investments in the leisure, manufacturing and technology sectors. Robert became a partner in Albion Ventures LLP in 2009.

Marco Yu MPhil, MA, MRICS, spent two and a half years at Bouygues (UK), developing cost management systems for PFI schemes, before moving to EC Harris in 2005 where he advised senior lenders on large capital projects. He joined Albion Ventures LLP (then Close Ventures Limited) in 2007 and became an Investment Manager in Albion Ventures LLP in 2009. Marco graduated from Cambridge University with a first class degree in economics and is a Chartered Surveyor.

Portfolio of investments

Qualifying technology portfolio	% voting rights held by Albion Technology & General VCT PLC	% voting rights held by all AVL* managed companies	As at 31 December 2011 Cost £'000	As at 31 December 2011 Cumulative movement in value £'000	As at 31 December 2011 Total value £'000	As at 31 December 2010 Cost £'000	As at 31 December 2010 Cumulative movement in value £'000	As at 31 December 2010 Total value £'000	Change in value for the year** £'000
Mi-Pay Limited	19.7	49.9	**2,452**	**(789)**	**1,663**	1,812	(94)	1,718	**(695)**
Helveta Limited	14.1	33.5	**2,239**	**(905)**	**1,334**	1,264	–	1,264	**(905)**
Blackbay Limited	8.5	34.9	**941**	**280**	**1,221**	878	513	1,391	**(90)**
Process Systems Enterprise Limited	6.0	15.9	**570**	**192**	**762**	570	(109)	461	**301**
Opta Sports Data Limited	5.9	14.2	**735**	**15**	**750**	625	(114)	511	**129**
memsstar Limited (formerly Point 35 Microstructures Limited)	10.7	28.1	**741**	**3**	**744**	741	3	744	**–**
Mirada Medical Limited	14.0	50.0	**357**	**349**	**706**	357	250	607	**99**
Rostima Holdings Limited	15.5	39.3	**305**	**391**	**696**	305	–	305	**391**
sparesFinder Limited	10.5	14.3	**613**	**57**	**670**	613	(465)	148	**522**
Oxsensis Limited	8.2	20.6	**1,099**	**(474)**	**625**	1,099	(474)	625	**–**
Xceleron Limited	16.2	45.1	**500**	**–**	**500**	1,746	(275)	1,471	**–**
Dysis Medical Limited (formerly Forth Photonics Limited)	5.3	19.0	**845**	**(379)**	**466**	700	(80)	620	**(299)**
Lowcosttravelgroup Limited	4.0	26.0	**680**	**(238)**	**442**	680	(240)	440	**2**
Peakdale Molecular Limited	6.0	14.9	**427**	**9**	**436**	427	(96)	331	**105**
Abcodia Limited	2.1	21.4	**75**	**–**	**75**	–	–	–	**–**
Palm Tree Technology Limited	0.1	0.7	**38**	**7**	**45**	38	(16)	22	**23**
Red-M Wireless Limited	4.2	42.1	**30**	**(30)**	**–**	30	(19)	11	**(11)**
Total qualifying technology investments			**12,647**	**(1,512)**	**11,135**	11,885	(1,216)	10,669	**(428)**

* Albion Ventures LLP

** as adjusted for additions and disposals during the year

Portfolio of investments (continued)

Qualifying non-technology portfolio	% voting rights held by Albion Technology & General VCT PLC	% voting rights held by all AVL* managed companies	As at 31 December 2011 Cost £'000	As at 31 December 2011 Cumulative movement in value £'000	As at 31 December 2011 Total value £'000	As at 31 December 2010 Cost £'000	As at 31 December 2010 Cumulative movement in value £'000	As at 31 December 2010 Total value £'000	Change in value for the year** £'000
Radnor House School (Holdings) Limited	11.1	50.0	**1,930**	**565**	**2,495**	1,930	14	1,944	**551**
Kensington Health Clubs Limited	13.7	50.0	**3,494**	**(1,066)**	**2,428**	3,494	(1,055)	2,439	**(11)**
The Charnwood Pub Company Limited	12.2	50.0	**2,794**	**(1,000)**	**1,794**	2,794	(1,104)	1,690	**104**
Bravo Inns II Limited	10.8	50.0	**1,415**	**(74)**	**1,341**	1,415	(77)	1,338	**3**
The Weybridge Club Limited	6.7	50.0	**1,314**	**(178)**	**1,136**	1,314	(136)	1,178	**(42)**
Orchard Portman Hospital Limited	16.2	50.0	**1,048**	**2**	**1,050**	549	2	551	**–**
Taunton Hospital Limited	15.8	50.0	**1,000**	**(1)**	**999**	1,000	4	1,004	**(5)**
The Q Garden Company Limited	33.4	50.0	**2,401**	**(1,417)**	**984**	2,401	(1,404)	997	**(13)**
Bravo Inns Limited	16.1	50.0	**1,430**	**(548)**	**882**	1,430	(648)	782	**100**
Prime Care Holdings Limited	15.6	49.9	**930**	**(125)**	**805**	859	82	941	**(207)**
TEG Biogas (Perth) Limited	9.4	50.0	**563**	**17**	**580**	169	–	169	**17**
Masters Pharmaceuticals Limited	3.7	16.9	**727**	**(152)**	**575**	575	9	584	**(161)**
Chichester Holdings Limited	15.2	50.0	**2,000**	**(1,473)**	**527**	2,000	(1,569)	431	**96**
Consolidated PR Limited	11.8	23.6	**570**	**(110)**	**460**	558	(134)	424	**24**
Hilson Moran Holdings Limited	5.5	50.0	**440**	**1**	**441**	–	–	–	**1**
Regenerco Renewable Energy Limited	5.7	50.0	**376**	**3**	**379**	–	–	–	**3**
CS (Brixton) Limited	3.9	50.0	**165**	**121**	**286**	165	48	213	**73**
Nelson House Hospital Limited	6.0	50.0	**273**	**–**	**273**	–	–	–	**–**
The Street by Street Solar Programme Limited	4.5	50.0	**271**	**–**	**271**	54	–	54	**–**
CS (Norwich) Limited	12.5	50.0	**200**	**46**	**246**	200	(22)	178	**68**
Peakdale Molecular Limited (i)	n/a	n/a	**245**	**(5)**	**240**	333	(14)	319	**9**
Premier Leisure (Suffolk) Limited	13.6	50.0	**1,000**	**(772)**	**228**	1,000	(749)	251	**(23)**
Tower Bridge Health Clubs Limited	2.9	50.0	**171**	**36**	**207**	183	17	200	**19**
Alto Prodotto Wind Limited	3.7	50.0	**160**	**3**	**163**	–	–	–	**3**
CS (Greenwich) Limited	2.0	50.0	**104**	**27**	**131**	113	(1)	112	**28**
The Dunedin Pub Company VCT Limited	10.4	50.0	**112**	**(3)**	**109**	119	–	119	**(3)**
CS (Exeter) Limited	4.0	50.0	**65**	**(11)**	**54**	65	(18)	47	**7**
AVESI Limited	6.8	50.0	**54**	**–**	**54**	–	–	–	**–**
City Screen (Liverpool) Limited	4.5	50.0	**55**	**(10)**	**45**	55	(10)	45	**–**
GB Pub Company VCT Limited	3.9	50.0	**161**	**(126)**	**35**	160	(98)	62	**(28)**
Total qualifying non-technology investments			**25,468**	**(6,250)**	**19,218**	22,935	(6,863)	16,072	**613**
Total qualifying investments			**38,115**	**(7,762)**	**30,353**	34,820	(8,079)	26,741	**185**

* Albion Ventures LLP

** as adjusted for additions and disposals during the year

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

Portfolio of investments (continued)

Non-qualifying investments	% voting rights held by Albion Technology & General VCT PLC	% voting rights held by all AVL* managed companies	As at 31 December 2011 Cost £'000	Cumulative movement in value £'000	Total value £'000	As at 31 December 2010 Cost £'000	Cumulative movement in value £'000	Total value £'000	Change in value for the year** £'000
Albion Investment Properties Limited	22.6	100.0	**433**	**(45)**	**388**	433	(61)	372	**16**
Rostima Holdings Limited	n/a	39.3	**79**	**–**	**79**	–	–	–	**–**
Evolutions Group Limited	22.3	100.0	**277**	**(213)**	**64**	–	–	–	**(213)**
Consolidated PR Limited	11.8	23.6	**33**	**18**	**51**	33	13	46	**5**
Evolutions Television Limited	n/a	n/a	**45**	**–**	**45**	2,027	(789)	1,238	**–**
Total non-qualifying investments			**867**	**(240)**	**627**	2,493	(837)	1,656	**(192)**

* Albion Ventures LLP

** as adjusted for additions and disposals during the year

Current asset investments	As at 31 December 2011 Cost £'000	Cumulative movement in value £'000	Total value £'000	As at 31 December 2010 Cost £'000	Cumulative movement in value £'000	Total value £'000	Change in value for the year** £'000
UBS floating rate note May 2011	–	–	–	1,000	5	1,005	**–**
Contingent future receipts on disposal of fixed asset investments	232	–	232	–	–	–	**–**
Royal Skandia Collective Bond	1,000	6	1,006	–	–	–	**6**
Total current asset investments	**1,232**	**6**	**1,238**	1,000	5	1,005	**6**

Material realisations in the year to 31 December 2011	Cost £'000	Opening carrying value £'000	Disposal proceeds £'000	Realised gain/(loss) £'000	Gain/(loss) on opening value £'000
Dexela Limited	895	918	1,848	953	930
Evolutions Television Limited	2,027	1,238	1,710	(317)	472
Evolutions Group Limited	1,204	n/a	1,242	38	n/a
Green Energy Property Services Limited	103	52	97	(6)	45
Xceleron Limited (restructuring)	1,352	1,077	–	(1,352)	(1,077)
Radnor House School (Holdings) Limited (redemption premium received)	–	36	62	62	26
Total material realisations	**5,581**	**3,321**	**4,959**	**(622)**	**396**

Portfolio companies

The top ten qualifying investments by total aggregate value of equity and loan stock are as follows:

Radnor House School (Holdings) Limited

Radnor House is London's new co-educational independent day school in Twickenham which opened in September 2011. It is located in historic freehold buildings on the banks of the River Thames in South West London. Students are currently being admitted into the Preparatory and the Senior School.

	Audited results: year to 31 August 2011 £'000	Investment information	£'000
Turnover	29	Income recognised in the year	46
Loss before interest	(1,426)	Total cost	1,930
Net assets	638	Total valuation	2,495
Basis of valuation:	Net asset value supported by third party valuation	Voting rights	11.1 per cent.
Website:	www.radnorhouse.org		

Funds managed and advised by Albion Ventures LLP have invested in this company and their combined equity holding in the company is 50.0 per cent.

Kensington Health Clubs Limited

This company has developed a 29,000 square foot health and fitness club on a 999 year lease in West London which opened in December 2007.

	Audited results: year to 30 September 2011 £'000	Investment information	£'000
Turnover	2,073	Income recognised in the year	198
Profit before interest	311	Total cost	3,494
Net assets	322	Total valuation	2,428
Basis of valuation:	Net asset value supported by third party valuation	Voting rights	13.7 per cent.
Website:	www.thirtysevendegrees.co.uk/olympia		

Funds managed and advised by Albion Ventures LLP have invested in this company and their combined equity holding in the company is 50.0 per cent.

The Charnwood Pub Company Limited

The company is a pub company which owns and operates 11 freehold public houses in central England.

	Audited results: year to 31 March 2011 £'000	Investment information	£'000
Turnover	3,980	Income recognised in the year	87
Profit before interest	12	Total cost	2,794
Net liabilities	(1,142)	Total valuation	1,794
Basis of valuation:	Net asset value supported by third party valuation	Voting rights	12.2 per cent.
Website:	www.charnwoodpubco.co.uk		

Funds managed and advised by Albion Ventures LLP have invested in this company and their combined equity holding in the company is 50.0 per cent.

Mi-Pay Limited

Mi-Pay provides an outsourced payment processing service to mobile network operators and related customers, focusing on pre-paid top ups and money transfers.

	Audited results: year to 31 December 2011 £'000	Investment information	£'000
Turnover	2,402	Income recognised in the year	–
Loss before interest	(2,775)	Total cost	2,452
Net assets	877	Total valuation	1,663
Basis of valuation:	Revenue multiple	Voting rights	19.7 per cent.
Website:	www.mi-pay.com		

Funds managed and advised by Albion Ventures LLP have invested in this company and their combined equity holding in the company is 49.9 per cent.

Bravo Inns II Limited

The company was formed in September 2007 and owns and operates 15 freehold pubs in the North of England. The pubs are trading well with considerable demand for the value offering.

	Audited results: year to 31 March 2011 £'000	Investment information	£'000
Turnover	3,532	Income recognised in the year	111
Profit before interest	164	Total cost	1,415
Net assets	1,958	Total valuation	1,341
Basis of valuation:	Net asset value supported by third party valuation	Voting rights	10.8 per cent.
Website:	www.bravoinns.com		

Funds managed and advised by Albion Ventures LLP have invested in this company and their combined equity holding in the company is 50.0 per cent.

Portfolio companies (continued)

Helveta Limited

Helveta is a young software company, providing traceability and verification primarily to the timber industry. Implementation of Helveta's system helps eradicate illegal logging as well as improving the efficiency of the supply chain.

	Audited results: year to 31 December 2010 £'000	Investment information	£'000
Turnover	2,139	Income recognised in the year	–
Loss before interest	(3,537)	Total cost	2,239
Net assets	192	Total valuation	1,334
Basis of valuation:	Revenue Multiple	Voting rights	14.1 per cent.
Website:	www.helveta.com		

Funds managed and advised by Albion Ventures LLP have invested in this company and their combined equity holding in the company is 33.5 per cent.

Blackbay Limited

The company provides enterprise mobility solutions mainly for the postal logistics and field service sectors.

	Audited results: year to 31 December 2010 £'000	Investment information	£'000
Turnover	7,752	Income recognised in the year	111
Profit before interest	706	Total cost	941
Net liabilities	(1,470)	Total valuation	1,221
Basis of valuation:	Earnings multiple	Voting rights	8.5 per cent.
Website:	www.blackbay.com		

Funds managed and advised by Albion Ventures LLP have invested in this company and their combined equity holding in the company is 34.9 per cent.

The Weybridge Club Limited

The company owns a 30 acre freehold site near to the centre of Weybridge, Surrey, which has been developed into a premium health and fitness club. The club opened in May 2007.

	Audited results: 13 months to 30 September 2011 £'000	Investment information	£'000
Turnover	1,969	Income recognised in the year	65
Profit before interest	544	Total cost	1,314
Net liabilities	(2,205)	Total valuation	1,136
Basis of valuation:	Net asset value supported by third party valuation	Voting rights	6.7 per cent.
Website:	www.theweybridgeclub.com		

Funds managed and advised by Albion Ventures LLP have invested in this company and their combined equity holding in the company is 50.0 per cent.

Orchard Portman Hospital Limited

The company owns and operates a freehold psychiatric hospital in Taunton, Somerset.

	Audited results: seventeen months to 30 April 2011 £'000	Investment information	£'000
Turnover	–	Income recognised in the year	39
Loss before interest	(383)	Total cost	1,048
Net assets	664	Total valuation	1,050
Basis of valuation:	Cost	Voting rights	16.2 per cent.
Website:	www.orchardportman.com		

Funds managed and advised by Albion Ventures LLP have invested in this company and their combined equity holding in the company is 50.0 per cent.

Taunton Hospital Limited

The company owns and operates a freehold psychiatric hospital in Taunton, Somerset.

	Audited results: year to 30 April 2011 £'000	Investment information	£'000
Turnover	1,343	Income recognised in the year	42
Loss before interest	(157)	Total cost	1,000
Net assets	372	Total valuation	999
Basis of valuation:	Cost	Voting rights	15.8 per cent.

Funds managed and advised by Albion Ventures LLP have invested in this company and their combined equity holding in the company is 50.0 per cent.

Net assets of an investee company where a recent third party valuation has taken place may have a higher valuation in Albion Technology & General VCT PLC accounts than in its own, where the investee company does not have a policy of revaluing its fixed assets.

Directors' report and enhanced business review

The Directors submit their Annual Report and the audited Financial Statements on the affairs of Albion Technology & General VCT PLC (the "Company") for the year ended 31 December 2011.

BUSINESS REVIEW

Principal activity and status

The principal activity of the Company is that of a venture capital trust. It has been approved by H.M. Revenue & Customs ('HMRC') as a venture capital trust in accordance with Part 6 of the Income Tax Act 2007 and, in the opinion of the Directors, the Company has conducted its affairs so as to enable it to continue to obtain such approval. Approval for the year ended 31 December 2011 is subject to review should there be any subsequent enquiry under corporation tax self assessment.

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

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

Capital structure

Details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital during the year are shown in note 15. The Ordinary shares are designed for individuals who are professionally advised private investors, seeking, over the long term, investment exposure to a diversified portfolio of unquoted investments. The investments are spread over a number of sectors, to produce a regular and predictable source of income, combined with the prospect of longer term capital growth.

During the year the Company issued 1,219,653 Ordinary and 903,935 C shares under the Albion VCTs Linked Top Up Offer launched in November 2010. The Offer closed on 16 May 2011.

The C shares converted to Ordinary shares on 31 March 2011 on the basis of the respective net asset values and C shareholders received 0.7779 Ordinary shares for each C share they owned.

The Company's share capital now comprises solely Ordinary shares.

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

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

The Company currently operates a Dividend Reinvestment Scheme, details of which can be found on www.albion-ventures.co.uk under the 'Our Funds' section. During the year, the Company issued 201,574 new Ordinary shares under the Dividend Reinvestment Scheme, details of which can be found in note 15.

On 1 November 2011 the Company announced the launch of the Albion VCTs Linked Top Up Offer 2011/2012. In aggregate, the Albion VCTs will be aiming to raise up to £15 million across seven of the VCTs managed by Albion Ventures LLP, of which Albion Technology & General VCT PLC's share will be approximately £2.25 million. The maximum amount raised by each of the Albion VCTs will be 10 per cent. of its issued share capital (over any one 12 month period, and including any shares issued under Dividend Reinvestment Schemes), being the amount that they may issue under the Prospectus Rules without the publication of a full prospectus.

The proceeds of the Offer will be used to provide further resources to the Albion VCTs at a time when a number of attractive new investment opportunities are being seen. An Investor Guide and Offer document has been sent to shareholders.

Substantial interests and shareholder profile

As at 31 December 2011 and at 29 March 2012, the Company was not aware of any shareholder who had a beneficial interest exceeding 3 per cent. of voting rights. There have been no disclosures in accordance with Disclosure and Transparency Rule 5 made to the Company during the year ended 31 December 2011, and up to the date of this report.

The table below shows the shareholder profile as at 29 March 2012 for the Company's Ordinary shares:

Number of shares held	% shareholders	% of class
1 – 10,000	65.9	21.5
10,001 – 50,000	30.5	43.8
50,001 – 100,000	2.6	11.9
100,001 – 500,000	0.8	10.8
500,001 – 1,000,000	0.1	2.4
1,000,001 – 5,000,000*	0.1	9.6

**Treasury shares held by Albion Technology & General VCT PLC.*

Directors' report and enhanced business review (continued)

Investment policy

The Company'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, in time, 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 investee company's assets.

The Investment 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. First, controlling the VCT'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. Second, 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, 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';

(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 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. The tests have been carried out and independently reviewed for the year ended 31 December 2011. The Company has complied with all tests and continues to do so.

'Qualifying holdings' for Albion Technology & General VCT PLC 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, agriculture, and operating or managing hotels or residential care homes.

Investee company gross assets must not exceed £15 million immediately prior to the investment and £16 million immediately thereafter and there is an annual investment limit of £1 million in each company.

Gearing

As defined by the Articles of Association, the Company's maximum exposure in relation to gearing is restricted to 10 per cent. of the adjusted share capital and reserves. As at 31 December 2011, the Company's maximum possible exposure was £3,254,000 (2010: £3,309,000) and its actual short term and long term gearing at this date was £nil (2010: £nil). The Directors do not currently have any intention to utilise long term gearing.

Current portfolio sector allocation
The pie chart on page 8 of the Manager's report shows the split of the portfolio valuation by industrial or commercial sector as at 31 December 2011. Details of the principal investments made by the Company are shown in the Portfolio of investments on pages 11 to 13.

Review of business and future changes
A detailed review of the Company's business during the year and future prospects is contained in the Chairman's statement on pages 6 and 7 and Manager's report on page 8. Details of significant events which have occurred since the end of the financial year are listed in note 21. Details of related party transactions are shown in note 22.

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

Operational arrangements
The Company has delegated the investment management of the portfolio to Albion Ventures LLP, which is authorised and regulated by the Financial Services Authority. Albion Ventures LLP also provides company secretarial and other accounting and administrative support to the Company. Further details regarding the terms of engagement of the Manager are shown on page 21.

Results and dividends

	Ordinary shares £'000
Net revenue return for the year ended 31 December 2011	651
Revenue dividend of 2.5 pence per share paid on 28 April 2011	(998)
Revenue dividend of 2.5 pence per share paid on 28 October 2011	(987)
Transfer from special reserve during the year ended 31 December 2011	1,985
Transferred to revenue reserve	651
Net capital return for the year ended 31 December 2011	212
Transfer from special reserve during the year ended 31 December 2011	6,067
Transferred to realised and unrealised reserves	6,279
Net assets as at 31 December 2011	33,547
Net asset value per share as at 31 December 2011	**85.1**

The Company paid dividends of 5.0 pence per Ordinary share (2010: 8.0 pence per Ordinary share) during the year ended 31 December 2011 and, as shown in the Chairman's statement, the Board has declared a first dividend for the year ending 31 December 2012, of 2.5 pence per Ordinary share to be paid on 30 April 2012 to shareholders on the register at 13 April 2012.

As shown in the Income statement on page 33 of the Financial Statements, investment income has increased to £1,257,000 (2010: £1,197,000) as a result of new investments in high yielding loan stock during the year. The revenue return to equity holders has risen to £651,000 (2010: £580,000) as a result of the rise in income described above.

The capital return for the year was £212,000 (2010: loss of £881,000). This is mainly attributable to the realised gain from the disposal of investments and other upward unrealised revaluations in the Company's investment portfolio, offset by the capitalisation of management fees. The total return per share was 2.2 pence per share (2010: 2.6 pence per share).

The Balance sheet on page 34 of the Financial Statements shows that the net asset value has decreased over the last year to 85.1 pence per share (2010: 87.6 pence per share), primarily reflecting the payment of 5.0 pence per share dividend during the year, offset by the 2.2 pence per share total return.

The cash flow for the business has been negative for the year due to dividends paid, share buy-backs and new investments made, offset by the issue of share capital, disposal of investments and net cash inflow from operations.

Share buy-backs
The Company operates a policy of buying back shares either for cancellation or for holding in treasury. Details regarding the current policy can be found on page 6 of the Chairman's statement.

Key performance indicators
The Directors believe that the following key performance indicators are the most important for the business.

The graphs on page 4 shows Albion Technology & General VCT PLC's net asset value total return against the FTSE All-Share Index total return, in both instances with dividends reinvested. Details on the performance of the net asset value and return per share for the year are shown above.

The total expense ratio for the year to 31 December 2011 was 3.1 per cent. (2010: 3.2 per cent).

Directors' report and enhanced business review (continued)

The Company continues to comply with HMRC rules in order to maintain its status under Venture Capital Trust legislation as highlighted on page 17.

Principal risks and uncertainties

In addition to the current economic risks outlined in the Chairman's statement, the Board considers that the Company faces the following major risks and uncertainties:

1. *Economic risk*

   Changes in economic conditions, including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and other factors could substantially and adversely affect the Company's prospects in a number of ways.

   To reduce this risk, in addition to investing equity in portfolio companies, the Company often invests in secured loan stock and has a policy of not permitting any external bank borrowings within portfolio companies. Additionally, the Manager has been rebalancing the sector exposure of the portfolio with a view to reducing reliance on consumer led sectors.

2. *Investment risk*

   This is the risk of investment in poor quality assets which reduces the capital and income returns to shareholders, and negatively impacts on the Company's reputation. By nature, smaller unquoted businesses, such as those that qualify for venture capital trust purposes, are more fragile than larger, long established businesses.

   To reduce this risk, the Board places reliance upon the skills and expertise of the Manager and its strong track record for investing in this segment of the market. In addition, the Manager operates a formal and structured investment process, which includes an Investment Committee, comprising investment professionals from the Manager and at least one external investment professional. The Manager also invites and takes account of comments from non-executive Directors of the Company on investments discussed at the Investment Committee meetings. Investments are actively and regularly monitored by the Manager (investment managers normally sit on investee company boards) and the Board receives detailed reports on each investment as part of the Manager's report at quarterly board meetings. It is the policy of the Company for portfolio companies to not normally have external borrowings.

3. *Valuation risk*

   The Company's investment valuation method is reliant on the accuracy and completeness of information that is issued by portfolio companies. In particular, the Directors may not be aware of or take into account certain events or circumstances which occur after the information issued by such companies is reported.

   As described in note 2 of the Financial Statements, the unquoted equity investments, convertible loan stock and debt issued at a discount held by the Company are designated at fair value through profit or loss and valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines. These guidelines set out recommendations, intended to represent current best practice on the valuation of venture capital investments. These investments are valued on the basis of forward looking estimates and judgments about the business itself, its market and the environment in which it operates, together with the state of the mergers and acquisitions market, stock market conditions and other factors. In making these judgments the valuation takes into account all known material facts up to the date of approval of the Financial Statements by the Board. All other unquoted loan stock is measured at amortised cost.

4. *Venture Capital Trust approval risk*

   The Company's current approval as a venture capital trust allows investors to take advantage of tax reliefs on initial investment and ongoing tax free capital gains and dividend income. Failure to meet the qualifying requirements could result in investors losing the tax relief on initial investment and loss of tax relief on any tax-free income or capital gains received. In addition, failure to meet the qualifying requirements could result in a loss of listing of the shares.

   To reduce this risk, the Board has appointed the Manager, who has a team with significant experience in venture capital trust management, used to operating within the requirements of the venture capital trust legislation. In addition, to provide further formal reassurance, the Board has appointed PricewaterhouseCoopers LLP as its taxation advisor. PricewaterhouseCoopers LLP report quarterly to the Board to independently confirm compliance with the venture capital trust legislation, to highlight areas of risk and to inform on changes in legislation.

5. *Compliance risk*

   The Company is listed on The London Stock Exchange and is required to comply with the rules of the UK

Listing Authority, as well as with the Companies Act, Accounting Standards and other legislation. Failure to comply with these regulations could result in a delisting of the Company's shares, or other penalties under the Companies Act or from financial reporting oversight bodies.

Board members and the Manager have experience of operating at senior levels within quoted businesses. In addition, the Board and the Manager receive regular updates on new regulation from its auditor, lawyers and other professional bodies.

6. *Internal control risk*
Failures in key controls, within the Board or within the Manager's business, could put assets of the Company at risk or result in reduced or inaccurate information being passed to the Board or to shareholders.

The Audit Committee meets with the Manager's Internal Auditor, Littlejohn LLP, when required, receiving a report regarding the last formal internal audit performed on the Manager, and providing the opportunity for the Audit Committee to ask specific and detailed questions. Dr Neil Cross, as Audit Committee Chairman, met with the internal audit Partner of Littlejohn LLP in January 2012 to discuss the most recent Internal Audit Report on the Manager. The Manager has a comprehensive business continuity plan in place in the event that operational continuity is threatened. Further details regarding the Board's management and review of the Company's internal controls through the implementation of the Turnbull guidance are detailed on page 28.

Measures are in place to mitigate information risk in order to ensure the integrity, availability and confidentiality of information used within the business.

7. *Reliance upon third parties risk*
The Company is reliant upon the services of Albion Ventures LLP for the provision of investment management and administrative functions. There are provisions within the management agreement for the change of Manager under certain circumstances (for further detail, see the management agreement paragraph on page 21). In addition, the Manager has demonstrated to the Board that there is no undue reliance placed upon any one individual within Albion Ventures LLP.

8. *Financial risks*
By its nature, as a venture capital trust, the Company is exposed to investment risk (which comprises investment price risk and cash flow interest rate risk), credit risk and liquidity risk. The Company's policies for managing these risks and its financial instruments are outlined in full in note 19 to the Financial Statements.

All of the Company's income and expenditure is denominated in sterling and hence the Company has no foreign currency risk. The Company is financed through equity and does not have any borrowings. The Company does not use derivative financial instruments for speculative purposes.

Environment

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

Employees

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

Directors

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

	31 December 2011	31 December 2010	
	Ordinary shares	Ordinary shares	C shares
Dr Neil Cross	**177,790**	100,000	100,000
Lt. Gen Sir Edmund Burton	**51,813**	27,660	31,050
Michael Hart	**100,000**	100,000	–
Patrick Reeve	**328,031**	151,679	200,000

The C shares held by the directors were all converted to Ordinary shares on 31 March 2011 at the rate of 0.7779 Ordinary shares for each C share held.

Between 31 December 2011 and the date of this report, 1,754 Ordinary shares were acquired by Patrick Reeve and 2,085 Ordinary shares were acquired by Lt. Gen Sir Edmund Burton under the Albion VCTs Linked Top Up Offer 2011/2012.

Directors' report and enhanced business review (continued)

Partners and staff of Albion Ventures LLP (excluding Patrick Reeve's holding shown above) hold 142,833 shares in the Company.

No Director has a service contract with the Company.

All Directors, except for Patrick Reeve, who is the managing partner of the Manager, are members of the Audit Committee, of which Dr. Neil Cross is Chairman.

Patrick Reeve, as managing partner of Albion Ventures LLP is deemed to have an interest in the Management agreement and Management performance incentive to which the Company is party.

Further details regarding Directors' remuneration are shown on pages 30 and 31.

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

Re-election of Directors
Directors' retirement and re-election is subject to the Articles of Association and the UK Corporate Governance Code. At the forthcoming Annual General Meeting, Neil Cross, Edmund Burton and Michael Hart, having served as Directors for longer than nine years, will retire and offer themselves for re-election. Patrick Reeve is not considered to be independent, as he is the managing partner of the Manager, Albion Ventures LLP, and will therefore also retire and offer himself for re-election at the forthcoming Annual General Meeting.

Management agreement
Under the Management agreement, the Manager provides investment management, secretarial and administrative services to the Company. The Management agreement can be terminated by either party on 12 months' notice and is subject to earlier termination in the event of certain breaches or on the insolvency of either party. The Manager is paid an annual fee equal to 2.5 per cent. of the net asset value of the Company, payable quarterly in arrears. Total annual expenses, including the management fee, are limited to 3.5 per cent. of the net asset value.

In line with common practice, the Manager is also entitled to an arrangement fee, payable by each investee company, of approximately 2 per cent. of each investment made.

Management performance incentive
In order to provide the Manager with an incentive to maximise the return to investors, the Company has entered into a Management performance incentive arrangement with the Manager. Under the incentive arrangement, if the net asset value per share at the end of a financial period, when added to the aggregate dividends per share (both revenue and capital) paid to that date, exceeds £1 increased at the rate of 8 per cent. per annum since the Company's commencement of trading, then the Manager will be entitled to an incentive fee equal to 20 per cent. of such excess. In the event that the performance of the Company falls short of the target in any period, such shortfall must be made up in future periods before the Manager is entitled to any incentive in respect of such future periods. The fee if applicable, will be payable annually. No performance fee has arisen during the year (2010: £nil).

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

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

Auditor
In 2007 the Audit Committee undertook a tendering exercise for provision of audit services. As a result of this process, PKF (UK) LLP was appointed as Auditor with effect from 2008. The Audit Committee annually reviews and evaluates the standard and quality of service provided by the Auditor, as well as value for money in the provision of these services. A resolution to re-appoint PKF (UK) LLP as Auditor will be proposed at the forthcoming Annual General Meeting.

Directors' report and enhanced business review (continued)

Supplier payment policy
The Company's policy is to pay all supplier invoices within 30 days of the invoice date, or as otherwise agreed. As at 31 December 2011, trade creditors totalled £1,000 (2010: £234,000). Creditor days at 31 December 2011 were 1 day (2010: 78 days). The movement in creditor days between 31 December 2011 and 31 December 2010 has arisen due to timing differences in the invoicing of the quarterly management fee.

Annual General Meeting
The Annual General Meeting will be held at the City of London Club, 19 Old Broad Street, London EC2N 1DS at 12.30 pm on 22 June 2012. The notice of the Annual General Meeting is at the end of this document.

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

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

Continuation as a venture capital trust
Ordinary resolution number 9 proposes the continuation of the Company as a venture capital trust. Under the terms of the Company's Articles of Association, members have the opportunity, every five years, to confirm that they wish the Company to continue as a venture capital trust. Otherwise the Board is required to make proposals for the reorganisation, reconstruction or the orderly liquidation and winding up of the Company.

Electronic and web communications
Ordinary resolution number 10 will request authority to send all documents, notices and information to shareholders by electronic means (as such term is defined in the Financial Services Authority's Disclosure and Transparency Rules) including by means of a website and in all electronic forms. With effect from 20 January 2007, the Companies Act 2006 introduced new provisions enabling companies to communicate with shareholders by electronic and/or website communication. A company is allowed to send documents to a shareholder in electronic form (subject to consent of the shareholder) via a website. Before the Company can communicate with a shareholder by means of website communication:

(a) an ordinary resolution of the shareholders of the Company authorising the use of electronic communications is required under the Financial Services Authority's Disclosure and Transparency Rules; and

(b) the relevant shareholder must be asked individually by the Company to agree that the Company may send or supply documents or information to him or her by means of a website.

The Company must have received a positive response in order for consent to electronic communications to have been given. The Company will notify the shareholder (either by post, or by other permitted means) when a relevant document or information is placed on the website and a shareholder retains the right to request a hard copy version of the document or information.

The Company will not pass shareholders' email details to external non-supplier third parties as part of this process.

These new provisions should lead to administrative cost savings in the future and the Company plans to contact shareholders individually for their consent to receive communications from the Company via its website or to elect to receive communications either electronically or in hard copy.

Removal of authorised share capital
Special resolution number 11 will propose the removal of the concept of authorised share capital from the Company's Articles, as permitted by the Companies Act 2006.

Power to allot shares
Ordinary resolution number 12 will request the authority to allot up to an aggregate nominal amount of £2,186,188 representing approximately 10 per cent. of the issued Ordinary share capital of the Company as at the date of this Report, or £43,724 following the reduction in nominal value proposed by resolution number 16.

The Directors do not currently have any intention to allot shares, with the exceptions of the Dividend Reinvestment Scheme, any Albion VCTs Linked Top Up Offer and the reissuance of treasury shares where it is in the Company's interest to do so. The Company currently holds 4,290,372 treasury shares representing 9.8 per cent. of the total Ordinary share capital in issue as at 31 December 2011.

Directors' report and enhanced business review (continued)

This resolution replaces the authority given to the Directors at the General Meeting on 13 May 2011. The authority sought at the forthcoming Annual General Meeting will expire 18 months from the date that this resolution is passed, or at the conclusion of the next Annual General Meeting of the Company, whichever is earlier.

Dis-application of pre-emption rights
Special resolution number 13 will request the authority for the Directors to allot equity securities for cash without first being required to offer such securities to existing members. This will include the sale on a non pre-emptive basis of any shares the Company holds in treasury for cash. The authority relates to a maximum aggregate of £2,186,188 of the nominal value of the share capital representing 10 per cent. of the issued Ordinary share capital of the Company as at the date of this Report, or £43,724 following the reduction in nominal value proposed by resolution number 16.

This resolution replaces the authority given to the Directors at the General Meeting on 13 May 2011. The authority sought at the forthcoming Annual General Meeting will expire 18 months from the date that this resolution is passed or at the conclusion of the next Annual General Meeting of the Company, whichever is earlier. Members should note that this resolution also relates to treasury shares.

Purchase of own shares
Special resolution number 14 will request the authority to purchase approximately 14.99 per cent. of the Company's issued Ordinary share capital at, or between, the minimum and maximum prices specified in resolution 14. Shares bought back under this authority may be cancelled and up to 10 per cent. may be held in treasury.

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

This resolution would renew the 2011 authority, which was on similar terms. During the financial year under review, the Company purchased 1,357,000 Ordinary shares and 337,300 C Shares of 50 pence each to be held in treasury, at an aggregate consideration of £1,251,000 including stamp duty.

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

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

Special resolution number 15 will request the authority to permit Directors to sell treasury shares at the higher of the prevailing current share price and the price bought in at.

Cancellation of share capital
Special resolution number 16 is a proposal (the 'Proposal') by the Board to increase the Company's distributable reserves by way of a reduction of the Company's share capital and cancellation of its capital redemption and share premium reserves, subject to shareholder approval and confirmation by the Court.

The Company's distributable reserves are used for the payment of dividends, for share buy-backs and for other corporate purposes. Subject to any creditor protection demanded by the Court (see below), the proposed reduction of share capital and cancellation of its capital redemption and share premium reserves will create additional distributable reserves of approximately £27.6 million.

As there is nothing in the Company's Articles prohibiting it from doing so, the Company may reduce its share capital and cancel its capital redemption and share premium reserves by obtaining the approval of shareholders by special resolution. If the special resolution is approved by shareholders, the Company will apply to Court for a Court Order and this is expected to take place during July 2012. The Court may require the Company to protect the interests of the creditors of the Company and the Company can confirm that it will seek approval from all creditors to this proposal. The main creditors as at the date of filing with the court, namely the Manager and Berwin Leighton Paisner have already given their consent to the Proposal.

It is the Board's policy to pay regular and predictable dividends to shareholders as the Directors believe that this is a key source of shareholder value. The Company also has a policy of buying back its own shares for cancellation or for holding as treasury shares, when such purposes are considered to be to the advantage of the Company and shareholders as a whole. These shares are purchased at a discount to Net Asset Value which enhances the Company's Net Asset Value per share.

Directors' report and enhanced business review (continued)

Under the Companies Act 2006 (the 'Act'), the Company is only permitted to pay dividends and to make buy-backs from its accumulated distributable reserves. Therefore, the Board believes that increasing the distributable reserves is in the interests of shareholders. Details of these reserves are shown on page 35 of this Annual Report and Financial Statements.

The Directors believe that the Company should restructure its balance sheet by (1) cancelling and extinguishing 49 pence of the amount paid up on each of its issued Ordinary shares and reducing the nominal value of its issued Ordinary shares from 50 pence to 1 penny per share; and (2) cancelling the sum credited to its capital redemption and share premium reserves.

As stated in note 15 of the Company's Financial Statements, the Company's issued share capital as at 31 December 2011 was 43,723,776 Ordinary shares of 50 pence each, all of which had been issued as fully paid. Since 31 December 2011, 936,304 Ordinary shares have been issued up to the date of this report. If the nominal value of each of these issued Ordinary shares is reduced from 50 pence to 1 penny, the Company's issued share capital will be reduced from £22,330,040 to £446,601.

The Company's capital redemption reserve was created as a result of previous buy-backs of the Company's shares, and on the conversion of C shares into Ordinary shares on 31 March 2011. As at 31 December 2011, the amount credited to the Company's capital redemption reserve was £4,472,721.

The Company's share premium reserve accounts for the difference between the price paid for shares and the nominal value of the shares, less issue costs and transfers to special reserve. As at 31 December 2011, the amount credited to the Company's share premium account was £958,517.

It is anticipated that the Company will issue further shares and carry out further buy-backs of Ordinary Shares before the date of the final hearing (the "Final Hearing") of the Company's application to reduce its share capital and cancel its capital redemption and share premium reserves. The Company's issued share capital and amount credited to the capital redemption and share premium reserves will therefore be subject to changes after the Company's Annual General Meeting. Special resolution number 16 provides for (i) the reduction in nominal value of any Ordinary Shares of 50 pence each which are in issue at the close of business on the day before the date of the Final Hearing; and (ii) the cancellation of the amount credited to the Company's capital redemption and share premium reserves as at the close of business on the day before the date of the Final Hearing.

In order for the cancellation of share capital to become effective, the Court Order confirming the reduction must be filed at Companies House for registration by the Registrar of Companies, usually 2-3 days after the date of Court approval.

As a result of this Proposal, and to take account of the implementation of parts of the Companies Act 2006, the Articles will be amended as proposed in resolution number 9 to remove all references to the Company's authorised share capital, as the requirement to have an authorised share capital has been abolished. Directors will still be limited as to the number of shares they can at any time allot because an allotment authority for the Company continues to be required under the Companies Act 2006.

Recommendation

The Board believes that the passing of the resolutions above are in the best interests of the Company and its shareholders as a whole, and unanimously recommends that you vote in favour of these resolutions, as the Directors intend to do in respect of their own beneficial shareholdings of 661,473 shares.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' report and enhanced business review, the Directors' remuneration report and the Financial Statements in accordance with applicable law and regulations. They are also responsible for ensuring that the Annual Report includes information required by the Listing Rules of the Financial Services Authority.

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

In preparing these Financial Statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures

Directors' report and enhanced business review (continued)

disclosed and explained in the Financial Statements; 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 adequate accounting records that are sufficient to show and explain the Company's transactions, to 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 and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements and other information included in annual reports may differ from legislation in other jurisdictions.

The Directors confirm, to the best of their knowledge, that:

- the Financial Statements, which have been prepared in accordance with UK Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Management report, included within the Chairman's statement, Manager's report and Director's report and enhanced business review, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

The names and functions of all the Directors are stated on page 2.

Disclosure of information to auditor

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

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

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

By Order of the Board

Albion Ventures LLP
Company Secretary
1 King's Arms Yard
London, EC2R 7AF
3 April 2012

Statement of corporate governance

Background
The Financial Services Authority requires all listed companies to disclose how they have applied the principles and complied with the provisions of the UK Corporate Governance Code (the "Code") issued by the Financial Reporting Council ("FRC") in May 2010.

The Board of Albion Technology & General VCT PLC has also considered the principles and recommendations of the AIC Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in Section 1 of the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to Albion Technology & General VCT PLC.

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

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

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

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

Dr Neil Cross is the Chairman, and he, Mr Michael Hart and Lt Gen Sir Edmund Burton, are considered independent directors. Lt Gen Sir Edmund Burton is the Senior Independent Director. Mr Patrick Reeve is not considered an independent Director as he is the Managing Partner of Albion Ventures LLP, the Manager.

Dr Neil Cross, Mr Michael Hart and Lt Gen Sir Edmund Burton have all been Directors of the Company for more than nine years and, in accordance with the recommendations of the AIC code, are subject to annual re-election. The Board does not have a policy of limiting the tenure of any Director as the Board does not consider that a Director's length of service reduces his ability to act independently of the Manager. Mr Patrick Reeve is also subject to annual re-election, as he is not considered to be an independent Director.

The Directors have a range of business and financial skills which are relevant to the Company; these are described in the Board of Directors section of this Report, on page 9. Directors are provided with key information on the Company's activities, including regulatory and statutory requirements, and internal controls, by the Manager. The Board has access to secretarial advice and compliance services by the Manager, who is responsible for ensuring that Board procedures are followed and applicable procedures complied with. All Directors are able to take independent professional advice in furtherance of their duties if necessary. In accordance with the UK Corporate Governance Code, the Company has in place Directors' & Officers' Liability Insurance.

The Board met four times during 2011 as part of its regular programme of quarterly Board meetings. All of the Directors attended each meeting. A sub-committee of the Board comprising at least two Directors met during the year to allot shares issued under the Dividend Reinvestment Scheme and the Albion VCTs Linked Top Up Offer. A sub-committee of the Board also met during the year to approve the terms and contents of the offer documents under the Albion VCTs Linked Top Up Offer 2011/2012.

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

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

- the consideration and approval of future developments or changes to the investment policy, including risk and asset allocation;
- consideration of corporate strategy;
- application of the principles of the UK Corporate Governance Code, corporate governance and internal control;
- review of sub-committee recommendations, including the recommendation to shareholders for the appointment and remuneration of auditors;
- evaluation of non-audit services provided by the external auditor;

Statement of corporate governance (continued)

- approval of the appropriate dividend to be paid to shareholders;
- the appointment, evaluation, removal and remuneration of the Manager;
- the performance of the Company, including monitoring of the discount of the net asset value and the share price;
- share buy-back and treasury share policy; and
- monitoring shareholder profile and considering shareholder communications.

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

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

The Board believes that it has the right balance of independence, skills, experience and knowledge for the effective governance of the Company. The Board considers any skills gaps in existence and takes action to remedy this where necessary.

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

In light of the structured performance evaluation, Dr Neil Cross, Mr Michael Hart, Lt Gen Sir Edmund Burton and Mr Patrick Reeve, all of whom are subject to re-election at the forthcoming Annual General Meeting, are considered to be effective Directors who demonstrate strong commitment to the role, and the Board believes it to be in the best interest of the Company to appoint these Directors at the forthcoming Annual General Meeting.

Remuneration Committee
Since the Company has no executive Directors, the detailed Directors' Remuneration disclosure requirements set out in Listing Rules are not considered relevant.

Audit Committee
The Audit Committee consists of all Directors excluding Mr Patrick Reeve. Dr Neil Cross has been appointed Chairman of the Audit Committee as a result of the depth of his experience in this area. In accordance with the Code, all members of the Audit Committee have recent and relevant financial experience. The Committee met twice during the year ended 31 December 2011; Dr. Neil Cross, Michael Hart and Sir Edmund Burton all attended both meetings.

Written terms of reference have been constituted for the Audit Committee as follows:

- providing an overview of the Company's accounting policies and financial reporting;
- considering and reviewing the effectiveness of the Company's internal controls and risk management systems;
- monitoring the integrity of the Annual Report and Financial Statements of the Company and any formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgments contained in them;
- meeting the Company's external Auditor annually, approving their appointment, re-appointment, remuneration, terms of engagement and providing an ongoing review of Auditor independence and objectivity, including provision of non-audit services;
- monitoring and reviewing the external Auditor's independence and objectivity and the effectiveness of the audit process;
- developing and implementing a policy for the supply of non-audit services by the external Auditor;
- meeting the external Auditor at least once a year without the presence of the Manager;
- meeting with the internal Auditors of the Manager when appropriate;
- ensuring that all Directors of the Company and staff of the Manager feel able to raise issues of serious concern with the Chairman of the Audit Committee, and that these issues, where raised, are subject to proportionate and independent investigation, and appropriate action;
- reporting to the Board, identifying any matters in respect of which action or improvement is needed and recommending appropriate steps to be taken; and
- undertaking the duties of the Engagement Committee, and reviewing the performance of the Manager and all matters arising under the Management Agreement.

During the year under review, the Committee discharged the responsibilities described above. Its activities included:

- formally reviewing the final Annual Report and Financial Statements, the Half-yearly Report, the Interim Management Statements and the associated announcements, with particular focus on the main areas requiring judgement and on critical accounting policies;
- reviewing the effectiveness of the internal controls system and examination of the Internal Controls Report produced by the Manager;

Statement of corporate governance (continued)

- meeting with the external Auditor and reviewing their findings; and
- reviewing the performance of the Manager and making recommendations regarding their re-appointment to the Board.

The Committee reviews the performance and continued suitability of the Company's external Auditor on an annual basis. They assess the external Auditor's independence, qualification, extent of relevant experience, effectiveness of audit procedures as well as the robustness of their quality assurance procedures. In advance of each audit, the Committee obtains confirmation from the external Auditor that they are independent and of the level of non-audit fees earned by them and their affiliates. Where non-audit fee levels are considered significant, the Committee considers the appropriateness of the independence safeguards put in place by the auditor. Note 6 details the total fees paid to PKF (UK) LLP in the financial year to 31 December 2011. The Committee considers PKF (UK) LLP to be independent of the Company, and that the provision of non-audit services does not threaten the objectivity and independence of the audit. As part of its annual review procedures, the Committee has obtained sufficient assurance from their own evaluation and the audit feedback documentation. Based on the assurance obtained, the Committee has recommended to the Board that PKF (UK) LLP is reappointed and that a resolution to this effect be proposed at the forthcoming AGM.

Nomination Committee

The Nomination Committee consists of all Directors, save Patrick Reeve, with Dr Neil Cross as Chairman. The terms of reference of the Nomination Committee are to evaluate the balance of skills, experience and time commitment of the current Board members and make recommendations to the Board as and when a particular appointment arises. The Nomination Committee did not meet during 2011 and will meet when it is appropriate for it to do so.

The terms and conditions of Directors' appointment are available for inspection at the Annual General Meeting.

Internal control

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

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

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

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

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

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

Statement of corporate governance (continued)

Going concern

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

The Board's assessment of liquidity risk and details of the Company's policies for managing its capital and financial risks are shown in note 19. The Company's business activities, together with details of its performance are shown in this Directors' report and enhanced business review.

Conflicts of interest

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

Capital structure and Articles of Association

Details regarding the Company's capital structure, substantial interests and Directors' powers to buy and issue shares are detailed in full on pages 16, 22 and 23 respectively of the Directors' report and enhanced business review. The Company is not party to any significant agreements that may take effect, alter or terminate upon a change of control of the Company following a takeover bid.

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

Relationships with shareholders

The Company's Annual General Meeting on 22 June 2012 will be used as an opportunity to communicate with investors. The Board, including the Chairman of the Audit Committee, will be available to answer questions at the Annual General Meeting.

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

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

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

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

Tel: 0870 873 5854 (UK National Rate call, lines are open 8.30am – 5.30pm; Mon – Fri; calls may be recorded)

Website: www.computershare.co.uk

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

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

Tel: 020 7601 1850 (lines are open 9.00 am – 5.30 pm; Mon – Fri; calls may be recorded)

Email: info@albion-ventures.co.uk

Website: www.albion-ventures.co.uk

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

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

Statement of compliance

With the exception of the requirement to have a Remuneration Committee, the Directors consider that the Company has complied throughout the year ended 31 December 2011 with all the relevant provisions set out in Section 1 of the Code and with the AIC Code of Corporate Governance. The Company continues to comply with the Code as at the date of this report.

Dr Neil Cross
Chairman
3 April 2012

Directors' remuneration report

Introduction
This report is submitted in accordance with Section 420 of the Companies Act 2006. The report also meets the relevant rules of the Listing Rules of the Financial Services Authority and describes how the Board has applied the principles relating to the Directors' remuneration. As required by the Act, a resolution to approve the report will be proposed at the Annual General Meeting.

UNAUDITED INFORMATION

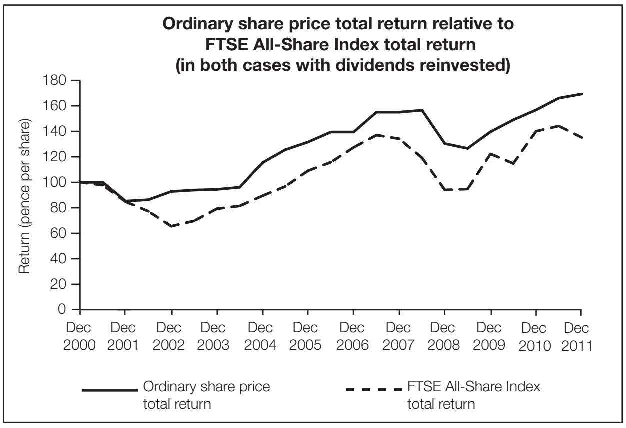
Remuneration Committee
Since the Company's Board consists solely of non-executive Directors and there are no executive employees, a Remuneration Committee is not considered necessary.

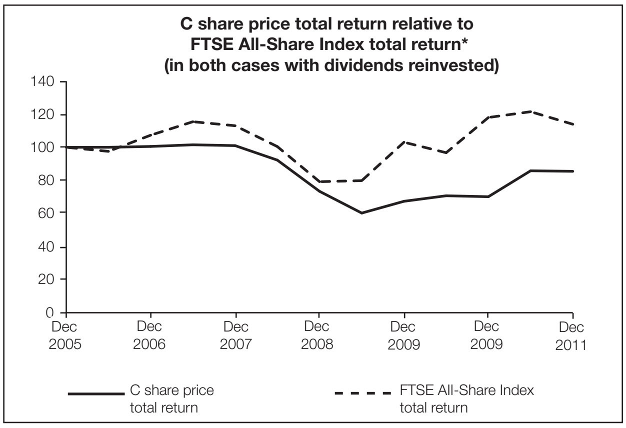
Directors' remuneration policy
The Company's policy is that fees payable to non-executive Directors should reflect their expertise, responsibilities and time spent on Company matters. In determining the level of non-executive remuneration, market equivalents are considered in comparison to the overall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

The maximum level of non-executive Directors' remuneration is fixed by the Company's Articles of Association, not to exceed £75,000 per annum; amendment to this is by way of a special resolution subject to ratification by shareholders.

Performance graph
The graphs that follow show Albion Technology & General VCT PLC's Ordinary and C share price total return against the FTSE All-Share Index total return, in both instances with dividends reinvested, since launch. The Directors consider the FTSE All-Share Index to be the most appropriate benchmark for the Company. Investors should, however, be reminded that shares in VCTs generally trade at a discount to the actual net asset value of the Company.

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





Source: Albion Ventures LLP

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

*The C shares converted to Ordinary shares on 31 March 2011 on the basis of their respective net asset values, with each C shareholder receiving 0.7779 Ordinary shares for each C share they owned.

Service contracts
None of the Directors has a service contract with the Company.

The Company's Articles of Association provide for the resignation and, if approved, re-election of the Directors every three years at the Annual General Meeting. In accordance with the recommendations of the AIC Code, Directors who have served the Company for longer than nine years are subject to annual re-election, and any non-independent Directors are also subject to annual re-election. At the forthcoming Annual General Meeting Dr Neil Cross, Michael Hart, Patrick Reeve and Sir Edmund Burton will retire and be proposed for re-election.

Directors’ remuneration report (continued)

AUDITED INFORMATION

Directors’ remuneration

The following items have been audited.

The following table shows an analysis of the remuneration of individual directors, exclusive of National Insurance or VAT:

	31 December 2011 £’000	31 December 2010 £’000
Dr Neil Cross	**17.5**	17.5
Michael Hart	**17.5**	17.5
Lt Gen Sir Edmund Burton	**17.5**	17.5
Albion Ventures LLP (for Patrick Reeve’s services)	**17.5**	17.5
	70.0	70.0

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

Each Director of the Company was remunerated personally through the Manager’s payroll, which has been recharged to the Company, save for Patrick Reeve, whose services are provided by Albion Ventures LLP.

In addition to Directors’ remuneration, the Company paid an annual premium in respect of Directors’ & Officers’ Liability Insurance of £10,300 (2010: £11,000).

By Order of the Board

Albion Ventures LLP
Company Secretary
1 King’s Arms Yard
London, EC2R 7AF
3 April 2012

Independent Auditor's report to the Members of Albion Technology & General VCT PLC

We have audited the Financial Statements of Albion Technology & General VCT PLC for the year ended 31 December 2011 which comprise the Income statement, the Balance sheet, the Reconciliation of movements in shareholders' funds, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements
In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

- the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Directors' report and enhanced business review for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the information given in the Statement of corporate governance set out on pages 26 to 29 in the Annual Report in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook issued by the Financial Services Authority (information about internal control and risk management systems in relation to financial reporting processes and about share capital structures) is consistent with the Financial Statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following:

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

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

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 29, in relation to going concern; and
- the part of the Statement of corporate governance relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to the shareholders by the Board on Directors' remuneration.

Rhodri Whitlock (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor
London, UK
3 April 2012

Income statement

		Ordinary shares Year ended 31 December 2011			Combined Ordinary and C shares Year ended 31 December 2010		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments	3	**–**	**687**	**687**	–	(391)	(391)
Investment income	4	**1,257**	**–**	**1,257**	1,197	–	1,197
Investment management fees	5	**(216)**	**(647)**	**(863)**	(225)	(673)	(898)
Other expenses	6	**(206)**	**–**	**(206)**	(194)	–	(194)
Return/(loss) on ordinary activities before tax		**835**	**40**	**875**	778	(1,064)	(286)
Tax (charge)/credit on ordinary activities	8	**(184)**	**172**	**(12)**	(198)	183	(15)
Return/(loss) attributable to shareholders		**651**	**212**	**863**	580	(881)	(301)
Basic and diluted return/(loss) per share (pence)*							
– Ordinary shares	10	**1.6**	**0.6**	**2.2**	1.6	1.0	2.6
– C shares		**–**	**–**	**–**	1.1	(3.0)	(1.9)

*excluding treasury shares

The accompanying notes on pages 37 to 50 form an integral part of these Financial Statements.

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

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

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

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

The Income statement for the year is in respect of Ordinary shares only since C shares were converted into Ordinary shares on 31 March 2011.

The comparatives for the year ended 31 December 2010 have been re-presented to show the combined Income statement only, as the non-statutory analysis between Ordinary and C shares is no longer considered relevant to shareholders.

Balance sheet

	Note	Ordinary shares 31 December 2011 £'000	Combined Ordinary and C shares 31 December 2010 £'000
Fixed asset investments			
Qualifying		**30,353**	28,018
Non-qualifying		**627**	1,369
Total fixed asset investments	11	**30,980**	29,387
Current assets			
Trade and other debtors	13	**195**	304
Current asset investments	13	**1,238**	1,005
Cash at bank and in hand	17	**1,447**	3,895
		2,880	5,204
Creditors: amounts falling due within one year	14	**(313)**	(500)
Net current assets		**2,567**	4,704
Net assets		**33,547**	34,091
Capital and reserves			
Called up share capital	15	**21,862**	24,772
Share premium		**959**	294
Capital redemption reserve		**4,473**	400
Unrealised capital reserve		**(8,001)**	(9,312)
Special reserve		**6,862**	14,914
Treasury shares reserve		**(3,417)**	(2,166)
Realised capital reserve		**9,246**	4,278
Revenue reserve		**1,563**	911
Total equity shareholders' funds		**33,547**	34,091
Basic and diluted net asset value per share (pence)*			
– Ordinary shares	16	**85.1**	87.6
– C shares		**–**	68.1

*excluding treasury shares

The accompanying notes on pages 37 to 50 form an integral part of these Financial Statements.

The Balance sheet as at 31 December 2011 represents Ordinary shares only following the conversion of C shares into Ordinary shares on 31 March 2011.

The comparatives for the year ended 31 December 2010 have been re-presented to show the combined Balance sheet only, as the non-statutory analysis between Ordinary and C shares is no longer considered relevant to shareholders.

These financial statements were approved by the Board of Directors, and were authorised for issue on 3 April 2012 and were signed on its behalf by

Dr Neil Cross
Chairman

Company number: 4114310

Reconciliation of movements in shareholders' funds

	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Unrealised capital reserve* £'000	Special reserve* £'000	Treasury shares reserve* £'000	Realised capital reserve* £'000	Revenue reserve* £'000	Total £'000
As at 1 January 2011	**24,772**	**294**	**400**	**(9,312)**	**14,914**	**(2,166)**	**4,278**	**911**	**34,091**
Net realised gains on investments in the year	**–**	**–**	**–**	**–**	**–**	**–**	**428**	**–**	**428**
Unrealised gains on investments	**–**	**–**	**–**	**259**	**–**	**–**	**–**	**–**	**259**
Transfer of previously unrealised losses on sale of investments	**–**	**–**	**–**	**1,052**	**–**	**–**	**(1,052)**	**–**	**–**
Transfer on conversion of C Shares	**(4,073)**	**–**	**4,073**	**–**	**–**	**–**	**–**	**–**	**–**
Capitalised investment management fee	**–**	**–**	**–**	**–**	**–**	**–**	**(647)**	**–**	**(647)**
Tax on capitalised management fees	**–**	**–**	**–**	**–**	**–**	**–**	**172**	**–**	**172**
Purchase of own treasury shares	**–**	**–**	**–**	**–**	**–**	**(1,251)**	**–**	**–**	**(1,251)**
Issue of equity (net of costs)	**1,163**	**665**	**–**	**–**	**–**	**–**	**–**	**–**	**1,828**
Transfer from special reserve to revenue reserve	**–**	**–**	**–**	**–**	**(1,985)**	**–**	**–**	**1,985**	**–**
Transfer from special reserve to realised capital reserve**	**–**	**–**	**–**	**–**	**(6,067)**	**–**	**6,067**	**–**	**–**
Revenue return attributable to shareholders	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**651**	**651**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,985)**	**(1,985)**
As at 31 December 2011	**21,862**	**959**	**4,473**	**(8,001)**	**6,862**	**(3,417)**	**9,246**	**1,563**	**33,547**
As at 1 January 2010	24,680	259	400	(10,083)	21,327	(1,372)	845	1,056	37,112
Net realised losses on investments in the year	–	–	–	–	–	–	(161)	–	(161)
Unrealised losses on investments	–	–	–	(230)	–	–	–	–	(230)
Transfer of previously unrealised losses on sale of investments	–	–	–	1,001	–	–	(1,001)	–	–
Capitalised investment management fee	–	–	–	–	–	–	(673)	–	(673)
Tax on capitalised management fees	–	–	–	–	–	–	183	–	183
Purchase of own treasury shares	–	–	–	–	–	(794)	–	–	(794)
Issue of equity (net of costs)	92	35	–	–	–	–	–	–	127
Transfer from special reserve to realised capital reserve**	–	–	–	–	(5,152)	–	5,152	–	–
Revenue return attributable to shareholders	–	–	–	–	–	–	–	580	580
Dividends paid	–	–	–	–	(1,261)	–	(67)	(725)	(2,053)
As at 31 December 2010	24,772	294	400	(9,312)	14,914	(2,166)	4,278	911	34,091

* Included within these reserves is an amount of £6,253,000 (2010: £8,625,000) which is considered distributable. The special reserve has been treated as distributable in determining the amounts available for distribution.

** The special reserve allows the Company, amongst other things, to facilitate the payment of dividends earlier than would otherwise have been possible as transfers can be made from this reserve to the realised capital reserve to offset gross losses on disposal of investments. During the year a transfer of £6,067,000 has been made from special reserve to realised capital reserve representing £1,676,000 gross realised losses on disposal of investments during the year ended 31 December 2011 and £4,391,000 historical capital dividends paid.

In addition, a transfer of £1,985,000 representing the dividend payment made from revenue reserve has been made from the special reserve to the revenue reserve.

The comparatives for the year ended 31 December 2010 have been re-presented to show the combined Reconciliation of movements in shareholder's funds only, as the non-statutory analysis between Ordinary and C shares is no longer considered relevant to shareholders.

Cash flow statement

	Note	Ordinary shares Year ended 31 December 2011 £'000	Combined Ordinary and C shares Year ended 31 December 2010 £'000
Operating activities			
Investment income received		**1,355**	1,095
Deposit interest received		**42**	105
Dividend income received		**14**	4
Investment management fees paid		**(875)**	(904)
Other cash payments		**(232)**	(193)
Net cash flow from operating activities	18	**304**	107
Taxation			
UK corporation tax recovered		**154**	131
Capital expenditure and financial investments			
Purchase of fixed asset investments		**(5,780)**	(5,148)
Disposal of fixed asset investments		**4,280**	2,776
Net cash flow from investing activities		**(1,500)**	(2,372)
Management of liquid resources			
Purchase of current asset investment		**(1,000)**	–
Disposal of current asset investment		**1,000**	–
Net cash flow from liquid resources		**–**	–
Equity dividends paid (net of costs of issuing shares under the Dividend Reinvestment Scheme)		**(1,820)**	(1,911)
Net cash flow before financing		**(2,862)**	(4,045)
Financing			
Issue of share capital (net of issue costs)		**1,665**	–
Purchase of own shares	15	**(1,251)**	(794)
Cost of issue of share capital		**–**	(15)
Net cash flow from financing		**414**	(809)
Cash flow in the year	17	**(2,448)**	(4,854)

The comparatives for the year ended 31 December 2010 have been re-presented to show the combined Cash flow statement only, as the non-statutory analysis between Ordinary and C shares is no longer considered relevant to shareholders.

Notes to the Financial Statements

1. Accounting convention

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

2. Accounting policies

Investments

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

In accordance with FRS 26 "Financial Instruments Recognition and Measurement", unquoted equity, debt issued at a discount and convertible bonds are designated as fair value through profit or loss ("FVTPL"). 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).

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

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.

Warrants and unquoted equity derived instruments

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

Unquoted loan stock

Unquoted loan stock (excluding convertible bonds and debt issued at a discount) is classified as loans and receivables as permitted by FRS 26 and measured at amortised cost using the effective interest rate method 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.

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

Current asset investments

In accordance with FRS 26, bonds and floating rate notes are designated as fair value through profit or loss and 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.

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

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 per cent. of the equity are not regarded as associated undertakings.

Investment income

Unquoted equity income

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

Unquoted loan stock and other preferred income

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

Bank interest income

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

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 accruals basis. Expenses are charged through the revenue account except the following, which are charged through the realised capital reserve:

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

Notes to the Financial Statements (continued)

- expenses which are incidental to the purchase or disposal of an investment are charged through the Realised capital reserve.

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

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

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

Reserves
Share premium account
This reserve accounts for the difference between the price paid for shares and the nominal value of the shares, less issue costs and transfers to the special reserve.

Capital redemption reserve
This reserve accounts for amounts by which the issued share capital is diminished through the repurchase and cancellation of the Company's own shares. This reserve also accounts for the difference between the nominal value of the total C shares in issue on 31 March 2011 and the nominal value of the Ordinary shares into which those C shares converted on the same date. The reserve is non-distributable.

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.

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.

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
- capital dividends paid to equity holders.

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.

Notes to the Financial Statements (continued)

3. Gains/(losses) on investments

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Unrealised (losses)/gains on fixed asset investments held at fair value through profit or loss account	**(138)**	113
Unrealised reversals of impairments/(impairments) on fixed asset investments held at amortised cost	**397**	(333)
Unrealised gains/(losses) on fixed asset investments	**259**	(220)
Unrealised losses on current asset investments held at fair value through profit or loss account	**–**	(10)
Unrealised gains/(losses) sub total	**259**	(230)
Realised losses on fixed asset investments held at fair value through profit or loss account	**(147)**	(56)
Realised gains/(losses) on fixed asset investments held at amortised cost	**580**	(105)
Realised losses on current asset investments held at fair value through profit or loss account	**(5)**	–
Realised gains/(losses) sub total	**428**	(161)
	687	(391)

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

4. Investment income

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Income recognised on investments held at fair value through profit or loss		
Dividend income	**14**	4
Floating rate note interest	**10**	27
Income from convertible bonds and discounted debt	**95**	53
Other interest	**1**	2
	120	86
Income recognised on investments held at amortised cost		
Return on loan stock investments	**1,103**	1,017
Bank deposit interest	**34**	94
	1,137	1,111
	1,257	1,197

Interest income earned on impaired investments at 31 December 2011 amounted to £219,000 (2010: £246,000). These investments are all held at amortised cost.

5. Investment management fees

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Investment management fee charged to revenue	**216**	225
Investment management fee charged to capital	**647**	673
	863	898

Further details of the Management agreement under which the investment management fee is paid are given in the Directors' report and enhanced business review on page 21.

Notes to the Financial Statements (continued)

6. Other expenses

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Directors' fees (including VAT and NIC)	**78**	77
Other administrative expenses	**78**	73
Tax services	**19**	17
Auditor's remuneration for statutory audit services (including VAT)	**28**	27
Auditor's remuneration for other services (including VAT)	**3**	–
	206	194

7. Directors' fees

The amounts paid to Directors during the year are as follows:

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Directors' fees	**70**	70
National insurance and/or VAT	**8**	7
	78	77

Further information regarding Directors' remuneration can be found in the Directors' remuneration report on pages 30 and 31.

8. Tax (charge)/credit on ordinary activities

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
UK corporation tax in respect of current year	**(35)**	(21)
UK corporation tax in respect of prior year	**23**	6
	(12)	(15)

Factors affecting the tax charge:

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Return/(loss) on ordinary activities before taxation	**875**	(286)
Tax (charge)/credit on profit/(loss) at the small companies rate (2010: standard rate)	**(175)**	80
Factors affecting the charge:		
Non-taxable gains/(losses)	**137**	(109)
Non-taxable income	**3**	1
Consortium relief in respect of prior years	**23**	6
Marginal relief	**–**	7
	(12)	(15)

The tax charge for the year shown in the Income statement is lower than the small companies rate of corporation tax in the UK of 21 per cent. to 31 March 2011 and 20 per cent. from 1 April 2011 (standard rate in 2010: 28 per cent.). The differences are explained above.

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

Notes

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

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

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

Notes to the Financial Statements (continued)

9. Dividends

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Ordinary shares' dividend of 4.0p per share paid on 21 May 2010	**–**	512
C shares' dividend of 2.5p per share paid on 21 May 2010	**–**	521
Ordinary shares' dividend of 4.0p per share paid on 29 October 2010	**–**	510
C shares' dividend of 2.5p per share paid on 29 October 2010	**–**	510
Ordinary shares' dividend of 2.5p per share paid on 28 April 2011	**998**	–
Ordinary shares' dividend of 2.5p per share paid on 28 October 2011	**987**	–
	1,985	2,053

In addition to the dividends summarised above, the Board has declared a first dividend for the year ending 31 December 2012 of 2.5 pence per Ordinary share. This dividend will be paid on 30 April 2012 to shareholders on the register as at 13 April 2012. The total dividend will be approximately £1,009,000.

10. Basic and diluted return per share

	Year ended 31 December 2011		
	Revenue	**Capital**	**Total**
Return attributable to equity shares (£'000)	**651**	**212**	**863**
Weighted average shares in issue (excluding treasury shares)		**39,764,003**	
Return attributable per equity share (pence)	**1.6**	**0.6**	**2.2**

	Year ended 31 December 2010					
	Ordinary shares			C shares		
	Revenue	Capital	Total	Revenue	Capital	Total
Return attributable to equity shares (£'000)	208	132	340	372	(1,013)	(641)
Weighted average shares in issue (excluding treasury shares)		12,800,207			34,251,343	
Return attributable per equity share (pence)	1.6	1.0	2.6	1.1	(3.0)	(1.9)

The weighted average number of shares is calculated excluding treasury shares of 4,290,372 (2010: 1,125,870 Ordinary shares and 1,986,267 C shares).

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

Notes to the Financial Statements (continued)

11. Fixed asset investments

The classification of investments by nature of instruments is as follows:

	31 December 2011 £'000	31 December 2010 £'000
Unquoted equity	**10,659**	10,219
Unquoted loan stock	**16,775**	19,168
Discounted debt and convertible loan stock	**3,546**	–
	30,980	29,387

	31 December 2011 £'000	31 December 2010 £'000
Opening valuation	**29,387**	27,405
Purchases at cost	**7,410**	5,194
Disposal proceeds	**(6,117)**	(2,817)
Realised gains/(losses)	**433**	(161)
Movement in loan stock accrued income	**(160)**	(14)
Transfer of unrealised gains to current asset investments	**(232)**	–
Unrealised gains/(losses)	**259**	(220)
Closing valuation	**30,980**	29,387
Movement in loan stock accrued income		
Opening accumulated movement in loan stock accrued income	**439**	453
Movement in loan stock accrued income	**(160)**	(14)
Closing accumulated movement in loan stock accrued income	**279**	439
Movement in unrealised losses		
Opening accumulated unrealised losses	**(9,366)**	(10,147)
Transfer of previously unrealised losses to realised reserve on disposal of investments	**1,058**	1,001
Transfer of unrealised gains to current asset investments	**(232)**	–
Movement in unrealised gains/(losses)	**259**	(220)
Closing accumulated unrealised losses	**(8,281)**	(9,366)
Historic cost basis		
Opening book cost	**38,314**	37,099
Purchases at cost	**7,410**	5,194
Sales at cost	**(6,742)**	(3,979)
Closing book cost	**38,982**	38,314

Purchases and disposals detailed above do not agree to the Cash flow statement due to restructuring of investments and settlement debtors and creditors.

Fixed asset investments held at fair value through the profit or loss account total £14,205,000 (2010: £13,151,000). Investments measured at amortised cost total £16,775,000 (2010: £16,236,000).

The Directors believe that the carrying value of loan stock measured at amortised cost is not materially different to fair value. The Company does not hold any assets as the result of the enforcement of security during the period, and believes that the carrying values for both impaired and past due assets are covered by the value of security held for these loan stock investments.

11. Fixed asset investments (continued)

Unquoted equity investments and convertible and discounted debt are valued at fair value in accordance with the IPEVCV guidelines as follows:

Valuation methodology	31 December 2011 £'000	31 December 2010 £'000
Cost reviewed for impairment	**2,100**	2,257
Net asset value supported by third party or desktop valuation	**1,875**	814
Price of recent investment reviewed for impairment	**625**	1,981
Earnings multiple	**3,899**	2,864
Revenue multiple	**5,706**	5,235
	14,205	13,151

Fair value investments had the following movements between valuation methodologies between 31 December 2010 and 31 December 2011:

Change in valuation methodology (2010 to 2011)	Value as at 31 December 2011 £'000	Explanatory note
Cost reviewed for impairment to net asset value supported by third party valuation	**870**	More recent information available
Recent investment price reviewed for impairment to revenue multiple	**590**	Industry benchmarks available
Earnings multiple to revenue multiple	**571**	Temporary trading losses
Cost reviewed for impairment to earnings multiple	**514**	Improvement in investment performance
Revenue multiple to earnings multiple	**135**	Improvement in investment performance
Cost reviewed for impairment to revenue multiple	**63**	Industry benchmarks available

The valuation will be the most appropriate valuation methodology for an investment within its market, with regard to the financial health of the investment and the September 2009 IPEVCV Guidelines. The Directors believe that, within these parameters, there are no other possible methods of valuation which would be reasonable as at 31 December 2011.

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

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

All of the Company's fixed asset investments as at 31 December 2011 which are valued at fair value through profit or loss, are valued according to Level 3 methods (2010: Level 3).

Investments held at fair value through profit or loss (Level 3) had the following movements in the year to 31 December 2011:

	31 December 2011 £'000	31 December 2010 £'000
Opening balance	**13,151**	8,978
Additions	**4,286**	3,641
Disposals	**(2,715)**	(1,010)
Realised losses	**(147)**	(726)
Re-presentation of convertible bond and discounted debt	**–**	2,205
Transfer to current asset investments	**(232)**	–
Unrealised (losses)/gains	**(138)**	63
Closing balance	**14,205**	13,151

FRS 29 requires the Directors to consider the impact of changing one or more of the inputs used as part of the valuation process to reasonable possible alternative assumptions. The valuation methodology applied to 32 per cent. of the equity, discounted debt and convertible bond investments (by valuation) is based on third-party independent evidence and recent investment price. The Directors believe that changes to reasonable possible alternative assumptions for the valuation of the portfolio could result in an increase in the valuation of investments by £1,314,000 or a decrease in the valuation of investments by £1,512,000.

Notes to the Financial Statements (continued)

12. Significant interests

The principal activity of the Company is to select and hold a portfolio of investments in unquoted securities. Although the Company, through the Manager, will, in some cases, be represented on the board of the investee company, it will not take a controlling interest or become involved in the management. The size and structure of the companies with unquoted securities may result in certain holdings in the portfolio representing a participating interest without there being any partnership, joint venture or management consortium agreement. The Company has interests of greater than 20 per cent. of the nominal value of any class of the allotted shares in the investee companies as at 31 December 2011 as described below:

Company	**Country of incorporation**	**Principal activity**	**% class and share type**	**% total voting rights**
Albion Investment Properties Limited	Great Britain	Owner of residential property	22.6% A Ordinary	22.6%
Blackbay Limited	Great Britain	Mobile data solutions	24.3% A Ordinary	8.5%
Consolidated PR Limited	Great Britain	Public relations agency	50.0% A Ordinary	11.8%
Evolutions Group Limited	Great Britain	In liquidation	22.3% A Ordinary	22.3%
Prime Care Holdings Limited	Great Britain	Domiciliary care services	31.2% A Ordinary	15.6%
The Q Garden Company Limited	Great Britain	Garden centre operator	67.0% A Ordinary	33.4%

As permitted by FRS 9, the investments listed above are held as part of an investment portfolio, and their value to the Company is as part of a portfolio of investments. Therefore, these investments are not considered to be associated undertakings.

13. Current assets

Trade and other debtors	**31 December 2011 £'000**	31 December 2010 £'000
Prepayments and accrued income	**15**	16
UK corporation tax receivable	**–**	136
Other debtors	**180**	152
	195	304

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

Current asset investments	**31 December 2011 £'000**	31 December 2010 £'000
UBS floating rate note May 2011	**–**	1,005
Contingent future receipts from the disposal of fixed asset investments	**232**	–
Royal Skandia Collective Bond	**1,006**	–
	1,238	1,005

The fair value hierarchy applied to contingent future receipts on disposal of fixed asset investments is Level 3. The fair value hierarchy applied to bonds and floating rate notes is Level 1 (see page 43 for definitions).

The only movements in current asset investments during the year were the recognition of contingent future receipts on disposal of fixed asset investments, the redemption of the floating rate note and the purchase of the bond.

14. Creditors: amounts falling due within one year

	31 December 2011 £'000	31 December 2010 £'000
Trade creditors	**1**	234
Accruals and deferred income	**267**	69
UK corporation tax payable	**28**	–
Other creditors	**17**	197
	313	500

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

Notes to the Financial Statements (continued)

15. Called up share capital

	31 December 2011 £'000	31 December 2010 £'000
Allotted, called up and fully paid		
43,723,776 Ordinary shares of 50p each (2010: 13,770,233 Ordinary shares)	**21,862**	6,885
Nil C shares (2010: 35,774,708 C shares)	**–**	17,887
	21,862	24,772

Voting rights

39,433,404 Ordinary shares of 50p each (net of treasury shares) (2010: 12,644,363 Ordinary shares and 33,788,441 C shares of 50p each in issue (net of treasury shares)).

The C shares converted to Ordinary shares on 31 March 2011 at a ratio of 0.7779 Ordinary shares to each C share. As a result, 36,678,643 C shares were cancelled and a further 28,532,316 Ordinary shares were issued at a total nominal value of £14,266,158.

The Company purchased 1,357,000 Ordinary shares and 337,300 C Shares (2010: 257,776 Ordinary shares and 991,235 C shares) to be held in treasury at a cost of £1,251,000 (2010: £794,000). The shares purchased for treasury were funded from the treasury shares reserve.

As part of the above, 2,323,567 C shares held in treasury as at 31 March 2011 were converted to 1,807,502 Ordinary shares, which were added to treasury as a result of the conversion of C shares to Ordinary shares at that date.

The Company holds a total of 4,290,372 Ordinary shares in treasury (2010: 1,125,870 Ordinary shares and 1,986,267 C shares), representing 9.8 per cent. of the share capital as at 31 December 2011.

Under the terms of the Dividend Reinvestment Scheme, the following Ordinary shares of nominal value 50 pence per share were allotted in the year to 31 December 2011:

Date of allotment	Number of Ordinary shares allotted	Aggregate nominal value of shares (£'000)	Issue price (pence per share)	Net consideration received (£'000)	Opening market price per share on allotment date (pence per share)
16 May 2011	96,099	48	85.1	75	78.0
28 October 2011	105,475	53	85.4	83	78.0
	201,574	**101**		**158**	

Under the terms of the Albion VCTs Linked Top Up Offer 2010/2011, the following shares of nominal value 50 pence each were allotted during the year:

Ordinary shares

Date of allotment	Number of Ordinary shares allotted	Aggregate nominal value of shares (£'000)	Issue price (pence per share)	Net consideration received (£'000)	Opening market price per share on allotment date (pence per share)
7 January 2011	344,862	172	94.8	309	78.0
23 March 2011	360,737	180	90.1	307	78.0
5 April 2011	474,229	237	90.1	404	78.0
16 May 2011	39,825	20	91.1	34	78.0
	1,219,653	**609**		**1,054**	

Notes to the Financial Statements (continued)

15. Called up share capital (continued)

C shares

Date of allotment	Number of C shares allotted	Aggregate nominal value of shares (£'000)	Issue price (pence per share)	Net consideration received (£'000)	Opening market price per share on allotment date (pence per share)
7 January 2011	440,166	220	74.3	309	61.0
23 March 2011	463,769	232	70.1	307	60.0
	903,935	**452**		**616**	

16. Basic and diluted net asset value per share

	31 December 2011 (pence per share)	31 December 2010 (pence per share)
Basic and diluted net asset value per Ordinary share	**85.1**	87.6
Basic and diluted net asset value per C share	**–**	68.1

The basic and diluted net asset values per share at the year end are calculated in accordance with the Articles of Association and are based upon total shares in issue (less treasury shares) of 39,433,404 Ordinary shares (2010: 12,644,363 Ordinary shares) at 31 December 2011.

17. Analysis of changes in cash during the year

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Opening cash balances	**3,895**	8,749
Net cash flow	**(2,448)**	(4,854)
Closing cash balances	**1,447**	3,895

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

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Revenue return on ordinary activities before taxation	**835**	778
Investment management fee charged to capital	**(647)**	(673)
Movement in accrued amortised loan stock interest	**160**	14
Decrease in debtors	**1**	18
Decrease in creditors	**(45)**	(30)
Net cash flow from operating activities	**304**	107

Notes to the Financial Statements (continued)

19. Capital and financial instruments risk management

The Company's capital comprises Ordinary shares. The Company is permitted to buy back its own shares for cancellation or treasury purposes and this is described in more detail on page 6 of the Chairman's statement.

During the year the Company issued shares under the Albion VCTs Linked Top Up Offer launched in November 2010. The Offer closed on 16 May 2011. On 31 March 2011, the Company converted the C shares into Ordinary shares.

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

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

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

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

Investment risk

As a venture capital trust, it is the Company's specific nature to evaluate and control the investment risk of its portfolio in unquoted and in quoted investments, details of which are shown on pages 11 to 13. Investment risk is the exposure of the Company to the revaluation and devaluation of investments. The main driver of investment risk is the operational and financial performance of the investee company and the dynamics of market quoted comparators. The Manager receives management accounts from investee companies, and members of the investment management team often sit on the boards of unquoted investee companies; this enables the close identification, monitoring and management of investment risk.

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

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

The maximum investment risk as at the balance sheet date is the value of the fixed and current asset investment portfolio which is £32,218,000 (2010: £30,392,000). Fixed and current asset investments form 96 per cent. of the net asset value as at 31 December 2011 (2010: 89 per cent.).

More details regarding the classification of fixed and current asset investments are shown in notes 11 and 13.

Investment price risk

Investment price risk is the risk that the fair value of future investment cash flows will fluctuate due to factors specific to an investment instrument or to a market in similar instruments. To mitigate the investment price risk for the Company as a whole, the strategy of the Company is to invest in a broad spread of industries with up to two-thirds of the unquoted investments comprising debt securities, which, owing to the structure of their yield and the fact that they are usually secured, have a lower level of price volatility than equity. Details of the industries in which investments have been made are contained in the Portfolio of investments section on pages 11 to 13 and in the Manager's report.

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

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

The sensitivity of a 10 per cent. increase or decrease in the valuation of the fixed and current asset investments (keeping all other variables constant) would increase or decrease the net asset value and return for the year by £3,222,000 (2010: £3,039,000).

Notes to the Financial Statements (continued)

19. Capital and financial instruments risk management (continued)

Cash flow interest rate risk

It is the Company's policy to accept a degree of interest rate risk on its financial assets through the effect of interest rate changes. On the basis of the Company's analysis, it is estimated that a rise of one percentage point in all interest rates would have increased total return before tax for the year by approximately £30,000 (2010: £69,000). Furthermore, it is considered that a fall of interest rates below current levels during the year would have been very unlikely.

The weighted average interest rate applied to the Company's fixed rate assets during the year was approximately 5.2 per cent. (2010: 5.0 per cent.). The weighted average period to maturity for the fixed rate assets is approximately 2.6 years (2010: 2.6 years).

The Company's financial assets and liabilities as at 31 December 2011, all denominated in pounds sterling, consist of the following:

	31 December 2011				31 December 2010			
	Fixed rate £'000	**Floating rate £'000**	**Non-interest bearing £'000**	**Total £'000**	Fixed rate £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000
Unquoted equity	**–**	**–**	**10,659**	**10,659**	–	–	10,219	10,219
Unquoted loan stock+	**18,450**	**526**	**1,345**	**20,321**	18,349	432	387	19,168
Debtors*	**–**	**–**	**183**	**183**	–	–	304	304
Current asset investments	**1,006**	**–**	**232**	**1,238**	–	1,005	–	1,005
Current liabilities*	**–**	**–**	**(285)**	**(285)**	–	–	(500)	(500)
Cash	**143**	**1,304**	**–**	**1,447**	3,077	818	–	3,895
Total	**19,599**	**1,830**	**12,134**	**33,563**	21,426	2,255	10,410	34,091

* The debtors and current liabilities do not reconcile to the balance sheet as prepayments and tax payable are not included in the above table.
+ Including convertible loan stock and debt issued at a discount.

Credit risk

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

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

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

The Company's total gross credit risk as at 31 December 2011 was limited to £20,321,000 (2010: £19,168,000) of unquoted loan stock instruments, bonds of £1,006,000 (2010: £nil) and £1,447,000 (2010: £3,895,000) cash deposits with banks.

As at the balance sheet date, the cash held by the Company is held with the Royal Bank of Scotland plc, Lloyds TSB Bank plc, Scottish Widows and Standard Life. Credit risk on cash transactions is mitigated by transacting with counterparties that are regulated entities subject to regulatory supervision, with Moody's credit ratings of at least 'A' or equivalent as assigned by international credit-rating agencies.

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

The cost, impairment and carrying value of impaired loan stocks in the Ordinary share portfolio held at amortised cost at 31 December 2011 and 31 December 2010 are as follows:

	31 December 2011			31 December 2010		
	Cost £'000	**Impairment £'000**	**Carrying value £'000**	Cost £'000	Impairment £'000	Carrying value £'000
Impaired loan stock	**9,079**	**(3,441)**	**5,638**	9,415	(3,530)	5,885

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

Notes to the Financial Statements (continued)

19. Capital and financial instruments risk management (continued)

Liquidity risk

Liquid assets are held as cash on current account, on deposit, in bonds or short term money market account. Under the terms of its Articles, the Company has the ability to borrow up to 10 per cent. of its adjusted capital and reserves of the latest published audited balance sheet, which amounts to £3,254,000 as at 31 December 2011 (2010: £3,309,000).

The Company has no committed borrowing facilities as at 31 December 2011 (2010: £nil). The Company had cash balances of £1,447,000 (2010: £3,895,000) and bonds of £1,006,000 (2010: £nil). The main cash outflows are for new investments, share buy-backs and dividend payments, which are within the control of the Company. The Manager formally reviews the cash requirements of the Company on a monthly basis, and the Board on a quarterly basis as part of its review of management accounts and forecasts. All the Company's financial liabilities are short term in nature and total £313,000 as at 31 December 2011 (2010: £500,000).

The carrying value of loan stock investments at 31 December 2011, as analysed by expected maturity dates, was as follows:

Redemption date	**Fully performing loan stock £'000**	**Impaired loan stock £'000**	**Past due loan stock £'000**	**Total £'000**
Less than one year	**938**	**1,255**	**1,689**	**3,882**
1–2 years	**2,424**	**1,625**	**2,256**	**6,305**
2–3 years	**958**	**1,995**	**149**	**3,102**
3–5 years	**4,926**	**763**	**693**	**6,382**
+5 years	**433**	**–**	**217**	**650**
Total	**9,679**	**5,638**	**5,004**	**20,321**

Loan stock can be past due as a result of interest or capital not being paid in accordance with contractual terms.

Loan stock categorised as past due includes:

- Loan stock with a carrying value of £13,000 yielding 14.6 per cent. which has capital past due by 8 months, and loan stock with a carrying value of £104,000 yielding 14.6 per cent. on cost which has capital past due by 14 months;
- Loan stock with a carrying value of £1,424,000 which has interest overdue for less than 12 months yielded 5.6 per cent. on cost;
- Loan stock with a carrying value of £3,201,000 had loan stock interest past due greater than 12 months (through not paying all of its contractual interest). However, this investment has yielded 7.8 per cent. on cost during the year;
- Loan stock with a carrying value of £217,000 had capital past due of 6 years and yielded 13.0 per cent. on cost;
- Loan stock with a carrying value of £45,000 had loan stock interest past due of 6 years.

The carrying value of loan stock investments held at amortised cost at 31 December 2010, as analysed by expected maturity dates, was as follows:

Redemption date	Fully performing loan stock £'000	Renegotiated loan stock £'000	Impaired loan stock £'000	Past due loan stock £'000	Total £'000
Less than one year	–	–	1,217	205	1,422
1–2 years	1,817	248	1,175	1,878	5,118
2–3 years	1,779	–	1,348	2,182	5,309
3–5 years	4,416	45	2,145	659	7,265
+5 years	54	–	–	–	54
Total	8,066	293	5,885	4,924	19,168

In view of the factors identified above, the Board considers that the Company is subject to low liquidity risk.

Fair values of financial assets and financial liabilities

All the Company's financial assets and liabilities as at 31 December 2011 are stated at fair value as determined by the Directors, with the exception of loans and receivables included within investments, debtors and creditors and cash which are carried at amortised cost, in accordance with FRS 26. The Directors believe that the current carrying value of loan stock is not materially different to the fair value. There are no financial liabilities other than creditors. The Company's financial liabilities are all non-interest bearing. It is the Directors' opinion that the book value of the financial liabilities is not materially different to the fair value and all are payable within one year.

Notes to the Financial Statements (continued)

20. Commitments and contingencies

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

- Helveta Limited, £337,000;
- Mi–Pay Limited, £217,000.

21. Post balance sheet events

Since 31 December 2011 the Company has had the following material post balance sheet events:

- Investment of £377,000 in AMS Sciences Limited (formerly Xceleron Limited);
- Investment of £316,000 in Nelson House Hospital Limited;
- Investment of £180,000 in Street by Street Solar Programme Limited;
- Investment of £190,000 in Alto Prodotto Wind Limited;
- Investment of £123,000 in Oxsensis Limited;
- Investment of £136,000 in Process Systems Enterprise Limited;
- Investment of £126,000 in Helveta Limited;
- Repayment of £196,000 Loan stock received from The Charnwood Pub Company Limited.

On 1 November 2011 the Company announced the launch of the Albion VCTs Linked Top Up Offer 2011/2012. In aggregate, the Albion VCTs will be aiming to raise up to £15 million across seven of the VCTs managed by Albion Ventures LLP, of which Albion Technology & General VCT PLC's share will be approximately £2.25 million. The maximum amount raised by each of the Albion VCTs will be 10 per cent. of its issued share capital (over any one 12 month period, and including any shares issued under Dividend Reinvestment Schemes), being the amount that they may issue under the Prospectus Rules without the publication of a full prospectus.

The proceeds of the Offer will be used to provide further resources to the Albion VCTs at a time when a number of attractive new investment opportunities are being seen. An Investor Guide and Offer document have been sent to shareholders.

The following Ordinary shares of nominal value 50 pence per share were allotted under the Offer since the year end:

Date of allotment	Number of Ordinary shares allotted	Aggregate nominal value of shares (£'000)	Issue price (pence per share)	Net consideration received (£'000)	Opening market price per share on allotment date (pence per share)
10 January 2012	449,000	225	88.9	378	76.0
20 March 2012	487,304	244	88.9	410	73.0
	936,304	469		788	

22. Related party transactions

The Manager, Albion Ventures LLP, is considered to be a related party by virtue of the fact that Patrick Reeve, a Director of the Company, is also a Partner of the Manager. The Manager is party to a Management agreement from the Company (details disclosed on page 21 of this report). During the year, services of a total value of £863,000 (2010: £898,000) were purchased by the Company from Albion Ventures LLP. At the financial year end, the amount due to Albion Ventures LLP in respect of these services disclosed as trade creditors or accruals was £201,000 (2010: £229,000).

Patrick Reeve is the Managing Partner of the Manager, Albion Ventures LLP. During the year, the Company was charged by Albion Ventures LLP £21,000 (including VAT) in respect of his services as a Director (2010: £21,000). At the year end, the amount due to Albion Ventures LLP in respect of these services disclosed as accruals and deferred income was £5,000 (2010: £5,000).

Albion Ventures LLP, the Manager, holds 1,012 Ordinary shares as a result of fractional entitlements arising from the conversion of C shares into Ordinary shares on 31 March 2011.

During the year the Company raised new funds through the Albion VCTs Linked Top Up Offer as detailed in note 15. The total cost of the issue of these shares was 5.5 per cent. of the sums subscribed. Of these costs, an amount of £3,450 was paid to the Manager, Albion Ventures LLP in respect of receiving agent services. There were no sums outstanding in respect of receiving agent services at the year end.

There are no other related party transactions or balances requiring disclosure.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Albion Technology & General VCT PLC (the "Company") will be held at the City of London Club, 19 Old Broad Street, London EC2N 1DS on 22 June 2012 at 12.30 pm for the following purposes:

To consider and, if thought fit, to pass the following resolutions, of which numbers 1 to 10 and 12 will be proposed as ordinary resolutions and numbers 11 and 13 to 16 as special resolutions.

Ordinary Business

1. To receive and adopt the Company's accounts for the year ended 31 December 2011 together with the report of the Directors and Auditor.

2. To approve the Directors' remuneration report for the year ended 31 December 2011.

3. To re-elect Dr Neil Cross as a Director of the Company.

4. To re-elect Lt. Gen Sir Edmund Burton as a Director of the Company.

5. To re-elect Mr Michael Hart as a Director of the Company.

6. To re-elect Mr Patrick Reeve as a Director of the Company.

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

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

Special Business

9. To continue as a venture capital trust until the Annual General Meeting of the Company in 2017 at which time a further resolution regarding the continuation of the Company shall be proposed.

10. That the Company be authorised to send all documents, notices and information to shareholders by electronic means (as such term is defined in the Financial Services Authority's Disclosure and Transparency Rules) including by means of a website and in all electronic forms. Shareholders will be required to "opt in" to receive electronic communications.

11. That the Articles of Association of the Company be altered by deleting the present Article 4.1 setting out the authorised share capital of the Company in its entirety.

12. That the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to allot Ordinary shares of nominal value 50 pence per share in the Company up to an aggregate nominal amount of £2,186,188 (or £43,724 following the reduction in nominal value proposed by resolution 16) 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.

13. That subject to, pursuant to the authority and conditional on the passing of resolution number 12, the Directors be empowered, pursuant to section 570 of the Act, to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by resolution number 12 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

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

    (b) pursuant to any Dividend Reinvestment Scheme introduced or operated by the Company; and

Notice of Annual General Meeting (continued)

(c) otherwise than pursuant to paragraphs (a) to (b) above, up to an aggregate nominal amount of £2,186,188 (or £43,724 following the reduction in nominal value proposed by resolution 16).

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 this power had not expired.

This power applies in relation to a sale of treasury shares as if all references in this resolution to an allotment included any such sale and in the first paragraph of the resolution the words "pursuant to the authority conferred by resolution number 12 were omitted in relation to such a sale.

"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 issues arising under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory or any other matter.

14. That, the Company be generally and unconditionally authorised to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary shares of 50 pence (or 1 penny following the reduction in nominal value as proposed in resolution 16) each in the capital of the Company ("Ordinary shares"), on such terms as the Directors think fit, and where such shares are held as treasury shares, the Company may use them for the purposes set out in section 727 of the Act, provided that:

(a) the maximum aggregate number of shares hereby authorised to be purchased is 14.99 per cent. of the issued 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 shall be 50 pence (exclusive of expenses) (or 1 penny following the reduction in nominal value as proposed in resolution 16);

(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 date 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 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 14 is intended to apply equally to shares to be held by the Company as treasury shares in accordance with the Regulations.

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

Notice of Annual General Meeting (continued)

16. That:

    (a) the share capital of the Company be reduced by cancelling and extinguishing 49 pence of the amount paid up or credited as paid up on each of the Ordinary shares of 50 pence each in the capital of the Company which are in issue at 6 pm on the day before the date of the final hearing of the Company's application to reduce its share capital and cancel its capital redemption and share premium reserves (the "Final Hearing");

    (b) the amount standing to the credit of capital redemption and share premium reserves of the Company at 6 pm on the day before the date of the Final Hearing be and is hereby cancelled.

By order of the Board

Albion Ventures LLP
Company Secretary
Registered office
1 King's Arms Yard
London
EC2R 7AF
3 April 2012
Registered in England and Wales with number 4114310

Notice of Annual General Meeting (continued)

Notes

1. Members entitled to attend, speak and vote at the Annual General Meeting ("AGM") may appoint a proxy or proxies (who need not be a member of the Company) to exercise these rights in their place at the meeting. A member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares. Proxies may only be appointed by:

   - completing and returning the Form of Proxy enclosed with this Notice to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ:
   - going to www.computershare.co.uk and following the instructions provided there; or
   - by having an appropriate CREST message transmitted, if you are a user of the CREST system (including CREST personal members).

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

   To be effective the Form of Proxy must be completed in accordance with the instructions and received by the Registrars of the Company by 12.30 pm on 20 June 2012.

2. Any person to whom this Notice is sent who is a person nominated under section 146 Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

   The statement of rights of members in relation to the appointment of proxies in Note 1 above does not apply to Nominated Persons. The rights described in that note can only be exercised by members of the Company.

3. To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), members must be registered in the register of members of the Company at 12.30 pm on 20 June 2012 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this AGM and any adjournment(s) by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent by 12.30 pm on 20 June 2012. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

   CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK and Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

5. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

6. A copy of this Notice, and other information regarding the AGM, as required by section 311A Companies Act 2006, is available from www.albion-ventures.co.uk under the "Our Funds" section.

7. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

8. As at 3 April 2012 (being the latest practicable date prior to the publication of this Notice), the Company's issued share capital consists of 44,660,080 Ordinary shares carrying one vote each. The Company also holds 4,290,372 Ordinary shares in treasury. Therefore, the total voting rights in the Company as at 31 December 2011 are 40,369,708.

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Albion Technology & General VCT PLC

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