Annual Report and Financial Statements for the year ended 31 December 2013

Albion Technology & General VCT PLC

ALBION VENTURES

Contents

Company information

Company number	04114310
Directors	Dr N E Cross, Chairman R Archibald M V H Rees-Mogg M A Cordeiro 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	BDO LLP 55 Baker Street London, W1U 7EU
Taxation adviser	PricewaterhouseCoopers LLP 1 Embankment Place London, WC2N 6RH
Legal adviser	Bird & Bird LLP 15 Fetter Lane London, EC4A 1JP

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.investorcentre.co.uk

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

Financial adviser information

For enquiries relating to the performance of the Fund, and information for financial advisers 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 objective and policy

Albion Technology & General VCT PLC's investment strategy is to provide investors with a regular and predictable source of dividend income combined with the prospect of longer term capital growth.

This is achieved in two ways. Firstly, 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. Secondly, by balancing the investment portfolio by sector, so that those areas such as leisure and business services, which are susceptible to changes in consumer sentiment, are complemented by sectors with more predictable long term characteristics, such as healthcare and the environment.

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.

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

Background to the Company

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 has raised a further £6.2m under the Albion VCTs Top Up Offers since January 2011.

On 15 November 2013, the Company acquired the assets and liabilities of Albion Income & Growth VCT PLC ("Income & Growth") in exchange for new shares in the Company ("the Merger"). On the same day Income & Growth was placed into members' voluntary liquidation pursuant to a scheme of reconstruction under Section 110 of the Insolvency Act 1986.

All of the assets and liabilities of Income & Growth totalling £28,075,000 were transferred to the Company in exchange for the issue of 33,664,049 new Ordinary shares of the Company at an issue price of 83.38 pence per share. Each Income & Growth shareholder received 0.7813 shares in the Company for each Income & Growth share that they held at the date of the Merger.

Financial calendar

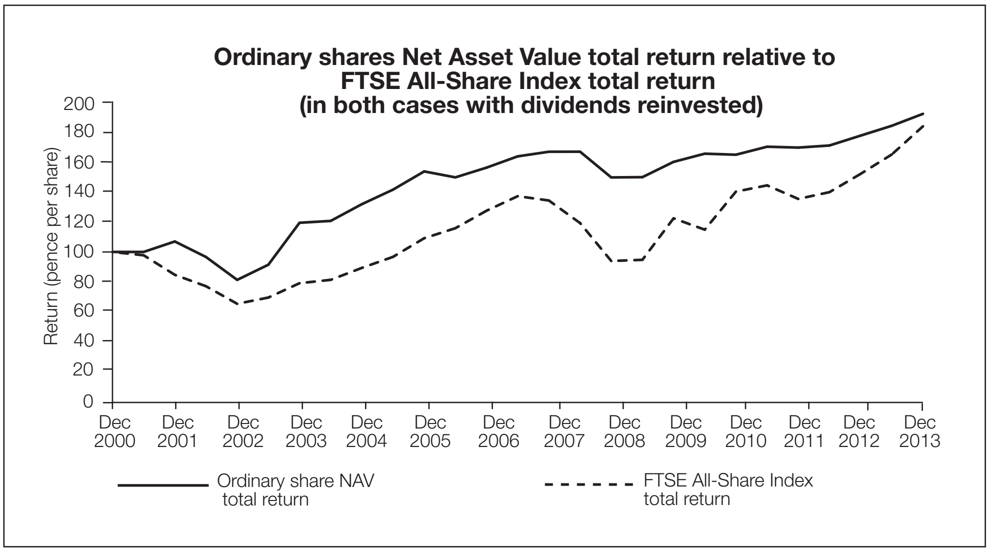
Record date for first quarterly dividend	10 January 2014
Payment of first quarterly dividend	31 January 2014
Record date for second quarterly dividend	11 April 2014
Payment of second quarterly dividend	30 April 2014
Annual General Meeting	19 June 2014
Announcement of half-yearly results for the six months ended 30 June 2014	August 2014
Payment of third quarterly dividend (subject to Board approval)	30 June 2014
Payment of fourth quarterly dividend (subject to Board approval)	31 October 2014

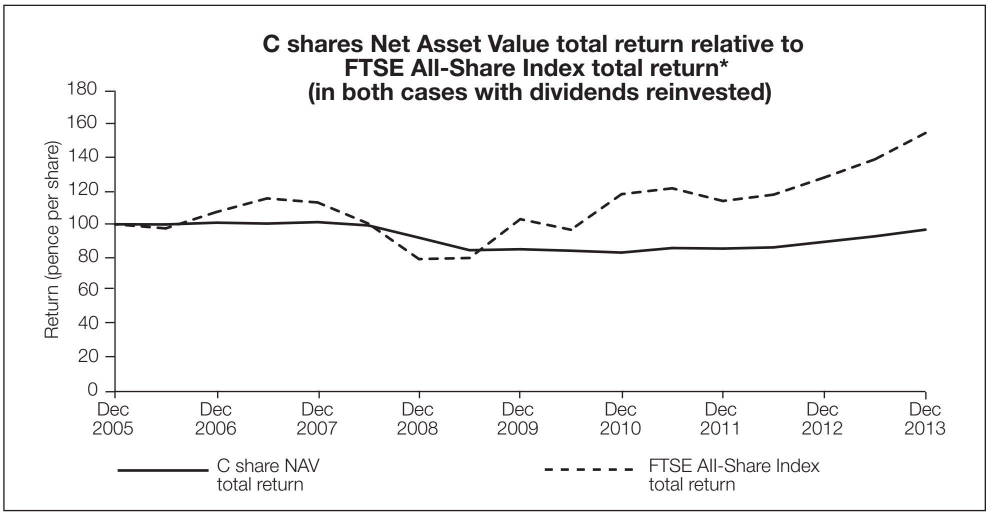
Financial highlights

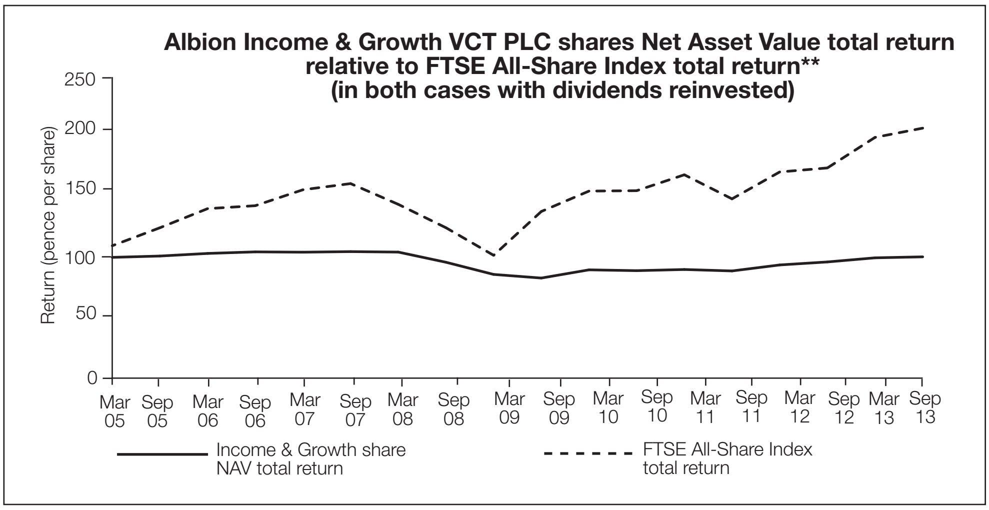
Ordinary shares

161.75p	Net asset value plus dividends since launch to 31 December 2013.
5.00p	Tax free dividend per share paid during the year ended 31 December 2013.
85.75p	Net asset value per share as at 31 December 2013.
1.25p	First quarterly dividend per share for the year to 31 December 2014 paid on 31 January 2014.
1.25p	Second quarterly dividend per share for the year to 31 December 2014 payable on 30 April 2014.

Financial highlights (continued)







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.

** Albion Income & Growth VCT PLC was merged with the Company on 15 November 2013 on the basis of their respective net asset values, with each Albion Income & Growth VCT PLC shareholder receiving 0.7813 Ordinary shares in the Company for each Albion Income & Growth VCT PLC share they owned. Albion Income & Growth VCT PLC net asset value total return is shown up to 30 September 2013 which was the final year-end before the merger with the Company.

Financial highlights (continued)

Ordinary shares

	31 December 2013 (pence per share)	31 December 2012 (pence per share)
Dividends paid	5.00	5.00
Revenue return	1.00	1.60
Capital return	6.90	2.10
Effect of Merger (see note 10)	(1.05)	–
Net asset value	85.75	84.00

Total shareholder net asset value return to 31 December 2013:

		Ordinary shares 31 December 2013 (pence per share)(i)	**C shares 31 December 2013 (pence per share)(i)(ii)**	**Albion Income & Growth VCT PLC 31 December 2013 (pence per share)(i)(iii)**
Total dividends paid during the year ended:	31 December 2001	1.00	–	–
	31 December 2002	2.00	–	–
	31 December 2003	1.50	–	–
	31 December 2004	7.50	–	–
	30 September 2005	–	–	0.65
	31 December 2005	9.00	–	–
	30 September 2006	–	–	2.60
	31 December 2006	8.00	0.50	–
	30 September 2007	–	–	3.45
	31 December 2007	8.00	2.50	–
	30 September 2008	–	–	3.50
	31 December 2008	16.00	4.50	–
	30 September 2009	–	–	3.00
	31 December 2009	–	1.00	–
	30 September 2010	–	–	3.00
	31 December 2010	8.00	3.00	–
	30 September 2011	–	–	3.50
	31 December 2011	5.00	3.80	–
	30 September 2012	–	–	3.50
	31 December 2012	5.00	3.90	–
	30 September 2013	–	–	3.50
	31 December 2013	5.00	3.90	–
Total dividends paid to 31 December 2013		**76.00**	**23.10**	**26.70**
Net asset value as at 31 December 2013		85.75	66.70	67.00
Total shareholder net asset value return to 31 December 2013		**161.75**	**89.80**	**93.70**

In addition to the dividends paid above, the Board declared a first dividend for the year ending 31 December 2014, of 1.25 pence per Ordinary share paid on 31 January 2014 to shareholders on the register at 10 January 2014. The Board has declared a second dividend for the year ending 31 December 2014 of 1.25 pence per Ordinary share to be paid on 30 April 2014 to shareholders on the register at 11 April 2014.

Notes

(i) Excludes tax benefits upon subscription.

(ii) The C shares were converted into Ordinary shares on 31 March 2011, with a conversion factor of 0.7779 Ordinary shares for each C share. The net asset value per share and all dividends paid subsequent to the conversion of the C shares to the Ordinary shares are multiplied by the conversion factor of 0.7779 in respect of the C shares' return, in order to give an accurate picture of the shareholder value since launch relating to the C shares.

(iii) The total shareholder returns presented above are based on the dividends paid to shareholders before the merger and the pro-rata net asset value per share to 31 December 2013. Albion Income & Growth VCT PLC was merged with Albion Technology & General VCT PLC on 15 November 2013. The pro-forma NAV is based upon 0.7813 Albion Technology & General VCT PLC shares for every Albion Income & Growth VCT PLC share.

Chairman's statement

Introduction

The results for Albion Technology & General VCT PLC (AATG) for the year to 31 December 2013 showed a further improvement over the previous three years, with a total return of 7.90 pence per share against 3.70 pence per share for 2012 and 2.2 pence per share for 2011. The results include six weeks' trading for Albion Income & Growth VCT PLC (AAIG), the assets of which were acquired by AATG with effect from 15 November 2013.

Merger between AATG and AAIG

The key event in the year was the merger of AAIG into AATG. This created a combined VCT with assets of close to £65 million, a more balanced portfolio spread, and anticipated annual cost savings of £180,000. It is expected that the costs of the merger will be recovered in less than two years.

As a result of the merger, AAIG will no longer be producing annual accounts, and will be dissolved after all of its assets have been transferred to AATG.

In outline, shareholders in AAIG, whose year end was 30 September 2013, had a total return of 2.80 pence per share for the 12 months to 30 September 2013 (compared to 5.10 pence per share for the previous 12 months) and 4.50 pence per share for the 15 months to 31 December 2013.

Details of the unaudited results of AAIG for the year ended 30 September 2013 and the pro-forma combined AAIG and AATG results can be found on page 60.

Investment performance and progress

The year saw three exits, with a loss resulting from the sale of Prime Care (equal to a little over half of cost) being more than compensated for by the sales of Opta Sports Data and Nelson House Hospital at 3.3 times and 1.5 times cost respectively.

In the meantime, new investment activity was strong. The renewable energy portfolio was enlarged through the investment in two new "run of river" hydro-electric projects in North West Scotland, Chonais Holdings and Green Highland Renewables (Ledgowan), while investments were made in three companies involved in healthcare information technology namely Cisiv, Silent Herdsman and Aridhia Informatics. In addition, a number of investments were made to support growth in existing portfolio companies.

Companies that performed particularly strongly during the year included Radnor House School, which now has 340 pupils; Blackbay, whose mobile data solutions saw strong growth in the UK; Mirada Medical, whose medical imaging software gained market share, particularly in the US; and Memmstar, whose sales of specialist semiconductor fabrication equipment grew sharply over the period.

Against this, partial provisions were made against, inter alia, Helveta and our two largest health and fitness clubs, in the face of slower growth than anticipated.

Risks and uncertainties

Despite the renewed growth in the UK, the outlook for the Domestic and Global economies continued to be the key risk affecting your Company. The task of the Manager is to allocate resources to those sectors and investment opportunities where growth can be both resilient and sustainable. Importantly, however, investment risk is mitigated through a variety of processes including our policy of ensuring that the VCT has a first charge over portfolio companies' assets wherever possible.

A detailed analysis of the other risks and uncertainties facing the business is shown in the Strategic report within this Annual Report and Financial Statements on pages 13 to 15.

Discount management and share buy-backs

It remains the Board's primary objective to maintain sufficient resources for investment in existing and new portfolio companies and for the continued payment of dividends to shareholders. 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 interest. 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 2014 to £500,000. It is the Board's intention for such buy-backs to be in the region of a 5 per cent. discount to net asset value, so far as market conditions and liquidity permit.

Transactions with Manager

Details of transactions that took place with the Manager during the year can be found in note 5 and principally relate to the management fee.

Shareholders recently approved various changes to the Management agreement and the Management performance incentive. Details of these changes can be found on pages 24 and 25 of the Directors' report.

Chairman's statement (continued)

Results and dividends

As at 31 December 2013, the net asset value was 85.75 pence per share. In line with the dividend payment dates of the Company and AAIG, the Board intends to pay quarterly dividends at the end of January, April, June and October, while targeting a similar annual level of dividend to that currently paid. On that basis, the objective will be to pay four dividends in each year of 1.25 pence per share. The Company will pay the second of four quarterly dividends for the financial year to 31 December 2014 of 1.25 pence per Ordinary share on 30 April 2014 to shareholders on the register on 11 April 2014.

Albion VCTs Top Up Offers 2013/2014

On 10 March 2014, the Company announced an increase in the size of the Albion VCTs Top Up Offers 2013/2014. In aggregate, the Albion VCTs will be aiming to raise approximately £27 million across six of the VCTs managed by Albion Ventures LLP, of which Albion Technology & General VCT PLC will be aiming to raise circa £7 million.

The funds raised by each Company pursuant to its Offer will be added to the liquid resources available for investment so as to put each Company into a position to take advantage of attractive investment opportunities over the next two to three years. Accordingly, the proceeds of the Offers will be applied in accordance with the Respective Companies' investment policies. A prospectus has been published and can be obtained from www.albion-ventures.co.uk.

Board changes

Following the merger with AAIG, I am delighted to welcome Robin Archibald and Mary Anne Cordeiro to the Board. Following the merger, Lt. Gen. Sir Edmund Burton, after 12 years of invaluable service, stepped down from the Board, and I would like to extend our thanks on behalf of all shareholders for his wise counsel and strong commitment to shareholder value and wish him well for the future.

Outlook and prospects

Despite the muted outlook for the UK and Global economies, we believe that a number of our portfolio companies have real prospects for sustained growth and strong value creation. The results for the year have been encouraging and provide some under-pinning to this optimism. We continue to rebalance our investment portfolio to provide further emphasis on areas that we see as being more resilient, with stronger growth prospects, and look forward to the current year with some confidence.

Dr. N E Cross
Chairman
21 March 2014

Strategic report

The Directors present the Strategic report of the Company for the year ended 31 December 2013 which has been prepared in accordance with the requirements of section 414A of the Companies Act 2006 (the "Act"). The purpose of this report is to inform Shareholders and provide them with sufficient information to enable them to assess the extent to which the Directors have performed their duty to promote the success of the Company in accordance with section 172 of the Act.

Investment objective and policy

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

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

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

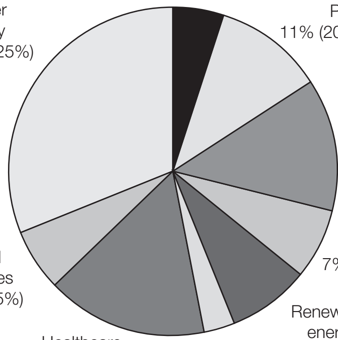
The Company pursues a longer term investment approach, with a view to providing shareholders with a strong, predictable dividend flow, combined with the prospects of capital growth. This is achieved in two ways. Firstly, controlling the VCT's exposure to technology risk by ensuring that many of the companies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

Current portfolio sector allocation

Based on current valuation, unquoted UK technology companies account for 31 per cent. of the portfolio (2012: 25 per cent.) against our intended objective of 40 per cent. as stated above.

The following pie chart shows the split of the portfolio valuation by industrial or commercial sector as at 31 December 2013. Details of the principal investments made by the Company are shown in the Portfolio of investments on pages 18 to 20.

Split of portfolio by sector



Source: Albion Ventures LLP

Direction of portfolio

The sector analysis of the VCT's investment portfolio shows that renewable energy now accounts for 8 per cent. of the portfolio compared to 6 per cent. at the end of the previous financial year. The renewable energy section forms part of the UK non-technology portfolio. This remains in line with the Board's target exposure to the sector with a view to increasing this to 15 per cent. as new opportunities arise.

Although healthcare has reduced as a proportion of the whole, this is due to exits over the past year. We would anticipate the sector increasing in importance in the current period, as it is a core area that the Manager has targeted for value creation and a good potential source of recurring income.

Results and dividend policy

Set out below are the results for the Company which comprises 12 months of the Company, and 1.5 months of Albion Income & Growth VCT PLC, being the period post merger:

	Ordinary shares £'000
Net revenue return for the year ended 31 December 2013	464
Dividend of 2.50 pence per share paid on 30 April 2013	(1,061)
Dividend of 2.50 pence per share paid on 31 October 2013	(1,055)
Transferred from other distributable reserve	**(1,652)**
Realised and unrealised capital gain for the year transferred to reserves	**3,188**
Net assets as at 31 December 2013	64,831
Net asset value per share as at 31 December 2013	**85.75p**

Strategic report (continued)

An unaudited pro-forma set of results, which calculates the return had the two Companies merged at the start of the year is set out on page 60.

The Company paid dividends of 5.00 pence per Ordinary share (2012: 5.00 pence per Ordinary share) during the year ended 31 December 2013. The dividend objective of the Board is to provide Shareholders with a strong, predictable dividend flow, with a dividend target of 5 pence per share per year. In line with the dividend payment dates of the Company and Albion Income & Growth VCT PLC, the Board intends to pay quarterly dividends at the end of January, April, June and October, while targeting a similar annual level of dividend to that currently paid. On that basis, the objective will be to pay four dividends in each year of 1.25 pence per share. As shown in the Chairman's statement, the Board declared a first dividend for the year ending 31 December 2014 of 1.25 pence per Ordinary share which was paid on 31 January 2014. The Board has declared a second dividend for the year ending 31 December 2014, of 1.25 pence per Ordinary share to be paid on 30 April 2014 to shareholders on the register at 11 April 2014.

As shown in the Income statement on page 38 of the Financial Statements, investment income has decreased to £1,082,000 (2012: £1,224,000). As a result, the revenue return to equity holders has decreased to £464,000 (2012: £638,000).

The capital return for the year increased to £3,188,000 (2012: £880,000). This is mainly attributable to the upward unrealised revaluations in the Company's investment portfolio and by realised gains on disposal of investments, offset by management fees charged to capital. The total return was 7.90 pence per share (2012: 3.70 pence per share).

The Balance sheet on page 39 of the Financial Statements shows that the net asset value has increased over the last year to 85.75 pence per share (2012: 84.00 pence per share), primarily reflecting the 7.90 pence per share total return offset by the payment of 5.00 pence per share dividend during the year and the impact of the Merger of 1.05 pence per share detailed in note 10.

The cash flow on page 41 for the business has been positive for the year due to the issue of share capital, disposal of investments, cash acquired from Albion Income & Growth VCT PLC and net cash inflow from operations, offset by dividends paid, share buy-backs and new investments made.

Results for AAIG for the year to 30 September 2013

As detailed in the Chairman's statement no separate audited results for Albion Income & Growth VCT PLC will be published for the year to 30 September 2013. On page 60 are the unaudited results for the year to 30 September 2013, in comparison to the previous year.

Review of business and future changes

The results for the year to 31 December 2013 are the first statutory accounts since the merger of the Company with Albion Income & Growth VCT PLC on 15 November 2013. The results show a further improvement over the previous three years with a total return of 7.90 pence per share for the year (2012: 3.70 pence per share). We believe there should be further progress in the current year.

As a result of the merger with Albion Income & Growth VCT PLC, the Company acquired the net assets of that company which were valued at just over £28 million. With two exceptions, the investments were all in companies in which the Company already had a holding. The annual cost savings of approximately £180,000 identified at the time of the Merger are expected to be achieved. Further details of the Merger can be found in note 10.

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.

A detailed review of the Company's business during the year and future prospects is contained in the Chairman's statement on pages 7 and 8. Details of significant events which have occurred since the end of the financial year are listed in note 22. Details of transactions with the Manager are shown in note 5.

Future prospects

The Company's performance record reflects the success of the strategy outlined above and has enabled the Company to maintain a predictable stream of dividend payments to shareholders. The Board believes that this model will continue to meet the investment objective and has the potential to continue to deliver attractive returns to shareholders. Further details on the Company's outlook and prospects can be found in the Chairman's statement on pages 7 and 8.

Strategic report (continued)

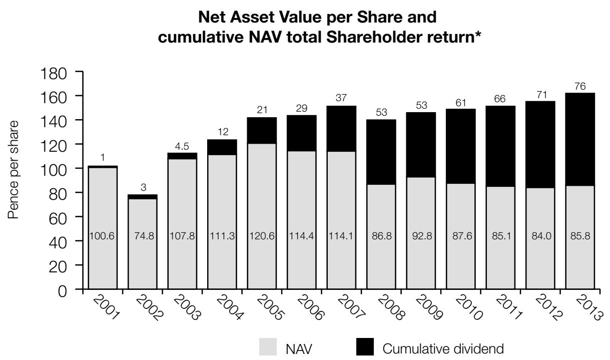
Key performance indicators

The Directors believe that the following key performance indicators, which are typical for venture capital trusts, used in its own assessment of the Company, will provide shareholders with sufficient information to assess how effectively the Company is applying its investment policy to meet its objectives. These are:

Net asset value total return relative to FTSE All Share Index total return

The graphs on page 5 shows the Company's net asset value total return against the FTSE All-Share Index total return, with dividends reinvested. Details on the performance of the net asset value and return per share for the year are shown on page 10.

Net Asset Value per share and cumulative Net Asset Value total shareholder return

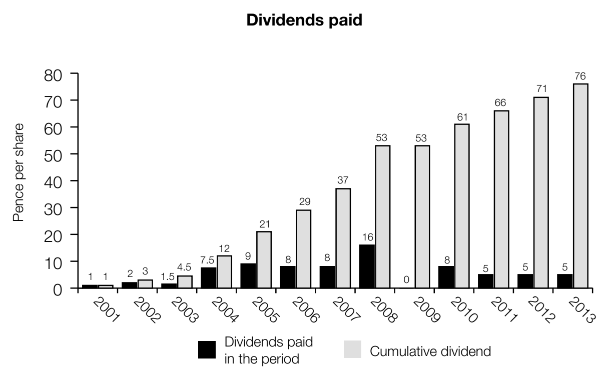


*Cumulative NAV total shareholder return is net asset value plus cumulative dividends paid since 1 January 2001 to date.

Net asset value increased by 2.1 per cent. to 85.75 pence per share for the year ended 31 December 2013.

Cumulative NAV total return to shareholders increased by 4.4 per cent. to 161.75 pence per share for the year ended 31 December 2013.

Dividend distributions



Dividends paid in respect of the year ended 31 December 2013 were 5.00 pence per share (2012: 5.00 pence per share), in line with the Boards dividend objective. Cumulative dividends paid since inception is 76.00 pence per share.

Ongoing charges

The ongoing charges ratio for the year to 31 December 2013 was 2.8 per cent. (2012: 3.1 per cent.). The ongoing charges ratio has been calculated using the Association of Investment Companies' (AIC) recommended methodology. This figure shows shareholders the total recurring annual running expenses (including investment management fees charged to capital reserve) as a percentage of the average net assets attributable to shareholders. The Directors expect the ongoing charges ratio for the year ahead to be approximately 2.8 per cent.

Maintenance of VCT qualifying status

The Company continues to comply with H.M. Revenue & Customs ("HMRC") rules in order to maintain its status under Venture Capital Trust legislation as highlighted below.

VCT Regulation

The investment policy is designed to ensure that the Company continues to qualify and is approved as a VCT by HMRC. In order to maintain its status under Venture Capital Trust legislation, a VCT must comply on a continuing basis with the provisions of Section 274 of the Income Tax Act 2007 as follows:

(1) The Company's income must be derived wholly or mainly from shares and securities;

(2) At least 70 per cent. of the HMRC value of its investments must have been represented throughout the year by shares or securities that are classified as 'qualifying holdings';

(3) At least 30 per cent. by HMRC value of its total qualifying holdings must have been represented throughout the year by holdings of 'eligible shares'. For funds raised after 5 April 2011 the figure is 70 per cent.;

(4) At no time in the year must the Company's holdings in any one company (other than another VCT) have exceeded 15 per cent. by HMRC value of its investments;

(5) The Company must not have retained greater than 15 per cent. of its income earned in the year from shares and securities;

(6) Eligible shares must comprise at least 10 per cent. by HMRC value of the total of the shares and securities that the Company holds in any one portfolio company; and

(7) The Company's shares, throughout the year, must have been listed in the Official List of the Stock Exchange.

These tests drive a spread of investment risk through disallowing holdings of more than 15 per cent. in any portfolio company. The tests have been carried out and independently reviewed for the year ended 31 December 2013. The Company has complied with all tests and continues to do so.

'Qualifying holdings' include shares or securities (including loans with a five year or greater maturity period) in companies which operate a 'qualifying trade' wholly or mainly in the United Kingdom. 'Qualifying trade' excludes, amongst other sectors, dealing in property or shares and securities, insurance, banking and agriculture. Details of the sectors in which the Company is invested can be found in the pie chart on page 9.

Portfolio company gross assets must not exceed £15 million immediately prior to the investment and £16 million immediately thereafter. With effect from 6 April 2012 the legislation has been amended so as to prevent any company from receiving more than £5 million in aggregate from all state-aided providers of risk capital, including VCTs, in the 12 month period up to and including the most recent such investment.

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 2013 the Company's maximum possible exposure was £6,293,000 (2012: £3,343,000) and its actual short term and long term gearing at this date was £nil (2012: £nil). The Directors do not currently have any intention to utilise long term gearing.

Operational arrangements

The Company has delegated the investment management of the portfolio to Albion Ventures LLP, which is authorised and regulated by the Financial Conduct 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 and the way the Board has evaluated the performance of the Manager are shown on pages 24 and 25.

Discount management and share buy-back policy

It remains the Board's primary objective to maintain sufficient resources for investment in existing and new portfolio companies and for the continued payment of dividends to shareholders. 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 interest.

It is the Board's intention for such buy-backs to be in the region of a 5 per cent. discount to net asset value, so far as market conditions and liquidity permit.

Further details of shares bought back during the year ended 31 December 2013 can be found in note 16 of the Financial Statements.

Social and community issues, employees and human rights

The Board recognises the requirement under section 414C of the Act to detail information about social and community issues, employees and human rights; including any policies it has in relation to these matters and effectiveness of these policies. As an externally managed investment company with no employees, the Company has no policies in these matters and as such these requirements do not apply.

Further policies

The Company has adopted a number of further policies relating to:

- Environment
- Global greenhouse gas emissions
- Anti-bribery
- Diversity

and these are set out in the Directors' report on page 24.

Strategic report (continued)

Risk Management

The Board carries out a regular review of the risk environment in which the Company operates. The principal risks and uncertainties of the Company as identified by the Board and how they are managed are as follows:

Risk	Possible consequence	Risk management
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 normally 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.
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 portfolio company boards) and the Board receives detailed reports on each investment as part of the Manager's report at quarterly board meetings.
Valuation risk	The Company's investment valuation methodology 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. The values of a number of investments are also underpinned by independent third party professional valuations.

Strategic report (continued)

Risk	Possible consequence	Risk management
VCT 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 reports 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. Each investment in a new portfolio company is also pre-cleared with H.M. Revenue & Customs.
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 or advising quoted businesses. In addition, the Board and the Manager receive regular updates on new regulation from its auditor, lawyers and other professional bodies.
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, PKF 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. Modwenna Rees-Mogg, as a member of the Audit Committee, met with the internal audit Partner of PKF Littlejohn LLP in January 2014 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 pages 31 and 32. Measures are in place to mitigate information risk in order to ensure the integrity, availability and confidentiality of information used within the business.

Strategic report (continued)

Risk	Possible consequence	Risk management
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 pages 24 and 25). In addition, the Manager has demonstrated to the Board that there is no undue reliance placed upon any one individual within Albion Ventures LLP.
Financial risk	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 20 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.

On behalf of the Board,

Dr. N E Cross
Chairman
21 March 2014

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 is a past Chairman of the European Venture Capital Association. He has also been a non-executive director of a number of listed and private companies and is presently a non-executive director of BMT Group Limited (Chairman) and Caliburn Absolute Strategies SPC.

Robin Archibald BCom, CA (appointed 18 November 2013) qualified as a chartered accountant with Touche Ross in Glasgow in 1983, before transferring with Touche Ross to London where he worked in the corporate finance department. Since 1986, he has worked in corporate finance and corporate broking roles, including for Samuel Montagu, SG Warburg Securities and NatWest Wood Mackenzie and is a director of Winterflood Investment Trusts where he was head of corporate finance and broking from August 2004 to August 2013. Since the early nineties, he has concentrated on advising and managing transactions in the UK closed-ended funds sector and has gained a wide experience in fund raising, reorganisations and restructurings for all types of listed funds.

Mary Anne Cordeiro MA (appointed 18 November 2013) worked at Goldman Sachs International Limited, first in the mergers and acquisitions department and subsequently in the Financial Institutions Group from 1986 to 1992. She worked in similar roles in corporate finance at Bankers Trust Company and Paribas, and was also co-head of Paribas' Financial Institutions Group, before leaving to found her own business in the finance sector in 1998. More recently she has applied her scientific and financial strategy expertise to the commercialisation of innovation and to funding growth of early stage companies. She currently advises a number of medical technology businesses and has helped develop strategies to bring new products and services to market.

Modwenna Rees-Mogg MA (appointed 4 October 2012). Following an early career as a corporate financier at Kleinwort Benson Limited she founded the online media and live events business AngelNews in 2003, which is focused on the early stage investment market, with a special focus on private investors. The company's activities include The VCT & EIS Investor Forum and the Great British Private Investor Summit. The company also runs the national series of Pitching for Management events where entrepreneurs can find experienced business people to join their senior management team and help them grow. She is on the advisory board of Pickering & Chatto (Publishers) Limited, the board of UK Business Angel Association and is the author of "Dragons or Angels" and "Crowd Funding", books on angel investing and crowd funding respectively. She is a Visiting Fellow at the Bettany Centre for Entrepreneurship at Cranfield University.

Patrick Reeve MA, ACA, (appointed 11 December 2003) qualified as a chartered accountant with PwC before joining Cazenove & Co where he spent three years in the corporate finance department. He joined Close Brothers Group in 1989, working in both the development capital and corporate finance divisions before founding the venture capital division in 1996. He led the buy-out of this business from Close Brothers in 2009, and re-named it Albion Ventures LLP. He is the managing partner of Albion Ventures LLP and is director of Albion Enterprise VCT PLC and Albion Development VCT PLC, both managed by Albion Ventures LLP. He is also director of Albion Community Power PLC. He read modern languages at Oxford University. He is a Member of Council of the BVCA and is a member of the Audit Committee of the University College London. He is also a director of UCL Business, the university technology transfer arm.

All Directors, except for Patrick Reeve are members of the Audit Committee and Robin Archibald is Chairman.

All Directors, except for Patrick Reeve are members of the Nomination Committee and Dr.Neil Cross is Chairman.

All Directors, except for Patrick Reeve are members of the Remuneration Committee and Modwenna Rees-Mogg is Chairman.

The Manager

Albion Ventures LLP, is authorised and regulated by the Financial Conduct Authority and is the Manager of Albion Technology & General VCT PLC. In addition to Albion Technology & General VCT PLC, it manages a further five venture capital trusts, and currently has total funds under management of approximately £240 million.

The following are specifically responsible for the management and administration of the venture capital trusts 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), FCA, qualified as a chartered accountant with Cooper Lancaster Brewers in 1996 and then joined their corporate finance team providing corporate finance advice to small and medium sized businesses. He joined Albion Ventures in 2001 since when he has focused on leisure and healthcare investing. Will became deputy managing partner of Albion Ventures in 2009. Will has a BA in History from Southampton University.

Adam Chirkowski, MA, having graduated in Industrial Economics followed by a Masters in Corporate Strategy, spent five years at N M Rothschild & Sons specialising in mergers and acquisitions; principally in the natural resources and then healthcare sectors, before joining Albion Ventures in 2013, where he currently concentrates on renewable energy projects.

Andrew Elder, MA, FRCS, joined Albion Ventures 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), FCA, graduated from the European Business School, London, with a BA (Hons) Degree in European Business Administration in 1994. He then joined KPMG in their financial services division and qualified as a chartered accountant in 1997. Following this he transferred to KPMG Corporate Finance where he specialised in the leisure, media and marketing services sectors acting on acquisitions, disposals and fundraising mandates. He joined Albion Ventures in 2000 and has since made and exited investments in a number of industry sectors, including healthcare, education, technology, leisure and engineering. Emil became a partner in Albion Ventures in 2009.

David Gudgin, BSc (Hons), ACMA, qualified as a management accountant with ICL before spending 3 years at the BBC. In 1999 he joined 3i plc as an investor in European technology based in London and Amsterdam. In 2002 he moved to Foursome Investments (now Frog Capital) as the lead investor of an environmental technology and a later stage development capital fund. David joined Albion Ventures LLP in 2005 and became a partner in 2009. David has a BSc in Economics from Warwick University.

Ed Lascelles, BA (Hons), joined Albion Ventures 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, Ed started investing in the technology, healthcare, financial and business services sectors. Ed became 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.

Christoph Ruedig, MBA, joined Albion Ventures as an investment director in October 2011. 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 in 1998. Henry became a partner in Albion Ventures in 2009. He holds an MA degree in Classics from Oxford University.

Robert Whitby-Smith, BA (Hons), FCA. After graduating in History at Reading University, Robert qualified as a chartered accountant at KPMG and subsequently worked in corporate finance at Credit Suisse First Boston and ING Barings. Since joining in 2005, Robert has assisted in the workout of portfolios formerly managed by other fund managers (now named Crown Place VCT and Kings Arms Yard VCT) and is responsible for investments primarily in the advanced manufacturing and technology sectors. Robert became a partner in Albion Ventures in 2009.

Marco Yu, MPhil, MA, MRICS, spent two and a half years at Bouygues (UK), before moving to EC Harris in 2005 where he advised senior lenders on large capital projects. Since joining Albion Ventures in 2007, Marco has been involved in hotel, cinema, pub, residential property and garden centre investments and is, more recently, responsible for a number of renewable energy investments. Marco graduated from Cambridge University with a first class degree in economics and is a Chartered Surveyor.

Portfolio of investments

			As at 31 December 2013			As at 31 December 2012			
Technology investments	**% voting rights**	**% voting rights held by all AVL* managed companies**	**Cost £'000**	**Cumulative movement in value £'000**	**Value £'000**	**Cost £'000**	**Cumulative movement in value £'000**	**Value £'000**	**Change in value for the year** £'000**
Blackbay Limited	23.5	34.9	**4,159**	**960**	**5,119**	941	375	1,316	**585**
Process Systems Enterprise Limited	13.3	19.8	**2,019**	**1,098**	**3,117**	706	756	1,462	**342**
Mi-Pay Limited	31.2	49.4	**3,795**	**(734)**	**3,061**	2,669	(788)	1,881	**54**
Lowcosttravelgroup Limited	15.3	26.1	**2,638**	**(79)**	**2,559**	680	94	774	**(173)**
memsstar Limited	19.2	28.6	**1,322**	**562**	**1,884**	741	128	869	**434**
AMS Sciences Limited (formerly Xceleron Limited)	41.7	49.6	**1,953**	**(127)**	**1,826**	819	71	890	**(198)**
Mirada Medical Limited	15.9	45.0	**676**	**1,080**	**1,756**	357	558	915	**522**
Rostima Holdings Limited	29.3	39.6	**1,436**	**225**	**1,661**	533	298	831	**(73)**
Helveta Limited	30.3	41.6	**3,224**	**(1,755)**	**1,469**	2,365	(1,289)	1,076	**(466)**
DySIS Medical Limited	10.1	28.8	**1,150**	**(18)**	**1,132**	857	(152)	705	**134**
sparesFinder Limited	10.8	10.8	**613**	**426**	**1,039**	613	87	700	**339**
Oxsensis Limited	13.9	20.6	**1,589**	**(686)**	**903**	1,221	(673)	548	**(13)**
Relayware Limited	2.9	11.6	**639**	**13**	**652**	–	–	–	**13**
Aridhia Informatics Limited	1.7	6.7	**581**	**4**	**585**	–	–	–	**4**
Peakdale Molecular Limited	6.0	14.9	**649**	**117**	**766**	649	9	658	**108**
Palm Tree Technology Limited	0.4	0.6	**320**	**7**	**327**	38	7	45	**–**
Cisiv Limited	2.3	9.1	**257**	**4**	**261**	–	–	–	**4**
Silent Herdsman Holdings Limited	4.9	18.9	**214**	**–**	**214**	–	–	–	**–**
Proveca Limited	3.8	33.7	**187**	**1**	**188**	–	–	–	**1**
Abcodia Limited	3.1	21.4	**125**	**–**	**125**	75	–	75	**–**
MyMeds&Me Limited	2.2	20.0	**115**	**–**	**115**	–	–	–	**–**
Total technology investments			**27,661**	**1,098**	**28,759**	13,264	(519)	12,745	**1,617**

* Albion Ventures LLP

** As adjusted for additions and disposals during the year

Portfolio of investments (continued)

Non-technology investments	% voting rights	% voting rights held by all AVL* managed companies	As at 31 December 2013 Cost £'000	Cumulative movement in value £'000	Value £'000	As at 31 December 2012 Cost £'000	Cumulative movement in value £'000	Value £'000	Change in value for the year** £'000
Radnor House School (Holdings) Limited	15.3	50.0	**3,224**	**1,533**	**4,757**	1,930	861	2,791	**845**
Kensington Health Clubs Limited	18.2	50.0	**5,225**	**(1,572)**	**3,653**	3,494	(1,266)	2,228	**(305)**
The Weybridge Club Limited	25.2	50.0	**3,648**	**(296)**	**3,352**	1,314	(169)	1,145	**(127)**
Bravo Inns II Limited	15.1	50.0	**2,639**	**(24)**	**2,615**	1,415	(25)	1,390	**1**
The Charnwood Pub Company Limited	22.5	50.0	**3,481**	**(1,230)**	**2,251**	2,450	(965)	1,485	**(264)**
Orchard Portman Hospital Limited	24.0	50.0	**1,738**	**289**	**2,027**	1,080	(62)	1,018	**351**
Bravo Inns Limited	28.8	50.0	**2,163**	**(514)**	**1,649**	1,430	(525)	905	**11**
Tower Bridge Health Clubs Limited	18.3	50.0	**1,269**	**68**	**1,337**	134	56	190	**13**
Taunton Hospital Limited	15.8	50.0	**1,000**	**260**	**1,260**	1,000	(82)	918	**342**
Masters Pharmaceuticals Limited	4.7	17.1	**855**	**184**	**1,039**	727	14	741	**180**
The Street by Street Solar Programme Limited	8.1	50.0	**864**	**134**	**998**	451	–	451	**134**
Chichester Holdings Limited	37.6	50.0	**2,380**	**(1,395)**	**985**	2,000	(1,652)	348	**257**
TEG Biogas (Perth) Limited	12.4	50.0	**766**	**55**	**821**	563	41	604	**14**
Regenerco Renewable Energy Limited	7.9	50.0	**779**	**29**	**808**	446	–	446	**29**
Alto Prodotto Wind Limited	6.9	50.0	**692**	**91**	**783**	350	–	350	**91**
The Q Garden Company Limited	33.4	50.0	**2,401**	**(1,636)**	**765**	2,401	(1,509)	892	**(127)**
Chonais Holdings Limited	7.5	50.0	**750**	**1**	**751**	–	–	–	**–**
Hilson Moran Holdings Limited	9.0	50.0	**513**	**225**	**738**	391	–	391	**253**
Erin Solar Limited	15.7	50.0	**440**	**1**	**441**	–	–	–	**–**
Premier Leisure (Suffolk) Limited	25.8	47.4	**1,212**	**(801)**	**411**	1,000	(784)	216	**(17)**
Albion Investment Properties Limited	22.6	100.0	**433**	**(78)**	**355**	433	(83)	350	**5**
AVESI Limited	8.0	50.0	**247**	**–**	**247**	134	–	134	**–**
Green Highland Renewables (Ledgowan) Limited	n/a	n/a	**240**	**–**	**240**	–	–	–	**–**
The Dunedin Pub Company VCT Limited	25.8	50.0	**230**	**(5)**	**225**	104	(5)	99	**–**
Harvest AD Limited	n/a	n/a	**210**	**–**	**210**	–	–	–	**–**
Greenenerco Limited	3.1	50.0	**110**	**–**	**110**	50	–	50	**–**
Consolidated PR Limited	21.7	43.4	**623**	**(573)**	**50**	623	(199)	424	**(374)**
Total non-technology investments			**38,132**	**(5,254)**	**32,878**	23,920	(6,354)	17,566	**1,312**
Total fixed asset investments			**65,793**	**(4,156)**	**61,637**	37,184	(6,873)	30,311	**2,929**

* Albion Ventures LLP

** As adjusted for additions and disposals during the year

Portfolio of investments (continued)

	As at 31 December 2013			As at 31 December 2012			
Current asset investments	**Cost £'000**	**Cumulative movement in value £'000**	**Value £'000**	**Cost £'000**	**Cumulative movement in value £'000**	**Value £'000**	**Change in value for the year** £'000**
Dexela Limited	**41**	**65**	**106**	–	65	65	**–**
Opta Sports Data Limited	**13**	**28**	**41**	–	–	–	**28**
Total current asset investments	**54**	**93**	**147**	–	**65**	**65**	**28**

** As adjusted for additions and disposals during the year

Total change on value on investments for the year	2,957
Realised gain in current year	705
Movement in loan stock accrued interest	125
Total gains on investments as per income statement	**3,787**

The comparative cost and valuations for 31 December 2012 do not agree to the Annual Report and Financial Statements for the year ended 31 December 2012 as the above list does not include brought forward investments that were fully disposed of in the year.

Fixed asset investment realisations during the year to 31 December 2013	**Cost £'000**	**Opening carrying value £'000**	**Disposal proceeds £'000**	**Total realised gain/(loss) £'000**	**Gain/(loss) on opening value £'000**
Opta Sports Data Limited	735	1,563	2,328	1,593	765
Nelson House Hospital Limited	584	744	727	143	(17)
Prime Care Holdings Limited	930	427	375	(555)	(52)
Hilson Moran Holdings Limited *(loan stock repaid & redemption premium)*	179	207	214	35	7
Radnor House School (Holdings) Limited *(redemption premium)*	–	173	173	173	–
Masters Pharmaceuticals Limited *(loan stock repaid & redemption premium)*	99	108	111	12	3
The Q Garden Company Limited *(loan stock repaid)*	33	33	33	–	–
Tower Bridge Health Clubs Limited *(loan stock repaid)*	19	19	19	–	–
The Dunedin Pub Company VCT Limited *(loan stock repaid)*	11	11	11	–	–
GB Pub Company VCT Limited	99	6	5	(94)	(1)
Evolutions Group Limited	37	5	5	(32)	–
Total	**2,725**	**3,296**	**4,001**	**1,275**	**705**

Portfolio companies

The top ten investments by total aggregate value of equity and loan stock are below.

The most recently audited results are included for each portfolio company. Valuations are often based upon the most recent information available, which may include management accounts. The audited results are therefore not necessarily the figures used for the valuation.

Blackbay Limited

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

	Audited results: year to 31 December 2012 £'000	**Investment information**	**£'000**
Turnover	7,598	Income recognised in the year	65
EBITDA	(410)	Total cost	4,159
Loss before tax	(1,086)	Total equity valuation	2,924
Net liabilities	(2,352)	Total loan stock valuation	2,195
Basis of valuation:	Revenue multiple	Voting rights	23.5 per cent.
Website:	www.blackbay.com		

Other funds managed and advised by Albion Ventures LLP have invested in this company and have a combined equity holding of 34.9 per cent.

Radnor House School (Holdings) Limited

Radnor House is a co-educational independent day school in Twickenham, which opened in September 2011. It is located in historic buildings on the banks of the River Thames in South West London. In its first Ofsted inspection the school was graded Outstanding in all categories, placing it in the top 0.5% of all schools in the UK inspected by Ofsted.

	Audited results: year to 31 August 2013 £'000	**Investment information**	**£'000**
Turnover	3,602	Income recognised in the year	91
EBITDA	1,105	Total cost	3,224
Profit before tax	168	Total equity valuation	2,485
Net liabilities	(156)	Total loan stock valuation	2,272
Basis of valuation:	Net asset value supported by third party valuation	Voting rights	15.3 per cent.
Website:	www.radnorhouse.org		

Other funds managed and advised by Albion Ventures LLP have invested in this company and have a combined equity holding of 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 2012 £'000	**Investment information**	**£'000**
Turnover	2,020	Income recognised in the year	160
EBITDA	578	Total cost	5,225
Loss before tax	(863)	Total equity valuation	–
Net liabilities	(541)	Total loan stock valuation	3,653
Basis of valuation:	Net asset value supported by third party valuation	Voting rights	18.2 per cent.
Website:	www.olympia.thirtysevendegrees.co.uk		

Other funds managed and advised by Albion Ventures LLP have invested in this company and have a combined equity holding of 50.0 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.

	Audited results: year to 30 September 2012 £'000	**Investment information**	**£'000**
Turnover	1,848	Income recognised in the year	(2)
EBITDA	471	Total cost	3,648
Loss before tax	(997)	Total equity valuation	–
Net liabilities	(3,289)	Total loan stock valuation	3,352
Basis of valuation:	Net asset value supported by third party valuation	Voting rights	25.2 per cent.
Website:	www.theweybridgeclub.com		

Other funds managed and advised by Albion Ventures LLP have invested in this company and have a combined equity holding of 50.0 per cent.

Process Systems Enterprise Limited

The company is the leading supplier of Advanced Process Modelling software and model-based engineering and innovation services to the process industries.

	Audited results: year to 31 December 2012 £'000	**Investment information**	**£'000**
Turnover	8,953	Income recognised in the year	–
EBITDA	21	Total cost	2,019
Loss before tax	(97)	Total equity valuation	3,117
Net assets	2,098	Total loan stock valuation	–
Basis of valuation:	Revenue multiple	Voting rights	13.3 per cent.
Website:	www.psenterprise.com		

Other funds managed and advised by Albion Ventures LLP have invested in this company and have a combined equity holding of 19.8 per cent.

Portfolio companies (continued)

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 2012 £'000	Investment information	£'000
Turnover	2,808	Income recognised in the year	–
EBITDA	(1,980)	Total cost	3,795
Loss before tax	(2,114)	Total equity valuation	2,258
Net liabilities	(758)	Total loan stock valuation	803
Basis of valuation:	Agreed new investment price	Voting rights	31.2 per cent.
Website:	www.mi-pay.com		

Other funds managed and advised by Albion Ventures LLP have invested in this company and have a combined equity holding of 49.4 per cent.

Bravo Inns II Limited

The company was formed in September 2007 and owns and operates 25 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 2013 £'000	Investment information	£'000
Turnover	4,871	Income recognised in the year	122
EBITDA	654	Total cost	2,639
Loss before tax	(378)	Total equity valuation	812
Net assets	2,678	Total loan stock valuation	1,803
Basis of valuation:	Net asset value supported by third party valuation	Voting rights	15.1 per cent.
Website:	www.bravoinns.com		

Other funds managed and advised by Albion Ventures LLP have invested in this company and have a combined equity holding of 50.0 per cent.

Lowcosttravelgroup Limited

Lowcosttravelgroup Limited is an online travel business specialising in dynamic packages to the Mediterranean and the Balearic Islands

	Audited results: year to 31 October 2012 £'000	Investment information	£'000
Turnover	54,908	Income recognised in the year	6
EBITDA	4,332	Total cost	2,638
Profit before tax	2,782	Total equity valuation	2,189
Net assets	14,625	Total loan stock valuation	370
Basis of valuation:	Earnings multiple	Voting rights	15.3 per cent.
Website:	www.lowcosttravelgroup.com		

Other funds managed and advised by Albion Ventures LLP have invested in this company and have a combined equity holding of 26.1 per cent.

The Charnwood Pub Company Limited

The company is a pub company which owns and operates 10 freehold public houses in central England.

	Audited results: year to 31 March 2013 £'000	Investment information	£'000
Turnover	3,857	Income recognised in the year	32
EBITDA	430	Total cost	3,481
Loss before tax	(288)	Total equity valuation	–
Net liabilities	(1,746)	Total loan stock valuation	2,251
Basis of valuation:	Net asset value supported by third party valuation	Voting rights	22.5 per cent.
Website:	www.charnwoodpubco.co.uk		

Other funds managed and advised by Albion Ventures LLP have invested in this company and have a combined equity holding of 50.0 per cent.

Orchard Portman Hospital Limited

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

	Audited results: year to 30 April 2013 £'000	Investment information	£'000
Turnover	1,546	Income recognised in the year	42
EBITDA	83	Total cost	1,738
Loss before tax	(256)	Total equity valuation	946
Net assets	369	Total loan stock valuation	1,081
Basis of valuation:	Net asset value supported by third party valuation	Voting rights	24.0 per cent.
Website:	www.orchardportman.com		

Other funds managed and advised by Albion Ventures LLP have invested in this company and have a combined equity holding of 50.0 per cent.

Net assets of portfolio companies 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 portfolio company does not have a policy of revaluing its fixed assets.

Directors' report

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 2013.

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 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. In order to maintain its status under Venture Capital Trust legislation, a VCT must comply on a continuing basis with the provisions of Section 274 of the Income Tax Act 2007 and further details of this can be found on pages 11 and 12 of the Strategic report. Approval for the year ended 31 December 2013 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 issued share capital, together with details of the movements in the Company's issued share capital during the year are shown in note 16. 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.

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.

Issue and buy-back of Ordinary shares

During the year the Company issued a total of 36,172,011 Ordinary shares (2012: 2,317,220 Ordinary shares). Of this total, 33,664,049 Ordinary shares (2012: nil) were issued as part of the merger with Albion Income & Growth VCT PLC, 2,241,789 Ordinary shares (2012: 2,080,909 Ordinary shares) were issued under the Albion VCTs Top Up Offers; and 266,173 Ordinary shares (2012: 236,311 Ordinary shares) were issued under the Company's Dividend Reinvestment Scheme. The Company is currently engaged in the Albion VCTs Top Up Offers 2013/2014 for which a prospectus has recently been published, copies of which are available on the Company's website at www.albion-ventures.co.uk.

The Company operates a policy of buying back shares either for cancellation or for holding in treasury. Details regarding the current buy-back policy can be found on page 7 of the Chairman's statement.

Substantial interests and shareholder profile

As at 31 December 2013 and at 18 March 2014, 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 2013, and up to the date of this report.

Results and dividends

The revenue return after taxation attributable to Shareholders for the year was £464,000 (2012: £638,000).

During the year, the Company paid an interim dividend of 2.50 pence per Ordinary share (2012: 2.50 pence per Ordinary share) and a final dividend of 2.50 pence per Ordinary share (2012: 2.50 pence per Ordinary share).

As shown in the Chairman's statement, the Board has paid a first dividend for the year ending 31 December 2014 of 1.25 pence per Ordinary share on 31 January 2014 to shareholders on the register at 10 January 2014. The Board has declared a second dividend for the year ending 31 December 2014, of 1.25 pence per Ordinary share to be paid on 30 April 2014 to shareholders on the register at 11 April 2014.

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

Directors' report (continued)

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 20. The Company's business activities, together with details of its performance are shown in the Strategic report and this Directors' report.

Post balance sheet events
Details of events that have occurred since 31 December 2013 are shown in note 22.

Principal risks and uncertainties
A summary of the principal risks faced by the Company is set out on pages 13 to 15 of the Strategic report.

Environment
The management and administration of the Company is undertaken by the Manager, Albion Ventures LLP. 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.

Global greenhouse gas emissions
The Company has no greenhouse gas emissions to report from the operations of the Company, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) regulations 2013, including those within our underlying investment portfolio.

Anti-bribery policy
The VCT has adopted a zero tolerance approach to bribery, and will not tolerate bribery under any circumstances in any transaction the Company is involved in.

Albion Ventures LLP has reviewed the anti-bribery policies and procedures of all portfolio companies.

Diversity
The Board has a balanced representation of male and female Directors, with the current Board of Directors comprising two female and three male Directors. More details on the Directors can be found in the Board of Directors section on page 16.

The Manager has an equal opportunities policy and currently employees 11 men and 11 women working at 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 in the Directors' remuneration report on page 33.

All Directors, except for Patrick Reeve, who is the managing partner of the Manager, are members of the Audit Committee, of which Robin Archibald 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. After the merger with Albion Income & Growth VCT PLC on 15 November 2013, Patrick Reeve agreed to waive his fees for his services as a Director of the Company.

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/her in relation to the performance of his/her 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, Dr. Neil Cross having served as a Director for longer than nine years, will retire and offer himself 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. As Robin Archibald and Mary Anne Cordeiro have been appointed since the last Annual General Meeting, they will resign and be subject to 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. Following the Merger the limit of total annual normal expenses, including the management fee, has been reduced to 3 per cent. of the net asset value (2012: 3.5 per cent of net asset value).

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

Management performance incentive

In order to provide the Manager with an incentive to maximise the return to investors, and in light of the merger with Albion Income & Growth VCT PLC, the Company entered into a revised Management performance incentive arrangement with the Manager which was approved by 91.8 per cent. of shareholder votes cast. 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 as increased at the rate of RPI plus 2 per cent. per annum uncompounded from the date of first admission to the Official List of the relevant class of share, then the Manager will be entitled to an incentive fee equal to 15 per cent (2012: 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 (2012: £nil).

The performance threshold at 31 December 2013 was 174.1 pence for the Ordinary shares, 147.0 pence for the former C shares and 152.9 pence for the former Albion Income & Growth VCT PLC shares, which compare to total returns of 161.75 pence, 89.8 pence and 93.7 pence respectively, based on the latest announced NAV.

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.

Alternative Investment Fund Managers Directive ("AIFMD")

The Board has considered the impact on your Company of the AIFMD, an EU Directive that came into force in July 2013 to regulate the Managers of Alternative Investment Funds. The Board has agreed to appoint Albion Ventures LLP as the Company's AIFM as required by the AIFMD. This will not impact on the day-to-day investment activities.

Advising Ordinary Retail Investors

The Company currently conducts its affairs so that its Shares can be recommended by financial intermediates to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The FCA's restrictions which apply to non-mainstream investment products do not apply to the Company's shares because they are shares in a VCT which, for the purposes of the new rules relating to non-mainstream investment products, are excluded securities and may be promoted to ordinary retail investors without restriction.

Investment and co-investment

The Company co-invests with other Albion Ventures LLP venture capital trusts and funds. 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

As a result of PKF (UK) LLP entering a business combination with BDO LLP on 28 March 2013, PKF (UK) LLP resigned as Auditor of the Company on 30 April 2013 and BDO LLP was appointed to fill the casual vacancy. The Company wrote to Shareholders on 9 May 2013 informing them of this change. 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 appoint BDO LLP will be put to the Annual General Meeting.

Annual General Meeting

The Annual General Meeting will be held at the City of London Club, 19 Old Broad Street, London EC2N 1DS at 11.00 am on 19 June 2014. 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

Directors' report (continued)

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 Conduct Authority.

Power to allot shares

Ordinary resolution number 10 will request the authority to allot up to an aggregate nominal amount of £81,175 representing approximately 10 per cent. of the issued Ordinary share capital of the Company as at the date of this Report.

The Directors current intention is to allot shares under the Dividend Reinvestment Scheme, any Albion VCTs Share Offers and reissuing treasury shares where it is in the Company's interest to do so. The Company currently holds 4,341,070 treasury shares representing 5.4 per cent. of the total Ordinary share capital in issue as at 31 December 2013.

This resolution replaces the authority given to the Directors at the General Meeting in 2013. 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 11 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 £81,175 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.

This resolution replaces the authority given to the Directors at the General Meeting in 2013. 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 12 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 12. 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 2013 authority, which was on similar terms. During the financial year under review, the Company did not purchase Ordinary shares to be held in treasury and 1,591,723 Ordinary shares for cancellation, at an aggregate consideration of £1,209,000 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 13 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.

Recommendation

The Board believes that the passing of the resolutions above is 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 shareholdings.

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors are required to prepare 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 for the Company for that period.

Directors' report (continued)

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 they have been prepared in accordance with applicable UK accounting standards, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;
- Prepare a Strategic report, a Director's report and Director's remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Website publication

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial Statements are published on the Company's webpage on the Investment Manager's website (www.albion-ventures.co.uk) in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The Directors' responsibility extends to the ongoing integrity of the Financial Statements contained therein.

Directors' responsibilities pursuant to Disclosure and Transparency Rule 4 of the UK Listing Authority

The Directors confirm to the best of their knowledge:

- 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 of the company.
- The Annual Report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that they face.

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/she ought to have taken as a Director to make himself/herself 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
21 March 2014

Statement of corporate governance

Background
The Financial Conduct 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 September 2012.

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 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, Modwenna Rees-Mogg, Robin Archibald and Mary Anne Cordeiro are considered independent Directors. Patrick Reeve is not considered an independent Director as he is the managing partner of Albion Ventures LLP, the Manager.

Dr. Neil Cross has been Director of the Company for more than nine years and, in accordance with the recommendations of the AIC code, is 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. Patrick Reeve is also subject to annual re-election, as he is not considered to be an independent Director.

As Robin Archibald and Mary Anne Cordeiro have been appointed since the last Annual General Meeting, they will resign and be subject to election at the forthcoming Annual General Meeting. The Board believes that their backgrounds and skills, which include three and nine years respectively on the board of Albion Income and Growth VCT PLC, will prove to be valuable additions to the Board.

Lt. Gen. Sir Edmund Burton stepped down from the Board on 15 November 2013.

The Board does not believe that it is necessary to appoint a Senior Independent Director as the Board is comprised solely of non-executive Directors. As per the recommendation in the AIC Code, this role is fulfilled, as appropriate, by the Chairman of the Audit Committee.

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 16. 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 Directors have considered diversity in relation to the composition of the Board and have concluded that its membership is diverse in relation to gender, experience and balance of skills. Further details on the recruitment of new directors can be found in the Nomination Committee section on page 31.

The Board met four times during 2013 as part of its regular programme of quarterly Board meetings. Dr. Neil Cross and Modwenna Rees-Mogg attended each meeting, Lt. Gen. Edmund Burton and Patrick Reeve attended three meetings each and Robin Archibald and Mary Anne Cordeiro attended one meeting each. 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 Top Up Offers. 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 Top Up Offers 2013/2014. The Board also met on a number of other

Statement of corporate governance (continued)

occasions throughout the year relating to the merger with Albion Income & Growth VCT PLC.

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 appointment, evaluation, removal and remuneration of the Manager;
- the consideration and approval of future developments or changes to the investment policy, including risk and asset allocation;
- consideration of corporate strategy and corporate events that arise;
- 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 the Auditor;
- evaluation of non-audit services provided by the external Auditor;
- approval of the appropriate dividend to be paid to shareholders;
- 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.

It is the responsibility of the Board to present an Annual Report that is fair, balanced and understandable, which provides the information necessary for shareholders to assess the performance, strategy and business model of the Company.

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 (or in the case of the Chairman's review, by the other Directors).

The evaluation process has identified that the Board works well together and has the right balance of skills, experience, independence and knowledge for the effective governance of the Company. Diversity within the Board is achieved through the appointment of directors with different sector backgrounds, skills and gender.

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, Robin Archibald, Mary Anne Cordeiro and Patrick Reeve, all of whom are subject to election or 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

In accordance with the provisions of the UK Corporate Governance Code 2012, a Remuneration Committee has been formed during the year consisting of Independent Directors. Modwenna Rees-Mogg is Chairman and all of the Directors except Patrick Reeve are members of this Committee. The Committee meets at least once a year and held one formal meeting during the year, which was fully attended by all the Directors. As outlined in the circular for the Merger, and following shareholder approval to amend the Company's Articles, each Director will be paid £19,000 per annum from the effective date of the Merger, excluding Patrick Reeve who will not be charging any fee for his services from this date.

The terms of reference for the Remuneration Committee can be found on the Company's website at www.albion-ventures.co.uk within the 'Our Funds' section by clicking on Albion Technology & General VCT PLC and looking under the Corporate Governance section.

Audit Committee

The Audit Committee consists of all Directors excluding Patrick Reeve. Robin Archibald was appointed Chairman of the Audit Committee on 18 November 2013 replacing Dr. Neil Cross. In accordance with the Code, all members of the Audit Committee have recent and relevant financial experience. The

Statement of corporate governance (continued)

Committee met twice during the year ended 31 December 2013; Dr. Neil Cross and Modwenna Rees-Mogg attended both meetings.

Written terms of reference have been constituted for the Audit Committee and can be found on the Company's website at www.albion-ventures.co.uk within the 'Our Funds' section by clicking on Albion Technology & General VCT PLC and looking under the Corporate Governance section.

During the year under review, the Committee discharged its responsibilities including:

- 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 judgment and on critical accounting policies;
- reviewing the effectiveness of the internal controls system and examination of the Internal Controls Report produced by the Manager;
- meeting with the external Auditor and reviewing their findings;
- reviewing the performance of the Manager and making recommendations regarding their re-appointment to the Board;
- highlighting the key risks and specific issues relating to the Financial Statements including the reasonableness of valuations, compliance with accounting standards and UK law, corporate governance and listing and disclosure rules as well as going concern. These issues were addressed through detailed review, discussion and challenge by the Board of these matters, as well as by reference to underlying technical information;
- advising the Board on whether the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy; and
- (after the year end) reporting to the Board on how it has discharged its responsibilities.

Financial Statements

The Audit Committee has initial responsibility for reviewing the Financial Statements and reporting on any significant issues that arise in relation to the audit of the Financial Statements as outlined below. Such issues were discussed between the external Auditor and the Audit Committee Chairman at the audit planning meeting and at the completion of the audit of the Financial Statements. No major conflicts arose between the Audit Committee and the external Auditor in respect of their work during the period.

The key accounting and reporting issues considered by the Committee were:

The valuation of the Company's investments

Valuations of investments are prepared by the Investment Manager. The Audit Committee reviewed the estimates and judgments made in relation to these investments and were satisfied that they were appropriate. The Audit Committee also discussed the controls in place over the valuation of investments. The Committee recommended investment valuations to the Board for approval.

Revenue recognition

The revenue generated from loan stock interest and dividend income has been considered by the Audit Committee as part of its review of the Annual Report as well as a quarterly review of the management accounts prepared by the Manager. The Audit Committee has considered the controls in place over revenue recognition to ensure that amounts received are in line with expectation and budget.

Following a review of several iterations of the Annual Report and Financial Statements and consideration of the key areas of risk identified, the Audit Committee has concluded that, as a whole, the Financial Statements are fair, balanced and understandable and that they provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

Relationship with the External Auditor

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. BDO performed interim audit procedures in relation to the investment valuations of Albion Technology & General VCT PLC and Albion Income & Growth VCT PLC prior to the Merger in November 2013. They were paid £17,000 for the work. No non-audit services were provided during the financial year ended 31 December 2013.

As part of its work, the Audit Committee has undertaken a formal evaluation of the external Auditor against the following criteria;

- Qualification
- Expertise
- Resources
- Effectiveness
- Independence
- Leadership

Statement of corporate governance (continued)

In order to form a view of the effectiveness of the external audit process, the Committee took into account information from the Manager regarding the audit process, the formal documentation issued to the Audit Committee and the Board by the external Auditor regarding the external audit for the year ended 31 December 2013, and assessments made by individual Directors.

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. The Committee has obtained sufficient assurance from their own evaluation and the audit feedback documentation. PKF (UK) LLP entered into a business combination with BDO LLP on 28 March 2013. PKF (UK) LLP resigned as Auditor of the Company on 30 April 2013 and BDO LLP was appointed to fill the casual vacancy. Based on the assurance obtained, the Committee recommended to the Board a resolution to appoint BDO LLP as Auditor at the forthcoming Annual General Meeting.

Nomination Committee

The Nomination Committee consists of all Directors except for Patrick Reeve, with Dr. Neil Cross as Chairman.

The Board's policy on the recruitment of new Directors is to attract a range of backgrounds, skills and experience and to ensure that appointments are made on the grounds of merit against clear and objective criteria and bear in mind the maintenance of gender and other diversity within the Board.

The composition of the Board was reviewed at the time of the merger with Albion Income & Growth VCT PLC on 15 November 2013. It was decided to invite Robin Archibald and Mary Anne Cordeiro to be Directors of the Company, taking into consideration their experience as non-executive directors of Albion Income & Growth VCT PLC prior to the merger. The Board considered that the use of an external search consultancy was not necessary, given that the Board had direct access to information regarding candidates in the market with direct VCT board experience.

Terms of reference for the Nomination Committee can be found on the Company's website at www.albion-ventures.co.uk within the 'Our Funds' section by clicking on Albion Technology & General VCT PLC and looking within the Corporate Governance section.

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, assisted by the Audit Committee, monitors all controls, including financial, operational and compliance controls, and risk management. The Audit Committee 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 Audit Committee's attention.

The Board, through the Audit Committee, has performed a specific assessment for the purpose of this Annual Report and Financial Statements. 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 third party valuations of the majority of the asset-backed investments within the portfolio are undertaken annually;
- reviews of valuations are carried out by the Managing Partner and reviews of financial reports are carried out by the Finance Director of Albion Ventures LLP;
- bank and stock reconciliations are carried out monthly by the Manager in accordance with the FCA requirements;
- all published financial reports are reviewed by Albion Ventures LLP Compliance department;

Statement of corporate governance (continued)

- the Board reviews financial information; and
- a separate Audit Committee of the Board reviews financial information due to be published.

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 PKF 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. During the year, the Audit Committee and the Board reviewed internal audit reports prepared by PKF Littlejohn LLP. The Board and the Audit Committee will continue to monitor its system of internal control in order to provide assurance that it operates as intended.

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 23 and 26 respectively of the Directors' report. 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 19 June 2014 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 a portfolio 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.investorcentre.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 information for financial advisers please contact Albion Ventures LLP:

Tel: 020 7601 1850 (lines are open 9.00 am – 5.30 pm; Mon-Fri, calls may be recorded)
Email: info@albion-ventures.co.uk
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 which was formed during the year and Dr. Neil Cross being Chairman of both the Company and the Audit Committee, being replaced by Robin Archibald as Audit Committee Chairman during the year, the Directors consider that the Company has complied throughout the year ended 31 December 2013 with all the relevant provisions set out in the Code issued in September 2012 and with the AIC Code of Corporate Governance. The Company continues to comply with the Code issued in September 2012, as at the date of this report.

Dr. N E Cross
Chairman
21 March 2014

Directors' remuneration report

Introduction

This report is submitted in accordance with Section 420 of the Companies Act 2006 and describes how the Board has applied the principles relating to the Directors' remuneration.

Ordinary resolutions will be proposed at the Annual General Meeting of the Company to be held on 19 June 2014 for the approval of the Directors' Remuneration Policy and the Annual Remuneration Report as set out below.

The Company's independent Auditor, BDO LLP, is required to give its opinion on certain information included in this report, as indicated below. The Auditor's opinion is included in the Independent Auditor's Report.

Annual statement from the Chairman of the Remuneration Committee

The Remuneration Committee comprises all of the Directors excluding Patrick Reeve, with Modwenna Rees-Mogg as Chairman.

At the time of the merger with Albion Income & Growth VCT PLC in November 2013, the Committee reviewed the level of Directors' fees post merger and concluded that, to reflect the increase in the amount and quality of work required of the Directors of the Enlarged Company it was appropriate to increase Directors' fees from £17,500 to £19,000 with effect from 25 November 2013, save for Patrick Reeve who agreed to waive his fees for his services post merger.

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.

In accordance with the new reporting requirements, an Ordinary resolution for the approval of the Remuneration policy of the Company, to remain in force for a three year period, will be put to the members at the AGM and will be effective from that date.

The maximum level of non-executive Directors' remuneration is fixed by the Company's Articles of Association, which were amended during the year to a maximum level of £100,000 per annum as approved by shareholders by special resolution at the General Meeting on 4 November 2013.

Assuming this policy is approved by Shareholders at the forthcoming Annual General Meeting, it is intended that this policy will continue for the year ended 31 December 2014 and subsequent years. An ordinary resolution to approve the Directors' Remuneration Policy will be put to shareholders at least once every three years.

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, Robin Archibald, Mary Anne Cordeiro and Patrick Reeve will retire and be proposed for election or re-election.

None of the Directors have a service contract with the Company, and as such there is no policy on termination payments. There is no notice period and no payments for loss of office were made during the period. On being appointed to the Board, Directors receive a letter from the Company setting out the terms of their appointment and their specific duties and responsibilities.

Shareholders' views in respect of Directors' remuneration are regarded highly and the Board encourages shareholders' to attend its Annual General Meeting in order to communicate their thoughts, which it takes into account where appropriate when formulating its policy. At the last Annual General Meeting, 97.7% of shareholders voted for the resolution approving the Directors' Remuneration Report which shows significant shareholder support.

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 2013	31 December 2012
Dr. Neil Cross	**177,790**	177,790
Lt. Gen. Sir Edmund Burton (Resigned 15 November 2013)	**n/a**	54,027
Modwenna Rees-Mogg	**3,504**	–
Robin Archibald (appointed 18 November 2013)	**–**	n/a
Mary Anne Cordeiro (appointed 18 November 2013)	**3,993**	n/a
Patrick Reeve	**554,195**	346,911

Being members of the Dividend Reinvestment Scheme, Mary Anne Cordeiro was issued with a further 61 Ordinary shares and Patrick Reeve's immediate family were issued with a further 106 Ordinary shares on 31 January 2014. There have been no other changes in the holdings of the Directors between 31 December 2013 and the date of this Report.

Partners and staff of Albion Ventures LLP (excluding Patrick Reeve's holding shown above) hold 292,065 shares in the Company.

Directors' remuneration report (continued)

Annual report on remuneration

The remuneration of individual Directors' is determined by the Remuneration Committee within the framework set by the Board. The Committee comprises all Directors, save for Patrick Reeve, and is chaired by Modwenna Rees-Mogg. The Committee meets at least once a year and met once during the year under review with full attendance from all of its members.

It is responsible for reviewing the remuneration of the Directors and the Company's remuneration policy to ensure that it reflects the duties, responsibilities and value of time spent by the Directors on the business of the Company and makes recommendations to the Board accordingly.

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 2013 £'000	31 December 2012 £'000
Dr. Neil Cross	**17.6**	17.5
Lt. Gen. Sir Edmund Burton (resigned 15 November 2013)	**15.7**	17.5
Michael Hart (until 24 October 2012)	**–**	14.6
Modwenna Rees-Mogg	**17.6**	4.4
Robin Archibald (appointed 18 November 2013)	**2.4**	–
Mary Anne Cordeiro (appointed 18 November 2013)	**2.4**	–
Albion Ventures LLP (for Patrick Reeve's services)	**15.3**	16.0
	71.0	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.

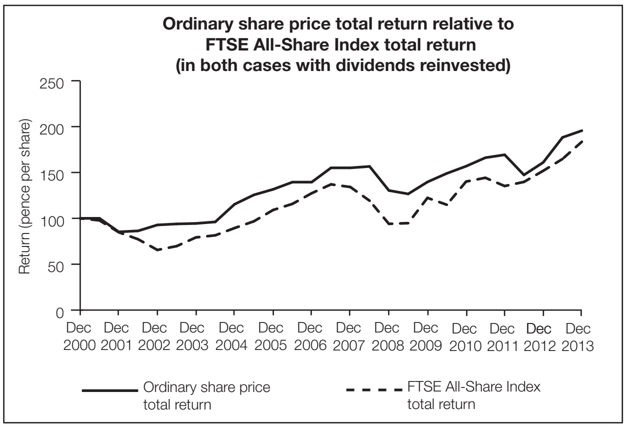
Each Director of the Company was remunerated personally through the Manager's payroll, which has been recharged to the Company, save for Patrick Reeve, whose services are provided by Albion Ventures LLP.

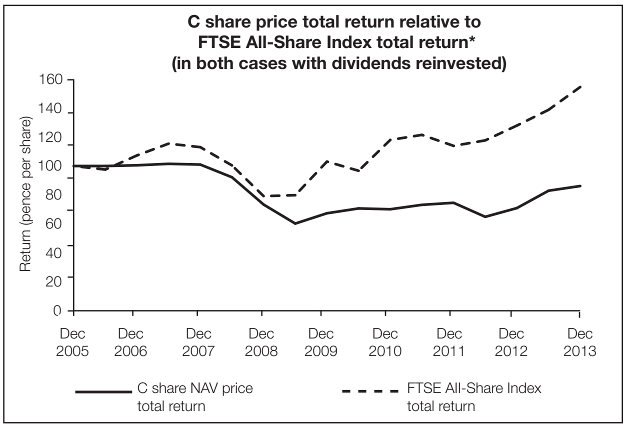
In addition to Directors' remuneration, the Company paid an annual premium in respect of Directors' & Officers' Liability Insurance of £9,805 (2012: £10,300).

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.

Relative importance of spend on pay

As the Company has no employees other than the Directors, the Committee does not consider it meaningful to present a table comparing remuneration paid to employees with distribution to shareholders.

By Order of the Board

Albion Ventures LLP
Company Secretary
1 King's Arms Yard
London, EC2R 7AF
21 March 2014

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 2013 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).

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 2013 and of its return 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.

Our assessment of risks of material misstatement and our audit approach to these risks
We identified the following risks that we consider to have had the greatest impact on our audit strategy and scope:

- **The assessment of the carrying value of investments, particularly unquoted investments**

This is a key accounting estimate where there is an inherent risk of management override arising from the investment valuations being prepared by the Investment Manager, who is remunerated based on the net asset value of the funds, derived using those valuations.

We challenged the assumptions inherent in the valuation of unquoted investments and we assessed the impact of the estimation uncertainty concerning these assumptions and the disclosure of these uncertainties in the financial statements. Our audit procedures included reviewing the historical financial statements and recent management information available for the unquoted investments used to support assumptions about maintainable earnings used in the valuations, considering the multiples applied by reference to independent market data and challenging the adjustments made to such market data in arriving at the valuations adopted. Where alternative assumptions could reasonably be applied, we developed our own point estimates and considered the overall impact of such sensitisations on the portfolio of investments in determining whether the valuations as a whole are reasonable and unbiased.

Where other valuation approaches were adopted, in addition to challenging the assumptions used, we considered the appropriateness of the valuation techniques adopted by reference to both the circumstances of the investee company and the International Private Equity and Venture Capital Valuation guidelines.

- **Revenue recognition**

Revenue consists of dividends receivable from investee companies and interest earned on loans to investee companies and cash balances. Revenue recognition is considered to be a significant audit risk as it is often a key factor in demonstrating the performance of the portfolio. In particular, as the company invests primarily in unquoted companies, dividends receivable can be difficult to predict.

We considered the controls relating to revenue recognition and undertook testing of interest income by comparing actual income to expectations generated using the interest rates in the loan instruments. We considered whether the accounting policy had been applied correctly by management in determining provisions against income where recovery is considered doubtful, considering management information relevant to the ability of the investee company to service the loan and the reasons for any arrears of loan interest. We also reviewed the recognition and classification of any accrued income and redemption premia, considering the appropriateness of the classification of income between revenue and capital in the Income Statement. We also tested dividends receivable through comparing actual income to expectations set based on independent published data on dividends declared by the investee companies held. We tested the categorisation of dividends received from investee companies between revenue and capital.

The Audit Committee's consideration of these key issues is set out on pages 29 to 31.

Purpose of this report
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.

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

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 Financial Reporting Council's (FRCs) Ethical Standards for Auditors.

Scope of the audit of the financial statements and our application of materiality
A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. For planning, we consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the Financial Statements.

We determined materiality for the financial statements as a whole to be £1,230,000. In determining this, we based our assessment on a percentage of invested assets (i.e. excluding cash) which reflects the underlying level of precision within the valuation of the investment portfolio and the range of reasonably possible alternative valuations that could be expected to apply to the unquoted investments. On the basis of our risk assessment, together with our assessment of the company's control environment, our judgement was that performance materiality for the financial statements should be approximately 75% of materiality for the financial statements as a whole, namely £920,000. Our objective in adopting this approach is to ensure that total detected and undetected audit differences do not exceed our materiality of £1,230,000 for the financial statements as a whole.

International Standards on Auditing (UK & Ireland) also require the auditor to set a lower materiality for particular classes of transaction, balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. In this context, we set a lower level of materiality to apply to those classes of transactions and balances which impact on the costs and the net realised returns of the company. We determined materiality for this area to be £120,000.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £24,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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 strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the corporate governance statement set out on pages 28 to 32 of the annual report with respect to 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
Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the company acquired in the course of performing our audit; or
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

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

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 23 in relation to going concern; and
- the part of the corporate governance statement relating to the company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review.

We have nothing to report in respect of these matters.

Rhodri Whitlock (Senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
21 March 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Income statement

		Year ended 31 December 2013			Year ended 31 December 2012		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	3	**–**	**3,787**	**3,787**	–	1,367	1,367
Investment income	4	**1,082**	**–**	**1,082**	1,224	–	1,224
Investment management fees	5	**(247)**	**(743)**	**(990)**	(215)	(644)	(859)
Other expenses	6	**(247)**	**–**	**(247)**	(210)	–	(210)
Return on ordinary activities before tax		**588**	**3,044**	**3,632**	799	723	1,522
Tax (charge)/credit on ordinary activities	8	**(124)**	**144**	**20**	(161)	157	(4)
Return attributable to shareholders		**464**	**3,188**	**3,652**	638	880	1,518
Basic and diluted return per share (pence)*	11	**1.00**	**6.90**	**7.90**	1.60	2.10	3.70

*excluding treasury shares

The accompanying notes on pages 42 to 56 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 of the Company up to 14 November 2013 and thereafter reflect the enlarged entity to 31 December 2013. This includes the assets and liabilities of Albion Income and Growth VCT PLC that were transferred to the Company on 15 November 2013.

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 is due to the fair value movements on investments. As a result a note on historical cost profit and losses has not been prepared.

Balance sheet

	Note	31 December 2013 £'000	31 December 2012 £'000
Fixed asset investments	12	**61,637**	33,055
Current assets			
Trade and other debtors	14	**350**	21
Current asset investments	14	**147**	65
Cash at bank and in hand	18	**3,226**	1,656
		3,723	1,742
Creditors: amounts falling due within one year	15	**(529)**	(338)
Net current assets		**3,194**	1,404
Net assets		**64,831**	34,459
Capital and reserves			
Called up share capital	16	**799**	454
Share premium		**30,031**	346
Capital redemption reserve		**21**	6
Unrealised capital reserve		**(4,166)**	(6,678)
Realised capital reserve		**10,792**	9,435
Other distributable reserve		**27,354**	30,896
Total equity shareholders' funds		**64,831**	34,459
Basic and diluted net asset value per share (pence)*	17	**85.75**	84.00

*excluding treasury shares

The accompanying notes on pages 42 to 56 form an integral part of these Financial Statements.

These Financial Statements were approved by the Board of Directors, and were authorised for issue on 21 March 2014 and were signed on its behalf by

Dr. N E Cross
Chairman

Company number: 04114310

Reconciliation of movements in shareholders' funds

	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Unrealised capital reserve* £'000	Realised capital reserve* £'000	Other distributable reserve* £'000	Total £'000
As at 1 January 2013	**454**	**346**	**6**	**(6,678)**	**9,435**	**30,896**	**34,459**
Return for the period	–	–	–	3,082	106	464	3,652
Transfer of previously unrealised gains on sale of investments	–	–	–	(570)	570	–	–
Purchase of shares for cancellation	(15)	–	15	–	–	(1,209)	(1,209)
Issue of equity (net of costs)	24	2,058	–	–	–	–	2,082
Shares issued to acquire net assets of Albion Income & Growth VCT PLC (net of issue costs) **	336	27,627	–	–	–	–	27,963
Transfer from other distributable reserve to realised capital reserve***	–	–	–	–	681	(681)	–
Dividends paid	–	–	–	–	–	(2,116)	(2,116)
As at 31 December 2013	**799**	**30,031**	**21**	**(4,166)**	**10,792**	**27,354**	**64,831**

	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Unrealised capital reserve* £'000	Realised capital reserve* £'000	Other distributable reserve* £'000	Total £'000
As at 1 January 2012	21,862	959	4,473	(8,001)	9,246	5,008	33,547
Return/(loss) for the period	–	–	–	1,440	(560)	638	1,518
Transfer of previously unrealised gains on sale of investments	–	–	–	(117)	117	–	–
Purchase of shares for cancellation	(1)	–	1	–	–	(49)	(49)
Purchase of own shares for treasury	–	–	–	–	–	(453)	(453)
Cancellation of treasury shares	(54)	–	54	–	–	–	–
Issue of deferred share**	4,073	–	(4,073)	–	–	–	–
Reduction in share capital and cancellation of deferred share, capital redemption and share premium reserves****	(26,369)	(1,598)	(449)	–	–	28,416	–
Issue of equity (net of costs)	943	986	–	–	–	–	1,929
Transfer from other distributable reserve to realised capital reserve***	–	–	–	–	632	(632)	–
Dividends paid	–	–	–	–	–	(2,033)	(2,033)
As at 31 December 2012	454	346	6	(6,678)	9,435	30,896	34,459

* Included within these reserves is an amount of £33,980,000 (2012: £33,653,000) which is considered distributable.

** The assets and liabilities transferred through the acquisition of Albion Income & Growth VCT PLC are shown in note 10. In addition, £106,000 of the merger costs attributable to Albion Technology & General VCT PLC has been deducted from the share premium account in so far as they relate to the issue of new shares.

*** A transfer of £681,000 representing gross realised losses on disposal of investments during the year ended 31 December 2013 (2012: £632,000 gross realised losses) has been made from the other distributable reserve to the realised capital reserve.

**** The reduction in the nominal value of shares from 50 pence to 1 penny, the cancellation of the deferred share, capital redemption and share premium reserves (as approved by shareholders at the General Meeting held on 22 June 2012 and by order of the Court dated 11 July 2012) has increased the value of the other distributable reserve.

Cash flow statement

	Note	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Operating activities			
Loan stock income received		**1,159**	1,225
Deposit interest received		**30**	19
Dividend income received		**15**	–
Investment management fees paid		**(887)**	(847)
Other cash payments		**(210)**	(216)
Net cash flow from operating activities	19	**107**	181
Taxation			
UK corporation tax (paid)/recovered		**(2)**	(9)
Capital expenditure and financial investments			
Purchase of fixed asset investments		**(3,082)**	(2,338)
Disposal of fixed asset investments		**3,778**	1,685
Disposal of current asset investments		**–**	1,295
Net cash flow from investing activities		**696**	642
Equity dividends paid (net of costs of issuing shares under the Dividend Reinvestment Scheme)		**(1,912)**	(1,854)
Net cash flow before financing		**(1,111)**	(1,040)
Financing			
Issue of share capital (net of issue costs)		**1,877**	1,751
Purchase of own shares (including costs)	16	**(1,209)**	(502)
Cash acquired from Albion Income & Growth VCT PLC		**2,273**	–
Costs of Merger (paid on behalf of the Company and Albion Income & Growth VCT PLC)		**(260)**	–
Net cash flow from financing		**2,681**	1,249
Cash flow in the year	18	**1,570**	209

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" ("SORP") issued by The Association of Investment Companies ("AIC") in January 2009. Accounting policies have been applied consistently in current and prior periods.

2. Accounting policies

Fixed and current asset investments

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

In accordance with FRS 26 "Financial Instruments Recognition and Measurement", quoted and unquoted equity, debt issued at a discount and convertible bonds are designated as fair value through profit or loss ("FVTPL"). Investments listed on recognised exchanges are valued at the closing bid prices at the end of the accounting period. Unquoted investments' fair value is determined by the Directors in accordance with the December 2012 International Private Equity and Venture Capital Valuation Guidelines (IPEVCV guidelines).

Fair value movements on equity investments and gains and losses arising on the disposal of investments are reflected in the capital column of the Income statement in accordance with the AIC SORP. 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 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) are 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 amortised cost relating to interest income are reflected in the revenue column of the Income statement, and hence are reflected in the other distributable reserve, and 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 movements arising from revaluations of the fair value of the security.

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

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.

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 as part of an investment portfolio are not accounted for using the equity method.

Current asset investments

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

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.

Acquisition of assets and liabilities from Albion Income & Growth VCT PLC

On 15 November 2013 the Company acquired the assets and liabilities of Albion Income & Growth VCT PLC. The income and costs for the period up to 14 November 2013 and the comparable period for last year reflect the activities of the Company before the acquisition and after that date reflect those of the Company as enlarged by the acquisition. Further information is contained in note 10 on page 47.

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 an 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 accruals basis using the rate of interest agreed with the bank.

Investment management fees and expenses

All expenses have been accounted for on an accruals basis. Expenses are charged through the other distributable reserve except the following which are charged through the realised capital reserve:

- 75 per cent. of management fees are allocated to the realised capital reserve. This is in line with the Board's expectation that over the long term 75 per cent. of the Company's investment returns will be in the form of capital gains; and
- expenses which are incidental to the purchase or disposal of an investment are charged through the realised capital reserve.

Notes to the Financial Statements (continued)

2. Accounting policies (continued)

Performance incentive fee

In the event that a performance incentive fee crystallises, the fee will be allocated between other distributable 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. Deferred tax assets and liabilities are not discounted.

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

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 other distributable 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.

Unrealised capital reserve

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

Realised capital reserve

The following are disclosed in this reserve:

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

Other distributable reserve

The special reserve, treasury share reserve and the revenue reserve have been combined as a single reserve named other distributable reserve.

This reserve accounts for movements from the revenue column of the Income statement, the payment of dividends, the buy-back of shares and other non capital realised movements.

Dividends

In accordance with FRS 21 "Events after the balance sheet date", dividends by the Company are accounted for in the period in which the dividend is declared.

Notes to the Financial Statements (continued)

3. Gains on investments

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Unrealised gains on fixed asset investments held at fair value through profit or loss	**2,405**	1,363
Unrealised reversals of impairments on fixed asset investments held at amortised cost	**649**	12
Unrealised gains on fixed asset investments sub-total	**3,054**	1,375
Unrealised gains on current assets held at fair value through profit or loss	**28**	65
Unrealised gains sub-total	**3,082**	1,440
Realised gains/(losses) on fixed asset investments held at fair value through profit or loss	**796**	(136)
Realised (losses)/gains on fixed asset investments held at amortised cost	**(91)**	–
Realised gains/(losses) on fixed asset investments sub-total	**705**	(136)
Realised gains on current asset investments held at fair value through profit or loss	**–**	63
Realised gains/(losses) sub-total	**705**	(73)
	3,787	1,367

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

4. Investment income

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Income recognised on investments held at fair value through profit or loss		
Dividend income	**17**	–
Income from convertible bonds and discounted debt	**109**	135
	126	135
Income recognised on investments held at amortised cost		
Return on loan stock investments	**926**	1,076
Bank deposit interest	**30**	13
	956	1,089
	1,082	1,224

Interest income earned on impaired investments at 31 December 2013 amounted to £328,000 (2012: £496,000). These investments are all held at amortised cost.

Notes to the Financial Statements (continued)

5. Investment management fees

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Investment management fee charged to revenue	**247**	215
Investment management fee charged to capital	**743**	644
	990	859

Further details of the Management agreement under which the investment management fee is paid are given in the Directors' report on pages 24 and 25.

During the year, services of a total value of £990,000 (2012: £859,000) were purchased by the Company from Albion Ventures LLP in respect of management fees. At the financial year end, the amount due to Albion Ventures LLP in respect of these services disclosed as accruals was £403,000 (2012: £216,000).

Patrick Reeve is the Managing Partner of the Manager, Albion Ventures LLP. During the year, the Company was charged by Albion Ventures LLP £18,000 (including VAT) in respect of his services as a Director (2012: £19,000). At the year end, the amount due to Albion Ventures LLP in respect of these services disclosed as accruals was £5,300 (2012: £3,500).

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.

Albion Ventures LLP is, from time to time, eligible to receive transaction fees and Directors' fees from portfolio companies. During the year ended 31 December 2013, fees of £142,000 attributable to the investments of the Company were received pursuant to these arrangements (2012: £155,000). Albion Ventures LLP received 1,346 Ordinary shares as a result of fractional entitlements arising from the merger of Albion Income & Growth VCT PLC into the Company on 15 November 2013. During the year, these shares were sold and the proceeds retained for the benefit of the Company.

During the year the Company raised new funds through the Albion VCTs Top Up Offers 2012/2013 as described in note 16. The total cost of the issue of these shares was 3.0 per cent. of the sums subscribed. Of these costs, an amount of £3,186 (2012: £7,403) 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.

6. Other expenses

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Directors' fees (including VAT and NIC)	**80**	78
Other administrative expenses	**32**	89
Merger costs	**80**	–
Tax services	**19**	19
Auditor's remuneration for statutory audit services (excluding VAT)	**36**	24
	247	210

Auditor's remuneration for statutory audit services includes £17,000 in relation to auditor review of the investment valuations in advance of the merger of Albion Income & Growth VCT PLC with Albion Technology & General VCT PLC on 15 November 2013.

7. Directors' fees

The amounts paid to and on behalf of the Directors during the year are as follows:

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Directors' fees	**71**	70
National insurance and/or VAT	**9**	8
	80	78

Further information regarding Directors' remuneration can be found in the Directors' remuneration report on pages 33 and 34.

Notes to the Financial Statements (continued)

8. Tax credit/(charge) on ordinary activities

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
UK corporation tax charge in respect of current year	**–**	(31)
UK corporation tax credit in respect of prior years	**20**	27
	20	(4)

Factors affecting the tax charge:

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Return on ordinary activities before taxation	**3,629**	1,522
Tax charge on profit at the small companies rate	**(726)**	(304)
Factors affecting the charge:		
Non-taxable gains	**757**	273
Income not taxable	**3**	–
Items not deductible	**(16)**	–
Excess management expenses	**(18)**	–
Consortium relief in respect of prior years	**20**	27
	20	(4)

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 20 per cent. (2012: 20 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) The Company has excess trading losses of £94,000 (2012: £Nil) that are available for offset against future profits. A deferred tax asset of £18,800 (2012: £Nil) has not been recognised in respect of these losses.

9. Dividends

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Ordinary shares' dividend of 2.50p per share paid on 30 April 2012	**–**	1,018
Ordinary shares' dividend of 2.50p per share paid on 31 October 2012	**–**	1,015
Ordinary shares' dividend of 2.50p per share paid on 30 April 2013	**1,061**	–
Ordinary shares' dividend of 2.50p per share paid on 31 October 2013	**1,055**	–
	2,116	2,033

In addition to the dividends summarised above, the Board declared a first dividend for the year ending 31 December 2014 of 1.25 pence per Ordinary share. This dividend was paid on 31 January 2014 to shareholders on the register as at 10 January 2014. The total dividend was £945,000. The Board has declared a second dividend for the year ending 31 December 2014 of 1.25 pence per Ordinary share. The dividend will be paid on 30 April 2014 to shareholders on the register as at 11 April 2014. The total dividend will be approximately £960,000.

Notes to the Financial Statements (continued)

10. Acquisition of the assets and liabilities of Albion Income & Growth VCT PLC

On 15 November 2013, the following assets and liabilities of Albion Income & Growth VCT PLC ("Income & Growth") were transferred to the Company in exchange for the issue to Income & Growth shareholders of 33,664,049 shares in the Company, at an issue price of 83.38 pence per share:

	£'000
Fixed asset investments	**25,948**
Debtors	**117**
Cash at bank and in hand	**2,273**
Current asset investments	**54**
Creditors	**(163)**
Merger costs	**(154)**
	28,075

Shareholders should note that under accounting standards, the calculation of the net asset value per share uses the total shares in issue (less treasury shares), whereas the calculation of the total return uses the weighted average shares in issue during the period. Due to the amount of shares issued during the year as a result of the merger with Income & Growth, the difference between the total shares in issue (less treasury shares) and the weighted average share in issue during the period has resulted in the total return per share being 1.05 pence higher than if the shares in issue (less treasury shares) had been applied to the movement in the Balance sheet since merger. This difference in the number of shares for each respective calculation will converge over time.

On 15 November 2013, Income & Growth was placed into members' voluntary liquidation pursuant to a scheme of reconstruction under section 110 of the Insolvency Act 1986.

The net asset value ("NAV") per share of each fund used for the purposes of conversion at the calculation date of 14 November 2013 were 83.38 pence per share and 65.15 pence per share for the Company and Income & Growth respectively. The conversion ratio for each Income & Growth share was 0.7813 Albion Technology & General VCT PLC share for each Income & Growth share.

11. Basic and diluted return per share

	Year ended 31 December 2013			Year ended 31 December 2012		
	Revenue	**Capital**	**Total**	Revenue	Capital	Total
Return attributable to equity shares (£'000)	**464**	**3,188**	**3,652**	638	880	1,518
Weighted average shares in issue (excluding treasury shares)		**46,363,621**			40,576,647	
Return attributable per equity share (pence)	**1.00**	**6.90**	**7.90**	1.60	2.10	3.70

The weighted average number of shares is calculated excluding treasury shares of 4,341,070 (2012: 4,341,070).

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.

12. Fixed asset investments

	31 December 2013	31 December 2012
	£'000	£'000
Investments held at fair value through profit or loss		
Unquoted equity and preference shares	**25,093**	11,624
Discounted debt and convertible loan stock	**10,609**	5,257
	35,702	16,881
Investments held at amortised cost		
Unquoted loan stock	**25,935**	16,174
	61,637	33,055

Notes to the Financial Statements (continued)

12. Fixed asset investments (continued)

	31 December 2013 £'000	31 December 2012 £'000
Opening valuation	**33,055**	30,980
Purchases at cost	**3,001**	2,515
Transfer on Merger	**25,948**	–
Disposal proceeds	**(4,001)**	(1,677)
Realised gains/(losses)	**705**	(136)
Movement in loan stock accrued income	**(125)**	(3)
Unrealised gains	**3,054**	1,375
Closing valuation	**61,637**	33,055
Movement in loan stock accrued income		
Opening accumulated movement in loan stock accrued income	**276**	279
Movement in loan stock accrued income	**(125)**	(3)
Closing accumulated movement in loan stock accrued income	**151**	276
Movement in unrealised losses		
Opening accumulated unrealised losses	**(6,790)**	(8,281)
Transfer of previously unrealised (losses)/gains to realised reserve on disposal of investments	**(570)**	116
Movement in unrealised gains	**3,054**	1,375
Closing accumulated unrealised losses	**(4,306)**	(6,790)
Historic cost basis		
Opening book cost	**39,569**	38,982
Purchases at cost	**3,001**	2,515
Transfer on Merger	**25,948**	–
Sales at cost	**(2,725)**	(1,927)
Closing book cost	**65,793**	39,569

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

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.

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 2013 £'000**	31 December 2012 £'000
Cost and price of recent investment (reviewed for impairment)	**6,501**	2,054
Net asset value supported by third party or desktop valuation	**8,636**	2,341
Earnings multiple	**6,266**	4,565
Revenue multiple	**11,238**	6,864
Agreed offer or agreed new investment price	**3,061**	1,057
	35,702	16,881

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

Notes to the Financial Statements (continued)

12. Fixed asset investments (continued)

Fair value investments had the following movements between valuation methodologies between 31 December 2012 and 31 December 2013:

Change in valuation methodology (2012 to 2013)	Value as at 31 December 2013 £'000	Explanatory note
Revenue multiple to agreed new investment price	**2,019**	Agreed new investment price
Cost and price of recent investment (reviewed for impairment) to net asset value supported by third party valuation	**405**	More recent information 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 December 2012 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 2013.

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 2013 which are valued at fair value through profit or loss, are valued according to Level 3 methods (2012: Level 3).

Investments held at fair value through profit or loss (Level 3) had the following movements in the year to 31 December 2013:

	31 December 2013			31 December 2012		
	Equity £'000	**Convertible and discounted bonds £'000**	**Total £'000**	Equity £'000	Convertible and discounted bonds £'000	Total £'000
Opening balance	**11,624**	**5,257**	**16,881**	10,659	3,546	14,205
Additions	**2,125**	**2,104**	**4,229**	826	1,260	2,086
Transfer on Merger	**9,849**	**4,261**	**14,110**	–	–	–
Disposals	**(1,023)**	**(1,705)**	**(2,728)**	(614)	(23)	(637)
Accrued loan stock interest	**–**	**(36)**	**(36)**	–	–	–
Realised gains/(losses)	**234**	**562**	**796**	210	(346)	(136)
Debt/equity swap and representation of convertible bond and debt	**135**	**(90)**	**45**	643	(643)	–
Unrealised gains/(losses) on equity investments	**2,149**	**256**	**2,405**	(100)	1,463	1,363
Closing balance	**25,093**	**10,609**	**35,702**	11,624	5,257	16,881

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 51 per cent. of the equity, discounted debt and convertible bond investments (by valuation) is based on third-party independent evidence, recent investment price and agreed offer 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 £1,613,000 or a decrease in the valuation of investments by £1,735,000.

Notes to the Financial Statements (continued)

13. 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 portfolio 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 portfolio companies as at 31 December 2013 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%
AMS Sciences Limited	Great Britain	Provides metabolism data	41.7% Ordinary	41.7%
Blackbay Limited	Great Britain	Mobile data solutions	67.1% A Ordinary	23.5%
Bravo Inns Limited	Great Britain	Own and operates pubs	28.8% Ordinary	28.8%
Chichester Holdings Limited	Great Britain	Drinks distribution to the travel sector	35.9% C Ordinary	37.6%
Consolidated PR Limited	Great Britain	Public relations agency	50.0% A Ordinary	21.7%
Helveta Limited	Great Britain	Software for timber industry	30.3% Ordinary	30.3%
Mi-Pay Limited	Great Britain	Mobile payment processing	31.2% Ordinary	31.2%
Orchard Portman Hospital Limited	Great Britain	A psychiatric hospital	24.0% Ordinary	24.0%
Premier Leisure (Suffolk) Limited	Great Britain	Owner of commercial property	25.8% Ordinary	25.8%
Rostima Holdings Limited	Great Britain	Software company for marine and aviation industries	29.3% Ordinary	29.3%
The Charnwood Pub Company Limited	Great Britain	Own and operates pubs	22.5% Ordinary	22.5%
The Dunedin Pub Company VCT Limited	Great Britain	Owns and operates a pub	25.8% Ordinary	25.8%
The Q Garden Company Limited	Great Britain	Garden centre operator	33.4% A Ordinary	33.4%
The Weybridge Club Limited	Great Britain	Owns and operates a health club	25.2% Ordinary	25.2%

The investments listed above are held as part of an investment portfolio and therefore, as permitted by FRS 9, they are measured at fair value and not accounted for using the equity method.

14. Current assets

Trade and other debtors	31 December 2013 £'000	31 December 2012 £'000
Prepayments and accrued income	**17**	15
Other debtors	**333**	6
	350	21

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

Current asset investments	31 December 2013 £'000	31 December 2012 £'000
Contingent future receipts from the disposal of fixed asset investments	**147**	65

The fair value hierarchy applied to contingent future receipts on disposal of fixed asset investments is Level 3. These receipts may not crystallise within 12 months.

15. Creditors: amounts falling due within one year

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Trade creditors	**19**	6
Accruals and deferred income	**483**	280
UK corporation tax payable	**11**	23
Other creditors	**16**	29
	529	338

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

Notes to the Financial Statements (continued)

16. Called up share capital

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Allotted, called up and fully paid		
79,945,976 Ordinary shares of 1 penny each (2012: 45,365,688 Ordinary shares)	**799**	454

Voting rights

75,604,906 Ordinary shares of 1 penny each (net of treasury shares) (2012: 41,024,618 Ordinary shares (net of treasury shares)).

During the period the Company purchased 1,591,723 Ordinary shares for cancellation (2012: 75,936) at a cost of £1,209,000 including stamp duty (2012: £49,000), representing 2 per cent. of its issued share capital as at 31 December 2013. The shares purchased for cancellation were funded by the other distributable reserve.

The Company did not purchase any shares for treasury during the period to 31 December 2013 (2012: 650,070 at a cost of £453,000). The Company did not cancel any shares from treasury during the period to 31 December 2013 (2012: 599,372) leaving a balance of 4,341,070 Ordinary shares in treasury (2012: 4,341,070) which represents 5.4 per cent. of the issued share capital as at 31 December 2013.

The Company issued 33,664,049 Ordinary shares to former shareholders of Albion Income & Growth VCT PLC, at an issue price of 83.38p, as part of the Merger explained in note 10.

Under the terms of the dividend reinvestment scheme, the following Ordinary shares of nominal value 1 penny each were allotted during the year:

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)
30 April 2013	135,236	1	81.50	101	77.00
31 October 2013	130,937	1	82.10	105	77.00
	266,173	**2**		**206**	

Under the terms of the Albion VCTs Top Up Offers 2012/2013, the following Ordinary shares of nominal value 1 penny each were allotted during the year:

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)
5 April 2013	1,601,492	16	86.60	1,345	74.00
12 June 2013	640,297	6	85.60	532	77.00
	2,241,789	**22**		**1,877**	

The Albion VCTs Top Up Offers 2012/2013 closed on 12 June 2013. In aggregate, the Company raised a total of £2.1 million.

17. Basic and diluted net asset value per share

	31 December 2013 (pence per share)	31 December 2012 (pence per share)
Basic and diluted net asset value per Ordinary share	**85.75**	84.00

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 75,604,906 Ordinary shares (2012: 41,024,618 Ordinary shares) at 31 December 2013.

Notes to the Financial Statements (continued)

18. Analysis of changes in cash during the year

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Opening cash balances	**1,656**	1,447
Net cash flow	**1,570**	209
Closing cash balances	**3,226**	1,656

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

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Revenue return on ordinary activities before taxation	**588**	800
Investment management fee charged to capital	**(743)**	(643)
Movement in accrued amortised loan stock interest	**125**	3
(Increase) in debtors	**(1)**	(5)
Increase in creditors	**138**	26
Net cash flow from operating activities	**107**	181

20. Capital and financial instruments risk management

The Company's capital comprises Ordinary shares as described in note 16. The Company is permitted to buy back its own shares for cancellation or treasury purposes and this is described in more detail on page 7 of the Chairman's statement.

The Company's financial instruments comprise equity and loan stock investments in unquoted companies, 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 investments, details of which are shown on pages 18 to 20. 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 portfolio company and the dynamics of market quoted comparators. The Manager receives management accounts from portfolio companies, and members of the investment management team often sit on the boards of unquoted portfolio 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 £61,784,000 (2012: £33,120,000). Fixed and current asset investments form 95 per cent. of the net asset value as at 31 December 2013 (2012: 96 per cent.).

More details regarding the classification of fixed and current asset investments are shown in notes 12 and 14.

Notes to the Financial Statements (continued)

20. Capital and financial instruments risk management (continued)

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 18 to 20 and in the Strategic 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 £6,178,000 (2012: £3,312,000).

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 £21,000 (2012: £16,000). 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 unquoted loan stock during the year was approximately 4.5 per cent. (2012: 5.3 per cent.). The weighted average period to maturity for the unquoted loan stock is approximately 2.7 years (2012: 2.5 years).

The Company’s financial assets and liabilities as at 31 December 2013, all denominated in pounds sterling, consist of the following:

	31 December 2013				31 December 2012			
	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	**–**	**–**	**25,093**	**25,093**	–	–	11,624	11,624
Unquoted loan stock*	**31,532**	**–**	**5,012**	**36,544**	17,913	348	3,170	21,431
Debtors**	**–**	**–**	**337**	**337**	–	–	8	8
Current asset investments	**–**	**–**	**147**	**147**	–	–	65	65
Current liabilities**	**–**	**–**	**(518)**	**(518)**	–	–	(315)	(315)
Cash	**589**	**2,637**	**–**	**3,226**	1,249	407	–	1,656
Total	**32,121**	**2,637**	**30,071**	**64,829**	19,162	755	14,552	34,469

*Including convertible loan stock and debt issued at a discount.

**The debtors and current liabilities do not reconcile to the balance sheet as prepayments and tax payable are not included in the above table.

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 portfolio company in order to mitigate the gross credit risk. The Manager receives management accounts from portfolio companies, and members of the investment management team sit on the boards of unquoted portfolio 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 2013 was limited to £36,544,000 (2012: £21,431,000) of unquoted loan stock instruments (all are secured on the assets of the portfolio company) and £3,226,000 (2012: £1,656,000) cash deposits with banks.

Notes to the Financial Statements (continued)

20. Capital and financial instruments risk management (continued)

As at the balance sheet date, the cash held by the Company is held with Lloyds Bank plc, Scottish Widows Bank plc (part of Lloyds Banking Group), Barclays Bank plc and National Westminster Bank plc. Credit risk on cash transactions is mitigated by transacting with counterparties that are regulated entities subject to prudential supervision, with high credit ratings 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 credit profile of unquoted loan stock is described under liquidity risk below.

The cost, impairment and carrying value of impaired loan stocks in the Ordinary share portfolio held at amortised cost at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013			31 December 2012		
	Cost £'000	**Impairment £'000**	**Carrying value £'000**	Cost £'000	Impairment £'000	Carrying value £'000
Impaired loan stock	**12,766**	**(2,860)**	**9,906**	10,845	(3,487)	7,358

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

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 £6,293,000 as at 31 December 2013 (2012: £3,343,000).

The Company has no committed borrowing facilities as at 31 December 2013 (2012: £nil). The Company had cash balances of £3,226,000 (2012: £1,656,000). 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 £529,000 as at 31 December 2013 (2012: £338,000).

The carrying value of loan stock investments at 31 December 2013, 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	**5,325**	**7,828**	**3,756**	**16,909**
1-2 years	**3,866**	**1,531**	**2,148**	**7,545**
2-3 years	**3,338**	**260**	**740**	**4,338**
3-5 years	**4,133**	**287**	**40**	**4,460**
+5 years	**2,534**	**–**	**758**	**3,292**
Total	**19,196**	**9,906**	**7,442**	**36,544**

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 £758,000 which has interest overdue for 9 months, yielded 8.6 per cent. on cost;
- Loan stock with a carrying value of £1,748,000 had loan stock interest past due of 12 months (through not paying all of its contractual interest). This investment has yielded 5.8 per cent. on cost during the year;
- Loan stock with a carrying value of £4,532,000 had loan stock interest past due of up to 2 years;
- Loan stock with a carrying value of £404,000 yielding 14.6 per cent. which has capital past due of 3 years.

Notes to the Financial Statements (continued)

20. Capital and financial instruments risk management (continued)

The carrying value of loan stock investments at 31 December 2012, 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	1,318	4,324	1,870	7,512
1-2 years	2,051	2,490	567	5,108
2-3 years	955	96	779	1,830
3-5 years	3,403	448	1,536	5,387
+5 years	1,460	–	134	1,594
Total	9,187	7,358	4,886	21,431

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 2013 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.

21. Commitments and contingencies

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

- Chonais Holdings Limited; £645,000
- Green Highland Renewables (Ledgowan) Limited: £560,000
- Relayware Limited; £254,000
- Proveca Limited; £112,000
- MyMeds&Me Limited; £110,000
- Mi-Pay Limited; £58,000
- The Street by Street Solar Programme Limited; £32,000
- Abcodia Limited; £15,000

22. Post balance sheet events

Since 31 December 2013 the Company has had the following post balance sheet events:

- Investment of £200,000 in Egress Software Technologies Limited;
- Investment of £135,000 in Grapeshot Limited;
- Investment of £58,000 in Mi-Pay Limited;
- Investment of £54,000 in Orchard Portman Hospital Limited;
- Investment of £47,000 in Rostima Holdings Limited;
- Investment of £32,000 in The Street by Street Solar Programme Limited;
- Investment of £25,000 in Sandcroft Avenue Limited;
- Investment of £15,000 in Abcodia Limited;
- Investment of £14,000 in Mirada Medical Limited;

On 6 November 2013 the Company announced the launch of the Albion VCTs Top Up Offers 2013/2014. On 14 March 2014, the Company announced an increase in the size of the Albion VCTs Top Up Offers 2013/14. In aggregate, the Albion VCTs will be aiming to raise up to £27 million across six of the VCTs managed by Albion Ventures LLP, of which Albion Technology & General VCT PLC will be aiming to raise approximately £7 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.

The funds raised by each Company pursuant to its Offer wil be added to the liquid resources available for investment so as to put each Company into a position to take advantage of attractive investment opportunities over the next two to three years. Accordingly, the proceeds of the Offers will be applied in accordance with the respective Companies' investment policy. A Prospectus has been published and can be obtained from www.albion-ventures.co.uk.

Notes to the Financial Statements (continued)

22. Post balance sheet events (continued)

The following Ordinary shares of nominal value 1 penny were allotted under the Offers after 31 December 2013:

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)
31 January 2014	605,375	6	84.60	499	77.50
31 January 2014	495,432	5	84.10	409	77.50
31 January 2014	18,007	0	83.30	15	77.50
	1,118,814	**11**		**923**	

Under the terms of the dividend reinvestment scheme, the following Ordinary shares of nominal value 1 penny each were allotted after 31 December 2013:

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)
31 January 2014	110,409	1	82.13	84	77.50

23. Related Party Transactions

There are no 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 19 June 2014 at 11.00am for the following purposes:

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

Ordinary Business

1. To receive and adopt the Company's accounts for the year ended 31 December 2013 together with the report of the Directors and Auditor.

2. To approve the Directors' remuneration policy for the year ended 31 December 2013.

3. To approve the Directors' remuneration report for the year ended 31 December 2013.

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

5. To elect Robin Archibald as a Director of the Company.

6. To elect Mary Anne Cordeiro as a Director of the Company.

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

8. To re-appoint BDO LLP as Auditor of the Company to hold office from conclusion of the meeting to the conclusion of the next meeting at which audited accounts are to be laid.

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

Special Business

10. 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 1 penny per share in the Company up to an aggregate nominal amount of £81,175 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.

11. That, subject to the authority and conditional on the passing of resolution number 10, 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 10 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

    (c) otherwise than pursuant to paragraphs (a) to (b) above, up to an aggregate nominal amount of £81,175.

    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.

Notice of Annual General Meeting (continued)

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 10 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.

12. 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 1 penny each in the capital of the Company ("Ordinary shares"), on such terms as the Directors think fit, and where such shares are held as treasury shares, the Company may use them for the purposes set out in section 727 of the 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 1 penny (exclusive of expenses);

    (c) the maximum price (exclusive of expenses) which may be paid for a share shall be an amount being not more than the higher of (i) 105% 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 12 is intended to apply equally to shares to be held by the Company as treasury shares in accordance with the Regulations.

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

By order of the Board

Albion Ventures LLP
Company Secretary

Registered office
1 King's Arms Yard
London, EC2R 7AF
21 March 2014
Registered in England and Wales with number 04114310

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.investorcentre.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 11.00am on 17 June 2014.

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 11.00am on 17 June 2014 (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 11.00am on 17 June 2014. 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 18 March 2014 (being the latest practicable date prior to the publication of this Notice), the Company's issued share capital consists of 81,175,199 Ordinary shares with a nominal value of 1 penny each. The Company also holds 4,341,070 Ordinary shares in treasury. Therefore, the total voting rights in the Company as at 18 March 2014 are 76,834,129.

Unaudited proforma information for Albion Income & Growth VCT PLC

As detailed in the Chairman's statement and Strategic report, no separate audited results for Albion Income & Growth VCT PLC will be published for the year to 30 September 2013.

Therefore, set out below are the unaudited results for the period, in comparison to the previous year.

	Albion Income & Growth VCT PLC Year ended 30 September 2013			Albion Income & Growth VCT PLC Year ended 30 September 2012		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	**–**	**1,060**	**1,060**	–	1,994	1,994
Investment income	**982**	**–**	**982**	1,052	–	1,052
Investment management fees	**(174)**	**(523)**	**(697)**	(171)	(515)	(686)
Other expenses	**(200)**	**–**	**(200)**	(249)	–	(249)
Return on ordinary activities before tax	**608**	**537**	**1,145**	632	1,479	2,111
Tax (charge)/credit on ordinary activities	**(94)**	**117**	**23**	(107)	124	17
Return attributable to shareholders	**514**	**654**	**1,168**	525	1,603	2,128
Basic and diluted return per share (pence)*	**1.20**	**1.60**	**2.80**	1.30	3.80	5.10

*excluding treasury shares

Set out below is a set of unaudited pro-forma results, had the two Companies merged at the start of the year:

	Unaudited AAIG 10.5 months to 14 November 2013 £'000	**Audited AATG 12 months to December 2013 £'000**	**Unaudited Pro-forma Combined to 31 December 2013 £'000**
Gains on investments	454	3,787	4,241
Investment income	833	1,082	1,915
Investment management fee	(610)	(990)	(1,600)
Other expenses	(177)	(247)	(424)
Return before tax	**500**	**3,632**	**4,132**
Tax credit	30	20	50
Dividends paid	(1,496)	(2,116)	(3,612)
Transfer (from)/to reserves	**(966)**	**1,536**	**570**

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Albion Technology & General VCT PLC

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