

Albion Technology & General VCT PLC

Annual Report and Financial
Statements for the year
ended 31 December 2020

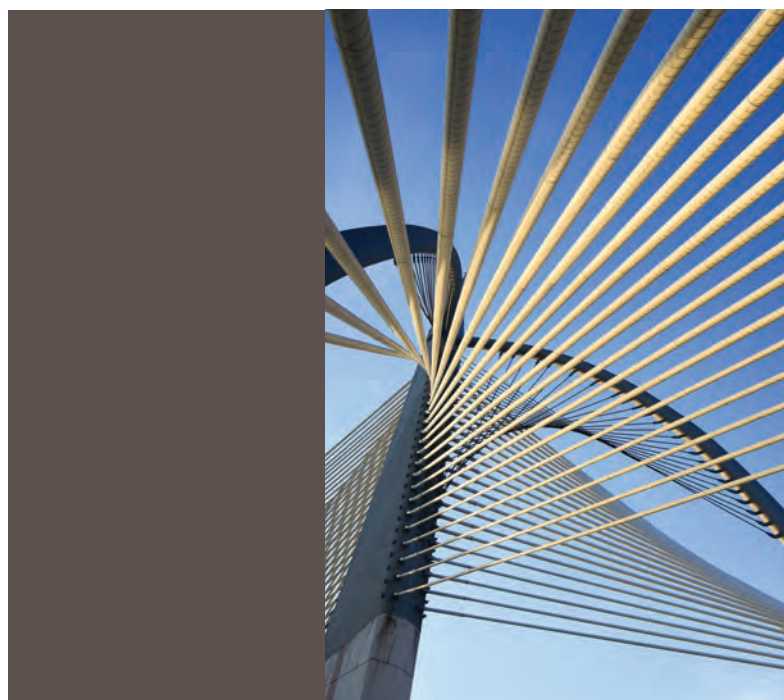
2020

AlbionCapital

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Company information

Company number

04114310

Directors

Dr. N E Cross, Chairman
R Archibald
M A Cordeiro
P M Payn
M V Rees-Mogg
P H Reeve

Country of incorporation

United Kingdom

Legal form

Public Limited Company

Manager, company secretary, AIFM and registered office

Albion Capital Group LLP
1 Benjamin Street
London, EC1M 5QL

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol, BS99 6ZZ

Auditor

BDO LLP
55 Baker Street
London, W1U 7EU

Corporate broker

Panmure Gordon (UK) Limited
One New Change
London, EC4M 9AF

Taxation adviser

Philip Hare & Associates LLP
1 Temple Avenue
London, EC4Y 0HA

Legal adviser

Bird & Bird LLP
12 New Fetter Lane
London, EC4A 1JP

Depositary

Ocorian Depositary (UK) Limited
Level 5, 20 Fenchurch Street
London, EC3M 3BY

Albion Technology & General VCT PLC is a member of The Association of Investment Companies (www.theaic.co.uk).

Shareholder information

For help relating to dividend payments, shareholdings and share certificates please contact Computershare Investor Services PLC:
Tel: 0370 873 5854 (UK National Rate call, lines are open 8.30am – 5.30pm;
Mon – Fri, calls are 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.

Shareholders can also contact the Chairman directly on: AATGchair@albion.capital

Financial adviser information

For enquiries relating to the performance of the Company, and information for financial advisers please contact the Business Development team at Albion Capital Group LLP:

Email: info@albion.capital

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

Website: www.albion.capital

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

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 a balanced portfolio of predominantly unquoted growth and technology businesses in a qualifying Venture Capital Trust ("VCT").

Investment policy

The Company will invest in a broad portfolio of unquoted growth and technology businesses. Allocation of assets will be determined by the investment opportunities which become available, but efforts will be made to ensure that the portfolio is diversified in terms of sectors and stages of maturity of portfolio companies.

VCT qualifying and non-qualifying investments

Application of the investment policy is designed to ensure that the Company continues to qualify and is approved as a VCT by HM Revenue and Customs ("VCT regulations"). The maximum amount invested in any one company is limited to any HMRC annual investment limits. It is intended that normally at least 80 per cent. of the Company's funds will be invested in VCT qualifying investments. The VCT regulations also have an impact on the type of investments and qualifying sectors in which the Company can make an investment.

Funds held either prior to investing in VCT qualifying assets or for liquidity purposes will be held as cash on deposit, invested in floating rate notes or similar instruments with banks or other financial institutions with high credit ratings or invested in liquid open-ended equity funds providing income and capital equity exposure (where it is considered economic to do so). Investment in such open-ended equity funds will not exceed 7.5 per cent. of the Company's assets at the time of investment.

Risk diversification and maximum exposures

Risk is spread by investing in a number of different businesses within VCT qualifying industry sectors using a mixture of securities. The maximum the Company will invest in a single company is 15 per cent. of the Company's assets at cost at the time of investment. The value of an individual investment is expected to increase over time as a result of trading progress and a continuous assessment is made of investments' suitability for sale. It is possible that individual holdings may grow in value to a point where they represent a significantly higher proportion of total assets prior to a realisation opportunity being available.

Borrowing powers

The Company's maximum exposure in relation to gearing is restricted to 10 per cent. of the adjusted share capital and reserves. The Directors do not have any intention of utilising long-term gearing.

Background to the Company

The Company is a VCT which raised £14.3 million in December 2000, 2002 and raised a further £35.0 million during 2006 through the launch of a C share issue. The Company has raised a further £54.7 million 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 in exchange for new shares in the Company resulting in a further £28.1 million of net assets.

Financial calendar

Annual General Meeting	Noon on 27 May 2021
Record date for first dividend	4 June 2021
Payment date of first dividend	30 June 2021
Announcement of Half-yearly results for the six months ending 30 June 2021	September 2021

Financial summary

185.30p

Total shareholder value per Ordinary share since launch

(0.28)p

Total loss per share for the year ended 31 December 2020 (0.3 % loss on opening net asset value per share)

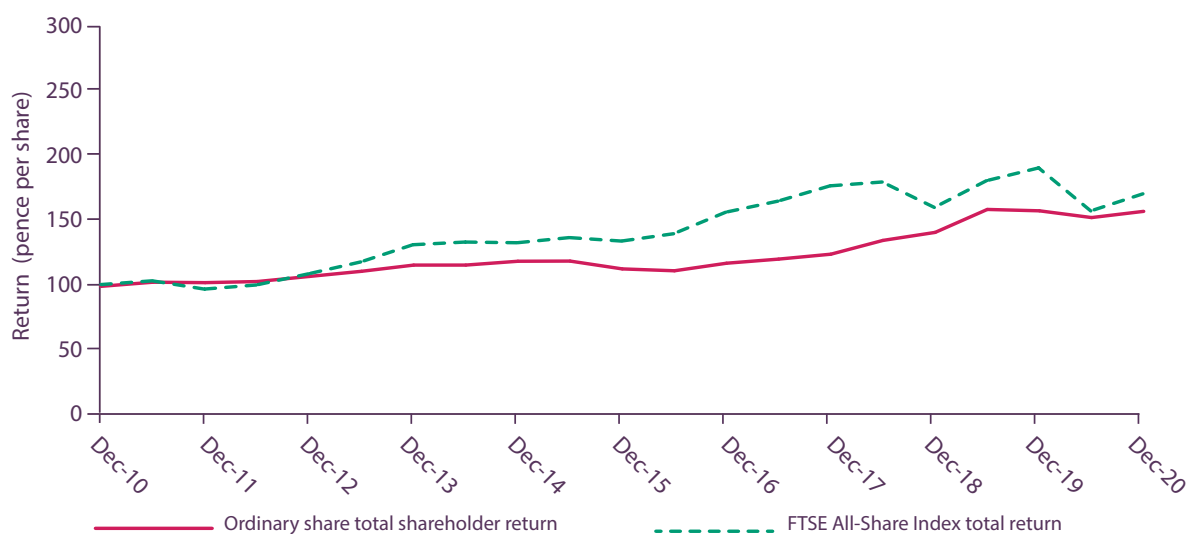
12.95p

Total tax-free dividend per Ordinary share paid in the year to 31 December 2020

69.35p

Net asset value per Ordinary share as at 31 December 2020

Total shareholder value relative to FTSE All-Share Index total return (with dividends reinvested)



Source: Albion Capital Group LLP

Methodology: The total shareholder value to the shareholder including original amount invested (rebased to 100) from 1 January 2011, assuming that dividends were reinvested 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.

Financial summary continued

	31 December 2020 (pence per share)	31 December 2019 (pence per share)
Opening net asset value	82.58	77.40
Capital (loss)/return	(0.06)	8.81
Revenue (loss)/return	(0.22)	0.47
Total (loss)/return	(0.28)	9.28
Ordinary dividends paid	(3.95)	(4.00)
Special dividend paid	(9.00)	–
Impact from share capital movements	–	(0.10)
Net asset value	69.35	82.58

Total shareholder value to 31 December 2020	Ordinary share (pence per share)
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
31 December 2005	9.00
31 December 2006	8.00
31 December 2007	8.00
31 December 2008	16.00
31 December 2009	–
31 December 2010	8.00
31 December 2011	5.00
31 December 2012	5.00
31 December 2013	5.00
31 December 2014	5.00
31 December 2015	5.00
31 December 2016	5.00
31 December 2017	4.00
31 December 2018	4.00
31 December 2019	4.00
31 December 2020	12.95
Total dividends paid to 31 December 2020	115.95
Net asset value as at 31 December 2020	69.35
Total shareholder value to 31 December 2020	185.30

In addition to the dividends summarised above, the Board has declared a first dividend for the year ending 31 December 2021 of 1.73 pence per share to be paid on 30 June 2021 to shareholders on the register on 4 June 2021.

Further details regarding the total shareholder value for C Shares and Albion Income and Growth VCT PLC can be found at www.albion.capital/funds/AATG under the 'Financial Summary for Previous Funds' section.

Notes

Total shareholder value for every 100 pence invested on initial allotment. The table above excludes tax benefits upon subscription.

Chairman's statement



Dr. Neil Cross
Chairman



“a small total loss of 0.28 pence per share... a very creditable performance given the challenging economic conditions”

Introduction

In a year which has been difficult for many people and businesses, our portfolio companies have demonstrated resilience and, in many cases, growth, providing products and services that are both innovative and necessary, even in these uncertain times. Against the difficult backdrop occasioned by the pandemic, the results for the Company show a small total loss of 0.28 pence per share for the year ended 31 December 2020. This is a very creditable performance given the challenging economic conditions of the last twelve months.

Results and dividends

As at 31 December 2020, the net asset value was 69.35 pence per share compared to 82.58 pence per share at 31 December 2019. The total loss after tax was £0.3 million compared to £10.2 million total return in the year to 31 December 2019.

The Company paid dividends totalling 12.95 pence per share during the year ended 31 December 2020 (2019: 4.0 pence per share). This year's dividends included a special dividend of 9.0 pence per share, paid on 30 October 2020, to maintain the Company's VCT status under HMRC rules following some very successful realisations in the prior year. Notwithstanding the special dividend paid during the year, the dividend objective of the Board is to provide shareholders with a strong, predictable dividend flow.

As set out in the Half-yearly Financial Report to 30 June 2020, the Board considered it appropriate to move to a variable dividend policy targeting an annual dividend yield of around 5%, based on prevailing net asset value rather than at a fixed rate, as had been the case in the past. Semi-annual dividends will be paid, calculated as 2.5% of the most recently announced net asset value when the dividend is declared (in most cases this will be the net asset value announced in the Half-yearly Financial

Report or in the Annual Report and Financial Statements). Therefore, the Board has declared a first dividend for the year ending 31 December 2021 of 1.73 pence per share to be paid on 30 June 2021 to shareholders on the register on 4 June 2021.

Investment portfolio

The results for the year showed net gains on investments of £1.5 million, against gains of £11.2 million for the previous year, which were largely driven by unrealised gains across the portfolio. Quantexa increased in value by £2.8 million following an externally led funding round in which we participated, and Proveca increased in value by £1.2 million following strong trading across Europe. Against this, unrealised write-downs were made against our investment in Mirada Medical (£2.7 million) as their direct sales model into hospitals became difficult during the Coronavirus (Covid-19) pandemic, and Black Swan Data (£1.0 million) reflecting a restructure to focus on its data analytics business.

The company had a number of investment realisations in the year: its investment in G. Network Communications was sold for a total return on all monies invested of 3.8 times cost or 31% IRR; and its investment in Clear Review was sold generating a return of 2.1 times cost within a relatively short 16 month holding period.

These gains were partially offset by a realised loss on the sale of our holding in the SVS Albion OLIM UK Equity Income Fund. Further details on the above disposals, and other realisations, can be found in the realisations table on page 26.

During the year, a total of £9.2 million was deployed into portfolio companies, of which £4.4 million was invested across six new portfolio companies, all of which are likely to require further investment as the companies prove themselves and grow:

- £1.6 million into Concirrus, a software provider bringing real-time behavioural data analytics to the marine and transport insurance sector;
- £1.0 million into The Voucher Market (trading as WeGift), a provider of a cloud platform that enables corporates to purchase digital gift cards and to distribute them to employees and customers;
- £1.0 million into Credit Kudos, a challenger credit bureau helping lenders optimise and automate their affordability and risk assessments;
- £0.4 million into TransFICC, a provider of connectivity solutions, giving financial institutions access to trading venues via a single API;
- £0.3 million into Seldon Technologies, a software company that enables enterprises to deploy machine learning models in production; and
- £0.1 million into uMedeor (trading as uMed), a provider of a middleware technology platform that enables life science organisations to conduct medical research programmes.

A further £4.8 million was invested into existing portfolio companies, including £2.0 million into Quantexa, £1.1 million into Oxsensis and £0.4 million into uMotif.

Overall, 26% of the portfolio by value is profitable, measured by earnings before interest, tax and depreciation, with a number of our investments showing strong

growth in fast-developing international markets. Given the evolving nature of the portfolio, increasingly the return will be in the form of capital rather than income. As part of portfolio management, the Board always maintains liquidity to meet future potential investments, running costs and, importantly, cash for payment of dividends and to facilitate share buy-backs.

Board composition

The Board announced on 9 July 2020 that, following a formal selection process, Margaret Payn would be appointed to the Board as a non-executive Director with effect from 3 August 2020. Margaret has extensive experience across the financial sector. Most recently, she was appointed as a non-executive Director of JP Morgan Mid Cap Investment Trust plc. The Board welcomes Margaret and looks forward to working with her over the coming years.

I have had the privilege of being Chairman of your Company since its launch in 2000 and I have indicated to the Board that I will retire at the Annual General Meeting in May 2021. I am delighted that Robin Archibald, who has been on the Board as Audit Chairman since 2013, will succeed me as Chairman, and Margaret Payn will succeed Robin as chairman of the Audit Committee.

It has been a huge pleasure to Chair your Company and I would like to thank my fellow Directors (past and present), the Albion management and staff, our advisers and service providers, and all our shareholders for their support over the years.

Risks and uncertainties

The highly uncertain outlook for the UK and Global economies remains the key risk affecting the Company, with the continuing health risk clouding any evaluation of risk and returns for many companies in the developed world. While many of our portfolio companies have shown remarkable resilience during the Coronavirus (Covid-19) pandemic, there are some underlying portfolio companies that continue to be adversely affected by



“we are encouraged by the resilience of the portfolio and many of the companies in which we have invested continue to show strong growth”

Chairman's statement continued

the pandemic. There are also the implications of the UK's recent departure from the European Union which may adversely affect some of the underlying portfolio companies. The Manager is continually assessing the exposure to these risks for each portfolio company and appropriate actions, where possible, are being implemented.

The Manager has a clear focus to allocate resources to those sectors and opportunities where it believes growth can be both resilient and sustainable, with provision of cash to assist some portfolio companies in these extreme market conditions being a likelihood. The new VCT rules continue to result in the gradual reduction of the asset-based element of the portfolio in favour of growth and technology companies which will inevitably increase volatility over time.

A detailed analysis of the other principal risks and uncertainties facing the business is shown in the Strategic report on pages 17 and 18.

Annual General Meeting

The Board has been considering the current rules around the Covid-19 pandemic on the arrangements for our forthcoming Annual General Meeting ("AGM"). These arrangements may be subject to change and we will keep shareholders up to date on our Manager's website at www.albion.capital/vct-hub/agms-events.

We are required by law to hold an AGM within six months of our financial year end. Whilst the roadmap announced by the government gives a target of no earlier than 21 June 2021 as the date when all legal limits on mixing will be lifted, the Board is hesitant to delay the AGM as the roadmap is clear that data rather than dates are the true driver of restrictions. Our AGM will, therefore, be held at noon on 27 May 2021, at the registered office being 1 Benjamin Street, London, EC1M 5QL.

Full details of the business to be conducted at the Annual General Meeting are given in the Notice of the Meeting on pages 70 to 73 and in the Directors' report on pages 35 and 36.

Covid-19 social distancing restrictions will still be in place, and consequently it will not be possible to allow shareholders entry into the building where the AGM is held. The quorum for the meeting is two, therefore two Directors will attend in person to allow the continuation of this AGM. There will also be a representative of Albion Capital Group LLP as Company Secretary. Our Articles of Association do not currently allow hybrid or wholly virtual AGMs, however, as outlined below a resolution is being proposed to allow this in the future.

In order to maintain shareholder engagement, the Board has decided to live stream the AGM, which will include a presentation from the Manager, the formal business of the AGM and the

answers to questions we receive from shareholders. Registration details for the live stream will be available at www.albion.capital/funds/AATG prior to the Meeting.

We always welcome questions from our shareholders at the AGM, and again this year we request that shareholders submit their questions to the Board in advance of the AGM. Shareholders can submit questions up until noon on 26 May 2021 by emailing questions to AATGchair@albion.capital. Following the Meeting, a summary of responses will be published on the Manager's website at www.albion.capital/funds/AATG. The Board strongly encourages shareholders to return their proxy votes in advance of the meeting.

Shareholders' views are important, and the Board encourages shareholders to vote on the resolutions using the proxy form enclosed with this Annual Report and Financial Statements, or electronically at www.investorcentre.co.uk/eproxy. The Board has carefully considered the business to be approved at the AGM and recommends shareholders to vote in favour of all the resolutions being proposed.

Virtual and hybrid Annual General Meetings

As noted above, the Company's Articles of Association do not currently allow for hybrid or virtual meetings. The Coronavirus (Covid-19) pandemic, and the resulting social distancing rules, have brought to the Board's attention the importance of the ability to continue to interact with shareholders during unprecedented times. A resolution will be proposed at the upcoming AGM to update the Articles of Association to allow the Company to have the flexibility to hold hybrid or virtual meetings in the future, if required.

Share buy-backs

It remains the Board's primary objective to maintain sufficient resources for investment in new and existing 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 Company'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. The Board continues to review the use of buy-backs and is satisfied that it is an important means of providing market liquidity for shareholders.

Albion VCTs' Prospectus Top Up Offers

Your Board, in conjunction with the boards of other VCTs managed by Albion Capital Group LLP, launched a prospectus top up offer of new Ordinary shares on 5 January 2021. The Board announced on 17 February 2021 that, following strong demand for the Company's shares, it had elected to exercise £1.5 million of its £3 million over-allotment facility, taking the total offer to £15.5 million.

Chairman's statement continued

On 24 February 2021, the Company was pleased to announce that it had reached its £15.5 million limit under its Offer which was fully subscribed and closed to further applications.

The funds raised by the Company pursuant to the Offer will be added to the liquid resources available for investment, putting the Company into a position to take advantage of investment opportunities over the next two to three years. The proceeds of the Offer will be applied in accordance with the Company's investment policy. The Company continues to participate in the Top Up Offers and also benefits from investors' participation in the Dividend Reinvestment Scheme; the net proceeds are invested in new investment opportunities and provide additional working capital in the Company. It is important that the Company continues to have cash available for future investments and the Top Up Offers and dividend reinvestments are important sources of that capital.

Outlook and prospects

Whilst there are still uncertainties as to the full extent of the ongoing economic and societal impact of the Coronavirus (Covid-19) pandemic, we are encouraged by the resilience of the portfolio and many of the companies in which we have invested continue to show strong growth. It continues to be our priority to support our existing portfolio and to make new investments in businesses that can innovate and grow despite the healthcare crisis. The Board remains confident that the Company and its portfolio are well positioned to continue to generate long term value for shareholders.

I have very much enjoyed my long tenure as Chairman and look forward to seeing the Company continue to prosper in the years ahead.

Dr. N E Cross

Chairman

26 March 2021

Strategic report

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 a balanced portfolio of unquoted growth and technology businesses in a qualifying VCT.

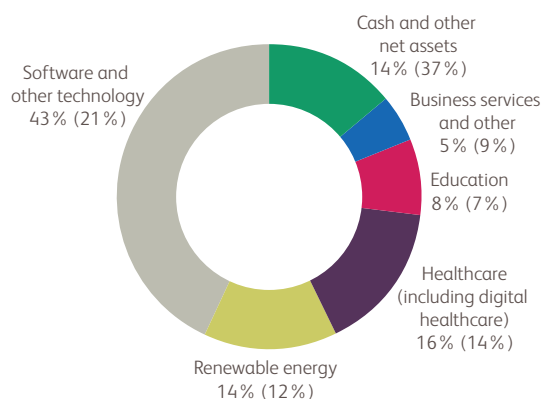
The Company will invest in a broad portfolio of unquoted growth and technology businesses. Allocation of assets will be determined by the investment opportunities which become available, but efforts will be made to ensure that the portfolio is diversified in terms of sectors and stages of maturity of portfolio companies.

The full investment policy can be found on page 3.

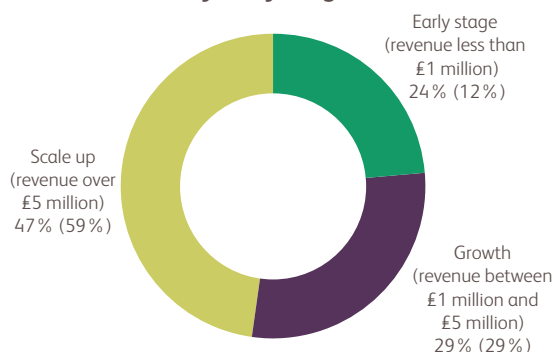
Current portfolio sector allocation

The following pie charts show the split of the portfolio valuation as at 31 December 2020 by sector, stage of investment and number of employees. This is a useful way of assessing how the Company and its portfolio is diversified across sector, portfolio companies' maturity measured by revenues and their size measured by the number of people employed. Details of the principal investments made by the Company are shown in the Portfolio of investments on pages 24 to 26.

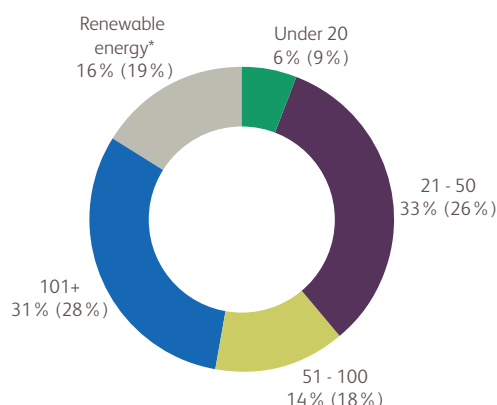
Portfolio analysis by sector



Portfolio analysis by stage of investment



Portfolio analysis by number of employees



Comparatives for 31 December 2019 are in brackets

*Renewable energy investments have no employees

Source: Albion Capital Group LLP

Direction of portfolio

The current portfolio remains well-balanced both in terms of stage of investment and sectors, with software and other technology accounting for 43%, healthcare (including digital healthcare) accounting for 16%, renewable energy accounting for 14% and education accounting for 8%. The Company's holding in software and other technology investments has increased significantly in the year to 43% as we invest in key areas such as cyber security and machine learning applications. Cash levels decreased significantly during the year from 37% to 14% of net asset value due to the large number of investments made and the payment of the special dividend on 30 October 2020. Following the first allotment under the Albion VCTs' Prospectus Top Up Offers 2020/21 on 26 February 2021, cash has increased as a proportion of the portfolio since the year end.

In line with the Company's investment policy, investment continues to be made predominately into higher growth technology companies. The Company will support those portfolio companies who require it, as well as capitalise on any new investment opportunities that arise. We therefore expect that investments in the software and other technology and healthcare sectors (including digital healthcare) will continue to increase, and that asset-based investments will decrease over the coming years.

Results and dividends

	Ordinary shares £'000
Net revenue loss for the year ended 31 December 2020	(248)
Net capital loss for the year ended 31 December 2020	(63)
Total loss for the year ended 31 December 2020	(311)
Dividend of 2.00 pence per share paid on 30 June 2020	(2,201)
Special dividend of 9.00 pence per share paid 30 October 2020	(9,942)
Dividend of 1.95 pence per share paid on 31 December 2020	(2,185)
Transferred from reserves	(14,639)
Net assets as at 31 December 2020	78,028
Net asset value per share as at 31 December 2020	69.35p

The Company paid dividends of 12.95 pence per share during the year ended 31 December 2020 (2019: 4.0 pence per share). The Board has a variable dividend policy which targets an annual dividend yield of around 5% on the prevailing net asset value. The Board has declared a first dividend for the year ending 31 December 2021 of 1.73 pence per share to be paid on 30 June 2021 to shareholders on the register on 4 June 2021.

As shown in the Income statement on page 52, investment income has decreased, as expected, to £604,000 (2019: £1,416,000). This is due to an increase in loan stock where interest is being rolled up, loan stock repayments in the year (and in recent years), and the sale of the Company's holding in the SVS Albion OLIM UK Equity Income Fund. As a result, there is a revenue loss to equity holders of £248,000 (2019: return of £519,000).

The net capital loss for the year was £63,000 (2019: gain £9,645,000). This is mainly attributable to the portion of the management fee charged through the realised capital reserve partially offset by the gains on investments during the year. Key valuation movements during the year are outlined in the Investment portfolio section of the Chairman's statement. The total loss for the period was 0.28 pence per share (2019: return of 9.28 pence per share).

During the year, the Manager took the decision to dispose of the Company's investment in the SVS Albion OLIM UK Equity Income Fund following a period of poor performance, with the fund being impacted by the Coronavirus (Covid-19) driven falls of UK quoted equities and the negative outlook for the UK Equity Income sector. It is the Board's intention that the sale proceeds shall be redeployed

into innovative unquoted growth companies where the Company is seeing resilient growth. This has resulted in a disappointing £0.4 million loss on cost, after allowing for dividends received and reduction in management fees over the life of the investment.

The Balance sheet on page 53 shows that the net asset value per share has decreased over the last year to 69.35 pence per share (2019: 82.58 pence per share). The decrease in net asset value is principally attributed to the payment of 12.95 pence per share of dividends, including the special dividend of 9.0 pence per share, and the total loss of 0.28 pence per share.

The cash outflow for the year was £21 million (2019: £25 million inflow). This was mainly as a result of the dividends paid of £12.2 million, £9.2 million of new and follow-on investments, and share buy-backs of £1.5 million. The outflow was reduced by £3.5 million received from the disposal of fixed and current asset investments and receipt of deferred consideration. There has been substantial cash inflow post year end as a result of the successful top up offer.

Review of business and outlook

A review of the Company's business during the year and future prospects is contained in the Chairman's statement on pages 6 to 9 and in this Strategic report.

As a greater emphasis continues to be given to growth and technology investments, we expect that asset-based investments will continue to decrease over time as a proportion of the portfolio with future returns coming largely from capital gains. Investment income predominantly consists of loan stock interest on our renewable energy investments, which the Company intends to hold for the longer term. As a result, investment income is expected to remain relatively flat over the near term.

Details of significant events which have occurred since the end of the financial year are listed in note 19. Details of transactions with the Manager are shown in note 5.

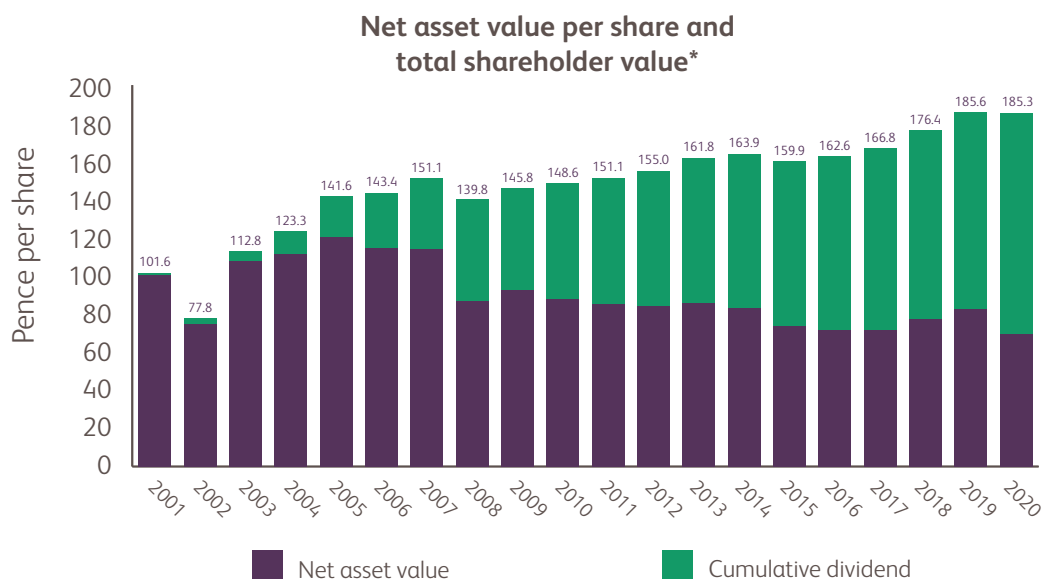
Future prospects

Whilst there are still uncertainties as to the full extent of the ongoing economic and societal impact of the Coronavirus (Covid-19) pandemic, we are encouraged by the resilience of the portfolio and many of the companies in which we have invested continue to show strong growth. The Board remains confident that the Company and its portfolio are well positioned to continue to generate long term value for shareholders. The Company's portfolio remains well balanced across sectors and risk classes and the Manager has a strong pipeline of investment opportunities in which the Company's cash can be deployed.

Key Performance Indicators ("KPIs") and Alternative Performance Measures ("APMs")

The Directors believe that the following KPIs and APMs, which are typical for VCTs, used in the Board's 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. The Directors are satisfied that the results shown in the following KPIs and APMs give a good indication that the Company is achieving its investment objective and policy. These are:

1. Net asset value per share and total shareholder value



Source: Albion Capital Group LLP

Total shareholder value decreased by 0.28 pence to 185.30 pence per Ordinary share for the year ended 31 December 2020 (0.3 per cent. on the opening net asset value). This is a very respectable performance given the challenging economic conditions of the last twelve months.

The graph on page 4 reflects the total shareholder value performance of the Company relative to the FTSE All-share Index.

2. Movement in shareholder value in the year[†]

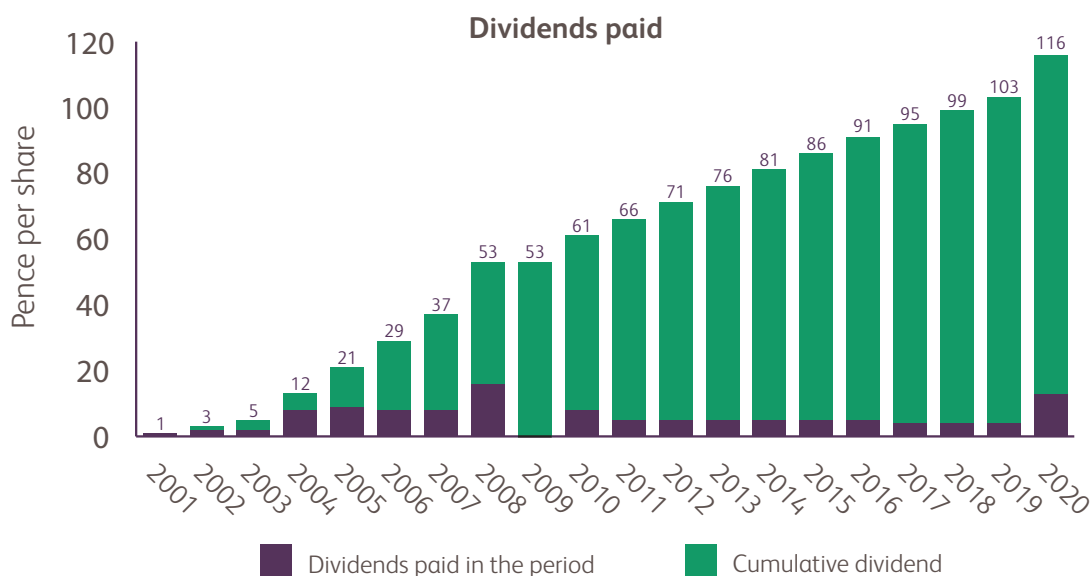
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
2.9%	4.6%	8.0%	2.5%	(4.7%)	3.6%	6.0%	13.2%	11.9%	(0.3%)

Source: Albion Capital Group LLP

[†]Calculated as the movement in total shareholder value for the year divided by the opening net asset value.

The returns to Shareholders who have acquired shares through the C share issue in 2006 and the merger with Albion Income & Growth VCT in 2013 are shown on the Company's Webpage on the Manager's website at www.albion.capital/funds/AATG under "Financial Summary for Previous Funds". Shareholders who have acquired shares through Top Up Offers, the dividend reinvestment scheme or in the market outside the corporate events will be able to calculate their own returns based on the price at which they acquired their shares, the dividends they have received since the purchase and the current net asset value of their holding.

3. Dividend distributions



Dividends paid in respect of the year ended 31 December 2020 were 12.95 pence per share (2019: 4.0 pence per share); 3.95 pence per share in ordinary dividends, and a 9.0 pence per share special dividend. During the year, the Board changed to a variable dividend policy. Further details of the dividend policy can be found in the Chairman's statement on page 6. Cumulative dividends paid since inception are 115.95 pence per Ordinary share.

4. Ongoing charges

As agreed with the Manager in 2015, the ongoing charges ratio for the year ended 31 December 2020 was capped at 2.75 per cent. (2019: 2.75 per cent.) with any excess over the cap being a reduction in the management fee. 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 reserves) as a percentage of the average net assets attributable to shareholders. The Directors expect the ongoing charges ratio for the year ahead to be 2.75 per cent. (capped at 2.75 per cent.).

The reduction in management fees payable to Albion Capital Group LLP in the year, due to the expense cap, amounted to £78,000 (2019: £136,000).

5. 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 VCT legislation, a VCT must comply on a continuing basis with the provisions of Section 274 of the Income Tax Act 2007, details of which are provided in the Directors' report on page 33.

The relevant tests to measure compliance have been carried out and independently reviewed for the year ended 31 December 2020. These confirmed that the Company has complied with all tests and continues to do so.

*VCT compliance is not a numerical measure of performance and thus cannot be defined as an APM.

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. Although the investment policy permits the Company to borrow, the Directors do not currently have any intention of utilising long-term gearing and have not done so in the past.

Operational arrangements

The Company has delegated the investment management of the portfolio to Albion Capital Group LLP, which is authorised and regulated by the Financial Conduct Authority. Albion Capital Group LLP also provides company secretarial and other accounting and

administrative support to the Company under the Management agreement, as well as acting as the Company's Alternative Investment Fund Manager ("AIFM").

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. The total annual running costs of the Company, including fees payable to Albion Capital Group LLP, Directors' fees, professional fees and the costs incurred by the Company in the ordinary course of business (but excluding any exceptional items and performance fees payable to Albion Capital Group LLP) are capped at an amount equal to 2.75 per cent. of the Company's net assets, with any excess being met by Albion Capital Group LLP by way of a reduction in management fees.

Additionally, Albion Capital Group LLP agreed to reduce that proportion of its management fee relating to the investment in the SVS Albion OLIM UK Equity Income Fund ("OUEIF") in order to avoid any double charging of fees for the investment exposure. The investment in the OUEIF was disposed of during the year, and therefore there is no continuing exposure.

In some instances, the Manager is entitled to an arrangement fee, payable by a portfolio company in which the Company invests, in the region of 2.0 per cent. of the investment made, and also monitoring fees where the Manager has a representative on the portfolio company's board. Further details of the Manager's fee can be found in note 5.

Management performance incentive

In order to provide the Manager with an incentive to maximise the return to investors, the Manager is entitled to charge an incentive fee in the event that the returns exceed minimum target levels per share.

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. 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 (2019: £nil) There has been no performance incentive fee paid since the year ended 31 December 2005. The performance threshold at 31 December 2020 was 202.92 pence for the Ordinary shares, 176.12 pence for the former C shares and 181.92 pence for the former Income & Growth shares which compares to total returns of 185.30 pence, 108.20 pence and 112.09 pence respectively, based on the latest NAV.

Investment and co-investment

The Company co-invests with other Albion Capital Group LLP managed VCTs and funds. Allocation of investments is on the basis of an allocation agreement which is based, inter alia, on the ratio of cash available for investment in each of the entities and the HMRC VCT qualifying tests.

Liquidity Management

The Board examines regularly both the liquidity of the Company's shares in the secondary market, which is substantially influenced by the use of share buy back and share issuance, and the liquidity of the Company's portfolio. The nature of investments in a venture capital portfolio is longer term and these are relatively illiquid in the short term. Consequently, the Company maintains sufficient liquidity in cash and near cash assets to cover the operating costs of the Company and to meet dividend payments and share buy-backs, as well as to have the capacity to make fresh investments when the opportunities arise. Although the Company is authorised to borrow, in practice it does not borrow. The Board has no intention that the Company should borrow given the nature of the Company's investments, a number of which have their own gearing. Management of liquidity is one of the key operational areas that the Board discusses regularly with the Manager.

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 80 per cent. qualifying holdings investment requirement for VCT status;
- the long term prospects of the current portfolio of investments;
- the management of treasury, including the use of share buy-backs and participation in fundraising;
- a review of the Management agreement and the services provided therein;
- benchmarking the performance of the Manager to other service providers, including the performance of other VCTs that the Manager is responsible for managing; and
- the contribution made by the administration and secretarial team to the operation of the Company.

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 appointed Albion Capital Group LLP as the Company's AIFM in 2014 as required by the AIFMD. The Manager became a full-scope AIFM under the AIFMD in 2018. As a result, from that date, Ocorian Depositary (UK) Limited was appointed as Depositary to oversee the custody and cash arrangements and provide other AIFMD duties with respect to the Company. This provides another degree of oversight over the custody of the Company's assets.

Companies Act 2006 Section 172 Reporting

Under Section 172 of the Companies Act 2006, the Board has a duty to promote the success of the Company for the benefit of its members as a whole, having regard to the interests of other stakeholders in the Company, such as suppliers, and to do so with an understanding of the impact on the community and environment and with high standards of business conduct, which includes acting fairly between members of the Company.

The Board is very conscious of these wider responsibilities in the way it promotes the Company's culture and ensures, as part of its regular oversight, that the integrity of the Company's affairs is foremost in the way the activities are managed and promoted. This includes regular engagement with the wider stakeholders of the Company and being alert to issues that might damage the Company's standing in the way that it operates. The Board works very closely with the Manager in reviewing how stakeholder issues are handled, ensuring good governance and responsibility in managing the Company's affairs, as well as visibility and openness in how the affairs are conducted.

The Board considers its significant stakeholder groups to be its Shareholders; suppliers, including direct agents of the Company such as the Manager to whom most executive functions are delegated; the community and the environment in the way that investments are made and managed. The Board also considers the portfolio companies to be stakeholders in the long-term success of the Company. By the nature of venture capital investment, the Manager is closely involved with all the portfolio companies.

The Company's shareholders are key to the success of the Company. The Board seeks to create value for shareholders by generating strong and sustainable returns to provide shareholders with regular dividends and the prospect of capital growth. During the year, the Board approved a new dividend policy, further details of which can be found in the Chairman's statement on page 6. The new variable dividend policy has the advantage of avoiding unsustainably high dividends if the net asset value falls, whilst

rewarding shareholders more immediately if the net asset value rises.

During the year, the Board declared a special dividend of 9.00 pence per share, which was paid on 30 October 2020 to shareholders on the register on 9 October 2020. The Board made the decision to pay this special dividend following a review of the foreseeable cash requirements of the Company. While it is important for a venture capital fund, which by its nature has illiquid investments, to hold sufficient cash to manage operating costs, to service dividends and buy backs and, most importantly, to make follow on and new investments when they arise, this had to be balanced against meeting the requirement of a Venture Capital Trust to be invested in qualifying investments. The holding of cash is not a qualifying investment for these purposes, and therefore the special dividend was declared given the significant cash balances following a number of disposals in the year ended 31 December 2019.

The Board temporarily suspended buy-backs on 18 March 2020 due to the increasing uncertainty of the net asset value at the time. Buy-backs were resumed from 22 April 2020 after the announcement of the Interim Management Statement which included the net asset value for 31 March 2020. The buy-back policy is an important means of providing market liquidity for shareholders. This action demonstrated acting in shareholders' best interests, both for those wishing to sell their shares and for continuing shareholders, by ensuring that there was a contemporary net asset value in the market to operate buy-backs against, following the advent of the health crisis and its impact on asset values.

Shareholders' views are important. The Board encourages Shareholders to vote on the resolutions at the Annual General Meeting ("AGM"). The Company's AGM is used typically as an opportunity to communicate with investors, including through a presentation made by the investment management team. However, due to the impact of the Coronavirus (Covid-19) pandemic, special circumstances are required for this year's AGM and further details are in the Chairman's statement on page 8. Details of the AGM can be found in the Directors' report on page 35.

Shareholders are also encouraged to attend the annual Shareholders' Seminar. The seminars include some of the portfolio companies sharing insights into their businesses and also have presentations from Albion executives on some of the key factors affecting the investment outlook, as well as a review of the past year and the plans for the year ahead. Details of the seminar events are placed on the Manager's website. Representatives of the Board attend the seminars.

The Company is an externally managed investment company with no employees, and as such has nothing to report in relation to

employee engagement but does keep close attention to how the Board operates as a cohesive and competent unit. The Company also has no customers in the traditional sense and, therefore, there is nothing to report in relation to relationships with customers.

The Company's suppliers are fundamental to the operations of the Company, particularly Albion Capital Group LLP as the Manager, given that day-to-day management responsibilities are sub-contracted to the Manager. The Board takes close account of how the Manager operates, with very close contact during the year and not just at scheduled Board meetings. Details of the Manager's and Board's responsibilities can be found in the Statement of corporate governance on pages 38 to 42.

The contractual arrangements with all the principal suppliers to the Company are reviewed regularly and formally once a year, alongside the performance of the suppliers in acquitting their responsibilities. The performance of the Manager in managing the portfolio and in providing company secretarial, administration and accounting services is reviewed in detail each year; this review includes reviewing comparator engagement terms and portfolio performance. Further details on the evaluation of the Manager, and the decision to continue the appointment of the Manager for the forthcoming year, can be found in this report on page 14.

The portfolio companies are considered key stakeholders, not least because they are principal drivers of value for the Company. As discussed in the Environmental, Social and Governance ("ESG") section below, the portfolio companies' impact on their stakeholders is also important to the Company. In most cases, an Albion executive has a place on the board of a portfolio company, in order to help with both business operation decisions, as well as good ESG practice.

The Board receives reports on ESG factors within its portfolio from Albion Capital Group LLP as it is a signatory of the UN Principles for Responsible Investment ("UN PRI"). Further details of this are set out below. ESG, without its specific definition, has always been at the heart of the responsible investing that the Company engages in and in how the Company conducts itself with all of its stakeholders.

The Board, although non-executive, is fully engaged in both oversight and the general strategic direction of the Company. During the year the Board's main strategic discussions focussed around cash management and deployment of cash for future investments, dividends and share buy-backs, resulting in the decision to participate in the Albion VCTs' Top Up Offers 2020/21. During the year, the Board held a further meeting in addition to its scheduled quarterly meetings to discuss the effect of the coronavirus (Covid-19) pandemic on the Company's portfolio and to monitor the resilience of the various agents to the Company.

Environmental, Social, and Governance (“ESG”)

The Company’s Manager, Albion Capital Group LLP, takes the concept of sustainable and responsible investment very seriously for existing investments made and in reviewing new investment opportunities. In turn, the Board is kept apprised of ESG issues in connection with both the portfolio and in how Company affairs are conducted more generally as a regular part of Board oversight.

Albion Capital Group LLP is a signatory of the UN PRI. The UN PRI is the world’s leading proponent of responsible investment, working to understand the investment implications of ESG factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.

The Board and Manager have exercised conscious principles in making responsible investments throughout the life of the Company, not least in providing finance for promising companies in a variety of important sectors such as technology, healthcare and renewable energy. In making the investments, the Manager is directly involved in the oversight and governance of these investments, including ensuring standards of reporting and visibility on business practices, all of which are reported to the Board of the Company. By its nature, not least in making qualifying investments which fulfil the criteria set by HMRC, the Company has focused on sustainable and longer-term investment propositions, some of which will fail (in the nature of all small companies), but some of which will grow and serve important societal demands. One of the most important drivers of performance is the quality of the investment portfolio, which goes beyond the individual valuations and examines the prospects of each of the portfolio companies, as well as the sectors in which they operate – all requiring a longer-term view.

In the nature of venture capital investment, Albion Capital Group LLP is more intimately involved in the affairs of portfolio companies than might be the case for funds invested in listed securities. As such, Albion Capital Group LLP is in a position to influence good governance and behaviour in the portfolio companies, many of which are relatively small companies without the support of a larger company’s administration and advisory infrastructure.

The Company adheres to the principles of the AIC Code of Corporate Governance and is also aware of other governance and corporate conduct guidance which it meets as far as practical, including in the constitution of a diversified and independent board capable of providing constructive challenge but also, through its experience of the Company, continuity over the longer-term investments the Company makes.

The Company’s portfolio is currently invested in healthcare, renewable energy, education, software and other technology (which includes cyber security and data protection), and business services, with the most significant percentage of the Company’s portfolio invested in sectors and companies which would be seen

by many measures to be both sustainable and socially aware based on the services they render.

Albion Capital Group LLP incorporates ESG considerations into its investment decisions. These form part of its process to create value for investors and develop sustainable long-term strategies for portfolio companies. Albion Capital Group LLP reports ESG criteria to UN PRI (annually) and to the Board quarterly.

ESG principles are integrated at the pre-investment, investment and exit stages. This is reflected in transparency of reporting, governance principles adopted by the Company and the portfolio companies, and increasingly in the positive environmental or socially impactful nature of investments made. Albion Capital Group LLP, where relevant, considers climate-specific issues in its investment policies and activities. However, as the majority of the Company’s portfolio consists of small (2-250 Full Time Employees), private, typically software companies with limited environmental impact, climate change is not considered to be a significant risk, and actions are proportionate to that risk.

Pre-investment stage

An exclusion list is used to rule out investments in unsustainable areas, or in areas which might be perceived as socially detrimental. ESG due diligence is performed on each potential portfolio company to identify any sustainability risks associated with the investment. Identified sustainability risks are ranked from low to high and are reported to the relevant investment committee. The investment committee considers each potential investment. If sustainability risks are identified, mitigations are assessed and, if necessary, mitigation plans are put in place. If this is not deemed sufficient, the committee would consider the appropriate level and structure of funding to balance the associated risks. If this is not possible, investment committee approval will not be provided, and the investment will not proceed.

Investment stage

All new and existing portfolio companies are asked to report against an ESG Balanced Score Card annually. The ESG Balanced Score Card contains a number of sustainability factors against which a portfolio company will be assessed in order to determine the potential sustainability risks and opportunities arising from the investment. The score cards form part of the Manager’s internal review meetings alongside discussions around other risk factors, and any outstanding issues are addressed in collaboration with the portfolio companies’ senior management.

Exit stage

Albion Capital Group LLP aim to ensure that good ESG practices remain in place following exit. For example, by ensuring that the company creates a self-sustaining ESG management system during our period of ownership, wherever feasible.

Social and community issues, employees and human rights

The Board recognises the requirement under section 414C of the Companies Act 2006 (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 requirement for formal policies in these matters, however, it is at the core of its responsible investment as detailed above.

General Data Protection Regulation (“GDPR”)

The General Data Protection Regulation has the objective of unifying data privacy requirements across the European Union, and continues to apply in the United Kingdom after Brexit. The Manager continues to take action to ensure that the Manager and the Company are compliant with the regulation.

Risk management

The Board carries out a regular review of the risk environment in which the Company operates, together with changes to the environment and individual risks. The Board also identifies emerging risks which might affect the Company. In the period covered by this report the most noticeable risk has been the global Coronavirus (Covid-19) pandemic which has impacted on not only public health and mobility but also has had an adverse impact on global traded markets, the full effect of which is likely to be uncertain for some time. Throughout the last year the Board has continued to keep close attention to the resilience of the portfolio, the Company and the circumstance of its agents, and will continue to do so given the unusual working conditions during the Coronavirus (Covid-19) pandemic.

The Directors have carried out a robust assessment of the Company’s disclosures below that describe the principal risks and emerging uncertainties and explain how they are being managed or mitigated. 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
Investment, performance and valuation risk	<p>The risk of investment in poor quality businesses, which could reduce the returns to shareholders and could negatively impact the Company’s current and future valuations.</p> <p>By nature, smaller unquoted businesses, such as those that qualify for VCT purposes, are more volatile than larger, long established businesses.</p> <p>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.</p>	<p>To reduce this risk, the Board places reliance upon the skills and expertise of the Manager and its track record over many years of making successful investments in this segment of the market. In addition, the Manager operates a formal and structured investment appraisal and review process, which includes an Investment Committee, comprising investment professionals from the Manager for all investments, and at least one external investment professional for investments greater than £1 million in aggregate across all the Albion Managed VCTs. The Manager also invites and takes account of comments from non-executive Directors of the Company on matters discussed at the Investment Committee meetings. Investments are actively and regularly monitored by the Manager (investment managers normally sit on portfolio company boards), including the level of diversification in the portfolio, and the Board receives detailed reports on each investment as part of the Manager’s report at quarterly board meetings. The Board and Manager regularly review the deployment of investments and cash resources available to the Company in assessing liquidity required for servicing the Company’s buy-backs, dividend payments and operational expenses.</p> <p>The unquoted investments 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 as updated in 2018. These guidelines set out recommendations, intended to represent current best practice on the valuation of venture capital investments. The valuation takes into account all known material facts up to the date of approval of the Financial Statements by the Board.</p>
VCT approval risk	<p>The Company must comply with section 274 of the Income Tax Act 2007 which enables its investors to take advantage of tax relief on their investment and on future returns. Breach of any of the rules enabling the Company to hold VCT status could result in the loss of that status.</p>	<p>To reduce this risk, the Board has appointed the Manager, which has a team with significant experience in VCT management which is used to operating within the requirements of the VCT legislation. In addition, to provide further formal reassurance, the Board has appointed Philip Hare & Associates LLP as its taxation adviser, who report quarterly to the Board to independently confirm compliance with the VCT legislation, to highlight areas of risk and to inform on changes in legislation. Each investment in a portfolio company is also pre-cleared with our professional advisers or H.M. Revenue & Customs. The Company monitors closely the extent of qualifying holdings and addresses this as required.</p>

Further policies

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

- Environment
- Global greenhouse gas emissions
- Anti-bribery
- Anti-facilitation of tax evasion
- Diversity

These are set out in the Directors’ report on page 34.

Strategic report continued

Risk	Possible consequence	Risk management
Regulatory and 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 companies. In addition, the Board and the Manager receive regular updates on new regulation, including legislation on the management of the Company, from its auditor, lawyers and other professional bodies. The Company is subject to compliance checks through the Manager's compliance officer, and any issues arising from compliance or regulation are reported to its own board on a monthly basis. These controls are also reviewed as part of the quarterly Board meetings, and also as part of the review work undertaken by the Manager's compliance officer. The report on controls is also evaluated by the internal auditors.
Market value of Ordinary shares	The market value of Ordinary shares can fluctuate. The market value of an Ordinary share, as well as being affected by its net asset value ("NAV") and prospective NAV, also takes into account its dividend yield and prevailing interest rates. As such, the market value of an Ordinary share may vary considerably from its underlying NAV. The market prices of shares in quoted investment companies can, therefore, be at a discount or premium to the NAV at different times, depending on supply and demand, market conditions, general investor sentiment and other factors, including the ability to exercise share buybacks. Accordingly, the market price of the Ordinary shares may not fully reflect their underlying NAV.	<p>The Company operates a share buy-back policy, which aims to limit the discount at which the Ordinary shares trade to around 5 per cent. to NAV, by providing a purchaser through the Company in absence of market purchasers. From time to time buy-backs cannot be applied, for example when the Company is subject to a close period, or if it were to exhaust and could not renew any buyback authorities.</p> <p>New Ordinary shares are issued at sufficient premium to NAV to cover the costs of issue and to avoid asset value dilution to existing investors.</p>
Operational and internal control risk	The Company relies on a number of third parties, in particular the Manager, for the provision of investment management and administrative functions. Failures in key systems and controls within the Manager's business could place assets of the Company at risk or result in reduced or inaccurate information being passed to the Board or to shareholders.	<p>The Company and its operations are subject to a series of rigorous internal controls and review procedures exercised throughout the year and receives reports from the Manager on its internal controls and risk management, including on matters relating to cyber security.</p> <p>The Audit Committee reviews the Internal Audit Reports prepared by the Manager's internal auditors, PKF Littlejohn LLP. On an annual basis, the Audit Committee chairman meets with the internal audit partner to provide an opportunity to ask specific detailed questions in order to satisfy the Committee that the Manager has strong systems and controls in place including those in relation to business continuity and cyber security.</p> <p>Ocorian Depositary (UK) Limited is appointed as Depositary to oversee the custody and cash arrangements and provide other AIFMD duties. The Board reviews the quarterly reports prepared by Ocorian Depositary (UK) Limited to ensure that Albion Capita Group LLP is adhering to its duties as a full-scope AIFM under the AIFMD.</p> <p>In addition, the Board regularly reviews the performance of its key service providers, particularly the Manager, to ensure they continue to have the necessary expertise and resources to deliver the Company's investment policy and remain compliant with regulations. The Manager and other service providers have also demonstrated to the Board that there is no undue reliance placed upon any one individual.</p>
Economic, political and social risk	<p>Changes in economic conditions, including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events, such as the impact of Brexit, and other factors could substantially and adversely affect the Company's prospects in a number of ways. This also includes risks of social upheaval, including from infection and population re-distribution.</p> <p>The current significant exogenous risk to the Company, the wider population and economy, is the Coronavirus (Covid-19) pandemic.</p>	<p>The Company invests in a diversified portfolio of companies across a number of industry sectors and in addition often invests in a mixture of instruments in portfolio companies and has a policy of minimising any external bank borrowings within portfolio companies.</p> <p>At any given time, the Company has sufficient cash resources to meet its operating requirements, including share buy-backs and follow-on investments.</p> <p>In common with most commercial operations, exogenous risks over which the Company has no control are always a risk and the Company does what it can to address these risks where possible, not least as the nature of the investments the Company makes are long term.</p> <p>The Board and Manager are continuously assessing the resilience of the portfolio, the Company and its operations and the robustness of the Company's external agents during the Coronavirus (Covid-19) pandemic, as well as considering longer term impacts on how the Company might be positioned in how it invests and operates. Ensuring liquidity in the portfolio to cope with exigent and unexpected pressures on the finances of the portfolio and the Company is an important part of the risk mitigation in these uncertain times.</p>

Viability statement

In accordance with the FRC UK Corporate Governance Code published in 2018 and provision 36 of the AIC Code of Corporate Governance, the Directors have assessed the prospects of the Company over the three years to 31 December 2023. The Directors believe that three years is a reasonable period in which they can assess the future ability of the Company to continue to operate and meet its liabilities as they fall due and is also the period used by the Board in the strategic planning process and is considered reasonable for a business of this nature and size. The three year period is considered the most appropriate given the forecasts that the Board requires from the Manager and the estimated timelines for finding, assessing and completing investments. The three year period also takes account of the potential impact of any new regulations, should they be imposed, and how they may affect the Company over the longer term, as well as the availability of cash, but the assessment cannot take into account the full extent of the exogenous risks that may impact on global economies at the date of these accounts.

The Directors have carried out a robust assessment of the emerging and principal risks facing the Company as explained above, including those that could threaten its business model, future performance, solvency or liquidity. The Board also considered the procedures in place to identify emerging risks and the risk management processes in place to avoid or reduce the impact of the underlying risks. The Board focused on the major factors which affect the economic, regulatory and political environment, including any potential impact from Brexit. The Board, after careful consideration, believes that Brexit will have no major impact on the going concern of the Company, primarily due to the markets our portfolio companies target, which in most cases are the UK and increasingly, the US, for our software and technology businesses. Portfolio companies targeting European markets have also shown resilience so far. The Coronavirus (Covid 19) pandemic remains the largest uncertainty with the potential to affect the Company. In light of this continuing uncertainty, robust stress tested cashflows, process resilience and contingencies have been examined in trying to deal with the principal risks faced by the Company.

The Board assessed the ability of the Company to raise finance and deploy capital, as well as the existing cash resources of the Company. The portfolio is well balanced and geared towards long term growth, delivering dividends and capital growth to shareholders. In assessing the prospects of the Company, the Directors have considered the cash flow by looking at the Company's income and expenditure projections and funding pipeline over the assessment period of three years and they appear realistic.

Taking into account the processes for mitigating risks, monitoring costs, implementing share buy-backs and issuance of new shares, the Manager's compliance with the investment objective, policies and business model and the balance of the portfolio, the Directors have concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period to 31 December 2023.

This Strategic report of the Company for the year ended 31 December 2020 has been prepared in accordance with the requirements of Section 414A of the Act. The purpose of this report is to provide shareholders 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.

On behalf of the Board,

Dr. N E Cross
Chairman

26 March 2021

The Board of Directors

The Board provides a wide range of relevant experience and skills and good diversity in its membership. Each member of the Board has demonstrated sufficient time capacity to meet the commitments required in preparing for, attending and participating in periodic board meetings and for all the activities that take place between formal board meetings as an important part of the process of oversight and constructive challenge from an independent board of an investment company. The Board works closely together and reviews succession and allocation of responsibilities on a regular basis.

This year, particular attention has been given to changes on the Board, with the appointment of Margaret Payn to the Board and the Chairman, Neil Cross, signalling his intention to retire. When Neil retires on 27 May 2021, Robin Archibald, the current Audit Committee chairman and Senior Independent Director, will become Chairman of the Company and Margaret Payn will be the new Audit Committee chairman. Both Margaret and Robin have demonstrated the experience and commitment required for the new roles. It is expected that there will be further changes to the Board in the next few years, with three of the independent directors having served for nearing nine years. Patrick Reeve continues to provide excellent contribution as a non-independent member of the Board and has indicated his willingness to continue to serve on the Board. Patrick receives no remuneration for his role from the Company because of his role with Albion, the Company's Manager.

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

Dr Neil Cross FCG, (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 Calburn Absolute Strategies SPC. Dr. Neil Cross will retire from the Board on 27 May 2021.

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, NatWest Wood Mackenzie and Intelli Corporate Finance. He was a director of Winterflood Investment Trusts until 2014, where he was head of corporate finance and broking from 2004 until 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 fundraising, reorganisations and restructuring for all types of listed funds, including VCTs. He is currently a non-executive director of Ediston Property Investment Company PLC, Capital Gearing Trust P.L.C., Henderson European Focus Trust plc and Shires Income plc. Robin provides significant relevant experience to the Company, particularly on corporate matters and as an experienced audit chair in the investment company sector. Robin has sufficient time available to fulfil Chairmanship of the Company, and has over seven years of experience of serving on the Board, with his skills and experience being applied as audit chair.

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 including a novel medical device to improve the care of critically injured and trauma patients. She is also a member of the Development Board of the University of Oxford's Department of Chemistry. Mary Anne has an MA in Chemistry from University of Oxford.

Margaret Payn BA, FCA, (appointed 3 August 2020) has extensive experience across the financial sector. She started her career at KPMG in London, qualifying as a chartered accountant. She has worked for a number of financial institutions in the UK, Australia and Asia, including nine years at Schroders where she held CFO and COO roles, and seven years in similar roles with Westpac and ANZ Banking Group. Her most recent executive role was at AMP Capital Group where she held the positions of CFO/COO within the asset management division and was responsible for leading the finance and support functions and contributing to the strategic direction and financial performance of the company. She retired from this position in May 2018. Most recently, she was appointed as a non-executive Director of JPMorgan Mid Cap Investment Trust plc. She was also a director of McPhersons Consumer Products Limited, from 2015 to 2018, a public listed company in Australia.

The Board of Directors continued

Modwenna Rees-Mogg MA, (appointed 4 October 2012) began her career as a corporate financier at Kleinwort Benson Limited, then 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 Funding Index which identifies funding need for SMEs across the UK. She is the author of several books including "Dragons or Angels" and "Crowdfunding", and a series of books on angel investing published by the World Business Angels Forum. She is a non-executive director of Asset Match Limited and runs The Pluralists Club for senior executives developing and running portfolio careers.

Patrick Reeve MA, FCA, (appointed 11 December 2003) was formerly the managing partner of Albion Capital and became chairman on 1 April 2019. He is also director of Albion Development VCT and Albion Enterprise VCT. He is also a director of the Association of Investment Companies. Patrick joined Close Brothers Group plc in 1989 before establishing Albion Capital (formerly Albion Ventures LLP) in 1996. Prior to Close he qualified as a chartered accountant before joining Cazenove & Co. Patrick has an MA in Modern Languages from Oxford University. Patrick, although considered non-independent for governance purposes, contributes both direct investment experience and wider perspective in the venture capital markets.

All Directors, except for Patrick Reeve, are members of the Audit Committee and Robin Archibald is Chairman. From 27 May 2021, Margaret Payn will be Chairman.

All Directors, except for Patrick Reeve, are members of the Nomination Committee and Dr. Neil Cross is Chairman. From 27 May 2021, Robin Archibald will be Chairman.

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

Robin Archibald is the Senior Independent Director and a new Senior Independent Director will be appointed when he takes over as Chairman.

Albion Capital Group LLP is authorised and regulated by the Financial Conduct Authority and is the Manager of Albion Technology & General VCT PLC. In addition, it manages a further five Venture Capital Trusts, the UCL Technology Funds, Albion Real Assets Fund, Albion Community Power and provides administration services to Albion Care Communities Limited. Albion Capital, currently has total assets under management or administration of approximately £750 million.

The following are specifically responsible for the management and administration of the Venture Capital Trusts managed by Albion Capital Group LLP:

Will Fraser-Allen BA (Hons), FCA, is the managing partner of Albion Capital. Will is also chairman of the Public Policy Committee of the VCTA and sits on the Venture Capital Committee of the BVCA. He is passionate about the positive impact venture capital backed healthcare and technology companies will have on the way we live and work. Will joined Albion in 2001, became deputy managing partner in 2009 and managing partner in 2019. He has 20 years' experience investing in healthcare, leisure, media and technology enabled businesses. Prior to joining Albion, Will qualified as a chartered accountant with Cooper Lancaster Brewsters and has a BA in History from Southampton University.

Patrick Reeve MA, FCA, (appointed 11 December 2003) was formerly the managing partner of Albion Capital and became chairman on 1 April 2019. He is a director of Albion Development VCT and Albion Enterprise VCT. He is also a director of the Association of Investment Companies. Patrick joined Close Brothers Group plc in 1989 before establishing Albion Capital (formerly Albion Ventures LLP) in 1996. Prior to Close he qualified as a chartered accountant before joining Cazenove & Co. Patrick has an MA in Modern Languages from Oxford University. Patrick, although considered non-independent for governance purposes, contributes both direct investment experience and wider perspective in the venture capital markets.

Dr. Andrew Elder MA, FRCS, is head of healthcare investing and deputy managing partner of Albion Capital. He joined Albion in 2005 and became a partner in 2009. Prior to Albion, Andrew was a strategy consultant specialising in healthcare at the Boston Consulting Group. He graduated with an MA plus Bachelors of Medicine and Surgery from Cambridge University and practised as a surgeon for six years specialising in neurosurgery. He is a Fellow of the Royal College of Surgeons (England).

Jessica Bartos MA (Hons), is an investment manager at Albion Capital, concentrating on technology investments. Prior to joining Albion in 2019, Jessica spent four years in the technology, media and telecoms team at Rothschild in New York and London, and previously worked for Mizuho Securities in New York and the Export-Import Bank of the United States in Washington. Jessica graduated from the University of Pennsylvania with a BA in European History and from John Hopkins University with an MA in International Economics.

Adam Chirkowski MA (Hons), is an investment director at Albion Capital, currently concentrating on renewable energy projects, healthcare and investments in the asset-based portfolio. Prior to joining Albion in 2013, Adam spent five years working in corporate finance at Rothschild. He graduated from Nottingham University with a first class degree in Industrial Economics and a Masters in Corporate Strategy and Governance.

Emil Gigov BA (Hons), FCA, is a partner of Albion Capital with over 20 years' experience as an adviser and investor in a number of industry sectors, including technology, media, engineering, healthcare, education and leisure. Emil joined Albion in 2000 and became a partner in 2009. In his early career Emil worked on acquisitions, disposals and fundraising mandates at KPMG Corporate Finance, having joined their financial services division and qualified as a chartered accountant in 1997. Emil graduated from the European Business School, London, with a BA (Hons) Degree in European Business Administration.

David Gudgin BSc (Hons), ACMA, is a partner of Albion Capital specialising in renewable energy projects and investments in the asset-based portfolio. He oversees the management of Albion Community Power and is a director of Albion Care Communities Limited. David joined Albion in 2005 and became a partner in 2009. Prior to Albion, he was the lead investor of an environmental technology and a later stage development capital fund at Foursome Investments (now Frog Capital). Before Frog Capital he joined 3i plc as an investor in European technology based in London and Amsterdam, having previously qualified as a management accountant with ICL before spending three years at the BBC. David has a BSc in Economics from Warwick University.

Vikash Hansrani BA (Hons), FCA, is the operations partner of Albion Capital. Vikash oversees the finance and administration of the funds under Albion's management and is on the AIC's VCT Technical Committee. He was previously the finance director of

Albion Community Power. He joined Albion in 2010, having qualified as a chartered accountant with RSM working latterly in its corporate finance team, and became a partner in 2017. He has a BA in Accountancy & Finance from Nottingham Business School.

Ed Lascelles BA (Hons), is a partner at Albion Capital and is head of technology investing. Ed joined Albion in 2004 and became a partner in 2009. He began his career advising public companies on fundraisings and takeovers, first with Charterhouse Securities and then ING Barings, covering the healthcare and technology sectors among others. He graduated from University College London with a first class honours degree in Philosophy.

Paul Lehair MSc, MA, is an investment manager at Albion Capital specialising in technology investing. Paul joined Albion in 2019 with 10 years' experience in technology both at start-ups and in investment banking. He came from Citymapper where he was finance director for five years. He also worked in business operations at Viagogo and in M&A TMT at Citigroup beforehand. Paul holds a dual Masters degree in European Political Economy from the London School of Economics and Political Science and Sciences Po Paris.

Catriona McDonald BA (Hons), is an investment manager at Albion Capital specialising in technology investing. Cat joined Albion in 2018. Prior to joining Albion, she worked for Goldman Sachs in both New York and London where she executed several high profile transactions including leveraged buyouts, IPOs and M&A. Cat graduated from Harvard University, majoring in Economics.

Jane Reddin is the Talent Director of Albion Capital. She helps the funds invest in the best founders, by assessing leadership potential, and accelerate the rapid scaling of our portfolio companies. In her 25 year career, Jane has transacted over 500 senior hires, built international, new-market and fund teams and helped over 70 start-ups build high performing teams. Prior to Albion, she spent six years as Talent Advisor at Balderton Capital then co-founded The Talent Stack, a talent management consulting company for start-ups. Jane joined Albion in 2021. She cares deeply about helping entrepreneurial leadership teams to thrive as they scale up. The Talent platform she is developing at Albion enables the sharing of talent and leadership development expertise with our early-stage community.

Dr. Christoph Ruedig MBA, is a partner at Albion Capital specialising in healthcare investing. Christoph joined Albion Capital in 2011 and became a partner in 2014. Prior to joining Albion, he worked at General Electric UK, where he was responsible for mergers and acquisitions in the medical technology and healthcare IT sectors, following a role in the healthcare venture capital arm of 3i plc where he led investments in biotechnology, pharmaceuticals, and medical technology. Christoph initially practised as a radiologist before spending three years at Bain & Company. He holds a degree in medicine from Ludwig-Maximilians University, Munich and an MBA from INSEAD.

Nadine Torbey MSc, BEng, is an investment manager at Albion Capital specialising in technology investing. Nadine joined Albion in 2018 from Berytech Fund, Beirut, one of the first VC funds in the Middle East. Her career to date has involved many aspects of tech investing including experience in a wide variety of digital platforms, big data management, virtual reality and digital networks. She graduated from the American University of Beirut with a Bachelor in Electrical and Computer Engineering, and followed this with an MSc in Innovation Management and Entrepreneurship from Brown University.

Robert Whitby-Smith BA (Hons), FCA, is a partner at Albion Capital specialising in software investing. Robert joined Albion in 2005 and became a partner in 2009. Previously Robert worked in corporate finance for Credit Suisse, KPMG and ING Barings, after qualifying as a chartered accountant.

Jay Wilson MBA, MMath, is an investment manager at Albion Capital specialising in technology investing. Jay joined Albion in 2019 from Bain & Company, where he had been a consultant since 2016 advising private equity and sovereign wealth funds on acquisitions of European technology, financial and business services companies. Prior to this he graduated from the London Business School with an MBA having spent eight years as a broker at ICAP Securities.

Marco Yu PhD, MRICS, is an investment director at Albion Capital specialising in alternative energy investing and the asset-based portfolio. Marco joined Albion in 2007. Prior to Albion, he was with EC Harris where he advised senior lenders on large capital projects, having spent two and a half years at Bouygues (UK). Marco graduated from Cambridge University with a first class honours degree in Economics and is a Chartered Surveyor.

Portfolio of investments

Portfolio company	% voting rights held by all Albion* managed companies		As at 31 December 2020			As at 31 December 2019			Change in value for the year** £'000
			Cost £'000	Cumulative movement in value £'000	Value £'000	Cost £'000	Cumulative movement in value £'000	Value £'000	
Quantexa Limited	3.0	15.6	2,740	5,238	7,978	773	2,429	3,202	2,809
Radnor House School (TopCo) Limited	14.8	48.3	2,710	1,849	4,559	2,710	2,019	4,729	(170)
Proveca Limited	7.2	49.9	1,184	2,815	3,999	1,184	1,636	2,820	1,179
Chonais River Hydro Limited	15.7	50.0	2,169	1,786	3,955	2,169	1,952	4,121	(166)
Oxsensis Limited	15.9	23.5	2,968	729	3,697	1,886	163	2,049	566
Egress Software Technologies Limited	2.2	24.7	765	1,724	2,489	765	1,349	2,114	375
Gharagain River Hydro Limited	18.5	50.0	1,526	677	2,203	1,526	685	2,211	(8)
Concirrus Limited	3.2	9.7	1,632	–	1,632	–	–	–	–
The Street by Street Solar Programme Limited	8.1	50.0	895	690	1,585	895	642	1,537	48
Oviva AG	3.5	14.4	1,192	337	1,529	914	382	1,296	(45)
The Evewell (Harley Street) Limited	8.3	40.0	1,195	301	1,496	1,101	–	1,101	301
Cantab Research Limited (T/A Speechmatics)	3.7	12.9	1,486	–	1,486	1,486	–	1,486	–
Elliptic Enterprises Limited	1.8	6.7	1,402	–	1,402	1,402	–	1,402	–
MHS1 Limited	22.5	48.8	1,565	(169)	1,396	1,565	(5)	1,560	(164)
memsstar Limited	30.1	44.7	515	877	1,392	646	630	1,276	247
Black Swan Data Limited	5.7	16.0	2,378	(1,005)	1,373	870	–	870	(1,005)
Regenerco Renewable Energy Limited	7.9	50.0	822	542	1,364	822	530	1,352	12
Panaseer Limited	3.2	11.6	752	563	1,315	752	281	1,033	282
Convertr Media Limited	6.9	26.6	1,105	35	1,140	1,105	24	1,129	11
The Voucher Market Limited (T/A WeGift)	2.5	10.0	1,020	–	1,020	–	–	–	–
Credit Kudos Limited	4.5	13.8	979	–	979	–	–	–	–
MPP Global Solutions Limited	2.9	12.2	950	–	950	950	–	950	–
Phrasee Limited	2.9	17.4	680	237	917	392	–	392	237
Alto Prodotto Wind Limited	6.9	50.0	602	293	895	633	305	938	4
The Q Garden Company Limited	33.4	50.0	934	(98)	836	934	(2)	932	(96)
Beddlestead Limited	9.8	49.0	1,200	(389)	811	1,200	–	1,200	(389)
uMotif Limited	3.0	14.3	681	49	730	255	(70)	185	119
DySIS Medical Limited	3.9	11.0	2,589	(1,882)	707	2,589	(1,486)	1,103	(396)
Aridhia Informatics Limited	4.9	21.6	950	(254)	696	950	(825)	125	571
Healios Limited	2.0	12.6	216	470	686	216	–	216	470
Mirada Medical Limited	12.9	42.4	1,321	(638)	683	1,321	2,107	3,428	(2,745)
OmPrompt Holdings Limited	3.3	41.2	306	372	678	306	(10)	296	382
Locum's Nest Limited	9.8	24.1	675	(42)	633	675	(34)	641	(8)
InCrowd Sports Limited	5.0	17.8	636	(13)	623	636	185	821	(198)
Limitless Technology Limited	2.1	11.0	560	55	615	380	–	380	55
SBD Automotive Limited	2.7	10.0	273	296	569	410	387	797	(91)
Albion Investment Properties Limited	31.8	100.0	434	22	456	434	(1)	433	23
Premier Leisure (Suffolk) Limited	25.8	47.4	454	1	455	454	53	507	(52)
Cisiv Limited	7.8	30.9	695	(248)	447	695	(295)	400	47
MyMeds&Me Limited	4.6	42.1	439	(21)	418	439	(23)	416	2

Portfolio of investments continued

Portfolio company	% voting rights	% voting rights held by all Albion* managed companies	As at 31 December 2020			As at 31 December 2019			Change in value for the year** £'000
			Cost £'000	Cumulative movement in value £'000	Value £'000	Cost £'000	Cumulative movement in value £'000	Value £'000	
Avora Limited	2.2	16.7	400	–	400	400	–	400	–
TransFICC Limited	2.6	9.9	397	–	397	–	–	–	–
Koru Kids Limited	1.6	9.3	345	36	381	345	192	537	(156)
Erin Solar Limited	15.7	50.0	440	(61)	379	440	(17)	423	(44)
AVESI Limited	8.0	50.0	259	117	376	259	128	387	(11)
ePatient Network Limited (T/A Raremark)	2.4	15.9	276	54	330	230	80	310	(26)
Arecor Limited	1.2	7.4	304	–	304	220	–	220	–
Seldon Technologies Limited	1.4	14.0	283	–	283	–	–	–	–
Harvest AD Limited	n/a	n/a	210	4	214	210	15	225	(11)
Abcodia Limited	3.2	19.5	549	(355)	194	549	(355)	194	–
Innovation Broking Group Limited	6.0	30.0	60	123	183	60	74	134	49
Zift Channel Solutions Inc.	1.6	6.5	881	(717)	164	881	(378)	503	(339)
Greenenerco Limited	3.1	50.0	92	67	159	97	70	167	(2)
Imandra Inc.	1.6	7.9	151	–	151	151	–	151	–
Mi-Pay Group plc	19.6	31.6	135	–	135	135	–	135	–
uMedeor Limited (T/A uMed)	0.9	9.5	100	–	100	–	–	–	–
Symetrica Limited	0.3	5.0	79	(16)	63	68	(5)	63	(11)
Sandcroft Avenue Limited (T/A Huggle)	2.1	21.2	427	(369)	58	427	(6)	421	(363)
Forward Clinical Limited	1.6	9.2	196	(142)	54	196	(81)	115	(61)
Palm Tree Technology Limited	0.5	0.7	320	(287)	33	320	(287)	33	–
Elements Software Limited	3.3	4.5	19	(19)	–	19	(19)	–	–
Total fixed asset investments			51,518	13,634	65,152	41,447	12,419	53,866	1,232

*Albion Capital Group LLP

**as adjusted for additions and disposals during the year

The comparative cost and valuations for 31 December 2019 do not agree to the Annual Report and Financial Statements for the year ended 31 December 2019 as the above list does not include brought forward investments that were fully disposed of in the year.

Portfolio of investments continued

The following is a summary of fixed and current asset realisations for the year ended 31 December 2020:

	Cost £'000	Opening carrying value* £'000	Disposal proceeds £'000	Total realised gain/(loss) £'000	Gain/(loss) on opening value £'000
Fixed asset investment realisations					
Disposals:					
G.Network Communications Limited	337	1,828	1,894	1,557	66
TWCL Limited	1,502	1,407	1,402	(100)	(5)
Clear Review Limited	367	367	757	390	390
Loan stock repayments, conversions and other:					
SBD Automotive Limited	137	137	137	–	–
memsstar Limited	131	131	131	–	–
Alto Prodotto Wind Limited	32	46	46	14	–
Greenenerco Limited	4	7	7	3	–
Escrow adjustments and other**	–	–	350	350	350
Total fixed asset realisations	2,510	3,923	4,724	2,214	801
Current asset realisations					
SVS Albion OLIM UK Equity Income Fund	2,264	2,197	1,616	(648)	(581)
Total fixed and current asset realisations	4,774	6,120	6,340	1,566	220

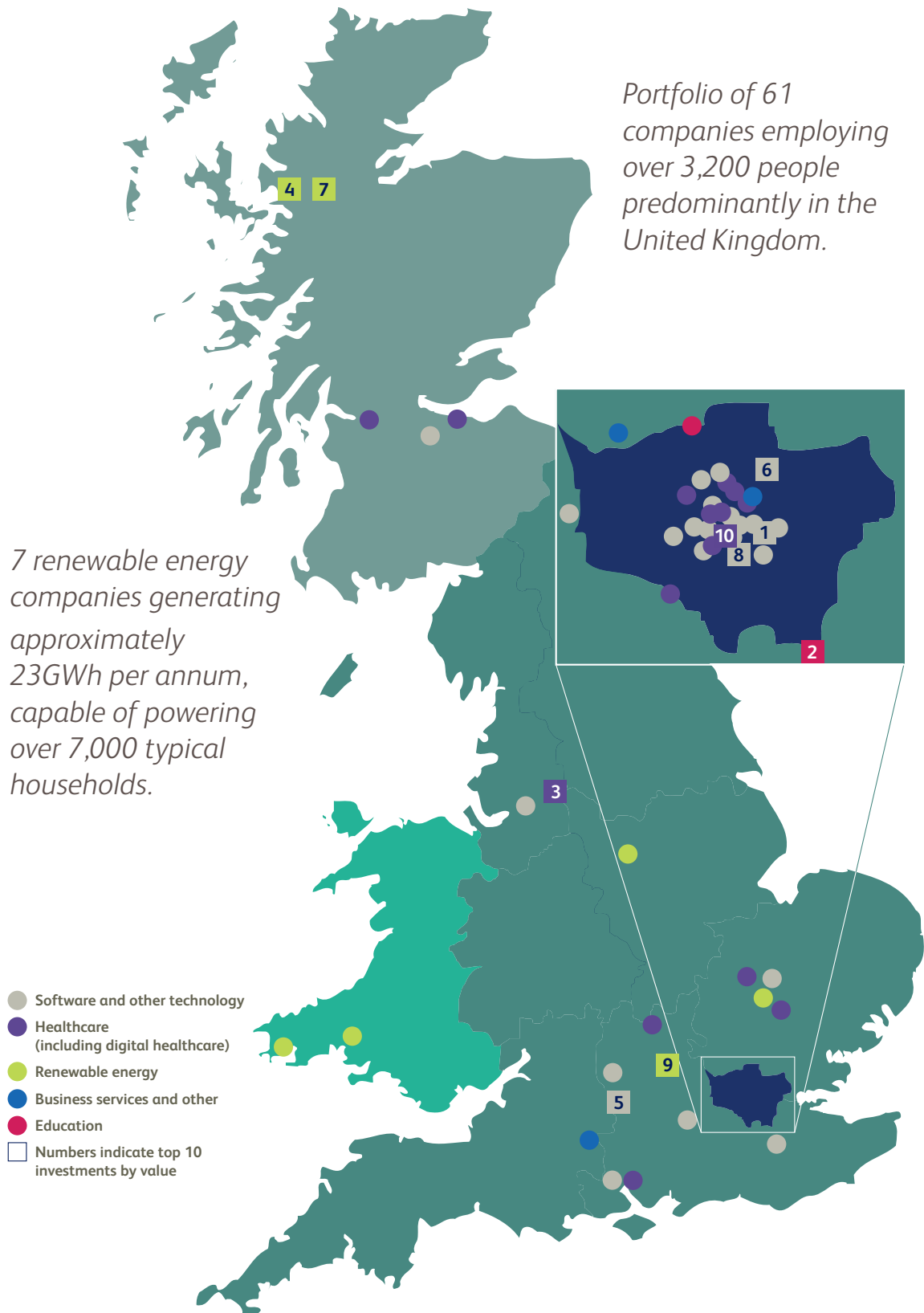
* as adjusted for additions during the year.

** Fair value movements on deferred consideration from previously disposed investments and expenses which are incidental to the purchase or disposal of an investment.

Total change in value of investments for the year	1,232
Movement in loan stock accrued interest	1
Unrealised gains on fixed asset investments	1,233
Realised gains on fixed asset investments	801
Realised loss on current asset investments	(581)
Total gains on investments as per Income statement	1,453

Portfolio companies

Geographical locations



Portfolio companies continued

The top ten portfolio companies by value are below.



Website: www.quantexa.com

1. Quantexa Limited

Quantexa has developed an analytics platform which offers entity resolution, network analytics and automated decisioning at massive scale in real time. The initial market focus has been on detecting financial crime for banks, where Quantexa can materially improve processes such as KYC and AML checks as well as Financial Investigations. The product also has applications in customer intelligence, credit risk, insurance risk and trade finance. Quantexa now counts the world's largest banks among its clients. The Company's funds are invested alongside HSBC and Dawn Capital.

Audited results: year to 31 March 2020

	£'000
Turnover	17,545
LBITDA	(13,064)
Loss before tax	(13,700)
Net liabilities	(3,495)
Basis of valuation	Cost and price of recent investment (reviewed for impairment or uplift)

Investment information

	£'000
Income recognised in the year	–
Total cost	2,740
Valuation	7,978
Voting rights	3.0 per cent.
Voting rights for all Albion managed companies	15.6 per cent.

2. Radnor House School (TopCo) Limited

Radnor House operates a co-educational independent school near Sevenoaks, Kent. The school, which was acquired in 2015 as a turnaround opportunity, is now growing strongly with over 450 children on the roll and further capacity to expand. Significant further investment has been made into the school's facilities to enable it to deliver a personalised education experience to each student. The curriculum and co-curricular activities are designed to give each child a wide range of academic and other skills in a supportive and nurturing environment.



Website: www.radnorhouse.org

Audited results: year to 31 August 2019*

	£'000
Turnover	14,884
EBITDA	3,086
Profit before tax	612
Net assets	40,519
Basis of valuation	Third party valuation – earnings multiple

Investment information

	£'000
Income recognised in the year	–
Total cost	2,710
Valuation	4,559
Voting rights	14.8 per cent.
Voting rights for all Albion managed companies	48.3 per cent.

*These results include Radnor House School Twickenham which was sold after 31 August 2019

Portfolio companies continued

3. Proveca Limited

Proveca is a pharmaceutical company focused on children's medicines. Currently 50-90% of the medicines children take are in the wrong format and/or are not licensed for their use. Proveca is addressing a significant need in developing drugs that are specifically formulated for children, taking advantage of a supportive regulatory regime and market protection throughout Europe. Its first product for chronic drooling was launched in 2017 and it has a pipeline of drugs focused on neurology, immunology, cardiovascular and other therapeutic areas that it expects to reach the market over the next one to three years.



Website: www.proveca.co.uk

Filleted audited results: year to 31 July 2019

Net liabilities	£'000
Basis of valuation	(4,209)
	Revenue multiple

Investment information

Income recognised in the year	£'000
Total cost	1,184
Total valuation	3,999
Voting rights	7.2 per cent.
Voting rights for all Albion managed companies	49.9 per cent.



4. Chonais River Hydro Limited

Chonais Hydro is a 2MW hydropower scheme near Loch Carron in the Scottish Highlands. It is a run-of-river scheme, taking water from a small river via an intake on the mountainside. The scheme is low visual impact with the only visible components being a small intake and a powerhouse, both of which are built using local material. It generates enough electricity to power approximately 2,000 homes. It benefits from inflation-protected renewable subsidies for a period of 20 years. The scheme was commissioned in 2014 and has been generating successfully since.

Filleted audited results: year to 30 September 2019

Net liabilities	£'000
Basis of valuation	(114)
	Third party valuation – discounted cash flow

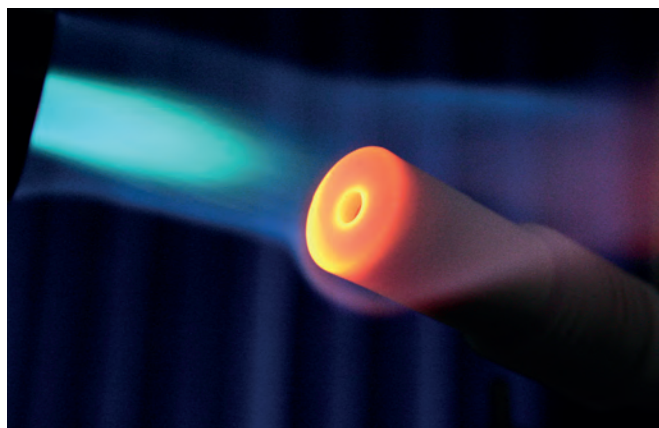
Investment information

Income recognised in the year	£'000
Total cost	129
Valuation	2,169
Voting rights	3,955
Voting rights for all Albion managed companies	15.7 per cent.
	50.0 per cent.

Portfolio companies continued

5. Oxsensis Limited

Oxsensis has developed innovative, unique and patented optical sensors which can operate in extremely harsh environments, such as in the combustor of a gas turbine. Oxsensis' sensors are a technology vital to the OEMs to make their gas turbines cleaner, more fuel efficient and more reliable by enabling gas turbines, both aero and land based, to run within tighter tolerances.



Website: www.oxsensis.com

Filleted audited results: year to 31 December 2019

	£'000
Net assets	510
Basis of valuation	Cost and price of recent investment (reviewed for impairment or uplift)

Investment information

	£'000
Income recognised in the year	–
Total cost	2,968
Valuation	3,697
Voting rights	15.9 per cent.
Voting rights for all Albion managed companies	23.5 per cent.



Website: www.egress.com

6. Egress Software Technologies Limited

Egress has developed a cloud-based secure communication platform that offers encryption services including email, file transfer, document collaboration and archiving. Egress serves local and central government in the UK, as well as the finance, legal and healthcare sectors in the UK and increasingly now in the US.

Audited results: year to 31 December 2019

	£'000
Turnover	14,154
LBITDA	(7,416)
Loss before tax	(7,580)
Net assets	4,255
Basis of valuation	Revenue multiple

Investment information

	£'000
Income recognised in the year	–
Total cost	765
Valuation	2,489
Voting rights	2.2 per cent.
Voting rights for all Albion managed companies	24.7 per cent.

7. Gharagain River Hydro Limited

Gharagain River Hydro is a 1MW hydropower scheme near Loch Carron in the Scottish Highlands, about 3 miles from Chonais Hydro. It is a run-of-river scheme with the same design as Chonais Hydro. It generates enough electricity to power approximately 1,000 homes. It benefits from inflation-protected renewable subsidies for a period of 20 years. The scheme was commissioned in 2014 and has been generating successfully since.

Filleted audited results: year to 30 September 2019

	£'000
Net assets	179
Basis of valuation	Third party valuation – discounted cash flow

Investment information

	£'000
Income recognised in the year	74
Total cost	1,526
Valuation	2,203
Voting rights	18.5 per cent.
Voting rights for all Albion managed companies	50.0 per cent.

Portfolio companies continued



Website: www.concirus.com

8. Concirus Limited

Concirus provides proprietary behavioural data and predictive models that significantly outperform traditional risk assessment and underwriting techniques in the insurance market. Concirus enables all parties in the ecosystem (asset owners, insurers/reinsurers, brokers and capital providers) to understand, price and manage risk better. The current focus is the marine insurance market, which writes \$30bn of premiums per annum. London dominates this market, writing 33% of global premiums.

Audited results: year to 31 December 2019

	£'000
Turnover	2,480
LBITDA	(5,542)
Loss before tax	(5,595)
Net assets	1,072
Basis of valuation	Cost and price of recent investment (reviewed for impairment or uplift)

Investment information

	£'000
Income recognised in the year	–
Total cost	1,632
Valuation	1,632
Voting rights	3.2 per cent.
Voting rights for all Albion managed companies	9.7 per cent.

9. The Street by Street Solar Programme Limited

Street by Street owns and operates solar PV systems on circa 600 privately owned homes in England and Wales. It provides free and clean electricity to those homes, and benefits from inflation-protected renewable subsidies for a period of 20 to 25 years. Most of the PV systems were commissioned in 2011 and 2012.

Filleted audited results: year to 30 November 2019

	£'000
Net liabilities	(621)
Basis of valuation	Third party valuation – discounted cash flow

Investment information

	£'000
Income recognised in the year	90
Total cost	895
Valuation	1,585
Voting rights	8.1 per cent.
Voting rights for all Albion managed companies	50.0 per cent.

10. Oviva AG

Oviva is the leading provider for digital, reimbursed dietetic care in Europe. The company has developed mobile technology solutions that enable its dietitians to provide superior care and improved outcomes in a more cost-effective way than traditional face-to-face dietetic counselling. It is active in the UK, Germany, France and Switzerland.



Website: www.oviva.com

Audited results: year to 31 December 2019

	£'000
Turnover	4,069
LBITDA	(2,422)
Loss before tax	(2,600)
Net assets	2,407
Basis of valuation	Cost and price of recent investment (reviewed for impairment or uplift)

Investment information

	£'000
Income recognised in the year	–
Total cost	1,192
Valuation	1,496
Voting rights	3.5 per cent.
Voting rights for all Albion managed companies	14.4 per cent.

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 2020. The Statement of corporate governance on pages 38 to 42 forms a part of the Directors' report.

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 page 33 of this Directors' report. Approval for the year ended 31 December 2020 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 premium listed on the official list of 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 Company's 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 15. The Ordinary shares are designed for individuals who are professionally advised private investors, seeking, over the long term, investment exposure to a diversified portfolio of unquoted investments. The investments are spread over a number of sectors, to produce a regular 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 of capital on winding up or other return of 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 3,117,737 Ordinary shares, of which no Ordinary shares (2019: 10,080,297 Ordinary

shares) were issued under the Albion VCTs' Top Up Offers; and 3,117,737 Ordinary shares (2019: 832,551 Ordinary shares) were issued under the Company's Dividend Reinvestment Scheme.

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 8 of the Chairman's statement. Details on share buy-backs during the year can be found in note 15.

Substantial interests and shareholder profile

As at 31 December 2020 and the date of this report, 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 Guidance and Transparency Rule 5 made to the Company during the year ended 31 December 2020, and up to the date of this report.

Future developments of the business

Details on the future developments of the business can be found on page 9 of the Chairman's statement and on page 11 of the Strategic report.

Results and dividends

Detailed information on the results and dividends for the year ended 31 December 2020 can be found in the Strategic report on page 11.

Going concern

In accordance with the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued by the Financial Reporting Council in September 2014, the Board has assessed the Company's operation as a going concern. The Company has sufficient 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. Cash flow forecasts are discussed quarterly at Board level with regards to going concern. The cash flow forecasts have been updated and stress tested to allow for the forecast impact of coronavirus (Covid-19). Accordingly, after making diligent enquiries, including examination of forward net cash commitments and sensitivities as prepared by the Manager, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence over a period of at least twelve months from the date of approval of the Financial Statements. For this reason, the Directors have adopted the going concern basis in preparing the accounts. The Directors do not consider there to be any material uncertainty over going concern.

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 17. The Company's business activities, together

Directors' report continued

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 2020 are shown in note 19.

Principal risks and uncertainties

A summary of the principal risks faced by the Company is set out on pages 17 and 18 of the Strategic report.

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 80 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 70 per cent. by HMRC value of its total qualifying holdings must have been represented throughout the year by holdings of 'eligible shares'. Investments made before 6 April 2018 from funds raised before 6 April 2011 are excluded from this requirement;
- (4) At least 30 per cent. of funds raised in accounting periods beginning on or after 6 April 2018 must be invested in qualifying holdings by the anniversary of the end of the accounting period in which the funds were raised;
- (5) At the time of investment, or addition to an investment, the Company's holdings in any one company (other than another VCT) must not have exceeded 15 per cent. by HMRC value of its investments;
- (6) The Company must not have retained greater than 15 per cent. of its income earned in the year from shares and securities;
- (7) The Company's shares, throughout the year, must have been listed on a regulated European market;
- (8) An investment in any company must not cause that company to receive more than £5 million in State aid risk finance in the 12 months up to the date of the investment, nor more than £12 million in total (the limits are £10 million and £20 million respectively for a 'knowledge intensive' company);
- (9) The Company must not invest in a company whose trade is more than seven years old (ten years for a 'knowledge

intensive' company) unless the company previously received State aid risk finance in its first seven years, or the company is entering a new market and a turnover test is satisfied;

- (10) The Company's investment in another company must not be used to acquire another business, or shares in another company; and
- (11) The Company may only make qualifying investments or certain non-qualifying investments permitted by Section 274 of the Income Tax Act 2007.

These tests drive a spread of investment risk through preventing holdings of more than 15 per cent. by HMRC value in any portfolio company. The tests have been carried out and independently reviewed for the year ended 31 December 2020. The Company has complied with all tests and continues to do so.

'Qualifying holdings' include shares or securities (including unsecured loans with a five year or greater maturity period) in companies which have a permanent establishment in the UK and operate a 'qualifying trade' wholly or mainly in the United Kingdom. The investment must bear a sufficient level of risk to meet a risk-to-capital condition. 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. '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 10.

A 'knowledge intensive' company is one which is carrying out significant amounts of R&D from which the greater part of its business will be derived, or where those R&D activities are being carried out by staff with certain higher educational attainments.

Portfolio company gross assets must not exceed £15 million immediately prior to the investment and £16 million immediately thereafter.

As at 31 December 2020, the HMRC value of the Company's qualifying investments (which includes a 12 month disregard for disposals) was 89.29% (2019: 86.81%). The Board continues to monitor this and all the VCT qualification requirements very carefully in order to ensure that all requirements are met and that qualifying investments comfortably exceed the current minimum threshold of 80% required for the Company to continue to benefit from VCT tax status. The Board and Manager are confident that the qualifying requirements can be met during the course of the year ahead.

Environment

The management and administration of the Company is undertaken by the Manager, Albion Capital Group LLP. Albion Capital Group 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, following digital printing and reducing energy consumption. Further details can be found in the Environmental, Social and Governance ("ESG") section on page 16.

Global greenhouse gas emissions

The Company qualifies as a low energy user with regards to greenhouse gas emissions, and therefore is not required to report emissions from its operations, 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. Therefore, the Company is outside of the scope of Streamlined Energy Carbon Reporting.

Anti-bribery

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

The Manager reviews the anti-bribery policies and procedures of portfolio companies.

Anti-facilitation of tax evasion

The Company has a zero tolerance approach with regards to the facilitation of criminal tax evasion and has put in place a robust risk assessment procedure to ensure compliance. The Board reviews this policy and the prevention procedures in place for all associates on a regular basis.

Diversity

The Board has a balanced representation of male and female Directors, with the current Board of Directors comprising three female and three male Directors. More details on the Directors can be found in the Board of Directors section on pages 20 and 21.

Employees

The Company is managed by Albion Capital Group LLP and hence has no employees other than its non-executive 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 44.

All Directors, except for Patrick Reeve, who is the chairman of the Manager, are members of the Audit Committee, of which Robin Archibald is Chairman. From 27 May 2021, Margaret Payn will be chairman of the Audit Committee.

Patrick Reeve, as chairman of Albion Capital Group 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 themselves in relation to the performance of their duties as a Director of the Company. A copy of each Deed of Indemnity entered into by the Company with each Director is available at the registered office of the Company.

Election and re-election of Directors

The AIC Code recommends that all Directors submit themselves for re-election annually, therefore in accordance with the AIC Code, Robin Archibald, Mary Anne Cordeiro, Modwenna Rees-Mogg and Patrick Reeve will offer themselves for re-election. As Margaret Payn has been appointed since the last Annual General Meeting, she will be subject to election at the forthcoming Annual General Meeting.

Advising Ordinary Retail Investors

The Company currently conducts its affairs so that its shares can be recommended by financial intermediaries 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 rules relating to non-mainstream investment products, are excluded securities and may be promoted to ordinary retail investors without restriction.

Packaged Retail and Insurance-based Investment Products ("PRIIPs")

Investors should be aware that the PRIIPs Regulation requires the Manager, as PRIIP manufacturer, to prepare a Key Information Document ("KID") in respect of the Company. This KID must be made available by the Manager to retail investors prior to them making any investment decision and is available on the Company's webpage on the Manager's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks,

Directors' report continued

costs and potential returns are prescribed by the law. The figures in the KID may not reflect the expected returns or costs for the Company as reported in the audited Annual Report, and anticipated performance returns cannot be guaranteed.

Alternative Investment Fund Managers Directive ("AIFMD")

Under the Alternative Investment Fund Manager Regulations 2013 (as amended) the Company is a UK AIF and the Manager is a full scope UK AIFM. Ocorian Depositary (UK) Limited provides depositary services under the AIFMD.

Material changes to information required to be made available to investors of the Company

The AIFMD outlines the required information which has to be made available to investors prior to investing in an AIF and directs that material changes to this information be disclosed in the Annual Report of the AIF. There were no material changes in the year.

Assets of the Company subject to special arrangements arising from their illiquid nature

There are no assets of the Company which are subject to special arrangements arising from their illiquid nature.

Remuneration (unaudited)

The Manager has a remuneration policy which meets the requirements of the AIFMD Remuneration Code and associated Financial Conduct Authority guidance. The remuneration policy together with the remuneration disclosures for the AIFM's most recent reporting period are available on the Company's webpage on the Manager's website.

Auditor

The Audit Committee annually reviews and evaluates the standard and quality of service provided by the Auditor, as well as value for money in the provision of these services. A resolution to re-appoint BDO LLP will be put to the Annual General Meeting.

There have been significant changes in the market for the provision of audit services, particularly for listed companies. As a result, there have been increases in the levels of audit fees being charged to listed companies and further pressure on fees is likely in future years. The Board continues to believe that the Company's auditor provides a good and competitively priced service for the audit of the Company.

Annual General Meeting

The Annual General Meeting will be held at the registered office of the Company at 1 Benjamin Street, London EC1M 5QL at noon on 27 May 2021. The notice of the Annual General Meeting is at the end of this document. Details of the special circumstances of this year's AGM can be found in the Chairman's Statement on page 8.

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.capital/funds/AATG under the "Financial Reports and Circulars" section.

The ordinary business resolutions 1 to 9 includes receiving and adopting the Company's accounts, to approve the Directors' remuneration report, to elect or re-elect all Directors, except Neil Cross who will retire on 27 May 2021, and to re-appoint BDO as auditor for the next year end and to fix their remuneration.

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.

These resolutions replace the authorities given to the Directors at the Annual General Meeting in 2020. The authorities sought at the forthcoming Annual General Meeting will expire 15 months from the date that the resolution is passed, or at the conclusion of the next Annual General Meeting of the Company, whichever is earlier.

Authority to allot shares

Ordinary resolution number 10 will request the authority to allot up to an aggregate nominal amount of £303,665 representing approximately 20 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 future Albion VCTs' Share Offers and reissuing treasury shares where it is in the Company's interest to do so. The Company currently holds 18,196,470 treasury shares representing 13.9 per cent. of the total Ordinary share capital in issue as at 31 December 2020.

Disapplication of pre-emptive 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 £303,665 of the nominal value of the share capital representing approximately 20 per cent. of the issued Ordinary share capital of the Company as at the date of this Report.

Purchase of own shares

Special resolution number 12 will request the authority to purchase approximately 14.99 per cent. of the Company's issued

Directors' report continued

Ordinary share capital at, or between, the minimum and maximum prices specified in resolution 12. Shares bought back under this authority may be cancelled.

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. Details of share buy-backs during the year can be found in note 15.

Update of Articles of Association to allow virtual and hybrid meetings

The coronavirus (Covid-19) pandemic has illustrated the difficulties which companies may encounter in holding general meetings. Accordingly, the Directors believe that it is desirable to amend the Company's Articles of Association to reflect the latest developments regarding electronic meetings and special resolution number 13 sets out the proposed changes. The changes will allow meetings to be held, and for shareholders to participate, both wholly by electronic means (a "virtual meeting") or partly by electronic means (a "hybrid meeting" i.e. where a physical meeting is held but some shareholders participate electronically).

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.

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 they ought to have taken as a Director to make themselves 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 Section 418 of the Companies Act 2006.

By Order of the Board

Albion Capital Group LLP
Company Secretary

1 Benjamin Street
London, EC1M 5QL
26 March 2021

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and 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 have elected to prepare the Company's Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP") (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.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK GAAP subject to any material departures disclosed and explained in the Financial Statements; and
- prepare a Directors' report, a Strategic report and Directors' 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.

The Directors are responsible for ensuring that the Annual Report and Financial Statements, taken as a whole, are fair, balanced, and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Website publication

The Directors are responsible for ensuring the Annual Report and Financial Statements are made available on a website. Financial Statements are published on the Company's webpage on the Manager's website (www.albion.capital/funds/AATG) 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 Company's webpage is maintained on the Board's behalf by the Manager.

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

The Directors confirm to the best of their knowledge:

- The Financial Statements have been prepared in accordance with UK GAAP and give a true and fair view of the assets, liabilities, financial position and profit or loss 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 it faces.

For and on behalf of the Board

Dr. N E Cross

Chairman

26 March 2021

Statement of corporate governance

Background

The Financial Conduct Authority requires all companies listed on a regulated market 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 2018.

The Board of Albion Technology & General VCT PLC has considered the Principles and Provisions of the AIC Code of Corporate Governance (“AIC Code”). The AIC Code addresses the Principles and Provisions set out in the Code, as well as setting out additional Provisions on issues that are of specific relevance to Albion Technology & General VCT PLC and other investment companies. Closed-ended investment companies have particular factors which have an impact on their governance arrangements, principally from four features: outsourcing their day-to-day activities to external service providers and being governed by boards of non-executive directors; the importance of the Manager in the outsourcing compared to a typical supplier; having no executive directors or employees and consequently no executive remuneration packages; and no customers in the traditional sense, only shareholders.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to shareholders. The Company has complied with the Principles and Provisions of the AIC Code.

The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the Code to make them relevant for investment companies.

Board of Directors

The Board consists solely of non-executive Directors. Dr. Neil Cross is the Chairman and Robin Archibald is the Senior Independent Director and chairman of the Audit Committee. All Directors are non-executive and day-to-day management responsibilities are sub-contracted to the Manager. From 27 May 2021, Robin Archibald will be the Chairman and Margaret Payn will be the Chairman of the Audit Committee. All Directors are non-executive and day-to-day management responsibilities are sub-contracted to the Manager.

Dr. Neil Cross, Robin Archibald, Mary Anne Cordeiro, Margaret Payn and Modwenna Rees-Mogg are considered independent Directors. Patrick Reeve is not considered an independent Director as he is the chairman of Albion Capital Group LLP, the Manager.

The Board does not have a strict policy of limiting the tenure of any Director as the Board does not consider that a Director’s length of service reduces their ability to act independently of the Manager.

The AIC Code requires that all Directors submit themselves for re-election annually, therefore in accordance with the AIC Code, Robin Archibald, Mary Anne Cordeiro, Modwenna Rees-Mogg and Patrick Reeve will offer themselves for re-election. As Margaret Payn has been appointed since the last Annual General Meeting, she will be subject to election at the forthcoming Annual General Meeting. Dr. Neil Cross will retire as a Director on 27 May 2021.

The Directors have a range of business and financial skills, including serving on the boards of other investment companies, which are relevant to the Company; these are described in the Board of Directors section on pages 20 and 21. All of the Directors have demonstrated that they have sufficient time, skill and experience to acquit their Board responsibilities and to work together effectively. 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. 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 succession planning for existing members of the Board and the recruitment of new Directors can be found in the Nomination Committee section on page 41.

The Board met four times during 2020 as part of its regular programme of quarterly Board meetings. An additional meeting also took place to discuss the effect of the coronavirus (Covid-19) pandemic on the Company’s portfolio. All Directors attended each meeting, except Margaret Payn who joined the Board on 3 August 2020. A sub-committee of the Board comprising at least two Directors met during the year to allot shares issued under the Dividend Reinvestment Scheme. After the year end, a sub-committee of the Board also met to approve the terms and contents of the Offer Documents under the Albion VCTs’ Prospectus Top Up Offers 2020/21. Various Board members also engaged with the Manager and other service providers to the Company during the course of the year in furtherance of their duties, as well as regular contact between individual members of the Board. Representatives of the Manager attend all Board meetings and participate in Board discussions, other than on matters where there might be a perceived conflict of interest between the Manager and the Company.

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

Statement of corporate governance continued

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, all of which are subject to Board oversight. 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 including periodic Top Up Offers;
- application of the principles of the AIC Code, corporate governance and internal control;
- review of sub-committee recommendations, including the recommendation to shareholders for the appointment and remuneration of the Auditor;
- approving the Annual Report and Financial Statements, the Half-yearly Financial Report, the Interim Management Statements (which the Company will continue to publish), net asset value updates (where required), and the associated announcements;
- approval of the dividend policy and payments of appropriate dividends to shareholders;
- the performance of the Company, including monitoring of the discount of share price to the net asset value;
- share buy-back and treasury share policies;
- participation in dividend re-investment schemes and Top Up Offers;
- monitoring shareholder profile and considering shareholder communications; and
- matters of Corporate Governance.

It is the responsibility of the Board to present an Annual Report that is fair, balanced and understandable, and which provides the information necessary for shareholders to assess the position, 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 consistently 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 Directors attend external courses and industry events which provides further experience to help them fulfil their responsibilities. The Board also undertakes a proper and thorough evaluation of its Committees on an annual basis.

In light of the performance of the individual directors and the structured performance evaluation, Robin Archibald, Mary Anne Cordeiro, Margaret Payn, Modwenna Rees-Mogg and Patrick Reeve are considered to be effective Directors who demonstrate strong commitment to the role. The Board believes it to be in the best interest of the Company to appoint or re-appoint these Directors at the forthcoming Annual General Meeting and has nominated them for re-election or election accordingly. As Dr. Neil Cross is retiring from the Board on 27 May 2021, he is not being put forward for re-election. For more details on the specific background, skills and experience of each Director, please see the Board of Directors section on pages 20 and 21.

Remuneration Committee

The Remuneration Committee consists of all Directors except Patrick Reeve, with Modwenna Rees-Mogg as Chairman. The Committee held one formal meeting during the year, which was attended by all the members of the Committee, except Margaret Payn who joined the Board on 3 August 2020.

The terms of reference for the Remuneration Committee can be found on the Company's webpage on the Manager's website at www.albion.capital/funds/AATG under the Corporate Governance section.

Audit Committee

The Audit Committee consists of all Directors except Patrick Reeve, with Robin Archibald as Chairman. From 27 May 2021, Margaret Payn will be the Chairman. In accordance with the AIC Code, members of the Audit Committee have recent and relevant financial experience as well as experience relevant to the sector. Given the size of the Board and the complexity of the business, Dr. Neil Cross is both Chairman of the Board and a member of the Audit Committee as his background, skills and experience are relevant for the Committee's responsibilities. From 27 May 2021, Robin Archibald will be both Chairman of the Board and a member of the Audit Committee as his background, skills and experience

Statement of corporate governance continued

are also relevant for the Committee's responsibilities. The Committee met twice during the year ended 31 December 2020; all members attended, except for Margaret Payn who joined the Board on 3 August 2020.

The Independent Auditor, BDO LLP, attended the Audit Committee at which the Annual Report and Financial Statements for the year ended 31 December 2020 were discussed. BDO LLP also met with the Audit Committee prior to the meeting without the presence of the Manager.

Written terms of reference have been constituted for the Audit Committee and can be found on the Company's webpage on the Manager's website at www.albion.capital/funds/AATG under the Corporate Governance section.

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

- formally reviewing the Annual Report and Financial Statements and the Half-yearly Financial Report, with particular focus on the main areas requiring judgement and on critical accounting policies;
- reviewing the effectiveness of the internal controls system and examination of the Internal Controls Report produced by the Manager;
- meeting with the external Auditor and reviewing their findings;
- meeting with the Manager's internal 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 and viability statements. 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 to back up the discussions. Taking into account risk factors that impact on the Company both as reflected in the annual accounts and in a detailed risk matrix, both of which are reviewed periodically in detail, including in the context of emerging risks;
- 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 position, performance, business model and strategy; and
- reporting to the Board on how it has discharged its responsibilities.

The Board, and particularly the Audit Committee, monitors closely developments in the provision of audit services and is aware that

the costs of rendering audit services from most audit firms are increasing significantly, with more pressure on those firms who provide services to listed companies and for those companies operating in a regulated environment. The Board is satisfied from discussions with the current audit firm and from scrutiny of what is happening elsewhere, that BDO continues to provide the Company with an independent and expert review of its financial reporting from an audit firm with significant experience in the sector and on a competitive fee base for the work required in reporting on an extensive portfolio of unquoted investments. It is however anticipated that audit fees will further increase in succeeding years.

The Committee also examines going concern and viability statements, using financial projections provided by the Manager on the Company and by examining the liquidity in the Company's portfolio, including cash and realisable investments, the committed costs of the Company and where liquidity might be found if required. The Audit Committee also receives regular reports on compliance with VCT status, which is subject to various internal controls and external review when investment commitments are made.

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 with the external Auditor prior to 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 Manager. The Audit Committee reviewed the estimates and judgements 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 Financial Statements 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 rigorous reviews of the Annual Report and Financial Statements and consideration of the key areas of risk identified, the Audit Committee and Board 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 position, performance, business model and strategy.

Statement of corporate governance continued

Relationship with the External Auditor

The Audit 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. No non-audit services were provided during the financial year ended 31 December 2020.

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

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 2020, and assessments made by individual Directors using their experiences elsewhere as required.

In 2017, the Audit Committee undertook a tendering exercise for the provision of audit services. As a result of this process, BDO LLP was retained as Auditor. BDO LLP first acted as Auditor for the year ended 31 December 2008 and this will be year 13 of their tenure. 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 Audit Committee also has an annual meeting with the external Auditor, without the Manager present, at which pertinent questions are asked to help the Audit Committee determine if the Auditor's skills and approach to the annual audit and issues that arise during the course of the audit match all the relevant and appropriate criteria for the audit to have been an effective and objective review of the Company's year-end reporting.

Based on the assurance obtained, the Audit Committee recommended to the Board a resolution to re-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. From 27 May 2021, Robin Archibald will be Chairman.

The Nomination Committee reviews both the membership of the Board for the spread of skills, and individual board member's contributions in nominating individual board members for re-election at the Annual General Meeting, and looks at succession

planning, with a view to make recommendations to the Board on changes to its composition. 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 Board is also mindful of the importance of creating good working relationships within the Board and with external agents. The Nomination Committee reviews succession planning regularly which includes considering tenure of existing Board members and any potential skills gaps that might need to be addressed when board membership changes.

During the year, the Nomination Committee met to discuss the appointment of a new Director. The Nomination Committee carried out a formal and extensive process to identify appropriately qualified people, and following a detailed interviewing and referencing process, the Nomination Committee recommended the appointment of Margaret Payn as a new Director.

As in previous years, the Nomination Committee conducted an appraisal of all the members of the Board and as a result was able to recommend that all the Directors, except Neil Cross who will retire on 27 May 2021, be put forward for election or re-election at the Annual General Meeting.

During the year, the Nomination Committee also decided that from 27 May 2021 Robin Archibald, who has been on the Board as Audit Chairman since 2013, will become Chairman, and Margaret Payn will be Audit Committee Chairman.

Terms of reference for the Nomination Committee can be found on the Company's webpage on the Manager's website at www.albion.capital/funds/AATG under the Corporate Governance section.

Internal control

In accordance with the AIC 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 FRC guidance "Risk Management, Internal Control and Related Financial and Business Reporting". 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

Statement of corporate governance continued

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 are:

- segregation of duties between the preparation of valuations and recording in accounting records;
- independent third party valuations of the majority of the asset-based investments within the portfolio are undertaken annually;
- reviews of valuations are carried out by the Valuations Committee and reviews of financial reports are carried out by the operations partner of Albion Capital Group LLP;
- bank reconciliations are carried out monthly, and stock reconciliations are carried out six-monthly, by the Manager;
- all financial reports are reviewed by Albion Capital Group LLP compliance department before publishing;
- 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 Capital Group LLP, the Board feels that it is not necessary to have its own internal audit function. Instead, it has access to PKF Littlejohn LLP, which, as internal auditor for Albion Capital Group LLP undertakes periodic examination of the business processes and controls environment at Albion Capital Group 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.

In addition to this, Ocorian Depositary (UK) Limited, the Company's external Depositary, provides cash monitoring, asset verification, and oversight services to the Company and reports to the Board on a quarterly basis.

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 and sign off the disclosure of conflicts of interest annually, with any changes reviewed and noted at the beginning of each quarterly 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 32, 35 and 36 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 and other stakeholders

The Company's Annual General Meeting is on 27 May 2021, which typically includes a presentation from the Manager on the portfolio and on the Company, and a presentation from a portfolio company, however, please see the Chairman's statement on page 8 for further information relating to special circumstances for this year's Meeting.

Shareholders and financial advisers are able to obtain information on holdings and performance using the contact details provided on page 2.

The Company's share buy-back programme operates in the market through brokers. During the year Panmure Gordon (UK) Limited was appointed as the Company's corporate broker and is now conducting the buy-back activities in the market. In order to sell shares, as they are quoted on the London Stock Exchange, investors should approach their own broker to undertake the sale. Banks may be able to assist shareholders with a referral to a broker within their banking group. More information on share buy-backs can be found in the Chairman's statement on page 8.

Statement of compliance

The Directors consider that the Company has complied throughout the year ended 31 December 2020 with all the relevant provisions set out in the AIC Code issued in 2019. By reporting against the AIC Code, the Board is meeting its obligations in relation to the 2018 UK Corporate Governance Code (and associated disclosure requirements under paragraph 9.8.6 of the Listing Rules). The Directors also consider that they are complying with their statutory responsibilities and other regulatory provisions which have a bearing on the Company.

For and on behalf of the Board

Dr. N E Cross

Chairman

26 March 2021

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.

An Ordinary resolution will be proposed at the Annual General Meeting of the Company to be held on 27 May 2021 for the approval of the Directors' remuneration report as set out below.

The current Remuneration Policy was approved by shareholders (95.64 per cent. of shareholders voted for the resolution, 4.36 per cent. against the resolution and of the total votes cast, 134,516, being 0.12 per cent. of total voting rights, were withheld) at the Annual General Meeting held on 3 June 2020, and it will remain in place for a three year period. It will next be put to shareholders at the 2023 AGM.

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 Directors, excluding Patrick Reeve, with Modwenna Rees-Mogg as Chairman.

The Remuneration Committee met once during the year to review Directors' responsibilities and salaries against the market and concluded that the current level of remuneration (£27,500 for the Chairman, £25,500 for the chairman of the Audit Committee and £23,500 for all other non-executive Directors, save for Patrick Reeve who agreed to waive his fees), which was last increased in 2019, remained appropriate and so proposed no increase for the forthcoming year.

Directors' remuneration policy

The Company's remuneration 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. There are no performance related pay criteria applicable to non-executive Directors.

The maximum total level of non-executive Directors' remuneration is £150,000 per annum which is fixed by the Company's Articles of Association; amendment to this is by way of an ordinary resolution.

The AIC Code requires that all Directors submit themselves for re-election annually, therefore in accordance with the AIC Code, Robin Archibald, Mary Anne Cordeiro, Modwenna Rees-Mogg and Patrick Reeve will offer themselves for re-election at the forthcoming Annual General Meeting. As Margaret Payn has been appointed since the last Annual General Meeting, she will be subject to election at the forthcoming Annual General Meeting. Dr. Neil Cross will retire as a Director on 27 May 2021, and is not being put forward for re-election accordingly.

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 year. 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. The Company has no employees other than the Directors.

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 remuneration policy and its application. At the last Annual General Meeting, 95.28 per cent. of shareholders voted for the resolution approving the Directors' remuneration report, 4.72 per cent. against the resolution and of the total votes cast, 139,976 (being 0.13 per cent. of total voting rights) were withheld, showing significant shareholder support.

Annual report on remuneration

The remuneration of individual Directors is determined by the Remuneration Committee within the framework set by the Board. The Committee meets at least once a year and met once during the year under review with full attendance from all of its members except Margaret Payn who joined the Board on 3 August 2020.

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 report continued

Directors' remuneration

The following items have been audited.

The following table shows an analysis of the remuneration of individual Directors, who were in office during the year, exclusive of National Insurance:

	31 December 2020 £	31 December 2019 £	Percentage change %
Dr. Neil Cross	27,500	26,250	4.8
Robin Archibald*	25,500	27,750	(8.1)
Mary Anne Cordeiro	23,500	22,750	3.3
Margaret Payn	9,750	n/a	n/a
Modwenna			
Rees-Mogg	23,500	22,750	3.3
Patrick Reeve	–	–	–
	109,750	99,500	10.3

*Robin Archibald as chairman of the Audit Committee was paid an additional one-off payment of £3,000 during the prior year in recognition of the significant amount of additional work he undertook in relation to the Albion VCTs' Prospectus Top Up Offers 2018/19 and other corporate work on behalf of the Board, particularly in a year of exceptional regulatory change.

There has been no increase in the base remuneration of each of the Directors' positions during the year. The changes from the prior year are due to the fee increase on 1 July 2019, the one-off payment to Robin Archibald in 2019, as discussed above, and the appointment of Margaret Payn during the year.

Directors' remuneration for the year ending 31 December 2021, excluding any special payments, is expected to be £110,000 (excluding National Insurance contributions).

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. Directors were also reimbursed for authorised expenses totalling £400 (2019: £800) during the year.

In addition to Directors' remuneration, the Company paid an annual premium in respect of Directors' & Officers' Liability Insurance of £24,100 (2019: £12,900). The increase has been due to changes in the market for the provision of insurance and is in line with increases seen across the wider D&O market.

Directors' interests

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:

	Shares held on 31 December 2020	Shares held on 31 December 2019
Dr. Neil Cross	177,790	177,790
Robin Archibald	31,071	27,479
Mary Anne Cordeiro	6,778	5,676
Margaret Payn	–	n/a
Modwenna Rees-Mogg	3,962	3,504
Patrick Reeve	637,629	624,941

After the year end, Modwenna Rees-Mogg subscribed for new shares under the Albion VCTs Prospectus Top Up Offers 2020/21 and was issued with 1,406 shares as part of the 26 February 2021 allotment.

There are no guidelines or requirements in respect of Directors' share holdings.

The following items have not been audited.

Albion Capital Group LLP, its partners and staff (including Patrick Reeve) held 1,462,348 shares in the Company as at 31 December 2020.

Performance graph

The graph that follows shows the Company's Ordinary share price total return against the FTSE All-Share Index total return, with dividends reinvested, since 1 January 2011. The Directors consider the FTSE All-Share Index to be the most appropriate indicative benchmark for the Company as it contains a large range of sectors within the UK economy similar to a generalist VCT. 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.

Directors' remuneration report continued

Share price total return relative to FTSE All-Share Index total return (with dividends reinvested)



Source: Albion Capital Group LLP

Methodology: The share price return to the shareholder, including original amount invested (rebased to 100) from 1 January 2011, 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.

Directors' pay compared to distributions to Shareholders

	2020 £'000	2019 £'000	Percentage change
Total dividend distribution to shareholders	14,328	4,460	221%
Share buy-backs	1,473	2,016	(27%)
Total Directors fees	110	100	10%

For and on behalf of the Board

Dr. N E Cross

Director

26 March 2021

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

Opinion on the 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 2020 and of the Company's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Albion Technology & General VCT PLC (the 'Company') for the year ended 31 December 2020 which comprise the income statement, the balance sheet, the statement of changes in equity, the statement of cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were appointed by the Board of Directors to audit the financial statements for the year ended 31 December 2008 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 13 years, covering the years ended 31 December 2008 to 31 December 2020. We remain independent of the Company in accordance with the ethical requirements that are relevant to our

audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the VCT compliance reports during the year and as at year end and reviewing their calculations to ensure that the Company was meeting its requirements to retain VCT status;
- Reviewing the forecasted cash flows that support the Directors' assessment of going concern;
- Evaluating management's method of assessing the going concern in light of market volatility and the present uncertainties;
- Calculating financial ratios to ascertain the financial health of the Company.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview		2020	2019
Key audit matters	Valuation of Unquoted Investments	✓	✓
	Revenue recognition		✓
Materiality	£1,300,000 (2019:£1,149,000) based on 2% (2019: 2%) of value of investments		

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

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit addressed the key audit matter
<p>Valuation of investments (Notes 2 and 11 to the financial statements)</p> <p>There is a high level of estimation uncertainty involved in determining the unquoted investment valuations; consisting of both equity and loan stock instruments.</p> <p>The Investment Manager's fee is based on the value of the net assets of the fund, as shown in note 5.</p> <p>As the Investment Manager is responsible for valuing investments for the financial statements, there is a potential risk of overstatement of investment valuations.</p>	<p>We tested a sample of 74% of the unquoted investment portfolio by value of investment holdings.</p> <p>52% of the unquoted portfolio is based on valuations using net assets, cost (where the investment was recently acquired), the price of a recent investment, or an offer to acquire the investee company. For such investments, we checked the cost, net assets or third party offer to supporting evidence, reviewed the calibration of fair value and considered the Investment Manager's determination of whether there were any reasons why the valuation and the valuation methodology was not appropriate at 31 December 2020. This is particularly pertinent in those circumstances where the impact of COVID-19 subsequent to the transaction data may call into question whether the price of recent investment remains reflective of fair value.</p> <p>The remaining 48% of the investment portfolio is valued with reference to more subjective techniques with 26% supported by a valuation performed by experts (17% based on discounted cash flows and 9% based on earnings multiples). The remaining 22% of the portfolio is valued using multiples of revenue or earnings, as described in note 11.</p> <p>Our sample for unquoted equity investments valuation testing is stratified according to risk, having regard to the subjectivity of the inputs to the valuations. Our procedures for the sample selected for detailed testing included:</p> <ul style="list-style-type: none"> • Considering whether the valuation methodology is the most appropriate in the circumstances under the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines • Re-performing the calculation of the investment • Verifying and benchmarking key inputs and estimates to independent information from our own research valuations and against metrics from the most recent investments • Challenging the assumptions inherent to valuation of unquoted investments and assessment of impact of the estimation uncertainty concerning these assumptions and the disclosure of these uncertainties in the financial statements • Where a valuation has been performed by a third party management's expert, we have assessed the competence and capabilities of that expert, the quality of their work and their qualifications, as well as challenging the basis of inputs and assumptions used by the expert. We have also considered any updates for subsequent information to the valuation made by the investment manager and obtained appropriate evidence for those changes

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

Key Audit Matter	How the scope of our audit addressed the key audit matter
	<ul style="list-style-type: none"> Where appropriate, performing sensitivity analysis on the valuation calculations where there is sufficient evidence to suggest reasonable alternative inputs might exist We had particular attention on specific areas surrounding Covid-19. This was addressed by challenging key assumptions made in the valuation and ensuring that the valuation methodology applied remains applicable given the economic impact of Covid-19 <p>For a sample of loans held at fair value included above, we:</p> <ul style="list-style-type: none"> Vouched security held to documentation Considered the assumption that fair value is not significantly different to cost by challenging the assumption that there is no significant movement in the market interest rate since acquisition and considering the "unit of account" concept Reviewed the treatment of accrued redemption premium/other fixed returns in line with the SORP <p><i>Key observations:</i> Based on the procedures performed we noted that the methodology and assumptions used by the Investment Manager were supported by the evidence obtained.</p>

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. 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 as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

Company Financial statements		
	2020	2019
Materiality	£1,300,000	£1,149,000
Basis for determining materiality	2 % of gross investments	2 % of gross investments
Rationale for the benchmark applied	In setting materiality, we have had regard to the nature and disposition of the investment portfolio. Given that the VCT's portfolio is comprised of unquoted investments which would typically have a wider spread of reasonable alternative possible valuations, we have applied a percentage of 2 % of invested assets.	
Performance materiality	£970,000	£862,000
Basis for determining performance materiality	75 % of materiality	75 % of materiality
	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

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

Lower threshold

Profit before tax could influence users of the financial statements as it is a measure of the Company's performance of income generated from its investments after expenses. Thus, we have set a lower testing threshold for those items impacting revenue return of £110,000 which is based on 5% of gross expenditure (2019: £50,000).

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £20,000 (2019: £23,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	<ul style="list-style-type: none">• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties; and• The Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why the period is appropriate.
Other Code provisions	<ul style="list-style-type: none">• Directors' statement on fair, balanced and understandable;• Board's confirmation that it has carried out a robust assessment of the emerging and principal risks;• The section of the annual report that describes the review of effectiveness of risk management and internal control systems; and• The section describing the work of the audit committee.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

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

Strategic report and Directors' report	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none"> the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. <p>In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.</p>
Directors' remuneration	<p>In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.</p>
Matters on which we are required to report by exception	<p>We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:</p> <ul style="list-style-type: none"> adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or the Company 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.

Responsibilities of Directors

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006, the FCA listing and DTR rules, the principles of the UK Corporate Governance Code, industry practice represented by the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("the SORP") issued in November 2014 and updated in February 2018 with consequential amendments and FRS 102. We also considered the Company's qualification as a VCT under UK tax legislation.

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

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. Our audit work focussed on the valuation of unquoted investments, where the risk of material misstatement due to fraud is the greatest. We also:

- Obtained independent evidence to support the ownership of investments
- Recalculated investment management fees in total
- Obtained independent confirmation of bank balances.

We focused on laws and regulations that could give rise to a material misstatement in the Company financial statements. Our tests included, but were not limited to:

- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management; and
- review of minutes of board meetings throughout the period.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our 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.

Peter Smith (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

26 March 2021

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

Income statement

	Note	Year ended 31 December 2020			Year ended 31 December 2019		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	3	–	1,453	1,453	–	11,170	11,170
Investment income	4	604	–	604	1,416	–	1,416
Investment management fee	5	(505)	(1,516)	(2,021)	(529)	(1,587)	(2,116)
Other expenses	6	(347)	–	(347)	(306)	–	(306)
(Loss)/profit on ordinary activities before tax		(248)	(63)	(311)	581	9,583	10,164
Tax (charge)/credit on ordinary activities	8	–	–	–	(62)	62	–
(Loss)/profit and total comprehensive income attributable to shareholders		(248)	(63)	(311)	519	9,645	10,164
Basic and diluted (loss)/return per share (pence)*	10	(0.22)	(0.06)	(0.28)	0.47	8.81	9.28

*adjusted for treasury shares

The accompanying notes on pages 56 to 69 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.

Balance sheet

	Note	31 December 2020 £'000	31 December 2019 £'000
Fixed asset investments	11	65,152	57,468
Current assets			
Current asset investments	13	–	2,193
Trade and other receivables	13	2,038	527
Cash and cash equivalents		11,451	32,468
		13,489	35,188
Total assets		78,641	92,656
Payables: amounts falling due within one year			
Trade and other payables less than one year	14	(613)	(634)
Total assets less current liabilities		78,028	92,022
Equity attributable to equity holders			
Called-up share capital	15	1,307	1,296
Share premium		37,036	34,949
Capital redemption reserve		48	28
Unrealised capital reserve		13,595	13,708
Realised capital reserve		23,617	23,567
Other distributable reserve		2,425	18,474
Total equity shareholders' funds		78,028	92,022
Basic and diluted net asset value per share (pence)*	16	69.35	82.58

*excluding treasury shares

The accompanying notes on pages 56 to 69 form an integral part of these Financial Statements.

These Financial Statements were approved by the Board of Directors, and were authorised for issue on 26 March 2021 and were signed on its behalf by

Dr. N E Cross

Chairman

Company number: 04114310

Statement of changes in equity

	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 2020	1,296	34,949	28	13,708	23,567	18,474	92,022
Return/(loss) and total comprehensive income for the year	–	–	–	1,233	(1,296)	(248)	(311)
Transfer of previously unrealised gains on disposal of investments	–	–	–	(1,346)	1,346	–	–
Purchase of shares for cancellation	(20)	–	20	–	–	(1,473)	(1,473)
Issue of equity	31	2,138	–	–	–	–	2,169
Cost of issue of equity	–	(51)	–	–	–	–	(51)
Dividends paid	–	–	–	–	–	(14,328)	(14,328)
As at 31 December 2020	1,307	37,036	48	13,595	23,617	2,425	78,028
As at 1 January 2019	1,187	26,621	28	16,697	10,933	24,431	79,897
Return and total comprehensive income for the year	–	–	–	1,387	8,258	519	10,164
Transfer of previously unrealised gains on disposal of investments	–	–	–	(4,376)	4,376	–	–
Purchase of shares for treasury	–	–	–	–	–	(2,016)	(2,016)
Issue of equity	109	8,547	–	–	–	–	8,656
Cost of issue of equity	–	(219)	–	–	–	–	(219)
Dividends paid	–	–	–	–	–	(4,460)	(4,460)
As at 31 December 2019	1,296	34,949	28	13,708	23,567	18,474	92,022

* These reserves amount to £26,042,000 (2019: £42,041,000) which is considered distributable.

Statement of cash flows

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Cash flow from operating activities		
Loan stock income received	511	1,360
Dividend income received	108	183
Deposit interest received	58	56
Investment management fee paid	(2,062)	(2,079)
Other cash payments	(344)	(291)
Corporation tax paid	–	–
Net cash flow from operating activities	(1,729)	(771)
Cash flow from investing activities		
Purchase of current asset investments	(4)	–
Purchase of fixed asset investments	(9,158)	(7,022)
Disposal of current asset investments	1,616	–
Disposal of fixed asset investments	1,936	31,142
Net cash flow from investing activities	(5,610)	24,120
Cash flow from financing activities		
Issue of share capital	–	7,804
Cost of issue of equity	(47)	(17)
Dividends paid*	(12,158)	(3,794)
Purchase of own shares (including costs)	(1,473)	(2,016)
Net cash flow from financing activities	(13,678)	1,977
(Decrease)/increase in cash and cash equivalents	(21,017)	25,326
Cash and cash equivalents at start of period	32,468	7,142
Cash and cash equivalents at end of period	11,451	32,468

* The dividends paid shown in the cash flow are different to the dividends disclosed in note 9 as a result of the non-cash effect of the Dividend Reinvestment Scheme.

Notes to the Financial Statements

1. Basis of preparation

The Financial Statements have been prepared in accordance with applicable United Kingdom law and accounting standards, including Financial Reporting Standard 102 ("FRS 102"), 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"). The Financial Statements have been prepared on a going concern basis and further details can be found in the Directors' report on pages 32 and 33.

The preparation of the Financial Statements requires management to make judgements and estimates that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The most critical estimates and judgements relate to the determination of carrying value of investments at fair value through profit and loss ("FVTPL") in accordance with FRS 102 sections 11 and 12. The Company values investments by following the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines as updated in 2018 and further detail on the valuation techniques used are outlined in note 2 below.

Company information can be found on page 2.

2. Accounting policies

Fixed and current asset investments

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

In accordance with the requirements of FRS 102, 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. In these circumstances the investment is measured at FVTPL.

Upon initial recognition (using trade date accounting) investments, including loan stock, are classified by the Company as FVTPL and are included at their initial fair value, which is cost (excluding expenses incidental to the acquisition which are written off to the Income statement).

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

- Investments listed on recognised exchanges are valued at their bid prices at the end of the accounting period or otherwise at fair value based on published price quotations.
- Unquoted investments, where there is not an active market, are valued using an appropriate valuation technique in accordance with the IPEV Guidelines. Indicators of fair value are derived using established methodologies including earnings multiples, revenue multiples, the level of third party offers received, cost or prices of recent investment rounds, net assets and industry valuation benchmarks. Where price of recent investment is used as a starting point for estimating fair value at subsequent measurement dates, this has been benchmarked using an appropriate valuation technique permitted by the IPEV guidelines.
- In situations where cost or price of recent investment is used, consideration is given to the circumstances of the portfolio company since that date in determining fair value. This includes consideration of whether there is any evidence of deterioration or strong definable evidence of an increase in value. In the absence of these indicators, the investment in question is valued at the amount reported at the previous reporting date. Examples of events or changes that could indicate a diminution include:
 - the performance and/or prospects of the underlying business are significantly below the expectations on which the investment was based;
 - a significant adverse change either in the portfolio company's business or in the technological, market, economic, legal or regulatory environment in which the business operates; or
 - market conditions have deteriorated, which may be indicated by a fall in the share prices of quoted businesses operating in the same or related sectors.

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

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

Current assets and payables

Receivables (including debtors due after more than one year), payables and cash are carried at amortised cost, in accordance with FRS 102. Debtors due after more than one year meet the definition of a financing transaction held at amortised cost, and interest will be recognised through capital over the credit period using the effective interest method. There are no financial liabilities other than payables.

Notes to the Financial Statements continued

2. Accounting policies (continued)

Investment income

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 when the Company's right to receive payment and expected settlement is established. Where interest is rolled up and/or payable at redemption then it is recognised as income unless there is reasonable doubt as to its receipt.

Bank interest income

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

Investment management fee, performance incentive fee 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 and performance incentive fees, if any, 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.

Taxation

Taxation is applied on a current basis in accordance with FRS 102. Current tax is tax payable (refundable) in respect of the taxable profit (tax loss) for the current period or past reporting periods using the tax rates and laws that have been enacted or substantively enacted at the financial reporting date. Taxation associated with capital expenses is applied in accordance with the SORP.

Deferred tax is provided in full on all timing differences at the reporting date. Timing differences are differences between taxable profits and total comprehensive income as stated in the Financial Statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the Financial Statements. As a VCT the Company has an exemption from tax on capital gains. The Company intends to continue meeting the conditions required to obtain approval as a VCT in the foreseeable future. The Company, therefore, should have no material deferred tax timing differences arising in respect of the revaluation or disposal of investments and the Company has not provided for any deferred tax.

Reserves

Called-up share capital

This reserve accounts for the nominal value of the shares.

Share premium

This reserve accounts for the difference between the price paid for the Company's shares and the nominal value of those shares, less issue costs.

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, or permanent diminutions in value;
- expenses, together with the related taxation effect, charged in accordance with the above policies; and
- dividends paid to equity holders where paid out by capital.

Other distributable reserve

The special reserve, treasury share reserve and the revenue reserve were combined in 2012 to form 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

Dividends by the Company are accounted for in the period in which the dividend is paid or approved at the Annual General Meeting.

Segmental reporting

The Directors are of the opinion that the Company is engaged in a single operating segment of business, being investment in smaller companies principally based in the UK.

Notes to the Financial Statements continued

3. Gains/(losses) on investments

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Unrealised gains on fixed asset investments	1,233	1,115
Unrealised gains on current asset investments	–	272
Realised gains on fixed asset investments	801	9,783
Realised losses on current asset investments	(581)	–
	1,453	11,170

4. Investment income

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Loan stock interest	510	1,105
Dividend income	39	253
Bank deposit interest	55	58
	604	1,416

5. Investment management fees

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Investment management fee charged to revenue	505	529
Investment management fee charged to capital	1,516	1,587
	2,021	2,116

Further details of the Management agreement under which the investment management fee is paid are given in the Strategic report on page 13.

During the year, services of a total value of £2,021,000 (2019: £2,116,000) were purchased by the Company from Albion Capital Group LLP in respect of management fees. At the financial year end, the amount due to Albion Capital Group LLP in respect of these services disclosed as accruals was £477,000 (2019: £518,000). The total annual running costs of the Company are capped at an amount equal to 2.75 per cent. of the Company's net assets, with any excess being met by Albion Capital Group LLP by way of a reduction in management fees. During the year, the management fee was reduced by £78,000 as a result of this cap (2019: £136,000).

During the year, the Company was not charged by Albion Capital Group LLP in respect of Patrick Reeve's services as a Director (2019: nil).

Albion Capital Group LLP, its partners and staff (including Patrick Reeve) held 1,462,348 Ordinary shares in the Company as at 31 December 2020.

Albion Capital Group LLP is, from time-to-time, eligible to receive arrangement fees and monitoring fees from portfolio companies. During the year ended 31 December 2020, fees of £237,000 attributable to the investments of the Company were received by Albion Capital Group LLP pursuant to these arrangements (2019: £241,000).

During the year, £4,000 (2019: £nil) was invested into the SVS Albion OLIM UK Equity Income Fund ("OUEIF") as part of the Company's management of surplus liquid funds. To avoid double charging, Albion Capital Group LLP agreed to reduce its management fee relating to the investment in the OUEIF by 0.75 per cent. per annum, which represents the OUEIF management fee charged by OLIM. This resulted in a further reduction of the management fee of £9,000 (2019: £16,000). During the year, the Company disposed of its investment in the OUEIF. Full details of the disposal can be found in the Portfolio of investments on page 26.

Notes to the Financial Statements continued

6. Other expenses

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Directors' fees (including NIC)	119	108
Auditor's remuneration for statutory audit services (excluding VAT)	34	31
Tax services	19	23
Other administrative expenses	175	144
	347	306

7. Directors' fees

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

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Directors' fees	110	100
National insurance	9	8
	119	108

The Company's key management personnel are the non-executive Directors. Further information regarding Directors' remuneration can be found in the Directors' remuneration report on pages 43 to 45.

8. Tax on ordinary activities

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
UK corporation tax charge payable	–	–

Factors affecting the tax charge:

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
(Loss)/return on ordinary activities before taxation	(311)	10,164
Tax charge on (loss)/profit at the average companies rate of 19% (2019: 19%)	(59)	1,931
Factors affecting the charge:		
Non-taxable gains	(276)	(2,122)
Income not taxable	(7)	(48)
Excess management expenses carried forward	342	239
	–	–

The tax charge for the year shown in the Income statement is lower than the average companies rate of corporation tax in the UK of 19 per cent. (2019: 19 per cent.). The differences are explained above.

Notes to the Financial Statements continued

8. Tax on ordinary activities (continued)

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 management expenses of £5,407,000 (2019: £3,606,000) that are available for offset against future profits. A deferred tax asset of £1,027,000 (2019: £613,000) has not been recognised in respect of these losses as they will be recoverable only to the extent that the Company has sufficient future taxable profits.

9. Dividends

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Dividend of 2.00p per share paid on 28 June 2019	–	2,237
Dividend of 2.00p per share paid on 31 December 2019	–	2,223
Dividend of 2.00p per share paid on 30 June 2020	2,201	–
Special dividend of 9.00p per share paid on 30 October 2020	9,942	–
Dividend of 1.95p per share paid on 31 December 2020	2,185	–
	14,328	4,460

In addition to the dividends summarised above, the Board has declared a first dividend for the year ending 31 December 2021 of 1.73 pence per share. The dividend will be paid on 30 June 2021 to shareholders on the register on 4 June 2021. The total dividend will be approximately £2,312,000. All dividends are paid out of the other distributable reserve as shown in the Balance sheet.

10. Basic and diluted (loss)/return per share

	Year ended 31 December 2020			Year ended 31 December 2019		
	Revenue	Capital	Total	Revenue	Capital	Total
(Loss)/profit attributable to equity shares (£'000)	(248)	(63)	(311)	519	9,645	10,164
Weighted average shares in issue						
(adjusted for treasury shares)		110,981,864			109,562,226	
(Loss)/return attributable per equity share (pence)	(0.22)	(0.06)	(0.28)	0.47	8.81	9.28

The weighted average number of shares is calculated adjusted for treasury shares of 18,196,470 (2019: 18,196,470).

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

Notes to the Financial Statements continued

11. Fixed asset investments

	31 December 2020 £'000	31 December 2019 £'000
Investments held at fair value through profit or loss		
Unquoted equity and preference shares	45,891	40,332
Quoted equity	–	135
Unquoted loan stock	19,261	17,001
	65,152	57,468
	31 December 2020 £'000	31 December 2019 £'000
Opening valuation	57,468	70,737
Purchases at cost	10,375	8,043
Disposal proceeds	(4,724)	(31,956)
Realised gains	801	9,783
Movement in loan stock accrued income	(1)	(255)
Unrealised gains	1,233	1,115
Closing valuation	65,152	57,468
Movement in loan stock accrued income		
Opening accumulated loan stock accrued income	88	343
Movement in loan stock accrued income	(1)	(255)
Closing accumulated loan stock accrued income	87	88
Movement in unrealised gains		
Opening accumulated unrealised gains	13,727	16,988
Transfer of previously unrealised gains to realised reserve on disposal of investments	(1,413)	(4,376)
Movement in unrealised gains	1,233	1,115
Closing accumulated unrealised gains	13,547	13,727
Historic cost basis		
Opening book cost	43,653	53,406
Purchases at cost	10,375	8,043
Sales at cost	(2,510)	(17,796)
Closing book cost	51,518	43,653

Purchases and disposals detailed above do not agree to the Statement of cash flows due to restructuring of investments, conversion of convertible loan stock and settlement receivables and payables.

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 those valued below cost and past due assets are covered by the value of security held for these loan stock investments.

Notes to the Financial Statements continued

11. Fixed asset investments (continued)

Unquoted fixed asset investments are valued at fair value in accordance with the IPEV guidelines as follows:

Valuation methodology	31 December 2020 £'000	31 December 2019 £'000
Cost and price of recent investment (reviewed for impairment or uplift)	30,244	32,087
Revenue multiple	12,507	1,845
Third party valuation – discounted cash flow	10,937	11,113
Third party valuation – earnings multiple	5,955	4,729
Net assets	2,869	5,487
Earnings multiple	1,962	2,072
Discounted offer price	678	–
	65,152	57,333

When using the cost or price of a recent investment in the valuations, the Company looks to re-calibrate this price at each valuation point by reviewing progress within the investment, comparing against the initial investment thesis, assessing if there are any significant events or milestones that would indicate the value of the investment has changed and considering whether a market-based methodology (i.e. using multiples from comparable public companies) or a discounted cashflow forecast would be more appropriate.

The main inputs into the calibration exercise, and for the valuation models using multiples, are revenue, EBITDA and P/E multiples (based on the most recent revenue, EBITDA or earnings achieved and equivalent corresponding revenue, EBITDA or earnings multiples of comparable companies), quality of earnings assessments and comparability difference adjustments. Revenue multiples are often used, rather than EBITDA or earnings, due to the nature of the Company's investments, being in growth and technology companies which are not normally expected to achieve profitability or scale for a number of years. Where an investment has achieved scale and profitability the Company would normally then expect to switch to using an EBITDA or earnings multiple methodology.

In the calibration exercise and in determining the valuation for the Company's equity instruments, comparable trading multiples are used. In accordance with the Company's policy, appropriate comparable companies based on industry, size, developmental stage, revenue generation and strategy are determined and a trading multiple for each comparable company identified is then calculated. The multiple is calculated by dividing the enterprise value of the comparable group by its revenue, EBITDA or earnings. The trading multiple is then adjusted for considerations such as illiquidity, marketability and other differences, advantages and disadvantages between the portfolio company and the comparable public companies based on company specific facts and circumstances.

Fair value investments had the following movements between valuation methodologies:

Change in valuation methodology (2019 to 2020)	31 December 2020 £'000	Explanatory note
Price of recent investment to revenue multiple	9,711	More appropriate valuation methodology
Net assets to third party valuation - earnings multiple	1,396	Third party valuation undertaken
Price of recent investment to discounted offer price	678	Third party offer received
Cost and Price of recent investment to net assets	305	Covid-19 impact on portfolio company has led to revaluation
Bid price to net assets	135	Company delisted and in liquidation
Revenue multiple to net assets	5	Covid-19 impact on portfolio company has led to revaluation

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 IPEV Guidelines. The Directors believe that, within these parameters, there are no other more relevant methods of valuation which would be reasonable as at 31 December 2020.

Notes to the Financial Statements continued

11. Fixed asset investments (continued)

FRS 102 and the SORP requires the Company to disclose the inputs to the valuation methods applied to its investments measured at FVTPL in a fair value hierarchy. The table below sets out fair value hierarchy definitions using FRS102 s.11.27.

Fair value hierarchy	Definition
Level 1	Unadjusted quoted prices in an active market
Level 2	Inputs to valuations are from observable sources and are directly or indirectly derived from prices
Level 3	Inputs to valuations not based on observable market data

Quoted investments are valued according to Level 1 valuation methods. Unquoted equity, preference shares and loan stock are all valued according to Level 3 valuation methods.

Investments held at fair value through profit or loss (Level 3) had the following movements:

	31 December 2020 £'000	31 December 2019 £'000
Opening balance	57,333	69,938
Purchases at cost*	10,510	8,043
Disposals proceeds	(4,724)	(31,917)
Movement in loan stock accrued income	(1)	(255)
Realised gains	801	10,409
Unrealised gains	1,233	1,115
Closing balance	65,152	57,333

*Additions do not agree to the cash flow due to £1,487,000 of loan stock conversions and non-cash consideration, and £135,000 of delisted investments in the year.

FRS 102 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. 69 per cent. of the portfolio of investments, consisting of equity and loan stock, is based on recent investment price, discounted offer price, net assets and cost, and as such the Board believe that changes to reasonable possible alternative input assumptions (by adjusting the earnings and revenue multiples) for the valuation of the remainder of the portfolio could lead to a significant change in the fair value of the portfolio. Therefore, for the remainder of the portfolio, the Board has adjusted the inputs for a number of the largest portfolio companies (by value) resulting in a total coverage of 86 per cent. of the portfolio of investments. The main inputs considered for each type of valuation is as follows:

Valuation technique	Portfolio company sector	Input	Base Case*	Change in input	Change in fair value of investments (£'000)	Change in NAV (pence per share)
Revenue multiple	Software and other technology	Revenue multiple	5.4x	+0.5	226	0.20
				-0.5	(226)	(0.20)
Revenue multiple	Healthcare (including digital healthcare)	Revenue multiple	4.5x	+0.5	381	0.34
				-0.5	(381)	(0.34)
Third party valuation – discounted cash flow	Renewable energy	Discount rate	5.75 %	+0.5 %	(245)	(0.22)
				-0.5 %	270	0.24
Third party valuation – earnings multiple	Education	Earnings multiple	11x	+1.0	149	0.13
				-1.0	(149)	(0.13)

* As detailed in the accounting policies on page 56, the base case is based on market comparables, discounted where appropriate for marketability, in accordance with the IPEV guidelines.

The impact of these changes could result in an overall increase in the valuation of the equity investments by £1,026,000 (2.2%) or a decrease in the valuation of equity investments by £1,001,000 (2.2%).

Notes to the Financial Statements continued

12. Significant interests

The principal activity of the Company is to select and hold a portfolio of investments. 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 investments listed below are held as part of an investment portfolio and therefore, as permitted by FRS 102 section 14.4B, they are measured at FVTPL and not accounted for using the equity method.

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 2020 as described below:

Company	Registered postcode	Profit/(loss) before tax £'000	Net assets/ (liabilities) £'000	Result for year ended	% class and share type	% total voting rights
Albion Investment Properties Limited	EC1M 5QL, UK	n/a*	(706)	31 December 2019	31.8% A Ordinary	31.8%
MHS 1 Limited	EC1M 5QL, UK	(1,086)	(8,965)	31 August 2020	22.5% Ordinary	22.5%
memsstar Limited	EH3 9EP, UK	644	2,577	31 December 2019	67.3% A Ordinary	30.1%
Premier Leisure (Suffolk) Limited	EC1M 5QL, UK	n/a*	(1,506)	31 August 2020	25.8% Ordinary	25.8%
The Q Garden Company Limited	EC1M 5QL, UK	n/a*	(4,595)	31 August 2020	33.4% A Ordinary	33.4%

*The company files filleted accounts which does not disclose this information.

13. Current assets

	31 December 2020 £'000	31 December 2019 £'000
Current asset investments		
SVS Albion OLIM UK Equity Income Fund	–	2,193

Current asset investments at 31 December 2019 consisted of cash invested in SVS Albion OLIM UK Equity Income Fund and was capable of realisation within 7 days. These fell into the level 1 fair value hierarchy as defined in note 11. The Company disposed of its investment in the SVS Albion OLIM UK Equity Income Fund. Further details can be found in the Portfolio of investments section on page 26.

	31 December 2020 £'000	31 December 2019 £'000
Trade and other receivables		
Prepayments and accrued income	25	22
Other receivables	1	73
Deferred consideration under one year	111	432
Deferred consideration over one year	1,901	–
	2,038	527

The deferred consideration over one year relates to the sale of G.Network Communications Limited in December 2020. These proceeds are receivable in January 2024, and have been discounted to present value at the prevailing market rate, including a provision for counterparty risk. This constitutes a financing transaction and has been accounted for using the policy disclosed in note 2.

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

14. Payables: amounts falling due within one year

	31 December 2020 £'000	31 December 2019 £'000
Trade payables	33	15
Accruals and deferred income	580	619
	613	634

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

Notes to the Financial Statements continued

15. Called-up share capital

Allotted, called-up and fully paid	£'000
129,624,437 Ordinary shares of 1 penny each at 31 December 2019	1,296
3,117,737 Ordinary shares of 1 penny each issued during the year	31
2,031,283 Ordinary shares of 1 penny each cancelled during the year	(20)
130,710,891 Ordinary shares of 1 penny each at 31 December 2020	1,307
18,196,470 Ordinary shares of 1 penny each held in treasury at 31 December 2019	(182)
18,196,470 Ordinary shares of 1 penny each held in treasury at 31 December 2020	(182)
Voting rights of 112,514,421 Ordinary shares of 1 penny each at 31 December 2020	1,125

The Company purchased 2,031,283 Ordinary shares to be cancelled (2019: 2,678,000 to be held in treasury) at a cost of £1,473,000 including stamp duty (2019: £2,016,000) during the year ended 31 December 2020. Total share buy backs in 2020 represents 1.6 per cent. (2019: 2.1 per cent.) of called-up share capital.

The Company holds a total of 18,196,470 shares (2019: 18,196,470) in treasury representing 13.9 per cent. (2019: 14.0 per cent.) of the issued Ordinary share capital at 31 December 2020.

Under the terms of the Dividend Reinvestment Scheme, the following new Ordinary shares of nominal value 1 penny each were allotted during the year:

Date of allotment	Number of shares allotted	Aggregate nominal value of shares (£'000)	Issue price (pence per share)	Net invested (£'000)	Opening market price on allotment date (pence per share)
30 June 2020	421,235	4	75.37	302	72.00
30 October 2020	2,197,279	22	68.85	1,495	65.50
31 December 2020	499,223	5	67.80	321	64.50
	3,117,737	31		2,118	

16. Basic and diluted net asset value per share

	31 December 2020 (pence per share)	31 December 2019 (pence per share)
Basic and diluted net asset value per share	69.35	82.58

The basic and diluted net asset value per share at the year end is calculated in accordance with the Articles of Association and is based upon total shares in issue (less treasury shares) of 112,514,421 at 31 December 2020 (2019: 111,427,967).

17. Capital and financial instruments risk management

The Company's capital comprises Ordinary shares as described in note 15. The Company is permitted to buy back its own shares for cancellation or treasury purposes, and this is described in more detail on page 8 of the Chairman's statement.

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

Notes to the Financial Statements continued

17. Capital and financial instruments risk management (continued)

The principal financial 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 quoted and unquoted investments, details of which are shown on pages 24 to 26. 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 quoted and unquoted investments.

The maximum investment risk as at the Balance sheet date is the value of the fixed asset investment portfolio which is £65,152,000 (2019: fixed and current asset investments: £59,661,000). Fixed asset investments form 83 per cent. of the net asset value as at 31 December 2020 (2019: fixed and current asset investments: 65 per cent.).

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

Investment price risk

Investment price risk is the risk that the fair value of future investment cash flows will fluctuate due to factors specific to an investment instrument or to a market in similar instruments. As a Venture Capital Trust, the Company invests in accordance with the investment policy set out on page 3. The management of risk within the venture capital portfolio is addressed through careful investment selection, by diversification across different industry segments, by maintaining a wide spread of holdings in terms of financing stage and by limitation of the size of individual holdings. The Directors monitor the Manager's compliance with the investment policy, review and agree policies for managing this risk and monitor the overall level of risk on the investment portfolio on a regular basis.

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 IPEV Guidelines. Details of the industries in which investments have been made are contained in the Portfolio of investments section on pages 24 to 26 and in the Strategic report.

As required under FRS 102 the Board is required to illustrate by way of a sensitivity analysis the extent to which the assets are exposed to market risk. The Board considers that the value of the fixed asset investment portfolio is sensitive to a change of 10% based on the current economic climate. The impact of a 10% change has been selected as this is considered reasonable given the current level of volatility observed. When considering the appropriate level of sensitivity to be applied, the Board has considered both historic performance and future expectations.

The sensitivity of a 10% increase or decrease in the valuation of the fixed asset investment portfolio (keeping all other variables constant) would increase or decrease the net asset value and return for the year by £6,515,000. Further sensitivity analysis on fixed asset investments is included in note 11.

Notes to the Financial Statements continued

17. Capital and financial instruments risk management (continued)

Interest rate risk

The Company is exposed to fixed and floating rate interest rate risk on its financial assets. On the basis of the Company's analysis, it was estimated that a rise of half a percentage point in all interest rates would have decreased the loss before tax for the year by approximately £116,000 (2019: £147,000). Furthermore, it was considered that a fall of interest rates below current levels during the year would have been very unlikely.

The weighted average effective interest rate applied to the Company's unquoted loan stock during the year was approximately 3.2 per cent. (2019: 4.6 per cent.). The weighted average period to maturity for the unquoted loan stock is approximately 3.9 years (2019: 3.9 years).

The Company's financial assets and liabilities, all denominated in pounds sterling, consist of the following:

	31 December 2020				31 December 2019			
	Fixed	Floating	Non-	Total	Fixed rate	Floating	Non-	Total
	rate	rate	interest			rate	interest	
	£'000	£'000	bearing	£'000	£'000	£'000	bearing	£'000
Unquoted equity	–	–	45,891	45,891	–	–	40,332	40,332
Quoted equity	–	–	–	–	–	–	135	135
Unquoted loan stock	18,297	–	964	19,261	15,939	–	1,062	17,001
Current asset investments	–	–	–	–	–	–	2,193	2,193
Receivables*	–	–	2,013	2,013	–	–	509	509
Current liabilities	–	–	(613)	(613)	–	–	(634)	(634)
Cash	–	11,451	–	11,451	–	32,468	–	32,468
Total	18,297	11,451	48,255	78,003	15,939	32,468	43,597	92,004

*The receivables do not reconcile to the Balance sheet as prepayments 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 receivables, 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. For loan stock investments made prior to 6 April 2018, which account for 62.8 per cent. of loan stock value, typically loan stock instruments will have a fixed or floating charge, which may or may not be subordinated, 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 receivables) 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 2020 was limited to £19,261,000 (2019: £17,001,000) of unquoted loan stock instruments, £11,451,000 (2019: £32,468,000) cash deposits with banks and £2,038,000 (2019: £527,000) of other receivables.

At the Balance sheet date, the cash held by the Company was 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 was mitigated by transacting with counterparties that are regulated entities subject to prudential supervision, with high credit ratings assigned by international credit-rating agencies.

Notes to the Financial Statements continued

17. Capital and financial instruments risk management (continued)

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.

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 £7,572,000 as at 31 December 2020 (2019: £8,979,000).

The Company has no committed borrowing facilities as at 31 December 2020 (2019: £nil). The Company had cash balances of £11,451,000 (2019: £32,468,000) and no current asset investments (2019: £2,193,000), which are considered to be readily realisable within the timescales required to make cash available for investment. 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 £613,000 as at 31 December 2020 (2019: £634,000).

The carrying value of loan stock investments analysed by expected maturity dates is as follows:

Redemption date	31 December 2020				31 December 2019			
	Fully performing	Valued below cost	Past due	Total	Fully performing	Valued below cost	Past due	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Less than one year	2,266	2,341	1,673	6,280	2,438	4,427	732	7,597
1-2 years	2,036	26	79	2,141	595	76	–	671
2-3 years	195	92	–	287	1,900	26	–	1,926
3-5 years	7,012	–	65	7,077	2,964	156	–	3,120
5+ years	3,097	–	379	3,476	3,264	–	423	3,687
Total	14,606	2,459	2,196	19,261	11,161	4,685	1,155	17,001

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

The cost of loan stock investments valued below cost is £3,033,000 (2019: £5,409,000).

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 2020 are stated at fair value as determined by the Directors, with the exception of receivables (including debtors due after more than one year), payables and cash which are carried at amortised cost, in accordance with FRS 102. There are no financial liabilities other than payables. 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.

18. Commitments and contingencies

The Company had no financial commitments in respect of investments as at 31 December 2020 (2019: nil).

There were no contingent liabilities or guarantees given by the Company as at 31 December 2020 (2019: nil).

Notes to the Financial Statements continued

19. Post balance sheet events

Since 31 December 2020 the Company has had the following post balance sheet events:

- Investment of £1,014,000 in a new portfolio company, Threadneedle Software Holding Limited (T/A Solidatus);
- Disposal of OmPrompt Holdings Limited for proceeds of £678,000;
- Disposal of SBD Automotive Limited for proceeds of £567,000; and
- Investment of £418,000 in an existing portfolio company, Healios Limited.

Since 31 December 2020, the Company issued the following new Ordinary shares of nominal value 1 penny each under the Albion VCTs' Prospectus Top Up Offers 2020/21:

Date of allotment	Number of shares allotted	Aggregate nominal value of shares £'000	Issue price (pence per share)	Net consideration received £'000	Opening market price on allotment date (pence per share)
26 February 2021	2,059,020	21	70.30	1,426	66.00
26 February 2021	520,699	5	70.70	361	66.00
26 February 2021	18,541,660	185	71.70	12,854	66.00
	21,121,379	211		14,641	

20. Related party transactions

The Company has entered into an offer agreement relating to the Top Up Offers 2020/21 with the Company's Manager, Albion Capital Group LLP ("Albion"), pursuant to which Albion will receive a fee of 2.5 per cent. of the gross proceeds of the Offer and out of which Albion will pay the costs of the Offer, as detailed in the Prospectus.

Other than transactions with the Manager as disclosed in note 5, the Directors' remuneration disclosed in the Directors' remuneration report on pages 43 to 45, and that disclosed above, there are no other related party transactions requiring disclosure.

Notice of Annual General Meeting

SHAREHOLDERS, WHILST ENCOURAGED TO VOTE ON THE RESOLUTIONS BEING PROPOSED, SHOULD TAKE NOTE OF THE SPECIAL ARRANGEMENTS FOR THIS YEAR'S AGM (SEE PAGE 8). BASED ON THE CURRENT GOVERNMENT ADVICE, SHAREHOLDERS WILL NOT BE ALLOWED ENTRY INTO THE BUILDING WHERE THE AGM IS HELD. ANY CHANGES TO THESE ARRANGEMENTS WILL BE MADE AVAILABLE AT WWW.ALBION.CAPITAL/FUNDS/AATG.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Albion Technology & General VCT PLC (the "Company") will be held at the registered office of the Company at 1 Benjamin Street, London, EC1M 5QL on 27 May 2021 at noon 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 2020 together with the Strategic report and the reports of the Directors and Auditor.
2. To approve the Directors' remuneration report for the year ended 31 December 2020.
3. To elect Margaret Payn as a Director of the Company.
4. To re-elect Robin Archibald as a Director of the Company.
5. To re-elect Mary Anne Cordeiro as a Director of the Company.
6. To re-elect Modwenna Rees-Mogg 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. Authority to allot shares

That the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to allot shares in the Company up to an aggregate nominal amount of £303,665 (representing approximately 20 per cent. of the issued share capital as at the date of this Notice) provided that this authority shall expire 15 months from the date that this resolution is passed, or if earlier, at the conclusion of the next Annual General Meeting, but so that the Company may, before the expiry of such period, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the Directors may allot shares pursuant to such an offer or agreement as if the authority had not expired.

11. Authority for the disapplication of pre-emptive rights

That, subject to the authority and conditional on the passing of resolution number 10, the Directors be empowered, pursuant to section 570 and 573 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 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561(1) of the Act did not apply to any such allotment or sale.

Under this power the Directors may impose any limits or restrictions and make any arrangements which they deem necessary or expedient to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or laws of, any territory or other matter, arising under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory or any other matter.

This power shall expire 15 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

12. Authority to purchase own shares

That, subject to and in accordance with the Company's Articles of Association, the Company be generally and unconditionally authorised, pursuant to and in accordance with section 701 of the Act, 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, provided always that:

- (a) the maximum aggregate number of Ordinary shares hereby authorised to be purchased is 22,759,657 shares or, if lower, such number of Ordinary shares representing 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, exclusive of any expenses, which may be paid for an Ordinary share is 1 penny;
- (c) the maximum price, exclusive of any expenses, which may be paid for an Ordinary share shall be an amount equal to the higher of (a) 105% of the average of the middle market quotations for the share, as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the date on which the share is purchased; and (b) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003;
- (d) the authority hereby conferred shall, unless previously revoked, varied or renewed, expire 15 months from the date that this resolution is passed or, if earlier, at the conclusion of the next Annual General Meeting; and
- (e) the Company may enter into a contract or contracts to purchase Ordinary shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

13. Amendments to the Articles of Association to enable general meetings to be held by electronic means

That, the Company's Articles of Association be amended to enable the Company to hold general meetings either wholly or partly by electronic means, as follows:

Article 2.1: A new definition for "electronic facility" shall be inserted underneath the definition of "director":

"electronic facility" includes, without limitation, website addresses and conference call systems, and any device, system, procedure, method or other facility whatsoever providing an electronic means of attendance at or participation in (or both attendance at and participation in) a general meeting determined by the Board pursuant to Article 43.10"

New Article 2.8: A new Article 2.8 shall be inserted below Article 2.7:

"A reference to a meeting shall mean a meeting convened and held in any manner permitted by these Articles, including a general meeting at which some or all of those entitled to be present attend and participate by means of electronic facility or facilities, and such persons shall be deemed to be present at that meeting for all purposes of the Act and these Articles, and attend, participate, attending, participating, attendance and participation shall be construed accordingly."

New Article 44.3A: A new Article 44.3A shall be inserted below 44.3:

"If a general meeting is held wholly or partly by means of an electronic facility or facilities pursuant to Article 44.11, the Board and the chairman may make any arrangement and impose any requirement or restriction that is:

- (a) *necessary to ensure the identification of those taking part by means of such electronic facility or facilities and the security of the electronic communication; and*
- (b) *in its or his or her view, proportionate to those objectives.*

In this respect, the Board may authorise any voting application, system or facility for attendance and participation as it sees fit."

Article 44.4.1: the words *"including wholly or partly by means of electronic facility or facilities,"* shall be inserted after *"("Main Meeting Place")"*.

New Article 44.4.3: a new Article 44.4.3 shall be inserted below Article 44.4.2:

"make arrangements for simultaneous attendance and participation by means of electronic facility or facilities pursuant to Article 44.11 (and for the avoidance of doubt, the Board shall be under no obligation to offer or provide such facility or facilities, whatever the circumstances)."

New Article 44.4A: a new Article 44.4A shall be inserted below Article 44.4:

"If, at any general meeting at which members are entitled to participate by means of electronic facility or facilities determined by the Board pursuant to Article 44.11, any document is required to be on display or to be available for inspection at the meeting (whether prior to or for the duration of the meeting or both), the Company shall ensure that it is available in electronic form to persons entitled to inspect it for at least the required period of time, and this will be deemed to satisfy any such requirement."

Notice of Annual General Meeting continued

Article 44.6: "." shall be deleted from the end of the sentence at 44.6.3 and a new paragraph shall be inserted below as follows:

"and the meeting shall be deemed to take place at the place where the chairman of the meeting presides (the principal meeting place, with any other location where that meeting takes place being referred in these Articles as a satellite meeting). The chairman shall be present at, and the meeting shall be deemed to take place at, the principal meeting place and the powers of the chairman shall apply equally to each satellite meeting place, including his or her power to adjourn the meeting as referred to in Article 51."

Article 44.9: the wording underlined and highlighted in bold below will be inserted into Article 44.9:

*"If after the sending of notice of a general meeting but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the board decides that it is impracticable or unreasonable to hold the meeting on the date or at the time or at the Main Meeting Place specified in the notice calling the meeting (or any of the other places, in the case of a meeting to which Article 44.4.2 applies), **and/or by means of the electronic facility or facilities specified in the notice**, it may postpone the meeting to another date, time and place **(or in the case of a general meeting to be held at a principal meeting place and one or more satellite meeting places, to such other places) and/or change the electronic facility or facilities**. When a meeting is postponed, notice of the date, time and place **(or places, in the case of a general meeting to which Article 44.4.2 and/or electronic facility or facilities apply)** of the postponed meeting shall, be placed in at least two national newspapers in the United Kingdom. No new notice of the meeting need be sent. The board must take reasonable steps to ensure that a member trying to attend the meeting at the original date, time and place **(or places in the case of a meeting to which Article 44.4.2 and/or by electronic facility or facilities apply)**, is informed of the new arrangements."*

New Article 44.11: A new Article 44.11 shall be inserted below Article 44.10:

"Without prejudice to Article 44.6, the Board may resolve to enable persons entitled to attend and participate in a general meeting to do so wholly by means of electronic facility or facilities or partly by simultaneous attendance and participation by means of electronic facility or facilities, and may determine the means, or all different means, of attendance and participation used in relation to the general meeting. The members present in person or by proxy by means of an electronic facility or facilities (as so determined by the Board) shall be counted in the quorum for, and be entitled to participate in, the general meeting in question. That meeting shall be duly constituted and its proceedings valid if the chair is satisfied that adequate facilities are available throughout the meeting to ensure that members attending the meeting by all means (including the means of an electronic facility or facilities) are able to:

- (a) participate in the business for which the meeting has been convened;*
- (b) hear all persons who speak at the meeting; and*
- (c) be heard by all other persons attending and participating in the meeting."*

New Article 45.5: A new Article 45.5 shall be inserted below Article 45.4:

"If pursuant to Article 44.11 the Board determines that a general meeting shall be held wholly or partly by means of electronic facility or facilities, the notice shall:

- (a) include a statement to that effect;*
- (b) specify the means, or all different means, of attendance and participation threat, and any access, identification and security arrangements determined pursuant to Article 44.3A; and*
- (c) state how it is proposed that persons attending or participating in the meeting electronically should communicate with each other during the meeting."*

New Article 45.6: A new Article 45.6 shall be inserted below the new Article 45.5:

"The notice shall specify such arrangements as have at that time been made for the purpose of Article 44.6."

Article 48.3: In the sixth line down the words "or places, with such means of attendance and participation (including wholly or partly by means of electronic facility or facilities)," shall be inserted after "such other time and place".

Article 50: the first paragraph shall be renumbered "50.1" and a new Article 50.2 shall be inserted as follows:

"50.2 All persons seeking to attend and participate in a general meeting by way of electronic facility or facilities shall be responsible for maintaining adequate facilities to enable them to do so. Subject only to the requirement for the chairman to adjourn a general meeting in accordance with the provisions of Article 51.6, any inability of a person or persons to attend or participate in a general meeting by way of electronic facility or facilities shall not invalidate the proceedings of that meeting."

Notice of Annual General Meeting continued

Article 51.1: at the end of the paragraph the following sentence shall be inserted after the word "place":

"(or, in the case of a meeting held at a principal meeting place and one or more satellite meeting places, such other places) and/or from such electronic facility or facilities for attendance and participation to such other electronic facility or facilities as the meeting shall determine"

Article 51.2: in the third line down the following sentence shall be inserted after the word "place":

"(or places in the case of a meeting to which Article 44.6 applies) and/or from such electronic facility or facilities for attendance and participation to such other electronic facility or facilities as the meeting shall determine,"

New Article 51.6: A new Article 51.6 shall be inserted below Article 51.5:

"If it appears to the chairman that the facilities at the principal meeting place or any satellite meeting place or an electronic facility or facilities or that security at any general meeting have become inadequate for the purposes referred to in Articles 44.6 or 44.11 or are otherwise not sufficient to allow the meeting to be conducted substantially in accordance with the provisions set out in the notice of meeting, then the chairman shall, without the consent of the meeting, interrupt or adjourn the general meeting."

Article 53.1: in the third line down after the word "manner" the following sentence shall be inserted:

"(including at such place or places and/or by means of such electronic facility or facilities)".

By Order of the Board

Albion Capital Group LLP

Company Secretary

Registered office

1 Benjamin Street

London, EC1M 5QL

26 March 2021

Albion Technology & General VCT PLC is 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 AGM. 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; or
 - going to www.investorcentre.co.uk/eproxy 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. A member may not use any electronic address provided in the Notice of this meeting 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 noon on 25 May 2021.

In accordance with good governance practice, the Company is offering shareholders use of an online service, offered by the Company’s registrar, Computershare Investor Services, at www.investorcentre.co.uk/eproxy. Shareholders can use this service to vote or appoint a proxy online. The same voting deadline of noon on 25 May 2021 applies as if you were using your Personalised Voting Form to vote or appoint a proxy by post to vote for you. Shareholders who hold their shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company’s registrar not later than 48 hours before the start of the meeting. Instructions on how to vote through CREST can be found by accessing the following website: www.euroclear.com/CREST. Shareholders should not show this information to anyone unless they wish to give proxy instructions on their behalf.

2. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 (“the Act”) 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 noon on 25 May 2021 (or, in the event of any adjournment, on the date which is two business 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 noon on 25 May 2021. 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 provider(s) 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

Notice of Annual General Meeting continued

provider, to procure that his or her 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 provider(s) 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 of the Act, is available from www.albion.capital/funds/AATG under the "Fund Reports" 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. Copies of contracts of service and letters of appointment between the Directors and the Company, together with the Register of Directors' Interests in the Ordinary shares of the Company, will be available for inspection at the Registered Office of the Company during normal business hours from the date of this Notice until the conclusion of the meeting, and at the place of the meeting for at least 15 minutes prior to the meeting until its conclusion. In addition, a copy of the Articles of Association, and a draft copy of the Articles incorporating the amendments proposed in Resolution 13, will be available for inspection at the Company's registered office from the date of this Notice until the conclusion of the meeting, and at the place of the meeting for at least 15 minutes prior to the meeting until its conclusion.
9. Under section 527 of the Act members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstances connected with an Auditor of the Company ceasing to hold office since the previous meeting at which the annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with section 527 and 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.
10. Members satisfying the thresholds in section 338 of the Companies Act 2006 may require the Company to give, to members of the Company entitled to receive notice of the AGM, notice of a resolution which those members intend to move (and which may properly be moved) at the AGM. A resolution may properly be moved at the AGM unless (i) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment of the Company's constitution or otherwise); (ii) it is defamatory of any person; or (iii) it is frivolous or vexatious. The business which may be dealt with at the AGM includes a resolution circulated pursuant to this right. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given, must be authenticated by the person(s) making it and must be received by the Company not later than 6 weeks before the date of the AGM.
11. Members satisfying the thresholds in section 388A of the Companies Act 2006 may request the Company to include in the business to be dealt with at the AGM any matter (other than a proposed resolution) which may properly be included in the business at the AGM.

A matter may properly be included in the business at the AGM unless (i) it is defamatory of any person or (ii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than 6 weeks before the date of the AGM.
12. As at 25 March 2021 (being the latest practicable date prior to the publication of this Notice), the Company's issued share capital consists of 151,832,270 Ordinary shares with a nominal value of 1 penny each. The Company also holds 18,196,470 Ordinary shares in treasury. Therefore, the total voting rights in the Company as at 25 March 2021 are 133,635,800.



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The Association of
Investment Companies

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of Investment Companies



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