

Half-yearly Financial Report
(unaudited) for the six months to
30 September 2010



Albion Prime VCT PLC
(formerly Albion Protected VCT PLC)

ALBIONVENTURES

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Company information

Company number	3265074
Directors	Martin Bralsford, Chairman MSc FCA FCT Ebbe Dinesen R (Danish) FSR Patrick Reeve MA ACA Modwenna Rees-Mogg MA
Investment Manager, company secretary and registered office	Albion Ventures LLP 1 King's Arms Yard London EC2R 7AF Tel: 020 7601 1850 Fax: 020 7601 1875 www.albion-ventures.co.uk
Registrars	Capita Registrars Limited Northern House Penistone Road Fenay Bridge Huddersfield HD8 0LA
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Taxation adviser	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Legal advisers	Berwin Leighton Paisner LLP Adelaide House London Bridge London EC4R 9HA

Albion Prime VCT PLC is a member of the Association of Investment Companies.

Shareholder information	For help relating to dividend payments, shareholdings and share certificates please contact Capita Registrars Limited: Tel: 0871 664 0300 (calls cost 10p per minute plus network extras; lines are open 8.30am – 5.30pm; Monday to Friday) Email: ssd@capitaregistrars.com Website: www.capitaregistrars.com Shareholders can access holdings and valuation information regarding any of their shares held by Capita Registrars by registering on Capita's website. For enquiries relating to the performance of the Fund please contact Albion Ventures LLP: Tel: 020 7601 1850 (calls may be recorded; lines are open 9.00am – 5.30pm; Monday to Friday) Email: info@albion-ventures.co.uk Website: www.albion-ventures.co.uk
IFA information	Independent Financial Advisers with questions please contact Albion Ventures LLP: Tel: 020 7601 1850 (calls may be recorded; lines are open 9.00am – 5.30pm; Monday to Friday) Email: info@albion-ventures.co.uk Website: www.albion-ventures.co.uk

Investment objectives

Albion Prime VCT PLC changed its name on 28 June 2010 from Albion Protected VCT PLC.

Albion Prime VCT PLC (the "Company") commenced trading in April 1997.

Within the overall aim of maximising the considerable tax benefits available to shareholders in a venture capital trust, the Company's investment strategy was designed to meet the requirements of investors who seek to have a lower risk investment whilst still providing an attractive level of return. Following shareholder approval in 2002 to change the Company's investment policy, the investments made by Albion Prime VCT PLC currently fall into the following categories:

- Qualifying asset-based investments

Investments are principally in the hotel, leisure, environmental and specialist healthcare sectors, with a mixture of equity and loan stock, with the loan stock normally secured by a first charge over freehold or long leasehold property.

Other than loan stock issued to funds managed or advised by Albion Ventures LLP, investee companies do not normally have any external borrowings. Investments are structured as a mixture of equity and loan stock and the loan stock represents the majority of the finance provided.

Funds managed or advised by Albion Ventures LLP typically own 50 per cent. of the equity of the investee company (see pages 9 & 10).

- Non-qualifying investments

The remaining funds are invested in cash and floating rate notes, or similar investments, with banks with a Moody's rating of A and above.

Financial calendar

Record date for second dividend	28 January 2011
Payment date for second dividend	28 February 2011
Financial year end	31 March 2011

Financial highlights (unaudited)

	Unaudited six months ended 30 September 2010 (pence per share)	Unaudited six months ended 30 September 2009 (pence per share)	Audited year ended 31 March 2010 (pence per share)
Net asset value	71.8	70.7	71.8
Revenue return	0.9	0.9	2.3
Capital return/loss	0.5	(1.3)	(0.8)

Total shareholder net asset value return to 30 September 2010	(pence per share)
Total dividends paid during the period ended:	
31 March 1998	1.10
31 March 1999 ⁽ⁱ⁾	6.40
31 March 2000	1.50
31 March 2001	4.25
31 March 2002	2.75
31 March 2003	2.00
31 March 2004	1.25
31 March 2005	2.20
31 March 2006	4.50
31 March 2007	4.00
31 March 2008	5.00
31 March 2009	4.50
31 March 2010	2.00
30 September 2010	1.50
Total dividends paid to 30 September 2010	42.95
Net asset value as at 30 September 2010	71.84
Total shareholder net asset value return to 30 September 2010	114.79

In addition to the above dividends paid, the Directors have declared a second dividend of 1.5 pence per share, payable on 28 February 2011 to shareholders on the register as at 28 January 2011.

Notes

- (i) Dividends paid before 5 April 1999 were paid to qualifying shareholders inclusive of the associated tax credit. The dividends for the year to 31 March 1999 were maximised in order to take advantage of this tax credit.

Interim management report

Introduction

The results for Albion Prime VCT PLC for the six months to 30 September 2010 show a positive total return of 1.4 pence per share (maintaining the net asset value at approximately 71.8 pence per share), after the payment of the first dividend for the year of 1.5 pence per share. This represents an encouraging return to growth for the investment portfolio and it should be noted that, as independent third party valuations of the underlying investments are not carried out until the Spring, the increase in the portfolio value represents the accumulated net cash profits in the investee companies, after payments of interest to the VCT, over the six month period.

Investment performance and progress

Our hotel investments showed a marked improvement over the previous period with a particularly strong performance from our Holiday Inn Express at Stansted Airport (Kew Green VCT (Stansted) Limited) and good trading at The Crown Hotel in Harrogate and The Bell Hotel at Sandwich (The Place Sandwich VCT Limited). Our new hotel at Stanwell, close to London Heathrow Airport Terminals 4 and 5, opened in April and has now reached operational profitability.

Our investments in “art house” cinemas have also shown an improvement over the previous period with particularly strong performances from the Ritz in Brixton and the Greenwich Picturehouse and a pleasing increase in profitability at Cinema City in Norwich. In our pub portfolio, a strong performance was seen in the four London pubs acquired by Geronimo Inns I and II VCT Limited, while the health and fitness clubs continue to build up their membership and to grow profitability.

During the period the Company sold its last two remaining investments in the residual AIM portfolio, realising proceeds of £211,000.

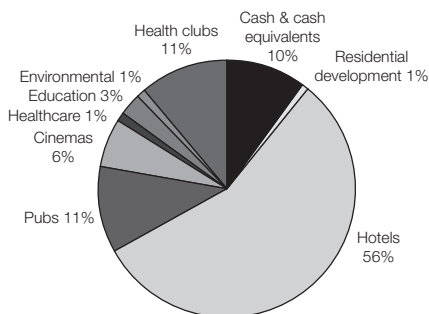
Our key new investment during the period was £437,000 in Radnor House School Limited, a new independent school which is being established on a freehold site on the Thames at Twickenham in West London. This continues your Company's investment policy of investing in companies with significant asset backing, with loan stock secured by a first charge

over the property. In addition, £78,000 was committed (£24,000 has been invested) to TEG Biogas (Perth) Limited which is developing an aerobic digestion unit fed on local authority waste food and is based in Perth in Scotland. Both of these investments represent new sectors for the VCT and provide further diversification on top of the recent investment in a psychiatric treatment centre outside Taunton in Somerset which was made in the Spring of this year.

Subsequent to 30 September 2010, the Company has invested £421,000 (out of a total commitment of £915,000) in Oakland Care Centre Limited which will be developing a 46 bed care home for residents suffering from dementia in Chingford, Essex. An additional £40,000 has also been invested in Bravo Inns II Limited to facilitate its expansion.

Looking forwards, we will be placing particular emphasis on further investments in the renewable energy sector and in the healthcare sector, where we see particularly attractive opportunities at the current time.

Split of portfolio by valuation



Source: Albion Ventures LLP

Risks and uncertainties

The outlook for the UK economy continues to be the key risk affecting your Company; although current indications are that renewed growth in the UK economy has become more firmly established, there is continuing uncertainty as to the impact on the economy of the Coalition Government's impending public spending cuts. Importantly, however, your

Interim management report (continued)

Company continues to be cash generative while investment risk is mitigated through our policy of ensuring that the Company has a first charge over investee companies' assets. Meanwhile, opportunities within our target sectors continue to arise at attractive valuations, including the healthcare sector which continues to be one of our core areas of concentration going forwards.

Other risks and uncertainties remain unchanged and are as detailed on pages 17 and 18 of the Annual Report and Financial Statements for the year ended 31 March 2010.

Related party transactions

Details of material related party transactions for the reporting period can be found in note 12 to this Half-yearly Financial Report.

Reduction in share capital and cancellation of capital redemption reserve

Shareholders approved the reduction of share capital by reducing the nominal value of Ordinary shares from 50 pence to 1 penny per Ordinary share and the cancellation of the Company's capital redemption reserve at the Annual General Meeting on 28 June 2010. The High Court approved this restructuring on 28 July 2010, and the nominal value of the share capital of the Company is now 1 penny per share. The restructuring has increased the reserves available to the Company for the payment of dividends, the buy-back of shares and for other corporate purposes. New share certificates will not be issued following these changes and existing certificates will remain valid.

Change of name

Since its launch in 1997, Albion Protected VCT PLC has consistently maintained a lower risk investment policy, first through investments in loans guaranteed by The Royal Bank of Scotland PLC, and subsequently, from 2002, through an asset-backed investment policy. This lower risk policy will continue. The Financial Services Authority, however, is discouraging the use of words such as "Protected" when naming funds, and accordingly the Company changed the name of the VCT to Albion Prime VCT PLC at the Annual General Meeting held on 28 June 2010.

Share buy-backs and share price discount

It remains the Board's policy to buy back shares in the market, as, in the absence of liquidity, this is seen as an important service to shareholders. These purchases are subject to the overall constraint that such buy-backs are in the Company's interest, including the maintenance of sufficient resources for investment in existing and new investee companies and the continued payment of dividends to shareholders. It is the Board's intention for such buy-backs to be in the region of a 10 to 15 per cent. discount to net asset value, so far as market conditions and liquidity permit. The Company will limit the sum available for share buy-backs for the six months to 31 March 2011 to £200,000 in line with the total value bought in for the previous six months.

Albion VCTs Linked Top Up Offer

On 1 November 2010 the Company announced the launch of the Albion VCTs Linked Top Up Offer. In aggregate, the Albion VCTs will be aiming to raise up to £15 million across all of the seven VCTs managed by Albion Ventures LLP, of which Albion Prime VCT's share will be approximately £1.5 million. The maximum amount raised by each of the Albion VCTs will be the lower of Euros 2.5 million, and 10 per cent. of its issued share capital (over any one 12 month period, and including any shares issued under Dividend Reinvestment Schemes), being the amount that they may issue under the Prospectus Rules without the publication of a full prospectus. The number of new shares available may change depending on the £: euro exchange rate at the date of allotment.

In accordance with best practice we encourage shareholders to elect to have their dividends paid to them direct to their bank or building society.

The proceeds of the Offer will be used to provide further resources to the Company at a time when a number of attractive new investment opportunities are being seen.

A copy of the Investor Guide and Offer Document have been sent to shareholders.

Interim management report (continued)

Results and dividends

As at 30 September 2010, the net asset value of the company was £14.5 million or 71.8 pence per share compared to £14.8 million or 71.8 pence per share at 31 March 2010. The revenue return before taxation was £228,000 compared to £219,000 for the six months to 30 September 2009. The Company will pay a second dividend of 1.5 pence per share on 28 February 2011 to shareholders on the register as at 28 January 2011, bringing the total for the year to 3.0 pence per share which is consistent with the Board's annual dividend target of 3.0 pence per share.

Outlook and prospects

The outlook for the UK economy remains uncertain. In particular, the full impact of public sector cuts on the wider economy has not yet been felt. There is a

widely held view that interest rates will remain low in the short term, which will continue to depress income from deposits. With this in mind, the Company is looking to expand further its portfolio of asset-based, income producing investments, where we have seen an improvement in the pipeline at attractive prices across a broad range of industries, but with particular emphasis on the healthcare and environmental sectors.

Martin Bralsford

Chairman

26 November 2010

Responsibility statement

The Directors, as listed on page 2 of this Report, are responsible for preparing the Half-yearly Financial Report. The Directors have chosen to prepare this Half-yearly Financial Report for the Company in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP").

In preparing these summarised financial statements for the period to 30 September 2010, we the Directors of the Company, confirm that to the best of our knowledge:

- (a) the summarised set of financial statements has been prepared in accordance with the pronouncement on interim reporting issued by the Accounting Standards Board;
- (b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year);
- (c) the summarised set of financial statements give a true and fair view in accordance with

UK GAAP of the assets, liabilities, financial position and profit and loss of the Company for the six months ended 30 September 2010 and comply with UK GAAP and Companies Act 1985 and 2006; and

- (d) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

The accounting policies applied to the Half-yearly Financial Report have been consistently applied in current and prior periods and are those applied in the Annual Report and Financial Statements for the year ended 31 March 2010.

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

By order of the Board

Martin Bralsford

Chairman

26 November 2010

Portfolio of investments

The following is a summary of investments as at 30 September 2010:

	At 30 September 2010				
	% voting rights	% voting rights of AVL* managed companies	Cost £'000	Cumulative movement in value £'000	Total value £'000
Qualifying investments					
Hotels					
Kew Green VCT (Stansted) Limited	16.9	50.0	2,512	1,278	3,790
The Stanwell Hotel Limited	17.9	50.0	1,973	(320)	1,653
The Crown Hotel Harrogate Limited	8.4	50.0	1,674	(478)	1,196
The Place Sandwich VCT Limited	13.8	50.0	803	(240)	563
The Bear Hungerford Limited	14.6	50.0	1,167	(370)	797
Total hotel investments			8,129	(130)	7,999
Health and fitness clubs					
The Weybridge Club Limited	6.0	50.0	980	(128)	852
Kensington Health Clubs Limited	4.9	50.0	1,124	(445)	679
Tower Bridge Health Clubs Limited	2.9	50.0	183	22	205
Total health and fitness club investments			2,287	(551)	1,736
Pubs					
The Charnwood Pub Company Limited	6.0	50.0	2,075	(1,101)	974
Bravo Inns II Limited	1.1	50.0	170	(8)	162
Geronimo Inns VCT I Limited	1.4	50.0	110	15	125
Geronimo Inns VCT II Limited	1.4	50.0	110	15	125
Bravo Inns Limited	2.6	50.0	230	(105)	125
The Dunedin Pub Company VCT Limited	4.0	50.0	142	(92)	50
GB Pub Company VCT Limited	2.9	50.0	118	(73)	45
Total pub investments			2,955	(1,349)	1,606
Cinemas and other leisure					
CS (Greenwich) Limited	7.6	50.0	427	(7)	420
City Screen (Liverpool) Limited	22.7	50.0	277	(45)	232
CS (Brixton) Limited	3.0	50.0	126	37	163
Premier Leisure (Suffolk) Limited	5.3	50.0	390	(291)	99
CS (Exeter) Limited	3.0	50.0	49	(7)	42
CS (Norwich) Limited	1.3	50.0	20	(2)	18
Total cinemas and other leisure investments			1,289	(315)	974

Portfolio of investments (continued)

	At 30 September 2010				
Qualifying investments	% voting rights	% voting rights of AVL* managed companies	Cost £'000	Cumulative movement in value £'000	Total value £'000
Healthcare					
Taunton Nursing Homes Limited	1.6	50.0	100	3	103
Orchard Portman Hospital Limited	2.4	50.0	82	1	83
Total healthcare investments			182	4	186
Residential development					
Wickenhall Mill VCT Limited	27.3	50.0	547	(451)	96
Chase Midland VCT Limited	4.8	50.0	4	(2)	2
Total residential development investments			551	(453)	98
Other					
TEG Biogas (Perth) Limited	2.7	50.0	24	1	25
Radnor House School Limited	2.5	50.0	437	3	440
Total other investments			461	4	465
Total qualifying investments			15,854	(2,790)	13,064

	At 30 September 2010				
Non-qualifying investments	% voting rights	% voting rights of AVL* managed companies	Cost £'000	Cumulative movement in value £'000	Total value £'000
The Place Sandwich VCT Limited	n/a	n/a	95	141	236
Total non-qualifying investments			95	141	236
Total fixed asset investments			15,949	(2,649)	13,300

* Albion Ventures LLP

Summary income statement

		Unaudited six months ended 30 September 2010			Unaudited six months ended 30 September 2009			Audited year ended 31 March 2010		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments	3	-	174	174	-	(204)	(204)	-	(10)	(10)
Investment income	4	376	-	376	349	-	349	769	-	769
Investment management fees		(34)	(101)	(135)	(34)	(102)	(136)	(64)	(193)	(257)
Recovery of VAT		-	-	-	3	7	10	2	7	9
Other expenses		(114)	-	(114)	(99)	-	(99)	(188)	-	(188)
Return/(loss) on ordinary activities before tax		228	73	301	219	(299)	(80)	519	(196)	323
Tax (charge)/credit on ordinary activities		(54)	28	(26)	(41)	26	(15)	(46)	39	(7)
Return/(loss) attributable to shareholders		174	101	275	178	(273)	(95)	473	(157)	316
Basic and diluted return/(loss) per share (pence)*		0.9	0.5	1.4	0.9	(1.3)	(0.4)	2.3	(0.8)	1.5

* excluding treasury shares

Comparative figures have been extracted from the unaudited Half-yearly Financial Report for the six months ended 30 September 2009 and the audited statutory accounts for the year ended 31 March 2010.

The accompanying notes on pages 16 to 22 form an integral part of this Half-yearly Financial Report.

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

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

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

Summary balance sheet

	Note	Unaudited 30 September 2010 £'000	Unaudited 30 September 2009 £'000	Audited 31 March 2010 £'000
Fixed asset investments				
Qualifying		13,064	12,611	12,827
Non-qualifying		236	222	237
Total fixed asset investments	7	13,300	12,833	13,064
Current assets				
Trade and other debtors		32	1	46
Cash at bank and in hand	10	1,446	2,095	1,819
		1,478	2,096	1,865
Creditors: amounts falling due within one year		(232)	(260)	(153)
Net current assets		1,246	1,836	1,712
Net assets		14,546	14,669	14,776
Capital and reserves				
Called up share capital	8	225	11,525	11,419
Share premium		–	3	–
Capital redemption reserve		2	2,434	2,544
Unrealised capital reserve		(2,777)	(4,246)	(3,317)
Special reserve		21,852	8,517	8,327
Treasury shares reserve		(2,201)	(2,257)	(2,207)
Realised capital reserve		(2,736)	(1,485)	(2,297)
Revenue reserve		181	178	307
Total equity shareholders' funds		14,546	14,669	14,776
Basic and diluted net asset value per share (pence)*		71.8	70.7	71.8

* excluding treasury shares

Comparative figures have been extracted from the unaudited Half-yearly Financial Report for the six months ended 30 September 2009 and the audited statutory accounts for the year ended 31 March 2010.

The accompanying notes on pages 16 to 22 form an integral part of this Half-yearly Financial Report.

These Financial Statements were approved by the Board of Directors and authorised for issue on 26 November 2010, and were signed on its behalf by

Martin Bralsford

Chairman

Company number: 3265074

Summary reconciliation of movement in shareholders' funds

	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Unrealised capital reserve* £'000	Special reserve* £'000	Treasury shares reserve* £'000	Realised capital reserve* £'000	Revenue reserve* £'000	Total £'000
1 April 2010 (audited)	11,419	-	2,544	(3,317)	8,327	(2,207)	(2,297)	307	14,776
Realised gain							6		6
Unrealised gains	-	-	-	168	-	-	-	-	168
Transfer of previously unrealised losses to realised losses	-	-	-	372	-	-	(372)	-	-
Capitalised investment management fees	-	-	-	-	-	-	(101)	-	(101)
Tax relief on costs charged to capital	-	-	-	-	-	-	28	-	28
Purchase of own shares for cancellation	(84)	-	84	-	(208)	-	-	-	(208)
Issue of equity (net of costs)	6	-	-	-	-	-	-	-	6
Reduction in share capital	(11,116)	-	-	-	11,116	-	-	-	-
Cancellation of share capital reserve	-	-	(2,626)	-	2,626	-	-	-	-
Cancellation of treasury shares	-	-	-	-	-	6	-	-	6
Revenue return attributable to shareholders	-	-	-	-	-	-	-	174	174
Dividends paid	-	-	-	-	(9)	-	-	(300)	(309)
As at 30 September 2010 (unaudited)	225	-	2	(2,777)	21,852	(2,201)	(2,736)	181	14,546
As at 1 April 2009 (audited)	11,620	1	2,334	(4,173)	8,631	(2,276)	(1,285)	205	15,057
Realised gains	-	-	-	-	-	-	1,003	-	1,003
Unrealised losses	-	-	-	(1,207)	-	-	-	-	(1,207)
Transfer of previously unrealised losses to realised losses	-	-	-	1,134	-	-	(1,134)	-	-
Capitalised investment management fees	-	-	-	-	-	-	(102)	-	(102)
Tax relief on costs charged to capital	-	-	-	-	-	-	26	-	26
Recoverable VAT capitalised	-	-	-	-	-	-	7	-	7
Purchase of own shares for cancellation	(90)	-	90	-	(90)	-	-	-	(90)
Cancellation of treasury shares	(10)	-	10	-	(19)	19	-	-	-
Issue of equity (net of costs)	5	2	-	-	-	-	-	-	7
Revenue return attributable to shareholders	-	-	-	-	-	-	-	178	178
Dividends paid	-	-	-	-	(5)	-	-	(205)	(210)
As at 30 September 2009 (unaudited)	11,525	3	2,434	(4,246)	8,517	(2,257)	(1,485)	178	14,669

Summary reconciliation of movement in shareholders' funds (continued)

	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Unrealised capital reserve* £'000	Special reserve* £'000	Treasury shares reserve* £'000	Realised capital reserve* £'000	Revenue reserve* £'000	Total £'000
As at 1 April 2009 (audited)	11,620	1	2,334	(4,173)	8,631	(2,276)	(1,285)	205	15,057
Realised gains	–	–	–	–	–	–	169	–	169
Unrealised losses	–	–	–	(178)	–	–	–	–	(178)
Transfer of previously unrealised losses to realised losses	–	–	–	1,034	–	–	(1,034)	–	–
Capitalised investment management fees	–	–	–	–	–	–	(193)	–	(193)
Tax relief on costs charged to capital	–	–	–	–	–	–	39	–	39
Recoverable VAT capitalised	–	–	–	–	–	–	7	–	7
Purchase of own shares for cancellation	(175)	–	175	–	(190)	–	–	–	(190)
Cancellation of treasury shares	(35)	–	35	–	(69)	69	–	–	–
Issue of equity (net of costs)	9	(1)	–	–	–	–	–	–	8
Revenue return attributable to shareholders	–	–	–	–	–	–	–	473	473
Dividends paid	–	–	–	–	(45)	–	–	(371)	(416)
As at 31 March 2010 (audited)	<u>11,419</u>	<u>–</u>	<u>2,544</u>	<u>(3,317)</u>	<u>8,327</u>	<u>(2,207)</u>	<u>(2,297)</u>	<u>307</u>	<u>14,776</u>

* Included within these reserves is an amount of £14,319,000 (30 September 2009: £707,000; 31 March 2010: £813,000) which is considered distributable. The Special reserve has been treated as distributable in determining the amounts available for distribution.

Summary cash flow statement

	Note	Unaudited six months ended 30 September 2010 £'000	Unaudited six months ended 30 September 2009 £'000	Audited year ended 31 March 2010 £'000
Operating activities				
Investment income received		354	336	666
Deposit interest received		13	6	24
Dividend income received		4	–	55
Investment management fees paid		(132)	(141)	(275)
Recovery of VAT		–	61	61
Other cash payments		(132)	(124)	(176)
Net cash inflow from operating activities	9	107	138	355
Taxation				
UK corporation tax recovered/(paid)		101	63	(85)
Capital expenditure and financial investments				
Purchase of fixed asset investments		(534)	(272)	(559)
Disposal of fixed asset investments		458	1,220	1,476
Net cash (outflow)/inflow from investing activities		(76)	948	917
Equity dividends paid				
Dividends paid (net of cost of shares issued under the dividend reinvestment scheme)		(298)	(210)	(404)
Net cash (outflow)/inflow before financing		(166)	939	783
Financing				
Purchase of own shares		(201)	(115)	(215)
Costs of issue of share capital		(6)	7	(13)
Net cash outflow from financing		(207)	(108)	(228)
Cash (outflow)/inflow in the period	10	(373)	831	555

Notes to the unaudited summarised financial statements for the six months ended 30 September 2010

1. Accounting convention

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

2. Accounting policies

Investments

Quoted and unquoted equity investments

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

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

Unquoted loan stock

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

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

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

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

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

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

Investment income

Quoted and unquoted equity income

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

Unquoted loan stock income

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

Bank interest income

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

Investment management fees and other expenses

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

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

Notes to the unaudited summarised financial statements for the six months ended 30 September 2010 (continued)

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

Performance incentive fee

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

Taxation

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

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

Reserves

Share premium

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

Capital redemption reserve

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

Unrealised capital reserve

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

Special reserve

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

Treasury shares reserve

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

Realised capital reserve

The following are disclosed in this reserve:

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

Dividends

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

Notes to the unaudited summarised financial statements for the six months ended 30 September 2010 (continued)

3. Gains/(losses) on investments

	Unaudited six months ended 30 September 2010 £'000	Unaudited six months ended 30 September 2009 £'000	Audited year ended 31 March 2010 £'000
Unrealised gains/(losses) on fixed asset investments held at fair value through profit or loss account	148	(614)	56
Unrealised gains/(losses) on fixed asset investments held at amortised cost	20	(593)	(234)
Unrealised gains/(losses) on fixed asset investments	168	(1,207)	(178)
Realised gains on investments held at fair value through profit or loss account	4	613	148
Realised gains on investments held at amortised cost	2	390	20
Realised gains sub-total	6	1,003	168
Total	174	(204)	(10)

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

The prior year analysis has been re-presented to reflect a separate transfer between reserves for accumulated unrealised gains or losses that had taken place in previous periods relating to investments sold during the period.

4. Investment income

	Unaudited six months ended 30 September 2010 £'000	Unaudited six months ended 30 September 2009 £'000	Audited year ended 31 March 2010 £'000
Income recognised on investments held at fair value through profit or loss account			
UK dividend income	4	37	55
Bank deposit interest	12	7	25
	16	44	80
Income recognised on investments held at amortised cost			
Return on loan stock investments	360	305	689
	376	349	769

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

Notes to the unaudited summarised financial statements for the six months ended 30 September 2010 (continued)

5. Dividends

	Unaudited six months ended 30 September 2010 £'000	Unaudited six months ended 30 September 2009 £'000	Audited year ended 31 March 2010 £'000
First dividend paid on 7 August 2009 – 1 penny per share	–	210	209
Second dividend paid on 6 January 2010 – 1 penny per share	–	–	207
First dividend paid on 9 July 2010 – 1.5 pence per share	309	–	–
	309	210	416

The Directors have declared a dividend of 1.5 pence per share (total approximately £304,000), payable on 28 February 2011 to shareholders on the register as at 28 January 2011.

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

	Unaudited six months ended 30 September 2010		Unaudited six months ended 30 September 2009		Audited year ended 31 March 2010	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
Return/(loss) attributable to						
Ordinary shares (£'000)	174	101	178	(273)	473	(157)
Weighted average shares in issue	20,454,469		20,910,504		20,784,142	
Return/(loss) per Ordinary share (pence)	0.9	0.5	0.9	(1.3)	2.3	(0.8)

The weighted number of shares is calculated excluding treasury shares of 2,242,955 (30 September 2009: 2,302,955; 31 March 2010: 2,252,955).

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

7. Investments

Fixed asset investments held at fair value through profit or loss total £3,434,000 (30 September 2009: £3,331,000; 31 March 2010: £3,469,000). Fixed asset investments held at amortised cost total £9,866,000 (30 September 2009: £9,502,000; 31 March 2010: £9,595,000).

Notes to the unaudited summarised financial statements for the six months ended 30 September 2010 (continued)

8. Share capital

	Unaudited six months ended 30 September 2010 £'000	Unaudited six months ended 30 September 2009 £'000	Audited year ended 31 March 2010 £'000
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Authorised

50,000,000 Ordinary shares of 1p each (30 September 2009 and 31 March 2010: 50,000,000) Ordinary shares of 50p each)

25,000	25,000	25,000
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Allotted, called up and fully paid

22,490,810 Ordinary shares of 1p each (30 September 2009: 23,049,697; 31 March 2010: 22,837,088 of 50p each)

225	11,525	11,419
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Voting rights

20,247,855 Ordinary shares of 1p each (net of treasury shares) (30 September 2009: 20,746,742; 31 March 2010: 20,584,133 of 50p each).

Following the Annual General Meeting on 28 June 2010 the Company obtained authority to reduce the nominal value of its shares from 50 pence to one penny, and to cancel its capital redemption reserve. The purpose of these actions was to increase the distributable reserves available to the Company for the payment of dividends, the buy back of shares, and for other corporate purposes. The effect of these transactions were to reduce the Ordinary Share Capital by £11,116,000 and the capital redemption reserve by £2,627,000.

During the period to 30 September 2010 the Company purchased 348,842 Ordinary shares for cancellation at a cost of £201,000, representing 1.57% of the shares in issue as at 1 April 2010. In the same period, a further 10,000 shares held in treasury were also cancelled.

The total number of Ordinary shares held in treasury as at 30 September 2010 was 2,242,955 (30 September 2009: 2,302,955; 31 March 2010: 2,252,955) representing 9.97% of the share capital as at 30 September 2010.

Under the terms of the Dividend Reinvestment Scheme Circular dated 11 July 2008, the following Ordinary shares of nominal value 50 pence per share were allotted at a price of 70.3 pence per share:

Date of allotment	Number of shares allotted	Aggregate nominal value of shares (£'000)	Consideration received (£'000)	Opening market price per share on allotment date (pence per share)
9 July 2010	12,564	6	9	60.00p

Notes to the unaudited summarised financial statements for the six months ended 30 September 2010 (continued)

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

	Unaudited six months ended 30 September 2010 £'000	Unaudited six months ended 30 September 2009 £'000	Audited year ended 31 March 2010 £'000
Revenue return on ordinary activities before tax	228	219	519
Investment management fee charged to capital	(101)	(102)	(193)
Recoverable VAT capitalised	-	7	7
Movement in accrued amortised loan stock interest	(7)	2	(14)
Decrease in operating debtors	(8)	51	50
(Decrease)/increase in operating creditors	(5)	(39)	(14)
Net cash inflow from operating activities	107	138	355

10. Analysis of change in cash during the period

	Unaudited six months ended 30 September 2010 £'000	Unaudited six months ended 30 September 2009 £'000	Audited year ended 31 March 2010 £'000
Opening cash balances	1,819	1,264	1,264
Net cash (outflow)/inflow	(373)	831	555
End of the period	1,446	2,095	1,819

11. Post balance sheet events

Since 30 September 2010, the Company has completed the following material transactions:

- Bravo Inns II Limited	additional investment of £40,000	(October 2010)
- TEG Biogas (Perth) Ltd	new investment of £78,000	(October 2010)
- Oakland Care Centre Limited	new investment of £421,000	(November 2010)

12. Related party transactions

The Manager, Albion Ventures LLP, is considered to be a related party by virtue of the fact that Patrick Reeve, a Director of the Company, is also the Managing Partner of the Manager. The Manager is party to a management agreement with the Company (details are disclosed on page 19 of the Annual Report and Financial Statements for the year ended 31 March 2010). During the period, services of a total value of £149,000 (30 September 2009: £136,000; 31 March 2010: £257,000) were purchased by the Company from Albion Ventures LLP. At the financial period end, the amount due to Albion Ventures LLP in respect of these services was £75,000 (30 September 2009: £85,000; 31 March 2010: £76,000).

Patrick Reeve is the Managing Partner of the Manager, Albion Ventures LLP. During the year, the Company was charged £7,500 (excluding VAT) by Albion Ventures LLP in respect of his services as a Director (30 September 2009: £7,500; 31 March 2010: £15,000). At the period end, the amount due to Albion Ventures LLP in respect of these services was £4,000 (30 September 2009: £nil; 31 March 2010: £4,000).

Notes to the unaudited summarised financial statements for the six months ended 30 September 2010 (continued)

13. Going concern

The Board's assessment of liquidity risk remains unchanged since the last Annual Report and Financial Statements for the year ended 31 March 2010, and is detailed on pages 44 and 45 of those accounts. The Company has adequate cash and liquid resources. The portfolio of investments is diversified in terms of sector, and the major cash outflows of the Company (namely investments, dividends and share buy-backs) are within the Company's control. Accordingly, after making diligent enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing this Half-yearly Financial Report and this is in accordance with 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009' published by the Financial Reporting Council.

14. Other information

The information set out in this Half-yearly Financial Report does not constitute the Company's statutory accounts within the terms of section 434 of the Companies Act 2006 for the periods ended 30 September 2010 and 30 September 2009, and is unaudited. The information for the year ended 31 March 2010 does not constitute statutory accounts within the terms of section 434 of the Companies Act 2006 but is derived from the audited statutory accounts for the financial year, which were unqualified and which have been delivered to the Registrar of Companies. The Auditors reported on those accounts; their report was unqualified and did not contain a statement under s498 (2) or (3) of the Companies Act 2006.

15. Publication

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

