

Albion Development VCT PLC Interim Management Statement

Introduction

I am pleased to present Albion Development VCT PLC (the “Company”)'s interim management statement for the period from 1 January 2014 to 16 May 2014 as required by the UK Listing Authority's Disclosure and Transparency Rule 4.3.

Performance and dividends

The Company's Ordinary shares' unaudited net asset value, based on management accounts, as at 31 March 2014 was £25.3 million (31 December 2013: £24.3 million) or 72.2 pence per share (excluding treasury shares) (31 December 2013: 71.6 pence per share) after accounting for the dividend of 2.5 pence per share to be paid on 30 May 2014 to shareholders on the register as at 9 May 2014.

The Company's D shares' unaudited net asset value, based on management accounts, as at 31 March 2014 was £6.8 million (31 December 2013: £6.7 million) or 107.1 pence per share (excluding treasury shares) (31 December 2013: 104.9 pence per share) after accounting for the dividend of 2.5 pence per share to be paid on 30 May 2014 to shareholders on the register as at 9 May 2014.

Adjusting for the payment of the dividend, the Company's Ordinary shares' net asset value has risen by 0.6 pence per share or 0.8 per cent. since 31 December 2013, and the D shares' net asset value has risen by 2.2 pence per share or 2.1 per cent. both as a result of an increase in investment valuations.

Share issues and buybacks

During the period from 1 January 2014 to 16 May 2014, the Company issued a total of 2,783,424 new Ordinary shares from both the Albion VCTs Top Up Offers 2013/2014 and the Albion VCTs Prospectus Top Up Offers 2013/2014. These issues raised net proceeds of £2.05 million, which is made up as follows:

- (i) Shares issued under the Albion VCTs Top Up Offers 2013/2014

Date	Number of shares issued	Issue price per share (including costs of issue)*	Net proceeds £'000
31 January 2014	549,339	74.40 pence	401
31 January 2014	543,338	74.80 pence	396
31 January 2014	20,352	73.70 pence	15
Total 31 January 2014	1,113,029		812

Date	Number of shares issued	Issue price per share (including costs of issue)*	Net proceeds £'000
5 April 2014	585,294	76.40 pence	438
5 April 2014	218,784	76.00 pence	161
5 April 2014	62,024	75.70 pence	43
Total 5 April 2014	866,102		642

* The difference in the issue price per share reflects the “early bird” incentives as explained in the Albion VCT Top Up Offers 2013/2014 investor guide.

(ii) Shares issued under the Albion VCTs Prospectus Top Up Offers 2013/2014

On 19 March 2014 the Company announced the launch of a prospectus offer of new ordinary shares for subscription in the 2013/2014 and 2014/2015 tax years (the "Offer(s)"), and issued the following new ordinary shares:

Date	Number of shares issued	Issue price per share (including costs of issue)	Net proceeds £'000
5 April 2014	804,293	76.40 pence	596

	Number of shares issued	Net proceeds £'000
Total shares issued under the Albion VCTs Top Up Offers 2013/2014 and the Albion VCTs Prospectus Top Up Offers 2013/2014 for the period 1 January 2014 to 16 May 2014	2,783,424	2,050

The next share allotment under the prospectus offer is expected to be in July 2014.

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

An Investor Guide and Offers document have been sent to the shareholders and these, as well as a prospectus, can be obtained from www.albion-ventures.co.uk.

The Offer will close no later than 30 September 2014 (unless fully subscribed by an earlier date or previously closed).

During the period from 1 January to 16 May 2014, the Company purchased 653,000 Ordinary shares for £454,000 at an average price of 69.6 pence per Ordinary share. Of these, 272,000 were cancelled and 381,000 Ordinary shares are to be held in treasury.

It remains the Board's policy to buy back shares in the market, subject to the overall constraint that such purchases are in the Company's interest, including the maintenance of sufficient resources for investment in existing and new portfolio companies and the continued payment of dividends to shareholders.

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

Portfolio

The following investments have been made during the period from 1 January 2014 to 16 May 2014:

Name	£000's	Activity
New investments		
Egress Software Technologies Limited	610	<i>Provider of cloud-based email and file encryption software</i>
Grapeshot Limited	400	<i>Provider of digital marketing software</i>
Sandcroft Avenue Limited	75	<i>Provider of online gym passes, trading as PayasUgym.com</i>
Total new investments	1,085	

Further investments		
Taunton Hospital Limited	212	<i>Owner and operator of a psychiatric hospital</i>

Mirada Medical Limited	106	<i>Developer of medical imaging software</i>
The Street by Street Solar Programme Limited	50	<i>Builds, owns and operates photovoltaic systems on domestic properties in the UK</i>
MyMeds&Me Limited	47	<i>Software for managing pharmaceutical adverse events</i>
Rostima Holdings Limited	19	<i>Provider of labour management software for the marine and aviation industries</i>
Abcodia Limited	18	<i>Validation and discovery of molecular biomarkers linked to age related diseases</i>
Mi-Pay Limited	14	<i>Provider of mobile payment services</i>
Total further investments	466	

Loan stock repayments

The following loan stock repayments were made by portfolio companies during the period from 1 January 2014 to 16 May 2014:

Name	£000's	
Tower Bridge Health Club Limited	44	Loan stock repayment
Masters Pharmaceuticals Limited	27	Loan stock repayment
Bravo Inns Limited	3	Loan stock repayment
Total proceeds	74	

Top ten holdings as at 31 March 2014 (Ordinary and D shares in aggregate):

Investment	Carrying value £000's	% of net asset value £000's
Radnor House School (Holdings) Limited	2,751	8.3
Blackbay Limited	1,618	4.9
The Street by Street Solar Programme Limited	1,608	4.8
Regenerco Renewable Energy Limited	1,238	3.7
Peakdale Molecular Limited	1,204	3.6
Alto Prodotto Wind Limited	1,139	3.4
The Weybridge Club Limited	976	2.9
Hilson Moran Holdings Limited	951	2.9
Mirada Medical Limited	920	2.8
Chonais Holdings Limited	920	2.8

A full breakdown of the Company's portfolio can be found on the funds website under 'Portfolio of Investments' at www.albion-ventures.co.uk/ourfunds/AADV.htm

Material Events and Transactions

On 29 April 2014 Mi-Pay Limited merged its business with a company quoted on the Alternative Investment Market (AiM) on the London Stock Exchange. The combined business is now called Mi-Pay Group Plc and is quoted on AiM.

Aside from the aforementioned, there have been no further significant events or transactions that the Board is aware of which would have a material impact on the financial position of the Company between 1 January 2014 and 16 May 2014.

Further information regarding historic and current financial performance and other useful shareholder information can be found on the Fund's website under www.albion-ventures.co.uk/ourfunds/AADV.htm.

Geoffrey Vero, Chairman

16 May 2014

For further information please contact:

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