

ALBION VENTURE CAPITAL TRUST PLC
Interim Management Statement

Introduction

I am pleased to present Albion Venture Capital Trust PLC (the “Company”)’s interim management statement for the period from 1 October 2014 to 19 February 2015.

Performance and dividends

The Company's unaudited net asset value (NAV), based on management accounts, as at 31 December 2014 was £44.03 million or 69.07 pence per share (excluding treasury shares) (30 September 2014: 69.92 pence per share) after accounting for a dividend of 2.50 pence per share which was paid on 31 December 2014 to shareholders on the register as at 5 December 2014.

Before taking account of the dividend, the Company’s NAV rose by 1.65 pence per share or 2.36 per cent. over the 3 months since 30 September 2014 as a result of an increase in investment valuations and disposals (capital uplift of 1.07 pence per share) and net revenue return (0.58 pence per share).

Disposals

During the period from 1 October 2014 to 31 December 2014 the Company sold its investment in Oakland Care Centre Limited for £5.7 million, compared to book value of £5.3 million at 30 September 2014 (an uplift of 0.73 pence per share) and cost of £3.3 million. Including loan stock interest, the Company received a return of approximately 2.0x its investment and an IRR of 25 per cent.

The Company also sold its investment in Tower Bridge Health Clubs Limited for £818,000, compared to book value of £775,000 at 30 September 2014 and cost of £313,000. Including loan stock interest and loan stock repayments over the course of the investment, the Company received a return of approximately 2.7x cost and an IRR of 16 per cent.

Subsequent to 31 December 2014, the Company sold its investment in the Orchard Portman Group (Taunton Hospital Limited) for £1,862,000, compared to book value of £1,846,000 at 31 December 2014 (£1,639,000 at 30 September 2014) and cost of £1,314,000. Including loan stock interest, the Company received a return of approximately 1.4x cost and an IRR of 14 per cent.

Portfolio

The following investments have been made during the period from 1 October 2014 to 19 February 2015:

Name	£000's	
Chonais Holdings Limited (<i>existing investment</i>)	999	<i>Owner and operator of a 2 megawatt hydro-power scheme in the Scottish Highlands.</i>
Infinite Ventures (Goathill) Ltd (<i>existing investment</i>)	200	<i>Wind turbine project in Scotland.</i>
Green Highland Renewables (Ledgowan) Limited (<i>existing investment</i>)	156	<i>Hydropower project in Scotland.</i>
Charnwood Pub Company Limited (<i>existing investment</i>)	30	<i>Pub company which owns and operates 10 freehold public houses in central England.</i>
Regenerco Renewable Energy	24	<i>Generator of renewable energy from roof top</i>

Limited(<i>existing investment</i>)		<i>solar installations.</i>
AVESI Limited (<i>existing investment</i>)	12	<i>Generator of renewable energy from roof top solar installations.</i>

Top ten holdings (as at 31 December 2014)

Investment	Carrying value £000's	% of net asset value
Kew Green VCT (Stansted) Limited	6,855	15.57%
The Crown Hotel Harrogate Limited	3,074	6.98%
Chonais Holdings Limited	3,043	6.91%
The Stanwell Hotel Limited	2,403	5.46%
Radnor House School (Holdings) Limited	2,320	5.27%
Active Lives Care Limited	1,846	4.19%
Orchard Portman Group (Taunton Hospital Limited)	1,846	4.19%
The Charnwood Pub Company Limited	1,493	3.39%
The Weybridge Club Limited	1,328	3.02%
Kensington Health Club Limited	1,296	2.94%

A full breakdown of the Company's portfolio can be found on the Albion Ventures website under Portfolio of Investments at <http://www.albion-ventures.co.uk/ourfunds/AAVC.htm>.

Dividend Reinvestment Scheme

The Company continues to offer a Dividend Reinvestment Scheme to existing shareholders. Details of this scheme can be found at <http://www.albion-ventures.co.uk/ourfunds/AAVC.htm>.

Share buy-backs

During the period from 1 October 2014 to 19 February 2015, the Company purchased 325,000 shares at an average price of 65.6 pence per share. These shares will be held in treasury.

Fundraising and share issues

On 17 November 2014 the Company announced the launch of a prospectus top up offer (the "Offer") as part of the Albion VCTs Prospectus Top Up Offers 2014/2015 which are seeking to raise in aggregate £25.5 million, including £4.25 million for the Company. In addition, the Board may elect to raise up to a further £1.75 million if there is sufficient demand and the Board deems it prudent to do so.

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 Securities Note which forms part of the Prospectus can be found on the website www.albion-ventures.co.uk. The Offer will close on 30 September 2015 (unless fully subscribed or extended by the Company).

On 30 January 2015 the Company issued the following shares under the Albion VCTs Prospectus Top Up Offers 2014/2015:

Date	Number of shares issued	Issue price per share (including costs of issue)	Net proceeds £'000
30 January 2015	1,478,334	68.80 pence	997
30 January 2015	832,852	69.20 pence	562
Total	2,311,186		1,559

Share price

The closing mid market price for the shares on 18 February 2015 was 66.00 pence per share, a 4.4 per cent. discount to the net asset value at 31 December 2014 of 69.07 pence per share.

Material events and transactions

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 October 2014 and 19 February 2015.

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

David Watkins, Chairman
19 February 2015

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