Annual Report and Financial Statements for the year ended 31 December 2015

Albion Technology & General VCT PLC

ALBION VENTURES

Contents

Company information

Company number	04114310
Directors	Dr N E Cross, Chairman R Archibald M A Cordeiro M V H Rees-Mogg P H Reeve
Country of incorporation	United Kingdom
Legal form	Public Limited Company
Manager, company secretary, AIFM and registered office	Albion Ventures LLP 1 King's Arms Yard London, EC2R 7AF
Registrar	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol, BS99 6ZZ
Auditor	BDO LLP 55 Baker Street London, W1U 7EU
Taxation adviser	Phillip Hare & Associates LLP 1st Floor 4 Staple Inn London, WC1V 7QH
Legal adviser	Bird & Bird LLP 15 Fetter Lane London, EC4A 1JP

Albion Technology & General VCT PLC is a member of The Association of Investment Companies (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 may be recorded) Website: www.investorcentre.co.uk Shareholders can access holdings and valuation information regarding any of their shares held with Computershare by registering on Computershare's website.
Financial adviser information	For enquiries relating to the performance of the Company, and information for financial advisers please contact Albion Ventures LLP: Tel: 020 7601 1850 (lines are open 9.00am – 5.30pm; Mon – Fri, calls may be recorded) Email: info@albion-ventures.co.uk Website: www.albion-ventures.co.uk **Please note that these contacts are unable to provide financial or taxation advice.**

With effect from 1 January 2016, new tax legislation under The Organisation for Economic Co-operation and Development (OECD) Common Reporting Standard for Automatic Exchange of Financial Account Information ("The Common Reporting Standard") was introduced. The legislation requires venture capital trust companies to provide personal information to HMRC on certain investors who purchase shares in the trusts. As an affected company, Albion Technology & General VCT PLC will have to provide information annually to HMRC in respect of any non-UK based certificated shareholders and corporate entities.

All new non-UK based certificated shareholders, excluding those whose shares are held in CREST, who are entered onto the share register from 1 January 2016 will be sent a certification form for the purposes of collecting this information.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders https://www.gov.uk/government/publications/exchange-of-information-account-holders.

Investment objective and policy

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

This is achieved in two ways. Firstly, by controlling the VCT's exposure to technology risk through ensuring that many of the companies in the non-technology portfolio have property as their major asset, with no external borrowings. Secondly, by balancing the investment portfolio by sector, so that those areas such as leisure and business services, which are susceptible to changes in consumer sentiment, are complemented by sectors with more predictable long term characteristics, such as healthcare and the environment.

The Company offers investors the opportunity to participate in a balanced portfolio of technology and non-technology businesses. The Company's investment portfolio is intended to be split approximately as follows:

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

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

Background to the Company

The Company is a venture capital trust which raised £14.3 million in December 2000 and 2002, and raised a further £35.0 million during 2006 through the launch of a C share issue. The Company has raised a further £17.6m under the Albion VCTs Top Up Offers since January 2011.

On 15 November 2013, the Company acquired the assets and liabilities of Albion Income & Growth VCT PLC ("Income & Growth") in exchange for new shares in the Company ("the Merger") resulting in a further £28.1 million of net assets. Each Income & Growth shareholder received 0.7813 shares in the Company for each Income & Growth share that they held at the date of the Merger.

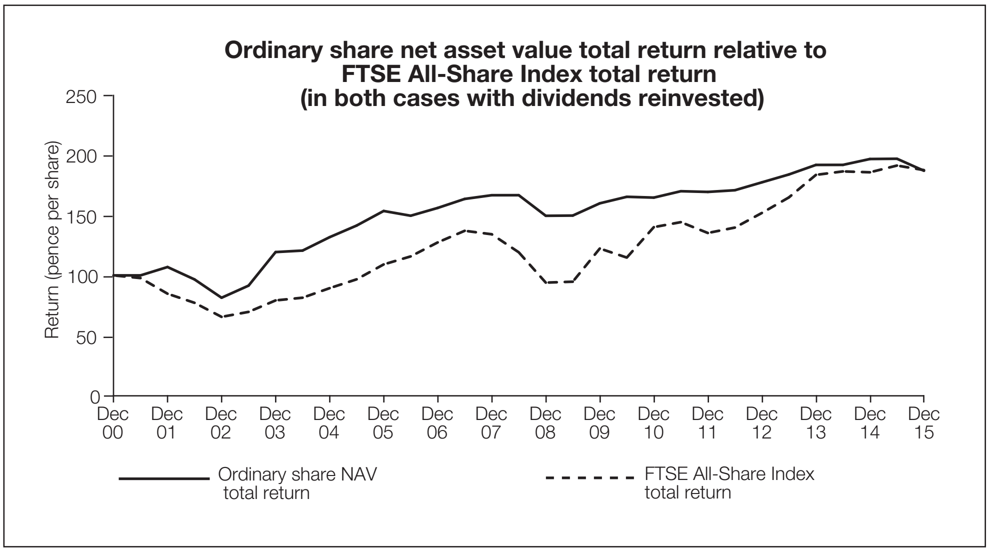
Financial calendar

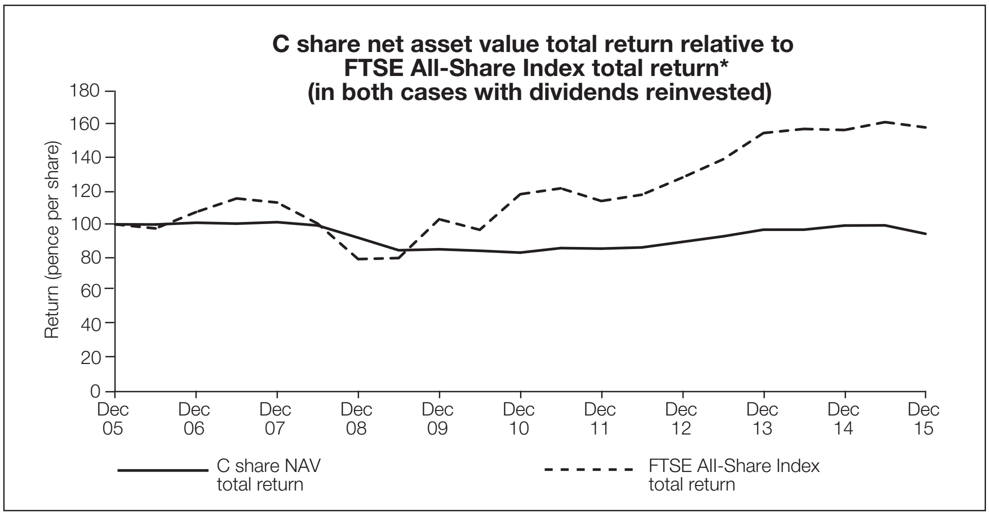
Record date for first dividend	15 January 2016
Payment of first dividend	29 January 2016
Record date for second dividend	15 April 2016
Payment of second dividend	29 April 2016
Annual General Meeting	11.00 am on 8 June 2016
Payment of third dividend (subject to Board approval)	30 June 2016
Announcement of half-yearly results for the six months ended 30 June 2016	August 2016
Payment of fourth dividend (subject to Board approval)	31 October 2016

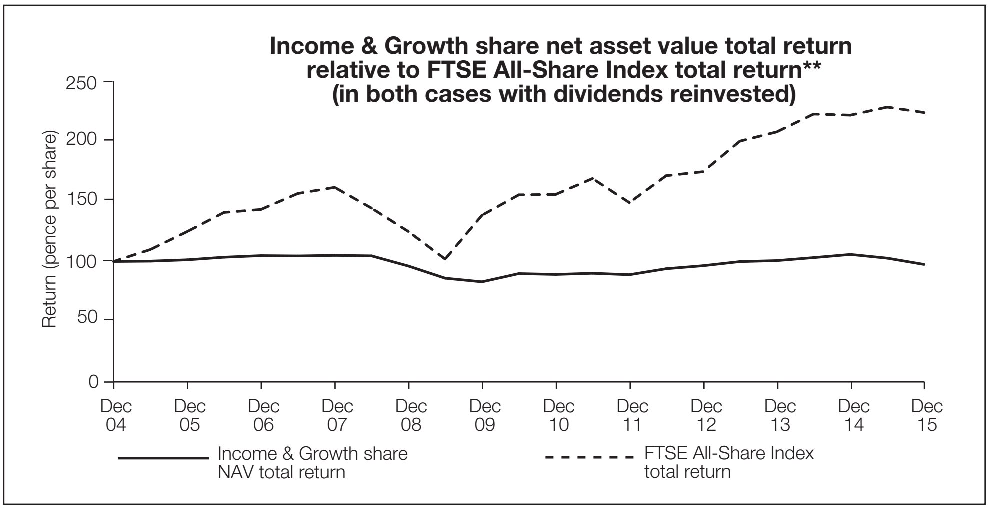
Financial summary

159.92p	Net asset value plus dividends paid per Ordinary share since launch.
88.40p	Net asset value plus dividends paid per C share since launch.
92.25p	Net asset value plus dividends paid per Income & Growth share since launch.
5.00p	Tax free dividend per share paid during the year ended 31 December 2015.
73.92p	Net asset value per share as at 31 December 2015.

Financial summary (continued)







Source: Albion Ventures LLP
Methodology: The net asset value return to the shareholder including original amount invested (rebased to 100) assuming that dividends were 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.

*The C shares converted to Ordinary shares on 31 March 2011 on the basis of their respective net asset values, with each C shareholder receiving 0.7779 Ordinary shares for each C share they owned.

** Albion Income & Growth VCT PLC was merged with the Company on 15 November 2013 on the basis of their respective net asset values, with each Income & Growth shareholder receiving 0.7813 Ordinary shares in the Company for each Income & Growth share they owned.

Financial summary (continued)

	31 December 2015 (pence per share)	31 December 2014 (pence per share)
Dividends paid	**5.00**	5.00
Revenue return	**1.54**	1.25
Capital (loss)/return	**(5.58)**	0.79
Net asset value	**73.92**	82.85

Total shareholder return to 31 December 2015:

	Ordinary share (pence per share)(i)	**C share (pence per share)(i)(ii)**	**Income & Growth (pence per share)(i)(iii)**
Total dividends paid during the year ended:			
31 December 2001	1.00	–	–
31 December 2002	2.00	–	–
31 December 2003	1.50	–	–
31 December 2004	7.50	–	–
31 December 2005	9.00	–	0.65
31 December 2006	8.00	0.50	2.60
31 December 2007	8.00	2.50	3.45
31 December 2008	16.00	4.50	3.50
31 December 2009	–	1.00	3.00
31 December 2010	8.00	3.00	3.00
31 December 2011	5.00	3.80	3.50
31 December 2012	5.00	3.90	3.50
31 December 2013	5.00	3.90	3.50
31 December 2014	5.00	3.90	3.90
31 December 2015	5.00	3.90	3.90
Total dividends paid to 31 December 2015	**86.00**	**30.90**	**34.50**
Net asset value as at 31 December 2015	73.92	57.50	57.75
Total shareholder return to 31 December 2015	**159.92**	**88.40**	**92.25**

In addition to the dividends paid above, the Board declared a first dividend for the year ending 31 December 2016 of 1.25 pence per Ordinary share paid on 29 January 2016 to shareholders on the register as at 15 January 2016. The Board has declared a second dividend for the year ending 31 December 2016 of 1.25 pence per Ordinary share to be paid on 29 April 2016 to shareholders on the register as at 15 April 2016.

Notes

(i) Excludes tax benefits upon subscription.

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

(iii) Albion Income & Growth VCT PLC was merged with Albion Technology & General VCT PLC on 15 November 2013. The net asset value per share and all dividends paid subsequent to the merger of the Income & Growth shares to the Ordinary shares are multiplied by the issue ratio of 0.7813 in respect of the Income & Growth shares' return, in order to give an accurate picture of the shareholder value since launch relating to the Income & Growth shares. Prior to the merger, Albion Income & Growth VCT PLC had a financial year end of 30 September and as such, the above dividends per share relate to the relevant period.

Chairman's statement

Introduction

The results for Albion Technology & General VCT for the year to 31 December 2015 were poor and showed a negative total return of 4.0 pence per share, against positive returns of 2.0 pence per share for 2014 and 7.9 pence per share for 2013.

The results reflect a disappointing performance by five of our portfolio companies. The Board, having worked with the Manager to review the portfolio, sets out below the steps that have been, and are being taken, to ensure that as far as is reasonably practical with a venture capital portfolio, a line is drawn under these results to ensure a restoration of growth prospects.

Repositioning the portfolio

As I said in my interim statement, whilst the performance of the Ordinary shares has remained, in aggregate, strong since launch, with a total return before tax reliefs of 159.9 pence for every 100 pence invested, the performance of the C shares and the former Income & Growth shares, the majority of whose funds were raised at the peak of the market in 2005/06, have been weak, at 88.4 pence and 92.3 pence respectively, per 100 pence invested.

Investments made in the period between 2006 and 2008 were characterised mainly by either property-backed businesses made at the high point of the property cycle, or by technology-oriented businesses with a capital intensive business model. We recognise now that we invested too much in this latter category, and in particular in cash-hungry businesses targeting early stage global markets which, despite their longer term potential, have been too ambitious for small, venture-backed companies such as the ones that we back. As you will appreciate, the nature of a VCT requires that investment be made over a relatively short time scale after the relevant fund-raising and, with hindsight, our market timing for investment was unfortunate.

Since the crash of 2008, all three share classes have seen a recovery from the significant mark down in total return. The disappointment of the Board, however, has been that, after a stronger performance in 2013, performance went into reverse over the subsequent 24 months, particularly in the capital-intensive segment of the portfolio described above. This is in contrast to the performance of other Albion VCTs, which have a much lower proportion of investments made in the second half of the last decade, and which have as a result been able to develop more capital efficient business models for investment.

Accordingly, while a number of the investments made prior to 2009 have the potential for further growth in value, last year the Board agreed a policy with the Manager to undertake a programme to reduce sharply the proportion in the portfolio of those investments as a percentage of the overall portfolio, principally through a process of orderly divestment. Following a number of disposals during the second part of the year, this proportion has fallen from 58 per cent. at 30 June last year, to 41 per cent. now. Our aim is to reduce this to below 30 per cent. by the year end, whilst working to maximise the disposal proceeds and to try and contain any further asset deterioration, which has been particularly marked in the second half of this year.

A significant part of the work to re-align the portfolio has now been done, though additional disposals are underway and further are planned in the current financial year. However, a restoration to the growth prospects previously enjoyed, and which are being achieved in other portfolios managed by Albion, will not be immediate as it depends not only on completion of the reconfiguring of the portfolio but on achieving growth and value from newer investments made. The Company has substantially more cash available for new investments than in previous years.

In the meantime, having challenged all the elements of the Company's investment strategy and how the Company operates, the focus will remain on preserving value, continuing with the policy of paying an annual dividend of 5 pence per share, as well as maintaining the share buy-back policy to help provide secondary market liquidity in an otherwise thin market for secondary purchases of VCT shares in general. In addition to supporting these aims, the net proceeds of realisations, income from the portfolio and issuance of new equity will continue to be deployed into sectors which we hope will exhibit strong growth prospects, with particular emphasis on healthcare, capital efficient segments of IT, and other areas where value looks to be supported by longer term demographic and global trends.

Investments

The main write-downs over the course of the year, with the majority occurring in the second half of the year, were in respect of our investments in Lowcosttravel, Rostima, Blackbay, AMS Sciences, and the Weybridge Healthclub. Though these were offset to a certain degree by the realised appreciation on the successful sale of our Kensington Healthclub, unrealised appreciation on our renewable energy investments, and on our school, Radnor House. The realised and unrealised capital losses on our investments for the year were £3.7 million, a very disappointing outcome and considerably poorer than we expected at the start of the year.

In the latter half of the year our investment in Lowcosttravelgroup was sold for £2.2 million of which £1.6 million is deferred over the next fourteen months; once

Chairman's statement (continued)

these deferred payments are received and including income received, we will have achieved a total multiple of cost of 1.1 times. Slower trading led to a difficult exit environment resulting in a write down of £2.6 million compared to our carrying value at 31 December 2014.

We also sold Rostima, which provides rostering software for ports internationally, for a nominal sum, resulting in a write-down of £2.3 million for the year; although a leader in its field, it had difficulties penetrating a complex global market. The reductions in valuations of Blackbay, AMS Sciences and the Weybridge Healthclub, meanwhile, were all against a background of an increasingly competitive environment in their respective markets and contributed in aggregate to further reductions in carrying value of £3.3 million in the year.

Against this, we sold our Kensington Healthclub for £2.7 million above its valuation at the previous year end, whilst strong market conditions and excellent trading respectively led to an increase in third party valuations of our renewable energy businesses, and Radnor House School of £1.7 million.

During the year, a total of £7.8 million was invested in new and existing portfolio companies, including £1.2 million into Radnor House, to purchase Combe Bank School in Sevenoaks, Kent. We also invested £2 million into our renewable energy businesses, which now brings our investment programme into that sector to an end; we do, however, think that its prospects are strong, and intend to be a long-term holder of these cash generative projects. We also invested into two new businesses; Innovation Broking, which provides specialist insurance broking services to SMEs; and Panaseer, which advises large corporates on their cyber security issues (and which we see as being a core area for investment by the Albion VCTs).

Expenses ratio and new expenses cap

In addition to the portfolio repositioning detailed above, the Board has reviewed other ways of helping to improve performance. In light of this review, we have increased the level of net income available to the Company by reducing the total expense ratio from 3.0 per cent. of net assets to 2.75 per cent. This has been applied retrospectively to the start of 2015 and has resulted in a reduction of overheads of £76,000, through a reduction in the investment management fee. This reduced proportion of overheads will continue for future years. The Board also conducted a review of all the other direct and indirect overheads to find ways of containing expenditure, but concluded that there were not significant savings to be made in future, the greater emphasis being on the performance of the portfolio over the medium to longer term.

Risks and uncertainties

Other than investment performance, the key risks facing the VCT are from the broader economy. Despite some continued growth in the UK, the outlook for the domestic economy and an increasingly uncertain global situation, including a broader deflationary environment, continue to be the key risks affecting your Company. The Manager is clear in focussing efforts to allocate resources to those sectors and opportunities where growth can be both resilient and sustainable. Importantly, however, investment risk is mitigated through a variety of processes including our policy of ensuring that the Company has a first charge over portfolio companies' assets wherever possible. We can never guarantee that future investments will avoid the failings of some of the previous investments but the rebalancing of the portfolio will result in a different make up of investment types compared to the make up in 2008/2009, with resilience and asset cover being key drivers.

A detailed analysis of the other risks and uncertainties facing the business is shown in the Strategic report on pages 13 to 15.

Discount management and share buy-backs

It remains the Board's primary objective to maintain sufficient resources for investment in existing and new portfolio companies and for the continued payment of dividends to shareholders. Therefore, the Board's policy is to buy back shares in the market, subject to the overall constraint that such purchases are in the VCT's interest. In order to ensure that these conditions are satisfied, the Company will limit the sum available for buy-backs for the 6 month period to 30 June 2016 to £1 million. It is the Board's intention for such buy-backs to be in the region of a 5 per cent. discount to net asset value, so far as market conditions and liquidity permit.

Transactions with the Manager

Details of transactions that took place with the Manager during the year can be found in note 5 and principally relate to the investment management fee. As noted above, the investment management fee will be lower than in previous years in relative terms as a result of the lowering of the expense cap.

Results and dividends

As at 31 December 2015, the net asset value was 73.9 pence per share. The Board declared a first dividend for the year ending 31 December 2016 of 1.25 pence per Ordinary share paid on 29 January 2016 to shareholders on the register as at 15 January 2016. The Company will pay the second of four quarterly dividends for the financial year to 31 December 2016 of 1.25 pence per Ordinary share on 29 April 2016 to shareholders on the register as at 15 April 2016.

Chairman's statement (continued)

The Board has considered the level at which dividends are paid, recognising that they should be paid, as far as practical from net income earned, realised capital profits and reserves, which is not the case this year. However, the Board and Manager believe that maintenance of dividends at the current level is a cornerstone of the investment proposition for shareholders in the Company and intend to continue to pay at the same rate for the foreseeable future, for so long as it does not impede the VCT's ability to continue to invest in appropriate unquoted opportunities.

Albion VCTs Prospectus Top Up Offers 2015/2016

In November 2015, the Company announced the launch of the Albion VCTs Prospectus Top Up Offers 2015/2016. In aggregate, the Albion VCTs will be aiming to raise up to £36 million across six of the VCTs managed by Albion Ventures LLP, with the Company aiming to raise up to £6 million. Of this, £2.9 million was allotted on 29 January 2016.

The funds raised by each Company pursuant to its Offer will be added to the liquid resources available for investment so as to put each Company into a position to take advantage of attractive investment opportunities over the next two to three years. Accordingly, the proceeds of the Offers will be applied in accordance with the respective Companies' investment policies. A prospectus has been published and can be obtained from www.albion-ventures.co.uk. The Company continues to participate in the Top Up Offers and also benefits from receipts from dividend reinvestment, the net proceeds of which are invested in new investment opportunities and to provide additional working capital in the Company.

Outlook and prospects

Despite the poor results for the year, it is important to recognise that approximately 73 per cent. of the VCT's investments by value are in companies which are making an operating profit. In addition, we do believe that the great majority of the investments continuing in the portfolio have good prospects. The portfolio repositioning exercise is designed to limit further downside on that portion of the portfolio which has less clear prospects, and free up cash for investment in more areas with greater growth prospects and more dependable income streams. These are concentrated sectors which we believe have long term resonance, including healthcare, where the Manager has considerable expertise, specific areas within the IT sector, and asset-based opportunities which are less exposed to the consumer and business cycle.

It would be rash to make any promises on the shorter-term prospects for the portfolio, but its balance and underlying constituents do give us cause for optimism over the medium term. The Board is working closely with the Manager as part of an extensive review, with the intent of providing better shareholder value than has been achieved during the last twenty four months. However, venture capital investment by its nature is longer term and value can take time to develop. The Manager continues to see attractive investment opportunities for all the Albion portfolios and the Company should be in a better position to participate in these opportunities going forward.

Dr. N E Cross
Chairman
23 March 2016

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 allowing investors the opportunity to participate in a balanced portfolio of technology and non-technology businesses. It is intended that the Company's investment portfolio will be split approximately as follows:

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

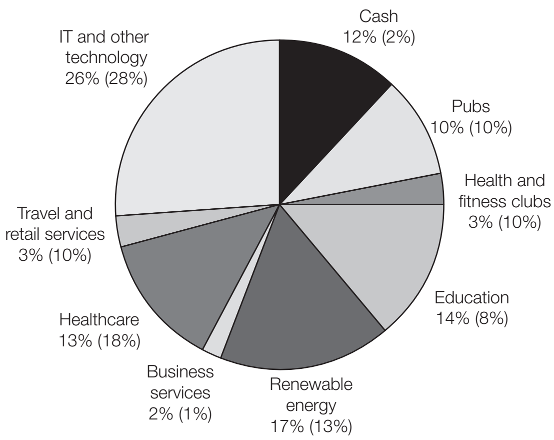
This split is subject to the availability of good quality new investments arising within the UK technology and non-technology sectors.

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

Current portfolio sector allocation

The following pie chart shows the split of the portfolio valuation by industrial or commercial sector as at 31 December 2015. Details of the principal investments made by the Company are shown in the Portfolio of Investments on pages 19 to 21.

Split of portfolio by sector



Comparatives for 31 December 2014 are in brackets.
Source: Albion Ventures LLP

Direction of portfolio

As detailed in the Chairman's statement, the Board has agreed a policy with the Manager to undertake a programme to reduce the proportion of those investments which were made at the high point in the market, before 2009. At 31 December 2015, these amounted to £25.2 million, or 41 per cent. of the Company's assets. Sales are currently underway on two of these investments, with book values at the year-end of £2.5 million and sales agents have been or are about to be appointed, on a further three, with book values currently of £6.7 million. As regards the balance of the pre-2009 portfolio, we would view a number of investments, with current book values of £11.5 million, as having sufficiently attractive long term prospects, to be retained within the portfolio for the medium term.

The current portfolio is well balanced in terms of sectors, despite the disposal programme referred to above, with education accounting for 14 per cent. and renewable energy at 17 per cent. Pubs are expected to account for 7 per cent. of the portfolio going forward, with concentration on the successful, cash generative portfolio operated by Bravo Inns. A number of new asset-based areas are under review and it is anticipated that the healthcare segment of the portfolio will increase after the recent disposals.

Results and dividend policy

	Ordinary shares £'000
Net revenue return for the year ended 31 December 2015	1,273
Net capital loss for the year ended 31 December 2015	(4,606)
Total loss for the year ended 31 December 2015	**(3,333)**
Dividend of 1.25 pence per share paid on 9 February 2015	(979)
Dividend of 1.25 pence per share paid on 30 April 2015	(1,050)
Dividend of 1.25 pence per share paid on 30 June 2015	(1,035)
Dividend of 1.25 pence per share paid on 30 October 2015	(1,058)
Transferred from reserves	**(7,455)**
Net assets as at 31 December 2015	61,791
Net asset value per share as at 31 December 2015	**73.92p**

The Company paid dividends of 5.00 pence per share during the year ended 31 December 2015 (2014: 5.00 pence per share). The dividend objective of the Board is to provide

Strategic report (continued)

Shareholders with a strong, predictable dividend flow, with a dividend target of 5.00 pence per share per year, subject to the availability of distributable reserves. As shown in the Chairman's statement, the Board declared a first dividend for the year ending 31 December 2016 of 1.25 pence per share which was paid on 29 January 2016. The Board has declared a second dividend for the year ending 31 December 2016, of 1.25 pence per share to be paid on 29 April 2016 to shareholders on the register as at 15 April 2016.

As shown in the Income statement on page 41 of the Financial Statements, investment income has increased to £2,165,000 (2014: £1,940,000). As a result, the revenue return to equity holders has increased to £1,273,000 (2014: £970,000).

The capital loss for the year was a disappointing £4,606,000 (2014: gain of £617,000). This is mainly attributable to the disposals of Lowcosttravelgroup Limited (£2.6 million lower than its value at the previous year-end) and Rostima Holdings Limited (£2.1 million lower than its value at the previous year-end); and the unrealised revaluation movements in the Company's investment portfolio which included losses in Blackbay Limited (£1.5 million), AMS Sciences Limited (£936k) and The Weybridge Club Limited (£895k). These were offset partially with uplifts in valuations for Radnor House Holdings Limited (£734k) and the sale of Kensington Health Clubs Limited realising an uplift in the year of £2.7 million. The total loss was 4.04 pence per share (2014: return of 2.04 pence per share).

The Balance sheet on page 42 of the Financial Statements shows that the net asset value has decreased over the last year to 73.92 pence per share (2014: 82.85 pence per share). The decrease in net asset value can mainly be attributed to the loss of 4.04 pence per share and the payment of 5.00 pence per share of dividends.

The cash flow for the business was positive for the year reflecting cash inflows from operations, disposal of investments and the issue of Ordinary shares under the Albion VCTs Top Up Offers which raised £5.8 million, offset by dividends paid, new investments in the year and the buy-back of shares for a cost of £2 million.

Review of business and outlook

A detailed review of the Company's business during the year and future prospects is contained in the Chairman's statement on pages 7 to 9 and in this Strategic report.

As detailed in the "Repositioning the portfolio" section in the Chairman's statement the Manager will continue with the policy of disposing of a number of the pre-2009 investments and re-aligning the portfolio with particular emphasis on healthcare, capital efficient segments of IT, and other areas where value looks to be supported by longer term demographic and global trends. The Directors do not foresee any major changes in the activity undertaken by the Company in the current year. The Company continues with its objective to invest in unquoted companies throughout the United Kingdom with a view to providing both capital growth and a reliable dividend income to shareholders over the long term.

Details of significant events which have occurred since the end of the financial year are listed in note 21. Details of transactions with the Manager are shown in note 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 Venture Capital Trust 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 25.

As part of the Government's wider review of the VCT regime, new rules have been introduced under the Finance Act (No.2) 2015 which received Royal Assent on 18 November 2015, which include:

- Restrictions over the age of investments;
- A prohibition on management buyouts or the purchase of existing businesses; and
- An overall lifetime investment cap of £12 million from tax-advantaged funds into any portfolio company.

While these changes are significant, the Company has been advised that, had they been in place previously, they would have affected only a relatively small minority of the investments that we have made into new portfolio companies over recent years. The Board's current view is that there will be no material change in our investment policy and the application of it as a result.

The relevant tests to measure compliance have been carried out and independently reviewed for the year ended 31 December 2015. These showed that the Company has complied with all tests and continues to do so.

Future prospects

The results for the year were disappointing, however the Board, alongside the Manager, has undertaken a rigorous review critically analysing the current portfolio in order to identify a strategy to deliver growth for the Company. This review, has helped to highlight that the bulk of the portfolio is profitable with good prospects. Our core task therefore, remains to concentrate on building up and creating value in the portfolio, especially where significant latent value lies.

Strategic report (continued)

Key performance indicators

The Directors believe that the following key performance indicators, which are typical for venture capital trusts, used in its own assessment of the Company, will provide shareholders with sufficient information to assess how effectively the Company is applying its investment policy to meet its objectives. The Directors are satisfied that the results shown in the following key performance indicators give a good indication that the Company is achieving its investment objective and policy, although the last two years have represented a setback on asset value performance. This is being addressed but may take time to take effect given the longer term nature of venture capital investment. These are:

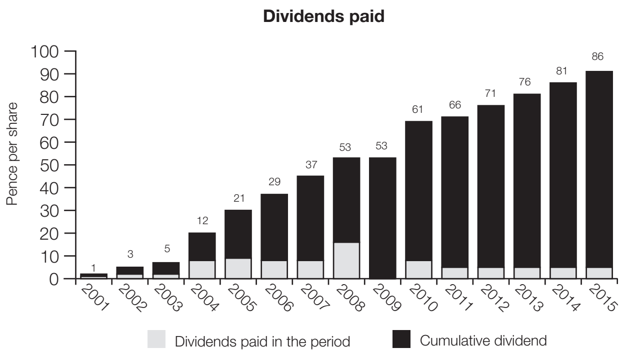
1. *Net asset value per share and total shareholder return*

Please see the "Total shareholder return to 31 December 2015" table on page 6 in the Financial summary section which shows the NAV per share as at 31 December 2015 and total shareholder return split by Ordinary shares, C shares and Income & Growth shares.

Total shareholder return is net asset value plus cumulative dividends paid since launch to date.

Total return to shareholders decreased by 2.4 per cent. to 159.92 pence per share for the year ended 31 December 2015.

2. *Dividend distributions*



Dividends paid in respect of the year ended 31 December 2015 were 5.00 pence per share (2014: 5.00 pence per share), in line with the Boards dividend objective. Cumulative dividends paid since inception are 86.00 pence per share.

3. *Ongoing charges*

The ongoing charges ratio for the year to 31 December 2015 was 2.75 per cent. (2014: 2.9 per cent.). As mentioned in the Chairman's statement, the ongoing charges cap was reduced from 3 per cent. to 2.75 per cent. during the year. The ongoing charges ratio has been calculated using The Association of Investment Companies' (AIC) recommended methodology. This figure shows shareholders the total recurring annual running expenses (including investment management fees charged to capital reserve) as a percentage of the average net assets attributable to shareholders. The Directors expect the ongoing charges ratio for the year ahead to be 2.75 per cent. (capped at 2.75 per cent.).

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. The Directors do not currently have any intention to utilise long term gearing.

Operational arrangements

The Company has delegated the investment management of the portfolio to Albion Ventures LLP, which is authorised and regulated by the Financial Conduct Authority. Albion Ventures LLP also provides company secretarial and other accounting and administrative support to the Company. Further details regarding the terms of engagement of the Manager and the way the Board has evaluated the performance of the Manager are shown below.

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, 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) are capped at an amount equal to 2.75 per cent. (3.0 per cent. 2014) of the Company's net assets, with any excess being met by Albion by way of a reduction in management fees.

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

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 (2014: £nil).

The performance threshold at 31 December 2015 was 182.3 pence for the Ordinary shares, 154.8 pence for the former C shares and 160.7 pence for the former Income & Growth shares which compare to total returns of 159.9 pence, 88.4 pence and 92.3 pence respectively, based on the latest NAV.

Investment and co-investment

The Company co-invests with other Albion Ventures LLP venture capital trusts and funds. Allocation of investments is on the basis of an allocation agreement which is based, inter alia, on the ratio of funds available for investment.

Evaluation of the Manager

The Board has evaluated the performance of the Manager based on the returns generated by the Company, the continuing achievement of the 70 per cent. investment requirement for venture capital trust status, the long term prospects of current investments, a review of the Management agreement and the services provided therein, and benchmarking the performance of the Manager to other service providers including the performance of other Albion VCTs that the Manager is responsible for managing. 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 Ventures LLP as the Company’s AIFM in June 2014 as required by the AIFMD.

Social and community issues, employees and human rights

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

Further policies

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

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

and these are set out in the Directors’ report on pages 25 and 26.

Risk Management

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

Risk	Possible consequence	Risk management
Economic risk	Changes in economic conditions, including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and other factors could substantially and adversely affect the Company’s prospects in a number of ways.	To reduce this risk, in addition to investing equity in portfolio companies, the Company often invests in secured loan stock and has a policy of not normally permitting any external bank borrowings within portfolio companies. Additionally, the Manager has been rebalancing the sector exposure of the portfolio with a view to reducing reliance on consumer led sectors.

Strategic report (continued)

Risk	Possible consequence	Risk management
Investment risk	This is the risk of investment in poor quality assets which reduces the capital and income returns to shareholders, and negatively impacts on the Company's current and future valuation. By nature, smaller unquoted businesses, such as those that qualify for venture capital trust purposes, are more fragile than larger, long established businesses.	To reduce this risk, the Board places reliance upon the skills and expertise of the Manager and its strong track record over many years of successfully investing in this segment of the market. In addition, the Manager operates a formal and structured investment process, which includes an Investment Committee, comprising investment professionals from the Manager and at least one external investment professional. The Manager also invites and takes account of comments from non-executive Directors of the Company on investments discussed at the Investment Committee meetings. Investments are actively and regularly monitored by the Manager (investment managers normally sit on portfolio company boards) and the Board receives detailed reports on each investment as part of the Manager's report at quarterly board meetings.
Valuation risk	The Company's investment valuation methodology is reliant on the accuracy and completeness of information that is issued by portfolio companies. In particular, the Directors may not be aware of or take into account certain events or circumstances which occur after the information issued by such companies is reported.	As described in note 2 of the Financial Statements, the investments held by the Company are classified at fair value through profit or loss and valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines. These guidelines set out recommendations, intended to represent current best practice on the valuation of venture capital investments. These investments are valued on the basis of forward looking estimates and judgments about the business itself, its market and the environment in which it operates, together with the state of the mergers and acquisitions market, stock market conditions and other factors. In making these judgments the valuation takes into account all known material facts up to the date of approval of the Financial Statements by the Board. The values of a number of investments are also underpinned by independent third party professional valuations and the Board critically reviews key valuations on a quarterly basis.
VCT approval risk	The Company's current approval as a venture capital trust allows investors to take advantage of tax reliefs on initial investment and ongoing tax free capital gains and dividend income. Failure to meet the qualifying requirements could result in investors losing any tax relief received. In addition, failure to meet the qualifying requirements could result in a loss of listing of the shares.	To reduce this risk, the Board has appointed the Manager, which has a team with significant experience in venture capital trust management, used to operating within the requirements of the venture capital trust legislation. In addition, to provide further formal reassurance, the Board has appointed Philip Hare & Associates LLP as its taxation adviser. Philip Hare & Associates LLP reports quarterly to the Board to independently confirm compliance with the venture capital trust legislation, to highlight areas of risk and to inform on changes in legislation. Each investment in a new portfolio company is also pre-cleared with H.M. Revenue & Customs.

Strategic report (continued)

Risk	Possible consequence	Risk management
Compliance risk	The Company is listed on The London Stock Exchange and is required to comply with the rules of the UK Listing Authority, as well as with the Companies Act, Accounting Standards and other legislation. Failure to comply with these regulations could result in a delisting of the Company's shares, or other penalties under the Companies Act or from financial reporting oversight bodies.	Board members and the Manager have experience of operating at senior levels within or advising quoted businesses. In addition, the Board and the Manager receive regular updates on new regulation from its auditor, lawyers and other professional bodies. The Company is subject to compliance checks via the Manager's Compliance Officer. The Manager reports monthly to its Board on any issues arising from compliance or regulation. These controls are also reviewed as part of the quarterly Manager 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.
Internal control risk	Failures in key controls, within the Board or within the Manager's business, could put assets of the Company at risk or result in reduced or inaccurate information being passed to the Board or to shareholders.	The Audit Committee meets with the Manager's Internal Auditor, PKF Littlejohn LLP, when required, receiving a report regarding the last formal internal audit performed on the Manager, and providing the opportunity for the Audit Committee to ask specific and detailed questions. Robin Archibald, as Chairman of the Audit Committee, met with the internal audit Partner of PKF Littlejohn LLP in January 2016 to discuss the most recent Internal Audit Report on the Manager. The Manager has a comprehensive business continuity plan in place in the event that operational continuity is threatened. Further details regarding the Board's management and review of the Company's internal controls through the implementation of the Turnbull guidance are detailed on page 32. Measures are in place to mitigate information risk in order to ensure the integrity, availability and confidentiality of information used within the business.
Reliance upon third parties risk	The Company is reliant upon the services of Albion Ventures LLP for the provision of investment management and administrative functions.	There are provisions within the management agreement for the change of Manager under certain circumstances (for further detail, see the Management agreement paragraph on page 12). In addition, the Manager has demonstrated to the Board that there is no undue reliance placed upon any one individual within Albion Ventures LLP.
Financial risk	By its nature, as a venture capital trust, the Company is exposed to investment risk (which comprises investment price risk and cash flow interest rate risk), credit risk and liquidity risk.	The Company's policies for managing these risks and its financial instruments are outlined in full in note 19 to the Financial Statements. All of the Company's income and expenditure is denominated in sterling and hence the Company has no foreign currency risk. The Company is financed through equity and does not have any borrowings. The Company does not use derivative financial instruments for speculative purposes.
Reputational risk	Arises from broader performance and ethical issues, including investment in businesses and sectors that are inconsistent with the values of the Board and the VCT or, the Boards of portfolio companies take actions which similarly are inconsistent with the values of the VCT.	The Board clearly articulates to the Investment Manager its broader aims and standards including those sectors which are consistent with the values of the Board. The Board regularly reviews the performance and investment strategy of the Investment Manager. The Investment Manager periodically attends Board meetings of the VCT's portfolio companies and across the portfolio receives periodic management information and is alert to potential threats to reputation.

Strategic report (continued)

Viability statement

In accordance with the FRC UK Corporate Governance Code published in September 2014 and principle 21 of the AIC Code of Corporate Governance published by the AIC in February 2015, the Directors have assessed the prospects of the Company over three years to 31 December 2018. The Directors have taken a three year period as the Code does not specify a time period, except it must be longer than 12 months. The Directors believe that three years is a reasonable period in which they can assess the future of the Company to continue to operate and meet its liabilities as they fall due and that looking to five years would incorporate too much uncertainty and not have any meaningful benefit to shareholders. It is also the period used by the Board in the strategic planning process and is considered reasonable for a business of our nature and size.

The Directors have carried out a robust assessment of the 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 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. The Board deliberated over the importance of the Manager and the processes that they have in place for dealing with the principal risks.

The Board assessed the ability of the Company to raise finance. As explained in the Chairman's statement on page 7 and in this Strategic report the repositioning of the portfolio will secure the long term future for the Company. The portfolio is well balanced after the process of reducing the proportion of the portfolios holdings in investments made prior to the crash in 2008 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, share price discount, 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 2018.

This Strategic report of the Company for the year ended 31 December 2015 has been prepared in accordance with the requirements of section 414A of the Companies Act 2006 (the "Act"). The purpose of this report is to 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
23 March 2016

The Board of Directors

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

Dr Neil Cross FCIS, (appointed 6 December 2000) has extensive experience in private equity and corporate governance. He was formerly an executive director of 3i Group plc from 1989 to 1996, having spent 27 years in a variety of investment and management roles, latterly in charge of the group's international operations. He is a past Chairman of the European Venture Capital Association. He has also been a non-executive director of a number of listed and private companies and is presently a non-executive director of Caliburn Absolute Strategies SPC.

Robin Archibald BCom, CA (appointed 18 November 2013) qualified as a chartered accountant with Touche Ross in Glasgow in 1983, before transferring with Touche Ross to London where he worked in the corporate finance department. Since 1986, he has worked in corporate finance and corporate broking roles, including for Samuel Montagu, SG Warburg Securities, NatWest Wood Mackenzie and Intelli Corporate Finance. He was a director of Winterflood Investment Trusts until May 2014, where he was head of corporate finance and broking from August 2004 until August 2013. Since the early nineties, he has concentrated on advising and managing transactions in the UK closed-ended funds sector and has gained a wide experience in fund raising, reorganisations and restructurings for all types of listed funds. Robin is currently a non executive director of Ediston Property Investment Company PLC, Capital Gearing Trust plc and Henderson European Focus Trust plc, as well as being chairman of The Stewart Ivory Financial Education Trust (an educational charity) and providing corporate finance advice through StockBridge Advisers, a corporate finance boutique.

Mary Anne Cordeiro MA (appointed 18 November 2013) worked at Goldman Sachs International Limited, first in the mergers and acquisitions department and subsequently in the Financial Institutions Group from 1986 to 1992. She worked in similar roles in corporate finance at Bankers Trust Company and Paribas, and was also co-head of Paribas' Financial Institutions Group, before leaving to found her own business in the finance sector in 1998. More recently she has applied her scientific and financial strategy expertise to the commercialisation of innovation and to funding growth of early stage companies. She currently advises a number of medical technology businesses and has helped develop strategies to bring new products and services to market. She is also a member of the Development Board of the University of Oxford's Department of Chemistry and joined the Investment Advisory Board of Mercia Technologies in November 2015.

Modwenna Rees-Mogg MA (appointed 4 October 2012). Following an early career as a corporate financier at Kleinwort Benson Limited she founded the online media and live events business AngelNews in 2003, which is focused on the early stage investment market, with a special focus on private investors. The company's activities include The VCT & EIS Investor Forum and the Great British Private Investor Summit. She is the author of "Dragons or Angels" and "Crowd Funding", books on angel investing and crowd funding respectively. She is a non-executive director of Asset March Limited and a Visiting Fellow at the Bettany Centre for Entrepreneurship at Cranfield University.

Patrick Reeve MA, ACA, (appointed 11 December 2003) qualified as a chartered accountant before joining Cazenove & Co where he spent three years in the corporate finance department. He joined Close Brothers Group plc in 1989, working in both the development capital and corporate finance divisions before establishing Albion Ventures (formerly Close Ventures Limited). He is the managing partner of Albion Ventures and is a director of Albion Enterprise VCT PLC and Albion Development VCT PLC, both managed by Albion Ventures. He is also chief executive of Albion Community Power PLC, a member of the Audit Committee of University College London, a director of The Association of Investment Companies and is on the Council of the BVCA.

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

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

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

Capital Gearing Trust plc and Henderson European Focus Trust plc, as well as being chairman of The Stewart Ivory Financial Education Trust (an educational charity) and providing corporate finance through StockBridge Advisers, a corporate finance boutique.

The Manager

Albion Ventures LLP, is authorised and regulated by the Financial Conduct Authority and is the Manager of Albion Technology & General VCT PLC. In addition, it manages a further five venture capital trusts, the UCL Technology Fund and provides management services to Albion Community Power PLC. It currently has total assets under management or administration of approximately £400 million.

The following are specifically responsible for the management and administration of the venture capital trusts managed by Albion Ventures LLP:

Patrick Reeve MA, ACA, details included in the Board of Directors section.

Will Fraser-Allen, BA (Hons), FCA, qualified as a chartered accountant with Cooper Lancaster Brewers in 1996 and then joined their corporate finance team providing corporate finance advice to small and medium sized businesses. He joined Albion Ventures in 2001 since when he has focused on leisure and healthcare investing. Will became deputy managing partner of Albion Ventures in 2009. Will has a BA in History from Southampton University.

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

Dr. Andrew Elder, MA, FRCS, initially practised as a surgeon for six years, specialising in neurosurgery, before joining the Boston Consulting Group (BCG) as a consultant in 2001. Whilst at BCG he specialised in healthcare strategy, gaining experience with many large, global clients across the full spectrum of healthcare including biotechnology, pharmaceuticals, service and care providers, software and telecommunications. He joined Albion Ventures in 2005 and became a partner in 2009. He has an MA plus Bachelors of Medicine and Surgery from Cambridge University and is a Fellow of the Royal College of Surgeons (England).

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

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

Vikash Hansrani, BA (Hons), ACA, qualified as a chartered accountant with RSM Tenon plc and latterly worked in its corporate finance team. He joined Albion Ventures in 2010, where he is currently Finance Director. He is also Finance Director of Albion Community Power PLC. He has a BA in Accountancy & Finance from Nottingham Business School.

Robert Henderson, BA (Hons), ACA, graduated from Newcastle University with a first class degree in business management. Prior to joining Albion Ventures in 2015, he qualified as a chartered accountant with KPMG, spending four years working in Transactions & Restructuring primarily in turnaround and M&A situations.

Ed Lascelles, BA (Hons), began by advising quoted UK companies on IPOs, takeovers and other corporate transactions, first with Charterhouse Securities and then ING Barings. Companies ranged in value from £10 million to £1 billion, across the healthcare and technology sectors among others. After moving to Albion Ventures in 2004, Ed started investing in the technology, healthcare, financial and business services sectors. Ed became partner in 2009 and is responsible for a number of Albion's technology investments. He graduated from University College London with a first class degree in Philosophy.

Dr. Christoph Ruedig, MBA, initially practiced as a radiologist, before spending 3 years at Bain & Company. In 2006 he joined 3i plc working for their Healthcare Venture Capital arm leading investments in biotechnology, pharmaceuticals and medical technology. Most recently he has worked for General Electric UK, where he was responsible for mergers and acquisitions in the medical technology and healthcare IT sectors. He joined Albion Ventures in 2011 and became a partner in 2014. He holds a degree in medicine from Ludwig-Maximilians University, Munich and an MBA from INSEAD.

Henry Stanford, MA, ACA, qualified as a chartered accountant with Arthur Andersen before joining the corporate finance department of Close Brothers Group in 1992, becoming an assistant director in 1996. He moved to Albion Ventures in 1998, where he has been responsible for much of the asset based portfolio. Henry became a partner in Albion Ventures in 2009. He holds an MA degree in Classics from Oxford University.

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

Marco Yu, MPhil, MA, MRICS, spent two and a half years at Bouygues (UK), before moving to EC Harris in 2005 where he advised senior lenders on large capital projects. Since joining Albion Ventures in 2007, Marco has been involved in hotel, cinema, pub, residential property and garden centre investments and is, more recently, responsible for a number of renewable energy investments. He became an Investment Director in 2014. Marco graduated from Cambridge University with a first class degree in economics and is a Chartered Surveyor.

Portfolio of investments

Technology investments	% voting rights	% voting rights held by all AVL* managed companies	As at 31 December 2015 Cost £'000	Cumulative movement in value £'000	Value £'000	As at 31 December 2014 Cost £'000	Cumulative movement in value £'000	Value £'000	Change in value for the year** £'000
Process Systems Enterprise Limited	13.3	19.8	**2,160**	**1,505**	**3,665**	2,019	1,209	3,228	**297**
Blackbay Limited	23.5	34.9	**4,213**	**(757)**	**3,456**	4,212	722	4,934	**(1,478)**
Mi-Pay Group plc	21.6	34.7	**4,163**	**(1,831)**	**2,332**	3,853	(1,415)	2,438	**(417)**
memsstar Limited	30.1	44.7	**1,322**	**469**	**1,791**	1,322	430	1,752	**38**
Mirada Medical Limited	14.6	45.0	**799**	**773**	**1,572**	705	888	1,593	**(115)**
Relayware Limited	4.4	17.3	**1,149**	**9**	**1,158**	893	19	912	**(10)**
AMS Sciences Limited	41.7	49.6	**2,016**	**(881)**	**1,135**	2,016	55	2,071	**(936)**
sparesFinder Limited	12.0	12.0	**613**	**396**	**1,009**	613	467	1,080	**(71)**
DySIS Medical Limited	8.4	23.9	**1,556**	**(587)**	**969**	1,194	(303)	891	**(283)**
Oxsensis Limited	13.9	20.6	**1,696**	**(744)**	**952**	1,589	(686)	903	**(58)**
Exco Intouch Limited	3.5	17.3	**580**	**263**	**843**	480	13	493	**251**
Cisiv Limited	7.0	27.2	**452**	**112**	**564**	355	(2)	353	**113**
Aridhia Informatics Limited	4.3	14.7	**753**	**(226)**	**527**	695	(104)	591	**(123)**
MyMeds&Me Limited	3.3	29.9	**260**	**138**	**398**	203	(8)	195	**145**
Abcodia Limited	3.7	22.7	**319**	**76**	**395**	165	1	166	**74**
Proveca Limited	5.1	45.9	**298**	**73**	**371**	242	121	363	**(48)**
Silent Herdsman Holdings Limited	9.4	36.4	**402**	**(41)**	**361**	268	(147)	121	**107**
Egress Software Technologies Limited	2.0	22.0	**200**	**93**	**293**	200	36	236	**57**
Grapeshot Limited	1.5	12.7	**239**	**29**	**268**	135	–	135	**29**
OmPrompt Holdings Limited	1.6	19.7	**200**	**5**	**205**	200	2	202	**2**
Palm Tree Technology Limited	0.5	0.7	**320**	**(157)**	**163**	320	(156)	164	–
Panaseer Limited	2.2	7.8	**110**	**–**	**110**	–	–	–	–
ComOps Limited	1.0	1.4	**68**	**(6)**	**62**	–	–	–	**(6)**
Sandcroft Avenue Limited	0.6	5.6	**50**	**5**	**55**	35	(4)	31	**9**
Elements Software Limited	3.3	4.5	**19**	**–**	**19**	19	–	19	–
Total technology investments			**23,957**	**(1,284)**	**22,673**	**21,733**	1,138	22,871	**(2,423)**

* Albion Ventures LLP

** As adjusted for additions and disposals during the year

Portfolio of investments (continued)

			As at 31 December 2015			As at 31 December 2014			
Non-technology investments	**% voting rights**	**% voting rights held by all AVL* managed companies**	**Cost £'000**	**Cumulative movement in value £'000**	**Value £'000**	Cost £'000	Cumulative movement in value £'000	Value £'000	**Change in value for the year** £'000**
Radnor House School (Holdings) Limited	15.3	50.0	**5,721**	**2,546**	**8,267**	3,173	1,811	4,984	**734**
Bravo Inns II Limited	15.1	50.0	**2,639**	**18**	**2,657**	2,639	5	2,644	**12**
Chonais River Hydro Limited	3.8	25.0	**2,169**	**293**	**2,462**	1,395	22	1,417	**271**
Bravo Inns Limited	28.8	50.0	**2,411**	**(537)**	**1,874**	2,163	(544)	1,619	**7**
Gharagain River Hydro Limited	6.7	25.1	**1,526**	**332**	**1,858**	763	11	774	**320**
The Weybridge Club Limited	25.2	50.0	**3,812**	**(2,075)**	**1,737**	3,719	(1,181)	2,538	**(895)**
The Charnwood Pub Company Limited +	22.5	50.0	**2,048**	**(461)**	**1,587**	3,302	(1,026)	2,276	**(464)**
Earnside Energy Limited	12.4	50.0	**1,169**	**124**	**1,293**	766	59	825	**64**
The Street by Street Solar Programme Limited	8.1	50.0	**896**	**296**	**1,192**	896	225	1,121	**71**
Regenerco Renewable Energy Limited	7.9	50.0	**822**	**218**	**1,040**	779	80	859	**138**
The Q Garden Company Limited +	33.4	50.0	**1,405**	**(452)**	**953**	2,401	(1,555)	846	**107**
Alto Prodotto Wind Limited	6.9	50.0	**692**	**220**	**912**	692	139	831	**82**
Hilson Moran Holdings Limited	6.2	34.7	**330**	**512**	**842**	405	199	604	**331**
Masters Pharmaceuticals Limited	5.5	19.7	**452**	**377**	**829**	796	287	1,083	**152**
Premier Leisure (Suffolk) Limited +	25.8	47.4	**454**	**(17)**	**437**	1,212	(775)	437	**3**
Erin Solar Limited	15.7	50.0	**440**	**(9)**	**431**	440	–	440	**(9)**
Infinite Ventures (Goathill) Limited	9.6	31.0	**400**	**–**	**400**	1,450	–	1,450	**–**
Albion Investment Properties Limited	22.6	100.0	**434**	**(56)**	**378**	434	(70)	364	**14**
AVESI Limited	8.0	50.0	**260**	**70**	**330**	247	26	273	**44**
Harvest AD Limited	n/a	n/a	**210**	**–**	**210**	210	–	210	**–**
Greenenerco Limited	3.1	50.0	**110**	**58**	**168**	110	37	147	**21**
Chichester Holdings Limited	10.0	15.0	**579**	**(458)**	**121**	1,504	(1,263)	241	**(119)**
Dickson Financial Services Limited	6.0	30.0	**60**	**–**	**60**	–	–	–	**–**
Total non-technology investments			**29,039**	**999**	**30,038**	29,496	(3,513)	25,983	**884**
Total fixed asset investments			**52,996**	**(285)**	**52,711**	51,229	(2,375)	48,854	**(1,539)**

* Albion Ventures LLP

** As adjusted for additions and disposals during the year

+ The accounting cost as shown above is after deducting realised losses of £1,029,000 for The Charnwood Pub Company Limited, £997,000 for The Q Garden Company Limited and £757,000 for Premier Leisure (Suffolk) Limited which are still held at the Balance sheet date.

Portfolio of investments (continued)

Total change in value of investments for the year	**(1,539)**
Movement in loan stock accrued interest (net of disposals)	(93)
Unrealised losses on fixed asset investments	(1,632)
Realised losses on fixed asset investments	(2,052)
Total losses on investments as per Income statement	**(3,684)**

The comparative cost and valuations for 31 December 2014 do not agree to the Annual Report and Financial Statements for the year ended 31 December 2014 as the above list does not include brought forward investments that were fully disposed of in the year.

Fixed asset investment realisations during the year to 31 December 2015	Cost £'000	Opening carrying value £'000	Disposal proceeds £'000	Total realised gain/(loss) £'000	Gain/(loss) on opening value £'000
Kensington Health Clubs Limited	5,263	3,818	6,528	1,265	2,710
Orchard Portman Group	2,899	4,239	4,103	1,204	(136)
Lowcosttravelgroup Limited	2,638	4,783	2,159	(479)	(2,624)
Infinite Ventures (Goathill) Limited (*loan stock repaid*)	1,050	1,050	1,050	–	–
Masters Pharmaceuticals Limited *(loan stock repaid & redemption premium)*	345	405	414	69	9
The Charnwood Pub Company Limited+	1,277	248	248	(1,029)	–
Radnor House School (Holdings) Limited (*loan stock repaid*)	238	238	238	–	–
Hilson Moran Holdings Limited (loan stock repaid & redemption premium)	76	94	94	18	–
Consolidated PR Limited	–	–	79	79	79
Rostima Holdings Limited	2,411	2,160	68	(2,343)	(2,092)
Tower Bridge Health Clubs Limited	–	–	20	20	20
The Dunedin Pub Company Limited	–	–	2	2	2
Chichester Holdings Limited	924	–	–	(924)	–
The Q Garden Company Limited+	997	–	–	(997)	–
Premier Leisure (Suffolk) Limited+	757	–	–	(757)	–
Opta Sports Data Limited (write-off of remaining escrow)	–	–	(20)	(20)	(20)
Total	**18,875**	**17,035**	**14,983**	**(3,892)**	**(2,052)**

+ The accounting cost as shown above represents realised losses of investments still held at the Balance sheet date.

Portfolio companies

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

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

Radnor House School (Holdings) Limited

Radnor House is a group of co-educational independent day schools with sites in South West London and Sevenoaks in Kent. The group provides personalised education to students aged 5-18 and has the capacity to accommodate some 1,000 children.

Website: www.radnorhouse.org

	Audited results: year to 31 August 2014 £'000	**Investment information**	**£'000**
Turnover	5,017	Income recognised in the year	382
EBITDA	1,721	Total cost	5,721
Profit before tax	852	Valuation	8,267
Net assets	323	Voting rights	15.3 per cent.
Basis of valuation:	Net asset value supported by third party valuation	Voting rights for all AVL managed companies	50.0 per cent.

Process Systems Enterprise Limited

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

Website: www.psenterprise.com

	Audited results: year to 31 December 2014 £'000	**Investment information**	**£'000**
Turnover	11,306	Income recognised in the year	–
EBITDA	(63)	Total cost	2,160
Loss before tax	(291)	Valuation	3,665
Net assets	2,691	Voting rights	13.3 per cent.
Basis of valuation:	Revenue multiple	Voting rights for all AVL managed companies	19.8 per cent.

Blackbay Limited

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

Website: www.blackbay.com

	Audited results: year to 31 December 2014 £'000	**Investment information**	**£'000**
Turnover	8,374	Income recognised in the year	208
EBITDA	(817)	Total cost	4,213
Loss before tax	(1,747)	Valuation	3,456
Net liabilities	(4,141)	Voting rights	23.5 per cent.
Basis of valuation:	Revenue multiple	Voting rights for all AVL managed companies	34.9 per cent.

Bravo Inns II Limited

The Company owns and operates a number of freehold pubs in the north of England.

Website: www.bravoinns.com

	Abbreviated audited results: year to 31 March 2015 £'000	**Investment information**	**£'000**
Net assets	3,017	Income recognised in the year	203
Basis of valuation:	Net asset value supported by third party valuation	Total cost	2,639
		Valuation	2,657
		Voting rights	15.1 per cent.
		Voting rights for all AVL managed companies	50.0 per cent.

Chonais River Hydro Limited

The company has developed a 2 megawatt hydroelectricity plant near Loch Carron in Scotland.

	Accounts for a small company: period to 30 September 2015 £'000	**Investment information**	**£'000**
Net liabilities	(6,941)	Income recognised in the year	129
Basis of valuation:	Net asset value supported by third party valuation	Total cost	2,169
		Valuation	2,462
		Voting rights	3.8 per cent.
		Voting rights for all AVL managed companies	25.0 per cent.

Portfolio companies (continued)

Mi-Pay Group plc

The Company provides payment processing services for pre-paid mobile networks and other customers.

Website: www.mi-pay.com

	Audited results: year to 31 December 2014 £'000	Investment information	£'000
Turnover	2,699	Income recognised in the year	–
EBITDA	(4,496)	Total cost	4,163
Loss before tax	(4,820)	Valuation	2,332
Net assets	544	Voting rights	21.6 per cent.
Basis of valuation:	Quoted bid price	Voting rights for all AVL managed companies	34.7 per cent.

Bravo Inns Limited

The Company owns and operates a number of freehold pubs in the north of England.

Website: www.bravoinns.com

	Abbreviated audited results: year to 31 March 2015 £'000	Investment information	£'000
Net liabilities	(255)	Income recognised in the year	157
Basis of valuation:	Net asset value supported by third party valuation	Total cost	2,411
		Valuation	1,874
		Voting rights	28.8 per cent.
		Voting rights for all AVL managed companies	50.0 per cent.

Gharagain River Hydro Limited

The company has developed a 1 megawatt hydroelectricity plant near Ledgowan in Scotland.

	Accounts for a small company: period to 30 September 2015 £'000	Investment information	£'000
Net liabilities	(6,816)	Income recognised in the year	73
Basis of valuation:	Net asset value supported by third party valuation	Total cost	1,526
		Valuation	1,858
		Voting rights	6.7 per cent.
		Voting rights for all AVL managed companies	25.1 per cent.

memsstar Limited

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

Website: www.memsstar.com

	Audited results: year to 31 December 2014 £'000	Investment information	£'000
Turnover	7,515	Income recognised in the year	106
EBITDA	122	Total cost	1,322
Loss before tax	(226)	Valuation	1,791
Net assets	2,304	Voting rights	30.1 per cent.
Basis of valuation:	Revenue multiple	Voting rights for all AVL managed companies	44.7 per cent.

The Weybridge Club Limited

The company owns a 30 acre freehold site near to the centre of Weybridge, Surrey, which has been developed into a premium health and fitness club.

Website: www.theweybridgeclub.com

	Audited results: year to 30 September 2014 £'000	Investment information	£'000
Turnover	1,624	Income recognised in the year	3
EBITDA	220	Cost	3,812
Loss before tax	(1,918)	Valuation	1,737
Net liabilities	(5,687)	Voting rights	25.2 per cent.
Basis of valuation:	Net asset value supported by third party valuation	Voting rights for all AVL managed companies	50.0 per cent.

Net assets of a portfolio company where a recent third party valuation has taken place may have a higher valuation in Albion Technology & General VCT PLC accounts than in its own, where the portfolio company does not have a policy of revaluing its fixed assets.

Directors' report

The Directors submit their Annual Report and the audited Financial Statements on the affairs of Albion Technology & General VCT PLC (the "Company") for the year ended 31 December 2015.

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 25 of this Directors' report. Approval for the year ended 31 December 2015 is subject to review should there be any subsequent enquiry under corporation tax self-assessment.

The Company is not a close company for taxation purposes and its shares are listed on the 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 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 and predictable source of income, combined with the prospect of longer term capital growth.

All Ordinary shares (except for treasury shares, which have no right to dividend and no voting rights) rank pari passu for voting rights, and each Ordinary share is entitled to one vote. The Directors are not aware of any restrictions on the transfer of shares or on voting rights.

Shareholders are entitled to receive dividends and the return on capital on winding up or other return on capital based on the surpluses attributable to the shares.

Issue and buy-back of Ordinary shares

During the year the Company issued a total of 7,888,698 Ordinary shares, of which 7,244,280 Ordinary shares (2014: 4,251,954 Ordinary shares) were issued under the Albion VCTs Top Up Offers; and 644,418 Ordinary shares (2014: 487,376 Ordinary shares) were issued under the Company's Dividend Reinvestment Scheme. The Company is currently engaged in the Albion VCTs Prospectus Top Up Offers 2015/2016 with the aim of raising up to £6 million. Further information on the share capital is detailed in note 15.

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.

Substantial interests and shareholder profile

As at 31 December 2015 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 and Transparency Rule 5 made to the Company during the year ended 31 December 2015, 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 2015 can be found in the Strategic report on pages 10 and 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 significant cash and liquid resources, its portfolio of investments is well diversified in terms of sector and the major cash outflows of the Company (namely investments, buy-backs and dividends) are within the Company's control. Accordingly, after making diligent enquiries the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors have considered it appropriate to adopt the going concern basis of accounting.

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 19. The Company's business activities,

Directors' report (continued)

together with details of its performance are shown in the Strategic report and this Directors' report.

Post balance sheet events
Details of events that have occurred since 31 December 2015 are shown in note 21.

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

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

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

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

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

(4) At 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;

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

(6) The Company's shares, throughout the year, must have been listed on a regulated European market;

(7) 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 (£20 million for a "knowledge intensive" company);

(8) 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 a turnover test is satisfied; and

(9) The Company's investment in another company must not be used to acquire another business, or shares in another company.

These tests drive a spread of investment risk through disallowing holdings of more than 15 per cent. in any portfolio company. The tests have been carried out and independently reviewed for the year ended 31 December 2015. The Company has complied with all tests and continues to do so.

'Qualifying holdings' include shares or securities (including loans with a five year or greater maturity period) in companies which operate a 'qualifying trade' wholly or mainly in the United Kingdom. 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.

Environment
The management and administration of the Company is undertaken by the Manager, Albion Ventures LLP. Albion Ventures LLP recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by its activities. Initiatives designed to minimise the Company's impact on the environment include recycling and reducing energy consumption.

Global greenhouse gas emissions
The Company has no greenhouse gas emissions to report from 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.

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

Directors' report (continued)

Albion Ventures LLP reviews the anti-bribery policies and procedures of portfolio companies.

Diversity
The Board has a balanced representation of male and female Directors, with the current Board of Directors comprising two female and three male Directors. More details on the Directors can be found in the Board of Directors section on page 17.

The Manager has an equal opportunities policy and currently employees 13 men and 10 women.

Employees
The Company is managed by Albion Ventures LLP and hence has no employees other than its Directors.

Directors
The Directors who held office throughout the year, and their interests in the shares of the Company (together with those of their immediate family) are shown in the Directors' remuneration report on page 35.

All Directors, except for Patrick Reeve, who is the managing partner of the Manager, are members of the Audit Committee, of which Robin Archibald is Chairman.

Patrick Reeve, as managing partner of Albion Ventures LLP, is deemed to have an interest in the Management agreement and Management performance incentive to which the Company is party. After the merger with Albion Income & Growth VCT PLC on 15 November 2013, Patrick Reeve agreed to waive his fees for his services as a Director of the Company.

Directors' indemnity
Each Director has entered into a Deed of Indemnity with the Company which indemnifies each Director, subject to the provisions of the Companies Act 2006 and the limitations set out in each deed, against any liability arising out of any claim made against him/her in relation to the performance of his/her duties as a Director of the Company. A copy of each Deed of Indemnity entered into by the Company for each Director is available at the registered office of the Company.

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 new rules relating to non-mainstream investment products, are excluded securities and may be promoted to ordinary retail investors without restriction.

Re-election of Directors
Directors' retirement and re-election is subject to the Articles of Association and the UK Corporate Governance Code. At the forthcoming Annual General Meeting, Dr. Neil Cross, having served as a Director for longer than nine years, will retire and offer himself for re-election. Patrick Reeve is not considered to be independent, as he is the managing partner of the Manager, Albion Ventures LLP, and will therefore also retire and offer himself for re-election at the forthcoming Annual General Meeting. Robin Archibald was elected in 2013 and will also offer himself for re-election.

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.

Annual General Meeting
The Annual General Meeting will be held at the City of London Club, 19 Old Broad Street, London EC2N 1DS at 11.00 am on 8 June 2016. The notice of the Annual General Meeting is at the end of this document.

The proxy form enclosed with this Annual Report and Financial Statements permits shareholders to disclose votes 'for', 'against', and 'withheld'. A 'vote withheld' is not a vote in law and will not be counted in the proportion of the votes for and against the resolution. Summary of proxies lodged at the Annual General Meeting will be published at www.albion-ventures.co.uk within the 'Our Funds' section by clicking on Albion Technology & General VCT PLC.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting for which shareholder approval is required in order to comply either with the Companies Act or the Listing Rules of the Financial Conduct Authority.

Authority to allot shares
Ordinary resolution number 8 will request the authority to allot up to an aggregate nominal amount of £191,836 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 Albion VCTs Share Offers and reissuing treasury shares where it is in the

Directors' report (continued)

Company's interest to do so. The Company currently holds 8,282,070 treasury shares representing 9.0 per cent. of the total Ordinary share capital in issue as at 31 December 2015.

This resolution replaces the authority given to the Directors at the Annual General Meeting in 2015. The authority sought at the forthcoming Annual General Meeting will expire 18 months from the date that this resolution is passed, or at the conclusion of the next Annual General Meeting of the Company, whichever is earlier.

Disapplication of pre-emption rights
Special resolution number 9 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 £191,836 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.

This resolution replaces the authority given to the Directors at the Annual General Meeting in 2015. The authority sought at the forthcoming Annual General Meeting will expire 18 months from the date that this resolution is passed or at the conclusion of the next Annual General Meeting of the Company, whichever is earlier.

Purchase of own shares
Special resolution number 10 will request the authority to purchase approximately 14.99 per cent. of the Company's issued Ordinary share capital at, or between, the minimum and maximum prices specified in resolution 10. Shares bought back under this authority may be cancelled or held in treasury.

The Board believes that it is helpful for the Company to continue to have the flexibility to buy its own shares and this resolution seeks authority from shareholders to do so.

This resolution would renew the 2015 authority, which was on similar terms. During the financial year under review, the Company purchased 2,617,000 Ordinary shares to be held in treasury, at an aggregate consideration of £1,973,000 including stamp duty.

The authority sought at the forthcoming Annual General Meeting will expire 18 months from the date that this resolution is passed, or at the conclusion of the next Annual General Meeting of the Company, whichever is earlier.

Treasury shares
Under the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (the "Regulations"), shares purchased by the Company out of distributable profits can be held as treasury shares, which may then be cancelled or sold for cash. The authority sought by these resolutions is intended to apply equally to shares to be held by the Company as treasury shares in accordance with the Regulations.

Special resolution number 11 will request the authority to permit Directors to sell treasury shares at the higher of the prevailing current share price and the price bought in at.

Recommendation
The Board believes that the passing of the resolutions above is in the best interests of the Company and its shareholders as a whole, and unanimously recommends that you vote in favour of these resolutions, as the Directors intend to do in respect of their own shareholdings.

Disclosure of information to Auditor
In the case of the persons who are Directors of the Company at the date of approval of this report:

- so far as each of the Directors are aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- each of the Directors has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

This disclosure is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

By Order of the Board

Albion Ventures LLP
Company Secretary

1 King's Arms Yard
London, EC2R 7AF
23 March 2016

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors are required to prepare Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with applicable UK accounting standards, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;
- prepare a Strategic report, a Director's report and Director's remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006 and, as regards the Company financial statements, Article 4 of the IAS Regulation. 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 accounts, taken as a whole, are fair, balanced, and understandable and provides 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 the Financial Statements are made available on a website. Financial Statements are published on the Company's webpage on the Investment Manager's website (www.albion-ventures.co.uk) in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Manager's website is, so far as it relates to the Company, the responsibility of the Manager.

The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditor accepts no responsibility for any changes that have occurred to the Financial Statements since they were initially presented on the website.

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

The Directors confirm to the best of their knowledge:

- The Financial Statements which have been prepared in accordance with UK Generally Accepted Accounting Practice give a true and fair view of the assets, liabilities, financial position and 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 they face.

By Order of the Board

Dr. N E Cross
Chairman
23 March 2016

Statement of corporate governance

Background
The Financial Conduct Authority requires all listed companies to disclose how they have applied the principles and complied with the provisions of the UK Corporate Governance Code (the "Code") issued by the Financial Reporting Council ("FRC") in September 2014.

The Board of Albion Technology & General VCT PLC has also considered the principles and recommendations of the AIC Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders than reporting under the Code alone.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the Code, except as set out below.

Application of the Principles of the Code
The Board attaches importance to matters set out in the Code and applies its principles. However, as a venture capital trust company, most of the Company's day-to-day responsibilities are delegated to third parties and the Directors are all non-executive. Thus, not all the provisions of the Code are directly applicable to the Company.

Board of Directors
The Board consists solely of non-executive Directors. Since all Directors are non-executive and day-to-day management responsibilities are sub-contracted to the Manager, the Company does not have a Chief Executive Officer.

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

Dr. Neil Cross has been Director of the Company for more than nine years and, in accordance with the recommendations of the AIC code, is subject to annual re-election. The Board does not have a policy of limiting the tenure of any Director as the Board does not consider that a Director's length of service reduces his ability to act independently of the Manager. Patrick Reeve is also subject to annual re-election, as he is not considered to be an independent Director.

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

The Directors have a range of business and financial skills which are relevant to the Company; these are described in the Board of Directors section on page 17. Directors are provided with key information on the Company's activities, including regulatory and statutory requirements, and internal controls, by the Manager. The Board has access to secretarial advice and compliance services by the Manager, who is responsible for ensuring that Board procedures are followed and applicable procedures complied with. All Directors are able to take independent professional advice in furtherance of their duties if necessary. In accordance with the UK Corporate Governance Code, the Company has in place Directors' & Officers' Liability Insurance.

The Directors have considered diversity in relation to the composition of the Board and have concluded that its membership is diverse in relation to gender, experience and balance of skills. Further details on the recruitment of new directors can be found in the Nomination Committee section on page 32.

The Board met four times during 2015 as part of its regular programme of quarterly Board meetings. All of the Directors attended each meeting. A sub-committee of the Board comprising at least two Directors met during the year to allot shares issued under the Dividend Reinvestment Scheme and the Albion VCTs Top Up Offers. A sub-committee of the Board also met during the year to approve the terms and contents of the Offer Documents under the Albion VCTs Prospectus Top Up Offers 2015/2016.

The Chairman ensures that all Directors receive, in a timely manner, all relevant management, regulatory and financial information. The Board receives and considers reports regularly from the Manager and other key advisers, with ad hoc reports and information supplied to the Board as required. The Board has a formal schedule of matters reserved for it and the agreement between the Company and its Manager sets out the matters over which the Manager has authority and limits beyond which Board approval must be sought.

The Manager has authority over the management of the investment portfolio, the organisation of custodial services,

Statement of corporate governance (continued)

accounting, secretarial and administrative services. The main issues reserved for the Board include:

- the appointment, evaluation, removal and remuneration of the Manager;
- the consideration and approval of future developments or changes to the investment policy, including risk and asset allocation;
- consideration of corporate strategy and corporate events that arise;
- application of the principles of the UK Corporate Governance Code, corporate governance and internal control;
- review of sub-committee recommendations, including the recommendation to shareholders for the appointment and remuneration of the Auditor;
- evaluation of non-audit services provided by the external Auditor;
- approval of the appropriate dividend to be paid to shareholders;
- the performance of the Company, including monitoring of the discount of the net asset value and the share price;
- share buy-back and treasury share policy; and
- monitoring shareholder profile and considering shareholder communications.

It is the responsibility of the Board to present an Annual Report that is fair, balanced and understandable, which provides the information necessary for shareholders to assess the 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 identified that the Board works well together and has the right balance of skills, experience, independence and knowledge for the effective governance of the Company. Diversity within the Board is achieved through the appointment of directors with different sector backgrounds, skills and gender.

Directors are offered training, both at the time of joining the Board and on other occasions where required. The Board also undertakes a proper and thorough evaluation of its Committees on an annual basis.

In light of the structured performance evaluation, Dr. Neil Cross, Patrick Reeve and Robin Archibald, all of whom are subject to re-election at the forthcoming Annual General Meeting, are considered to be effective Directors who demonstrate strong commitment to the role, and the Board believes it to be in the best interest of the Company to appoint these Directors at the forthcoming Annual General Meeting.

Remuneration Committee
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 fully attended by all the members of the Committee.

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

Audit Committee
The Audit Committee consists of all Directors except Patrick Reeve, with Robin Archibald as Chairman. In accordance with the Code, all members of the Audit Committee have recent and relevant financial experience. The Committee met twice during the year ended 31 December 2015; all members attended.

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

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

- formally reviewing the final Annual Report and Financial Statements, the Half-yearly Report, the Interim Management Statements which the Company will continue to publish and the associated announcements, with particular focus on the main areas requiring judgment and on critical accounting policies;

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

Financial Statements
The Audit Committee has initial responsibility for reviewing the Financial Statements and reporting on any significant issues that arise in relation to the audit of the Financial Statements as outlined below. Such issues were discussed 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 Investment Manager. The Audit Committee reviewed the estimates and judgments made in relation to these investments and were satisfied that they were appropriate. The Audit Committee also discussed the controls in place over the valuation of investments. The Committee recommended investment valuations to the Board for approval.

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

Following 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.

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 and of the level of non-audit fees earned by them and their affiliates. No non-audit services were provided during the financial year ended 31 December 2015.

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 2015, and assessments made by individual Directors.

In 2007 the Audit Committee undertook a tendering exercise for provision of audit services. As a result of this process, BDO LLP was appointed as Auditor with effect from 2008. The Audit Committee annually reviews and evaluates the standard and quality of service provided by the Auditor, as well as value for money in the provision of these services.

Statement of corporate governance (continued)

A new audit engagement partner was assigned to the audit for the year ending 31 December 2015 as the previous audit engagement partner had served five years in this role following the completion of the 31 December 2014 audit. The Audit Engagement rotation requirement allows a maximum rotation period of five years.

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.

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 Nomination Committee did not meet during the year.

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

Internal control
In accordance with the UK Corporate Governance Code, the Board has an established process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place throughout the year and continues to be subject to regular review by the Board in accordance with the Internal Control Guidance for Directors in the UK Corporate Governance Code published in September 1999 and updated in 2005 (the "Turnbull guidance"). The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. However, acknowledging that such a system is designed to manage, rather than eliminate, the risks of failure to achieve the Company's business objectives, such controls can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board, assisted by the Audit Committee, monitors all controls, including financial, operational and compliance controls, and risk management. The Audit Committee receives each year from the Manager a formal report, which details the steps taken to monitor the areas of risk, including those that are not directly the responsibility of the Manager, and which reports the details of any known internal control failures. Steps continue to be taken to embed the system of internal control and risk management into the operations and culture of the Company and its key suppliers, and to deal with areas of improvement which come to the Manager's and the Audit Committee's attention.

The Board, through the Audit Committee, has performed a specific assessment for the purpose of this Annual Report and Financial Statements. This assessment considers all significant aspects of internal control arising during the year. The Audit Committee assists the Board in discharging its review responsibilities.

The main features of the internal control system with respect to financial reporting, implemented throughout the year are:

- segregation of duties between the preparation of valuations and recording in accounting records;
- independent third party valuations of the majority of the asset-backed investments within the portfolio are undertaken annually;
- reviews of valuations are carried out by the Managing Partner and reviews of financial reports are carried out by the Finance Director of Albion Ventures LLP;
- bank and stock reconciliations are carried out monthly by the Manager in accordance with the FCA requirements;
- all published financial reports are reviewed by Albion Ventures LLP Compliance department;
- the Board reviews financial information; and
- a separate Audit Committee of the Board reviews financial information due to be published.

During the year, as the Board has delegated the investment management and administration to Albion Ventures LLP, the Board feels that it is not necessary to have its own internal audit function. Instead, it has access to PKF Littlejohn LLP, which, as internal Auditor for Albion Ventures LLP undertakes periodic examination of the business processes and controls environment at Albion Ventures LLP, and ensures that any recommendations to implement improvements in controls are carried out. During the year, the Audit Committee and the Board reviewed internal audit reports prepared by PKF Littlejohn LLP. The Board and the Audit Committee will continue to monitor its system of internal control in order to provide assurance that it operates as intended.

Conflicts of interest
Directors review and signoff 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

Statement of corporate governance (continued)

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 24, 26 and 27 of the Directors' report. The Company is not party to any significant agreements that may take effect, alter or terminate upon a change of control of the Company following a takeover bid.

Any amendments to the Company's Articles of Association are by way of a special resolution subject to ratification by shareholders.

Relationships with shareholders
The Company's Annual General Meeting on 8 June 2016 will be used as an opportunity to communicate with investors. The Board, including the Chairman of the Audit Committee, will be available to answer questions at the Annual General Meeting.

At the Annual General Meeting, the level of proxies lodged on each resolution, the balance for and against the resolution, and the number of votes withheld, are announced after the resolution has been voted on by a show of hands.

The Annual General Meeting will also include a presentation from the Manager on the portfolio and on the Company, and a presentation from a portfolio company.

Shareholders 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. In order to sell shares, as they are quoted on the London Stock Exchange, investors should approach a broker to undertake the sale. Banks may be able to assist shareholders with a referral to a broker within their banking group.

Statement of compliance
The Directors consider that, with the exception of the requirement for the appointment of a Chief Executive Officer and Senior Independent Director, the Company has complied throughout the year ended 31 December 2015 with all the relevant provisions set out in the Code issued in September 2014 and with the AIC Code of Corporate Governance. The Company continues to comply with the Code, as at the date of this report.

By Order of the Board

Dr. N E Cross
Chairman
23 March 2016

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 8 June 2016 for the approval of the Annual Remuneration Report as set out below. The current Remuneration Policy was approved by the Shareholders (94.1 per cent. of shareholders voted for the resolution) at the Annual General Meeting held on 17 June 2015, and it will remain in place for a three year period. It will next be put to shareholders at the 2017 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 of the Directors excluding Patrick Reeve, with Modwenna Rees-Mogg as Chairman.

There have been no changes to the remuneration of the Directors during the year. At the time of the merger with Albion Income & Growth VCT PLC in November 2013, the Directors’ fees have been £19,000 per annum save for Patrick Reeve who agreed to waive his fees for his services post-merger and to continue to do so. There is no distinction in remuneration paid to the Chairman or the Chairman of the Audit Committee from their fellow Directors.

Given the challenging performance of the VCT in the last two years, the Directors unanimously agreed that it would not be appropriate to raise the fees in the period irrespective of the significant workload and the remuneration being below that of peer group trusts. It was agreed that the position would be reviewed during the year.

Directors’ remuneration policy
The Company’s policy is that fees payable to non-executive Directors should reflect their expertise, responsibilities and time spent on Company matters. In determining the level of non-executive remuneration, market equivalents are considered in comparison to the overall activities and size of the Company. There is no performance related pay criteria applicable to non-executive Directors.

The maximum level of non-executive Directors’ remuneration is £100,000 per annum which is fixed by the Company’s Articles of Association.

This policy will continue for the year ended 31 December 2016.

The Company’s Articles of Association provide for the resignation and, if approved, re-election of the Directors every three years at the Annual General Meeting. In accordance with the recommendations of the AIC Code, Directors who have served the Company for longer than nine years are subject to annual re-election, and any non-independent Directors are also subject to annual re-election. At the forthcoming Annual General Meeting Dr. Neil Cross, Patrick Reeve and Robin Archibald will retire and be proposed for re-election.

None of the Directors have a service contract with the Company, and as such there is no policy on termination payments. There is no notice period and no payments for loss of office were made during the 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 policy. At the last Annual General Meeting, 94.3 per cent. of shareholders voted for the resolution approving the Directors’ Remuneration Report 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.

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 2015	31 December 2014
	£'000	£'000
Dr. Neil Cross	**19.0**	19.0
Modwenna Rees-Mogg	**19.0**	19.0
Robin Archibald	**19.0**	19.0
Mary Anne Cordeiro	**19.0**	19.0
Patrick Reeve	–	–
	76.0	76.0

The Company does not confer any share options, long term incentives or retirement benefits to any Director, nor does it make a contribution to any pension scheme on behalf of the Directors.

Each Director of the Company was remunerated personally through the Manager's payroll, which has been recharged to the Company.

In addition to Directors' remuneration, the Company paid an annual premium in respect of Directors' & Officers' Liability Insurance of £11,968 (2014: £14,310).

Directors

The Directors who held office throughout the year, and their interests in the shares of the Company (together with those of their immediate family) are shown below:

	Shares held on 31 December 2015	Shares held on 31 December 2014
Dr. Neil Cross	**177,790**	177,790
Modwenna Rees-Mogg	**3,504**	3,504
Robin Archibald	**27,479**	27,479
Mary Anne Cordeiro	**4,518**	4,243
Patrick Reeve	**559,337**	551,501

Being members of the Dividend Reinvestment Scheme, Mary Anne Cordeiro was issued with a further 74 Ordinary shares and Patrick Reeve's immediate family were issued with a further 6,674 Ordinary shares on 29 January 2016. There have been no other changes in the holdings of the Directors between 31 December 2015 and the date of this Report.

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

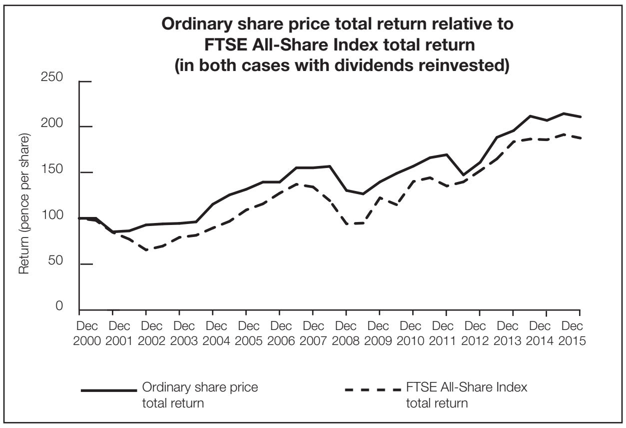
The following items have not been audited.

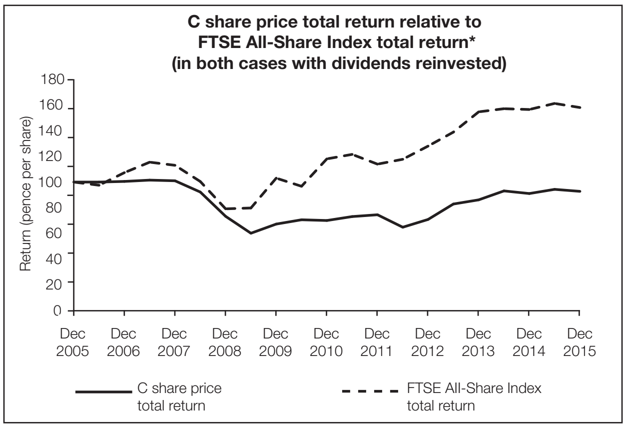
Partners and staff of Albion Ventures LLP (excluding Patrick Reeve's holding shown above) hold 324,635 shares in the Company.

Performance graph

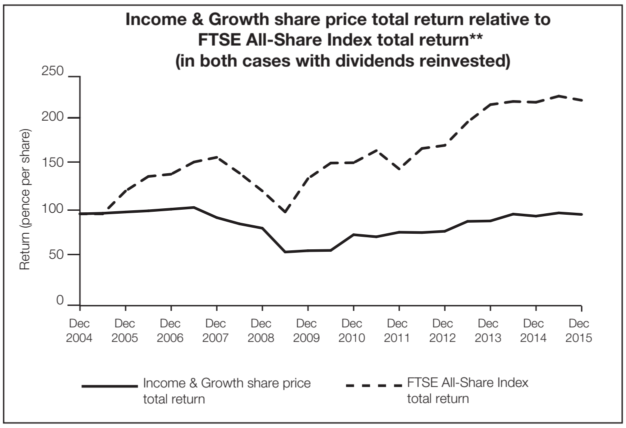
The graphs that follow show the Company's Ordinary share, C share and Income & Growth share price total return against the FTSE All-Share Index total return, in all instances with dividends reinvested, since launch. The Directors consider the FTSE All-Share Index to be the most appropriate indicative 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)



Source: Albion Ventures LLP

Methodology: The share price return to the shareholder, including original amount invested (rebased to 100) from launch, assuming that dividends were re-invested at the share price of the Company at the time the shares were quoted ex-dividend. Transaction costs are not taken into account.

*The C shares converted to Ordinary shares on 31 March 2011 on the basis of their respective net asset values, with each C shareholder receiving 0.7779 Ordinary shares for each C share they owned.

** Albion Income & Growth VCT PLC was merged with the Company on 15 November 2013 on the basis of their respective net asset values, with each Income & Growth shareholder receiving 0.7813 Ordinary shares in the Company for each Income & Growth share they owned.

Relative importance of spend on pay

	2015 £’000	2014 £’000	**Percentage change**
Total distribution to shareholders including dividends and share buybacks	**6,095**	5,467	**11.5%**
Total directors fees	**76**	76	**–**

By Order of the Board

Dr N E Cross
Director
23 March 2016

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

Our opinion on the financial statements

In our opinion the Albion Technology & General VCT plc Financial Statements for the year ended 31 December 2015, which have been prepared by the Directors in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland';

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

What our opinion covers

Our audit opinion on the Financial Statements covers the:

- Income Statement;
- Balance Sheet;
- Statement of Changes in Equity;
- Statement of Cash Flows; and
- related notes

Respective responsibilities of Directors and auditor

As explained more fully in the report of the Directors, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

A description of the scope of an audit of Financial Statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate

An overview of the scope of the audit including our assessment of the risk of material misstatement

Our audit approach was developed by obtaining an understanding of the Company's activities, the key functions undertaken on behalf of the Board by the Investment Manager and Administrator and the overall control environment. Based on this understanding we assessed those aspects of the Company's transactions and balances which were most likely to give rise to a material misstatement.

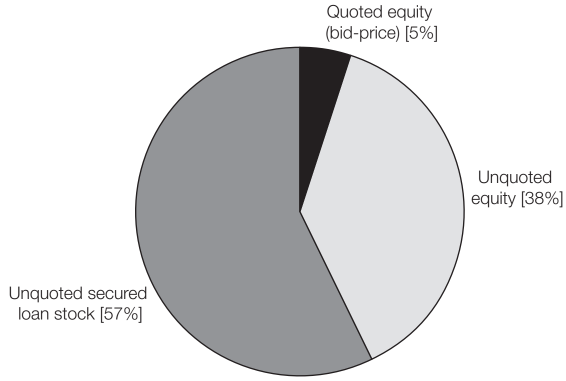
Investments

The outcome of our risk assessment was that the valuation of investments was considered to be the area with the greatest effect on the overall audit strategy including the allocation of resources in the audit.

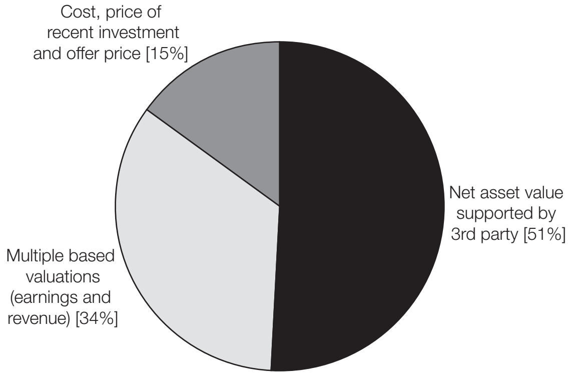
The valuation of investments is a key accounting estimate where there is an inherent risk of management override arising from the investment valuations being prepared by the Investment Manager, who is remunerated based on the net asset value of the Company.

We performed initial analytical procedures to determine the extent of our work considering, inter alia, the value of individual investments, the nature of the investment and the extent of the fair value movement. A breakdown of the investment portfolio by nature of instrument type and valuation method is shown below.

Investment Portfolio by Type



Unquoted Investments - Valuation Method



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

We tested a sample of 87% of the unquoted investment portfolio having regard to the subjectivity of the inputs to the valuations.

66% of the unquoted portfolio is based on net asset value supported by a third party valuation, price of recent investment, cost (where the investment was recently acquired) or offer price. For such investments, we verified the cost or price of recent investment to supporting documentation and reviewed the Investment Manager's determination of whether there were any reasons why the valuation did not remain appropriate.

34% of the portfolio is valued with reference to more subjective techniques including multiples of earnings and revenue. For detailed testing we:

- Considered whether the valuation methodology is the most appropriate in the circumstances under the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines
- Re-performed the calculation of the investment valuations
- Verified and benchmarked key inputs and estimates to independent information and our own research
- Challenged the assumptions inherent in the valuation of unquoted investments, and we assessed the impact of the estimation uncertainty concerning these assumptions and the disclosure of these uncertainties in the Financial Statements
- Considered the economic environment in which the investment operates to identify factors that could impact the investment valuation
- For all investments tested, we developed our own point estimate where alternative assumptions could reasonably be applied and considered the overall impact of such sensitisations on the portfolio of investments in determining whether the valuations as a whole are reasonable and unbiased.

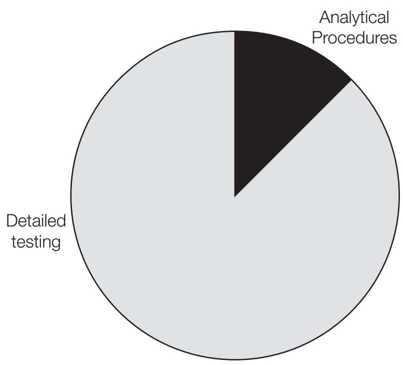
For a risk-weighted sample of loans held at fair value, we:

- 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

In respect of quoted equity investments, we confirmed that bid price had been used and that there were no contra indicators, such as liquidity considerations, to suggest bid price was not the most appropriate indication of fair value. 5% of the portfolio is valued at bid price.

The chart below depicts the coverage of our audit work across the entire portfolio:

Investments by value



Revenue

We also considered revenue recognition to be a significant risk. Revenue consists of dividends receivable from the portfolio companies and interest earned on loans to portfolio companies and cash balances. Revenue recognition is a significant audit risk as it is one of the key drivers of dividend returns to investors. In particular, in unquoted companies, dividends receivable can be difficult to predict.

We assessed the design and the implementation of the controls relating to revenue recognition and we developed expectations for interest income receivable based on loan instruments and investigated any variations in amounts recognised to ensure they were valid.

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

We also reviewed the recognition and classification of accrued fixed income receipts to ascertain whether it meets the definition of realised income, considering management information relevant to the ability of the portfolio Company to service the loan and the reasons for any arrears of loan interest.

In respect of dividends receivable, we compared actual income to expectations set based on independent published data on dividends declared by the portfolio companies held. We tested the categorisation of dividends received from the portfolio companies between the revenue and capital.

The audit committee's consideration of their key issues is set out on pages 30 and 31.

Materiality in context

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. For planning, we consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the Financial Statements. Importantly, misstatements below this level 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. The application of these key considerations gives rise to two levels of materiality, the quantum and purpose of which are tabulated below.

Materiality measure	Purpose	Key considerations and benchmarks	Quantum (£)
Financial statement materiality – Based on 2% of invested assets	Assessing whether the financial statements as a whole present a true and fair view	● The value of investments ● The level of judgment inherent in the valuation ● The range of reasonable alternative valuations	1,080,000
Specific materiality – classes of transactions and balances which impact on revenue profits – Based on 10% of the revenue return before tax	Assessing those classes of transactions, balances or disclosures for which misstatements of lesser amounts than materiality for the Financial Statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements.	● The level of net income return	150,000

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £13,000 as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the information given in the Corporate Governance Statement set out on pages 29 to 33 of the Annual Report with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the Financial Statements.

Statement regarding the directors' assessment of principal risks, going concern and longer term viability of the Company

We have nothing material to add or to draw attention to in relation to:

- the Directors' confirmation in the Annual Report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;

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

- the disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated;
- the Directors' statement in the Financial Statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the Financial Statements; and
- the Directors' explanation in the Annual Report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Matters on which we are required to report by exception

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

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

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

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a Corporate Governance Statement has not been prepared by the Company.

Under the Listing Rules we are required to review:

- the Directors' statements, set out on page 24, in relation to going concern and on page 16 in relation to longer-term viability; and
- the part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

We have nothing to report in respect of these matters.

Vanessa-Jayne Bradley (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
23 March 2016

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

Income statement

	Note	Year ended 31 December 2015			Year ended 31 December 2014		
		Revenue	**Capital**	**Total**	Revenue	Capital	Total
	Note	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000
(Losses)/gains on investments	3	**–**	**(3,684)**	**(3,684)**	–	1,573	1,573
Investment income	4	**2,165**	**–**	**2,165**	1,940	–	1,940
Investment management fees	5	**(386)**	**(1,157)**	**(1,543)**	(401)	(1,205)	(1,606)
Other expenses	6	**(239)**	**–**	**(239)**	(331)	–	(331)
Return /(loss) on ordinary activities before tax		**1,540**	**(4,841)**	**(3,301)**	1,208	368	1,576
Tax (charge)/credit on ordinary activities	8	**(267)**	**235**	**(32)**	(238)	249	11
Return/(loss) and total comprehensive income attributable to shareholders		**1,273**	**(4,606)**	**(3,333)**	970	617	1,587
Basic and diluted return/(loss) per share (pence)*	10	**1.54**	**(5.58)**	**(4.04)**	1.25	0.79	2.04

*excluding treasury shares

The accompanying notes on pages 45 to 58 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.

There is no other comprehensive income other than the results for the year disclosed above. Accordingly a Statement of total comprehensive income is not required.

The difference between the reported profit/(loss) on ordinary activities before tax and the historical profit/(loss) is due to the fair value movements on investments. As a result a note on historical cost profit and losses has not been prepared.

Balance sheet

	Note	31 December 2015 £'000	31 December 2014 £'000
Fixed asset investments	11	**52,711**	63,520
Current assets			
Trade and other receivables less than one year	13	**1,982**	518
Cash at bank and in hand		**7,509**	1,449
		9,491	1,967
Total assets		**62,202**	65,487
Creditors: amounts falling due within one year			
Trade and other payables less than one year	14	**(411)**	(601)
Total assets less current liabilities		**61,791**	64,886
Equity attributable to equityholders			
Called up share capital	15	**919**	840
Share premium		**40,171**	33,917
Capital redemption reserve		**28**	28
Unrealised capital reserve		**(424)**	(632)
Realised capital reserve		**13,229**	11,515
Other distributable reserve		**7,868**	19,218
Total equity shareholders' funds		**61,791**	64,886
Basic and diluted net asset value per share (pence)*	16	**73.92**	82.85

*excluding treasury shares

The accompanying notes on pages 45 to 58 form an integral part of these Financial Statements.

These Financial Statements were approved by the Board of Directors, and were authorised for issue on 23 March 2016 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 2015	**840**	**33,917**	**28**	**(632)**	**11,515**	**19,218**	**64,886**
(Loss)/return and total comprehensive income for the year	–	–	–	(1,632)	(2,974)	1,273	**(3,333)**
Transfer of previously unrealised losses on disposal of investments	–	–	–	1,840	(1,840)	–	**–**
Purchase of shares for treasury	–	–	–	–	–	(1,973)	**(1,973)**
Issue of equity	79	6,429	–	–	–	–	**6,508**
Cost of issue of equity	–	(175)	–	–	–	–	**(175)**
Transfer from other distributable reserve to realised capital reserve**	–	–	–	–	6,528	(6,528)	**–**
Dividends paid	–	–	–	–	–	(4,122)	**(4,122)**
As at 31 December 2015	**919**	**40,171**	**28**	**(424)**	**13,229**	**7,868**	**61,791**

	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 2014	799	30,031	21	(4,166)	10,792	27,354	64,831
Return/(loss) and total comprehensive income for the year	–	–	–	1,687	(1,070)	970	1,587
Transfer of previously unrealised losses on disposal of investments	–	–	–	1,846	(1,846)	–	–
Purchase of shares for cancellation	(7)	–	7	–	–	(563)	(563)
Purchase of shares for treasury	–	–	–	–	–	(1,028)	(1,028)
Issue of equity	48	3,994	–	–	–	–	4,042
Cost of issue of equity	–	(108)	–	–	–	–	(108)
Transfer from other distributable reserve to realised capital reserve**	–	–	–	–	3,639	(3,639)	–
Dividends paid	–	–	–	–	–	(3,876)	(3,876)
As at 31 December 2014	840	33,917	28	(632)	11,515	19,218	64,886

* Included within these reserves is an amount of £20,673,000 (2014: £30,101,000) which is considered distributable.

** A transfer of £6,528,000 representing gross realised losses on disposal of investments during the year ended 31 December 2015 (2014: £3,639,000) has been made from the other distributable reserve to the realised capital reserve.

Statement of cash flows

	Note	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Cash flow from operating activities			
Loan stock income received		**1,949**	1,852
Deposit interest received		**35**	24
Dividend income received		**85**	49
Investment management fees paid		**(1,742)**	(1,501)
Other cash payments		**(261)**	(255)
Corporation tax paid		**–**	–
Net cash flow from operating activities	17	**66**	169
Cash flow from investing activities			
Purchase of fixed asset investments		**(7,622)**	(5,514)
Disposal of fixed asset investments		**13,381**	4,849
Disposal of current asset investments		**–**	262
Net cash flow from investing activities		**5,759**	(403)
Cash flow from financing activities			
Issue of ordinary share capital		**5,832**	3,562
Cost of issue of equity		**(11)**	(9)
Dividends paid		**(3,613)**	(3,491)
Purchase of own shares (including costs)		**(1,973)**	(1,591)
Costs of Merger (paid on behalf of the Company and Albion Income & Growth VCT PLC)		**–**	(14)
Net cash flow from financing activities		**235**	(1,543)
Increase/(decrease) in cash and cash equivalents		**6,060**	(1,777)
Cash and cash equivalents at start of period		**1,449**	3,226
Cash and cash equivalents at end of period		**7,509**	1,449
Cash and cash equivalents comprise			
Cash at bank and in hand		**7,509**	1,449
Cash equivalents		**–**	–
Total cash and cash equivalents		**7,509**	1,449

Notes to the Financial Statements

1. Basis of preparation

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, including Financial Reporting Standard 102 ("FRS 102"), and with the 2014 Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP") issued by The Association of Investment Companies ("AIC"). This is the first period in which the Financial Statements have been prepared under FRS 102 which became mandatory for companies with a financial year beginning from 1 January 2015. On adoption of, and in accordance with FRS 102, loans and receivables previously measured at amortised cost using the effective interest rate method less impairment have been classified at fair value through profit and loss ("FVTPL"). This has not led to a material change in value and so has not led to a restatement of comparatives, please see the transition note 18.

The preparation of the Financial Statements requires management to make judgments and estimates that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The most critical estimates and judgments relate to the determination of carrying value of investments at FVTPL. The Company values investments by following the IPEVCV Guidelines and further detail on the valuation techniques used are outlined below.

2. Accounting policies

Fixed 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 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 IPEVCV Guidelines. Indicators of fair value are derived using established methodologies including earnings multiples, the level of third party offers received, prices of recent investment rounds, net assets and industry valuation benchmarks. Where the Company has an investment in an early stage enterprise, the price of a recent investment round is often the most appropriate approach to determining fair value. In situations where a period of time has elapsed since the date of the most recent transaction, 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:

  - o the performance and/or prospects of the underlying business are significantly below the expectations on which the investment was based;
  - o 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
  - o 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.

Debtors and creditors and cash are carried at amortised cost, in accordance with FRS 102. There are no financial liabilities other than creditors.

Investment income

Unquoted equity income

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

Unquoted loan stock and other preferred income

Fixed returns on non-equity shares and debt securities are recognised when the Company's right to receive payment and expect 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.

Notes to the Financial Statements (continued)

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

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

Performance incentive fee
Any performance incentive fee will be allocated between other distributable and realised capital reserves based upon the proportion to which the calculation of the fee is attributable to revenue and capital returns.

Taxation
Taxation is applied on a current basis in accordance with FRS 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
Share premium account
This reserve accounts for the difference between the price paid for shares and the nominal value of the shares, less issue costs and transfers to the other distributable reserve.

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

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

Realised capital reserve
The following are disclosed in this reserve:

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

Other distributable reserve
The special reserve, treasury share reserve and the revenue reserve 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.

Notes to the Financial Statements (continued)

3. (Losses)/gains on investments

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Unrealised (losses)/gains on fixed asset investments	**(1,632)**	1,687
Unrealised (losses)/gains sub-total	**(1,632)**	1,687
Realised losses on fixed asset investments	**(2,052)**	(250)
Realised gains on current asset investments	**–**	136
Realised losses sub-total	**(2,052)**	(114)
	(3,684)	1,573

4. Investment income

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Income recognised on investments		
Loan stock interest and other fixed returns	**2,042**	1,871
UK dividend income	**85**	48
Bank deposit interest	**38**	21
	2,165	1,940

Interest income earned on impaired investments at 31 December 2015 amounted to £215,000 (2014: £506,000).

5. Investment management fees

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Investment management fee charged to revenue	**386**	401
Investment management fee charged to capital	**1,157**	1,205
	1,543	1,606

Further details of the Management agreement under which the investment management fee is paid are given in the Strategic report on page 12.

During the year, services of a total value of £1,543,000 (2014: £1,606,000) were purchased by the Company from Albion Ventures LLP in respect of management fees. At the financial year end, the amount due to Albion Ventures LLP in respect of these services disclosed as accruals was £310,000 (2014: £509,000).

During the year, the Company was not charged by Albion Ventures LLP in respect of Patrick Reeve's services as a Director (2014: nil).

Albion Ventures LLP, the Manager, holds 21,610 Ordinary shares in the Company.

Albion Ventures LLP is, from time to time, eligible to receive transaction fees and Directors' fees from portfolio companies. During the year ended 31 December 2015, fees of £273,000 attributable to the investments of the Company were received by Albion Ventures LLP pursuant to these arrangements (2014: £274,000).

Notes to the Financial Statements (continued)

6. Other expenses

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Directors' fees (including NIC)	**81**	82
Other administrative expenses	**117**	131
Tax services	**15**	17
Auditor's remuneration for statutory audit services (excluding VAT)	**26**	25
Impairment of accrued interest	**–**	76
	239	331

7. Directors' fees

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

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Directors' fees	**76**	76
National insurance	**5**	6
	81	82

Further information regarding Directors' remuneration can be found in the Directors' remuneration report on pages 34 to 36.

8. Tax (charge)/credit on ordinary activities

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
UK corporation tax charge in respect of current year	**(32)**	–
UK corporation tax credit in respect of prior years	**–**	11
	(32)	11

Factors affecting the tax charge:

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
(Loss)/return on ordinary activities before taxation	**(3,301)**	1,576
Tax credit/(charge) on profit at the small companies rate of 20 per cent.	**660**	(315)
Factors affecting the charge:		
Non-taxable (losses)/gains	**(737)**	314
Income not taxable	**17**	10
Excess management expenses utilised/(carried forward)	**28**	(9)
Adjustment in respect of prior years	**–**	11
	(32)	11

The tax charge for the year shown in the Income statement is lower than the small companies rate of corporation tax in the UK of 20 per cent. (2014: 20 per cent.). The differences are explained above.

Consortium relief is recognised in the accounts in the period in which the claim is submitted to HMRC and is shown as tax in respect of prior year.

Notes:

(i) Venture Capital Trusts are not subject to corporation tax on capital gains.

(ii) Tax relief on expenses charged to capital has been determined by allocating tax relief to expenses by reference to the applicable corporation tax rate and allocating the relief between revenue and capital in accordance with the SORP.

(iii) The Company has no excess management expenses (2014: £137,000) available for offset against future profits.

Notes to the Financial Statements (continued)

9. Dividends

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Ordinary shares' dividend of 1.25p per share paid on 31 January 2014	**–**	945
Ordinary shares' dividend of 1.25p per share paid on 30 April 2014	**–**	977
Ordinary shares' dividend of 1.25p per share paid on 30 June 2014	**–**	977
Ordinary shares' dividend of 1.25p per share paid on 31 October 2014	**–**	977
Ordinary shares' dividend of 1.25p per share paid on 9 February 2015	**979**	–
Ordinary shares' dividend of 1.25p per share paid on 30 April 2015	**1,050**	–
Ordinary shares' dividend of 1.25p per share paid on 30 June 2015	**1,035**	–
Ordinary shares' dividend of 1.25p per share paid on 30 October 2015	**1,058**	–
	4,122	3,876

In addition to the dividends summarised above, the Board declared a first dividend for the year ending 31 December 2016 of 1.25 pence per Ordinary share. This dividend was paid on 29 January 2016 to shareholders on the register as at 15 January 2016. The total dividend was £1,045,000. The Board has declared a second dividend for the year ending 31 December 2016 of 1.25 pence per Ordinary share. The dividend will be paid on 29 April 2016 to shareholders on the register as at 15 April 2016. The total dividend will be approximately £1,095,000.

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

	Year ended 31 December 2015			Year ended 31 December 2014		
	Revenue	**Capital**	**Total**	Revenue	Capital	Total
Return/(loss) attributable to equity shares (£'000)	**1,273**	**(4,606)**	**(3,333)**	970	617	1,587
Weighted average shares in issue (excluding treasury shares)		**82,538,109**			77,721,693	
Return/(loss) attributable per equity share (pence)	**1.54**	**(5.58)**	**(4.04)**	1.25	0.79	2.04

The weighted average number of shares is calculated excluding treasury shares of 8,282,070 (2014: 5,665,070).

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.

11. Fixed asset investments

	31 December 2015 £'000	31 December 2014 £'000
Investments held at fair value through profit or loss		
Unquoted equity and preference shares	**20,014**	26,088
Quoted equity	**2,394**	2,438
Unquoted loan stock	**30,303**	34,994
	52,711	63,520

Notes to the Financial Statements (continued)

11. Fixed asset investments (continued)

	31 December 2015 **£'000**	31 December 2014 £'000
Opening valuation	**63,520**	61,637
Purchases at cost	**7,765**	5,628
Disposal proceeds	**(14,983)**	(5,126)
Realised losses	**(2,052)**	(250)
Movement in loan stock accrued income	**93**	(57)
Unrealised (losses)/gains	**(1,632)**	1,687
Closing valuation	**52,711**	63,520
Movement in loan stock accrued income		
Opening accumulated movement in loan stock accrued income	**94**	151
Movement in loan stock accrued income	**93**	(57)
Closing accumulated movement in loan stock accrued income	**187**	94
Movement in unrealised losses		
Opening accumulated unrealised losses	**(680)**	(4,306)
Transfer of previously unrealised losses to realised reserve on disposal of investments	**1,840**	1,939
Movement in unrealised gains	**(1,632)**	1,687
Closing accumulated unrealised losses	**(472)**	(680)
Historic cost basis		
Opening book cost	**64,106**	65,793
Purchases at cost	**7,765**	5,628
Sales at cost	**(18,875)**	(7,315)
Closing book cost	**52,996**	64,106

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

The Company does not hold any assets as the result of the enforcement of security during the period, and believes that the carrying values for both impaired and past due assets are covered by the value of security held for these loan stock investments.

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

Valuation methodology	**31 December 2015** **£'000**	31 December 2014* £'000
Net asset value supported by third party or desktop valuation	**25,557**	23,582
Revenue multiple	**12,391**	14,566
Cost and price of recent investment (reviewed for impairment)	**6,189**	9,153
Earnings multiple	**4,593**	9,541
Discount to third party offer	**1,587**	4,238
	50,317	61,080

*As per FRS 102 adoption the unquoted fixed asset investments for 2014 has been adjusted to include £23,519,000 of investments at fair value that were previously held under amortised cost.

Notes to the Financial Statements (continued)

11. Fixed asset investments (continued)

Fair value investments had the following movements between valuation methodologies between 31 December 2014 and 31 December 2015:

Change in valuation methodology (2014 to 2015)	Value as at 31 December 2015 £'000	Explanatory note
Cost to net asset value supported by third party valuation	**2,782**	Third party valuation has recently taken place
Net asset value supported by third party valuation to discount to third party offer	**1,587**	Third party offer received
Cost to revenue multiple	**1,151**	More recent information available
Cost to price of recent investment	**1,250**	Agreed new investment price

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 IPEVCV Guidelines. The Directors believe that, within these parameters, there are no other possible methods of valuation which would be reasonable as at 31 December 2015.

FRS 102 and the SORP requires the Company to disclose the inputs to the valuation methods applied to its investments measured at fair value through profit or loss in a fair value hierarchy according to the following definitions:

Fair value hierarchy	Definition
Level A	Quoted prices in an active market
Level B	Price of a recent transaction for identical instruments
Level C (i)	Inputs to valuations are from observable sources and are directly or indirectly derived from prices
Level C (ii)	Inputs to valuations not based on observable market data

Quoted AiM investments are valued according to Level A valuation methods. Unquoted equity, preference shares and loan stock are all valued according to Level C (ii) valuation methods.

Investments held at fair value through profit or loss (Level C (ii)) had the following movements in the year to 31 December 2015:

	31 December 2015			31 December 2014		
	Equity £'000	**Unquoted loan stock £'000**	**Total £'000**	Equity £'000	Unquoted loan stock £'000	Total £'000
Opening balance	**26,086**	**34,994**	**61,080**	25,093	10,609	35,702
Adjustment to fair value*	–	–	–	–	23,519	23,519
Opening balance (adjusted to fair value)	**26,086**	**34,994**	**61,080**	25,093	34,128	59,221
Additions	**1,211**	**6,176**	**7,387**	1,185	3,250	4,435
Disposals	**(6,557)**	**(8,344)**	**(14,901)**	(2,528)	(222)	(2,750)
Transfer to Level A**	**–**	**–**	**–**	(3,014)	(839)	(3,853)
Accrued loan stock interest	**–**	**93**	**93**	–	35	35
Realised (losses)/gains	**(1,391)**	**(742)**	**(2,133)**	1,077	(1,497)	(420)
Debt/equity swap and restructurings	**434**	**(434)**	**–**	1,421	(240)	1,181
Unrealised gains	**231**	**(1,440)**	**(1,209)**	2,852	379	3,231
Closing balance	**20,014**	**30,303**	**50,317**	26,086	34,994	61,080

* As per FRS 102 adoption the unquoted loan stock balance for 2014 has been adjusted to include £23,519,000 of investments at fair value that were previously held under amortised cost.

** During 2014 Mi-Pay Group plc was quoted on AiM and transferred to Level A fair value hierarchy.

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. The valuation methodology applied to 66 per cent. of the unquoted equity and loan stock investments (by valuation) is based on third-party independent evidence, cost, recent investment price and agreed offer price. The Directors believe that changes to reasonable possible alternative assumptions (by adjusting the revenue and earnings multiples) for the valuations of four of the significant portfolio companies could result in an increase in the valuation of investments by £2,991,000 or a decrease in the valuation of investments by £2,488,000.

Notes to the Financial Statements (continued)

12. Significant interests

The principal activity of the Company is to select and hold a portfolio of investments in unquoted securities. Although the Company, through the Manager, will, in some cases, be represented on the board of the portfolio company, it will not take a controlling interest or become involved in the management. The size and structure of the companies with unquoted securities may result in certain holdings in the portfolio representing a participating interest without there being any partnership, joint venture or management consortium agreement. The investments listed below are held as part of an investment portfolio and therefore, as permitted by FRS 102 section 9.9B, they are measured at fair value through profit and loss 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 2015 as described below:

Company	Country of incorporation	Profit/(loss) before tax £'000	Net assets/ (liabilities) £'000	Result for year ended	% class and share type	% total voting rights
Albion Investment Properties Limited	Great Britain	n/a*	(969)	31 December 2014	22.6% A Ordinary	22.6%
AMS Sciences Limited	Great Britain	n/a*	1,081	30 June 2014	41.7% Ordinary	41.7%
Blackbay Limited	Great Britain	(1,747)	(4,141)	31 December 2014	67.1% A Ordinary	23.5%
Bravo Inns Limited	Great Britain	n/a*	(255)	31 March 2015	28.8% Ordinary	28.8%
Mi-Pay Group PLC	Great Britain	(4,820)	544	31 December 2014	21.6% Ordinary	21.6%
memsstar Limited	Great Britain	(226)	2,304	31 December 2014	67.3% A Ordinary	30.1%
Premier Leisure (Suffolk) Limited	Great Britain	n/a*	936	30 June 2014	25.8% Ordinary	25.8%
The Charnwood Pub Company Limited	Great Britain	n/a*	(2,752)	31 March 2015	22.5% Ordinary	22.5%
The Q Garden Company Limited	Great Britain	n/a*	(5,858)	31 January 2015	33.4% A Ordinary	33.4%
The Weybridge Club Limited	Great Britain	(1,918)	(5,687)	30 September 2014	25.2% Ordinary	25.2%

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

13. Current assets

Trade and other receivables less than one year	**31 December 2015 £'000**	31 December 2014 £'000
Prepayments and accrued income	**22**	21
Other debtors	**123**	497
Deferred consideration*	**1,837**	–
	1,982	518

*Deferred consideration relates to deferred consideration from the sale of Lowcosttravelgroup Limited (£1,588,000) and Kensington Health Clubs Limited (£249,000).

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

14. Creditors: amounts falling due within one year

	31 December 2015 £'000	31 December 2014 £'000
Trade creditors	**19**	119
Accruals and deferred income	**360**	482
UK corporation tax payable	**32**	–
	411	601

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

Notes to the Financial Statements (continued)

15. Called up share capital

	31 December 2015	31 December 2014
	£'000	£'000
Allotted, called up and fully paid		
91,872,004 Ordinary shares of 1 penny each (2014: 83,983,306 Ordinary shares)	**919**	840

Voting rights

83,589,934 Ordinary shares of 1 penny each in the Company (net of treasury shares) (2014: 78,318,236 Ordinary shares (net of treasury shares)).

During the period the Company did not purchase any Ordinary shares for cancellation (2014: 702,000 shares at a cost of £563,000 including stamp duty). The shares purchased for cancellation in 2014 were funded by the other distributable reserve.

The Company purchased 2,617,000 Ordinary shares (2014: 1,324,000) to be held in treasury at a cost of £1,973,000 including stamp duty (2014: £1,028,000) during the period to 31 December 2015. The Company did not cancel any shares from treasury during the period to 31 December 2015 (2014: nil) leaving a balance of 8,282,070 Ordinary shares in treasury (2014: 5,665,070) which represents 9.0 per cent. of the issued share capital as at 31 December 2015.

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

Date of allotment	**Number of 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)**
9 February 2015	134,362	1	79.69	105	77.00
30 April 2015	158,319	2	80.35	125	76.00
30 June 2015	171,137	2	77.94	131	76.00
30 October 2015	180,600	2	77.94	140	76.00
	644,418			**501**	

During the period to 31 December 2015, the Company issued the following New Ordinary shares of nominal value 1 penny each under the Albion VCTs Prospectus Top Up Offers 2014/2015:

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)**
30 January 2015	1,185,345	12	81.40	945	77.00
30 January 2015	565,178	6	81.80	451	77.00
2 April 2015	3,789,380	38	84.20	3,095	76.50
30 June 2015	765,445	8	80.40	597	76.00
30 June 2015	37,392	–	79.60	29	76.00
30 June 2015	14,166	–	80.00	11	76.00
30 September 2015	887,374	9	81.70	704	76.00
	7,244,280			**5,832**	

16. Basic and diluted net asset value per share

	31 December 2015 (pence per share)	31 December 2014 (pence per share)
Basic and diluted net asset value per Ordinary share	**73.92**	82.85

The basic and diluted net asset values per share at the year end are calculated in accordance with the Articles of Association and are based upon total shares in issue (less treasury shares) of 83,589,934 Ordinary shares (2014: 78,318,236 Ordinary shares) at 31 December 2015.

Notes to the Financial Statements (continued)

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

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Revenue return on ordinary activities before taxation	**1,540**	1,208
Investment management fee charged to capital	**(1,157)**	(1,205)
Movement in accrued loan stock interest	**(93)**	57
(Increase)/decrease in debtors	**(6)**	1
(Decrease)/increase in creditors	**(218)**	108
Net cash flow from operating activities	**66**	169

18. First time adoption of FRS 102

In the prior year Financial Statements unquoted loan stock (excluding convertible bonds and debt issued at a discount) were classified as loans and receivables as permitted by FRS 26 and measured at amortised cost using the Effective Interest Rate method less impairment. This is the first year of application of FRS 102, if FRS 102 had been applied in the prior year and unquoted loan stock had been valued at "fair value" this would have seen an increase in value of loan stock by £50,000 which would have been a 0.14% difference as a percentage of total loan stock valuation. The first time adoption of FRS 102 had no material impact, therefore no restatement of comparatives is necessary.

19. 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 and debtors and creditors 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 creditors. The Company does not use any derivatives for the management of its Balance sheet.

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 19 to 21. 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 £52,711,000 (2014: £63,520,000). Fixed asset investments form 85 per cent. of the net asset value as at 31 December 2015 (2014: 98 per cent.).

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

Notes to the Financial Statements (continued)

19. Capital and financial instruments risk management (continued)

Investment price risk

Investment price risk is the risk that the fair value of future investment cash flows will fluctuate due to factors specific to an investment instrument or to a market in similar instruments. To mitigate the investment price risk for the Company as a whole, the strategy of the Company is to invest in a broad spread of industries with up to two-thirds of the unquoted investments comprising debt securities, which, owing to the structure of their yield and the fact that they are usually secured, have a lower level of price volatility than equity. Details of the industries in which investments have been made are contained in the Portfolio of investments section on pages 19 to 21 and in the Strategic report.

Valuations are based on the most appropriate valuation methodology for an investment within its market, with regard to the financial health of the investment and the IPEVCV Guidelines.

As required under FRS 102 section 34.29, the Board is required to illustrate by way of a sensitivity analysis the degree of exposure to market risk. The Board considers that the value of the fixed asset investment portfolio is sensitive to a 10 per cent. change based on the current economic climate. The impact of a 10 per cent. change has been selected as this is considered reasonable given the current level of volatility observed both on a historical basis and future expectations.

The sensitivity of a 10 per cent. increase or decrease in the valuation of the fixed asset investments (keeping all other variables constant) would increase or decrease the net asset value and return for the year by £5,271,000 (2014: £6,352,000).

Interest rate risk

It is the Company's policy to accept a degree of interest rate risk on its financial assets through the effect of interest rate changes. On the basis of the Company's analysis, it is estimated that a rise of one percentage point in all interest rates would have increased total return before tax for the year by approximately £25,000 (2014: £14,000). Furthermore, it is considered that a fall of interest rates below current levels during the year would have been very unlikely.

The weighted average effective interest rate applied to the Company's unquoted loan stock during the year was approximately 5.4 per cent. (2014: 5.1 per cent.). The weighted average period to maturity for the unquoted loan stock is approximately 3.4 years (2014: 3.4 years).

The Company's financial assets and liabilities as at 31 December 2015, all denominated in pounds sterling, consist of the following:

	31 December 2015				31 December 2014			
	Fixed rate £'000	**Floating rate £'000**	**Non-interest bearing £'000**	**Total £'000**	Fixed rate £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000
Unquoted equity	**–**	**–**	**20,014**	**20,014**	–	–	26,088	26,088
Quoted equity	**–**	**–**	**2,394**	**2,394**	–	–	2,438	2,438
Unquoted loan stock*	**26,283**	**–**	**4,020**	**30,303**	31,543	–	3,451	34,994
Debtors**	**–**	**–**	**1,963**	**1,963**	–	–	499	499
Current liabilities**	**–**	**–**	**(379)**	**(379)**	–	–	(601)	(601)
Cash	**–**	**7,509**	**–**	**7,509**	–	1,449	–	1,449
Total	**26,283**	**7,509**	**28,012**	**61,804**	31,543	1,449	31,875	64,867

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

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

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Company is exposed to credit risk through its debtors, investment in unquoted loan stock, and through the holding of cash on deposit with banks.

The Manager evaluates credit risk on loan stock prior to investment, and as part of its ongoing monitoring of investments. In doing this, it takes into account the extent and quality of any security held. Typically loan stock instruments have a first fixed charge or a fixed and floating charge over the assets of the portfolio company in order to mitigate the gross credit risk. The Manager receives management accounts from portfolio companies, and members of the investment management team sit on the boards of unquoted portfolio companies; this enables the close identification, monitoring and management of investment specific credit risk.

The Manager and the Board formally review credit risk (including debtors) and other risks, both at the time of initial investment and at quarterly Board meetings.

Notes to the Financial Statements (continued)

19. Capital and financial instruments risk management (continued)

The Company's total gross credit risk as at 31 December 2015 was limited to £30,303,000 (2014: £34,994,000) of unquoted loan stock instruments (all are secured on the assets of the portfolio company), £7,509,000 (2014: £1,449,000) cash deposits with banks and £1,959,000 (2014: £497,000) of other debtors.

As at the balance sheet date, the cash held by the Company is held with Lloyds Bank plc, Scottish Widows Bank plc (part of Lloyds Banking Group), Barclays Bank plc and National Westminster Bank plc. Credit risk on cash transactions is mitigated by transacting with counterparties that are regulated entities subject to prudential supervision, with high credit ratings assigned by international credit-rating agencies.

The Company has an informal policy of limiting counterparty banking and floating rate note exposure to a maximum of 20 per cent. of net asset value for any one counterparty.

The credit profile of unquoted loan stock is described under liquidity risk below.

The cost, impairment and carrying value of impaired loan stocks in the Ordinary share portfolio held at fair value through profit at 31 December 2015 and 31 December 2014 are as follows:

	31 December 2015			31 December 2014		
	Cost £'000	**Impairment £'000**	**Carrying value £'000**	Cost £'000	Impairment £'000	Carrying value £'000
Impaired loan stock	**9,893**	**(3,175)**	**6,718**	14,988	(3,091)	11,897

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

Liquidity risk

Liquid assets are held as cash on current account, on deposit, in bonds or short term money market account. Under the terms of its Articles, the Company has the ability to borrow up to 10 per cent. of its adjusted capital and reserves of the latest published audited Balance sheet, which amounts to £5,965,000 as at 31 December 2015 (2014: £6,288,000).

The Company has no committed borrowing facilities as at 31 December 2015 (2014: £nil). The Company had cash balances of £7,509,000 (2014: £1,449,000). The main cash outflows are for new investments, share buy-backs and dividend payments, which are within the control of the Company. The Manager formally reviews the cash requirements of the Company on a monthly basis, and the Board on a quarterly basis as part of its review of management accounts and forecasts. All the Company's financial liabilities are short term in nature and total £411,000 as at 31 December 2015 (2014: £601,000).

The carrying value of loan stock investments at 31 December 2015, as analysed by expected maturity dates was as follows:

Redemption date	**Fully performing £'000**	**Impaired £'000**	**Past due £'000**	**Total £'000**
Less than one year	**9,420**	**4,846**	**144**	**14,410**
1-2 years	**1,906**	**1,769**	**–**	**3,675**
2-3 years	**793**	**–**	**1,037**	**1,830**
3-5 years	**5,413**	**103**	**1,049**	**6,565**
+5 years	**2,992**	**–**	**831**	**3,823**
Total	**20,524**	**6,718**	**3,061**	**30,303**

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

Loan stock categorised as past due includes:

- Loan stock with a carrying value of £727,000 yielding an average 8.9 per cent. which has loan stock interest past due by less than 12 months.
- Loan stock with a carrying value of £1,848,000 yielding an average 3.0 per cent. which had loan stock interest past due of greater than 12 months but less than 2 years.
- Loan stock with a carrying value of £486,000 had loan stock interest past due of more than 2 years.

Notes to the Financial Statements (continued)

19. Capital and financial instruments risk management (continued)

The carrying value of loan stock investments at 31 December 2014, as analysed by expected maturity dates, was as follows:

Redemption date	Fully performing £'000	Impaired £'000	Past due £'000	Total £'000
Less than one year	9,373	10,226	168	19,767
1-2 years	3,269	1,646	–	4,915
2-3 years	1,144	–	–	1,144
3-5 years	1,549	25	2,318	3,892
+5 years	3,826	–	1,450	5,276
Total	19,161	11,897	3,936	34,994

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 2015 are stated at fair value as determined by the Directors, with the exception of debtors and creditors and cash which are carried at amortised cost, in accordance with FRS 102. There are no financial liabilities other than creditors. The Company's financial liabilities are all non-interest bearing. It is the Directors' opinion that the book value of the financial liabilities is not materially different to the fair value and all are payable within one year.

20. Commitments and contingencies

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

- Grapeshot Limited: £90,000
- DySIS Medical Limited: £70,000
- Aridhia Informatics Limited: £58,000

21. Post balance sheet events

Since 31 December 2015 the Company has had the following post balance sheet events:

- Disposal of Silent Herdsman Holdings Limited for £361,000 of which £115,000 is deferred and held in escrow;
- Investment of £111,000 in Earnside Energy Limited;
- Investment of £84,000 in InCrowd Sports Limited;
- Investment of £70,000 in DySIS Medical Limited;
- Investment of £58,000 in Aridhia Informatics Limited;
- Investment of £56,000 in Proveca Limited; and
- Investment of £52,000 in The Weybridge Club Limited

On 17 November 2015 the Company announced the publication of a prospectus in relation to an offer for subscription for new Ordinary shares. A Securities Note, which forms part of the prospectus, has been sent to shareholders.

A copy of the prospectus may be obtained from www.albion-ventures.co.uk.

The following Ordinary shares of nominal value 1 penny each were allotted under the Offers after 31 December 2015:

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)**
29 January 2016	2,651,878	27	77.50	2,014	73.25
29 January 2016	1,207,352	12	77.90	917	73.25
	3,859,230			**2,931**	

Notes to the Financial Statements (continued)

21. Post balance sheet events (continued)

Under the terms of the dividend reinvestment scheme, the following Ordinary shares of nominal value 1 penny each were allotted after 31 December 2015:

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)
29 January 2016	186,693	2	75.86	140	73.25

22. Related party transactions

Other than transactions with the Manager as disclosed in note 5, there are no other related party transactions or balances requiring disclosure.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Albion Technology & General VCT PLC (the "Company") will be held at the City of London Club, 19 Old Broad Street, London EC2N 1DS on 8 June 2016 at 11.00am for the following purposes:

To consider and, if thought fit, to pass the following resolutions, of which numbers 1 to 8 will be proposed as ordinary resolutions and numbers 9 to 11 as special resolutions.

Ordinary Business

1. To receive and adopt the Company's accounts for the year ended 31 December 2015 together with the report of the Directors and Auditor.

2. To approve the Directors' remuneration report for the year ended 31 December 2015.

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

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

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

6. 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.

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

Special Business

8. 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 Ordinary shares of nominal value 1 penny per share in the Company up to an aggregate nominal amount of £191,836 provided that this authority shall expire 18 months from the date that this resolution is passed, or, if earlier, the conclusion of the next annual general meeting of the Company but so that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or convert securities into shares pursuant to such an offer or agreement as if this authority had not expired.

9. Authority for the disapplication of pre-emptive rights

That, subject to the authority and conditional on the passing of resolution number 8, the Directors be empowered, pursuant to section 570 of the Act, to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by resolution number 8 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

(a) in connection with an offer of such securities by way of rights issue;

(b) in connection with any Dividend Reinvestment Scheme introduced and operated by the Company;

(c) in connection with the Albion VCTs Prospectus Top Up Offers 2015/2016 and similar Offers; and

(d) otherwise than pursuant to paragraphs (a) to (c) above, up to an aggregate nominal amount of £191,836 for Ordinary shares.

This authority shall expire 18 months from the date that this resolution is passed or, if earlier, the conclusion of the next annual general meeting of the Company, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if this power had not expired.

"Rights issue" means an offer of equity securities to holders of shares in the capital of the Company on the register on a record date fixed by the Directors in proportion as nearly as may be to the respective numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with any treasury shares, fractional entitlements or legal or practical issues arising under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory or any other matter.

This power applies in relation to a sale of treasury shares as if all references in this resolution to an allotment included any such sale and in the first paragraph of the resolution the words "pursuant to the authority conferred by resolution number 8 were omitted in relation to such a sale.

Notice of Annual General Meeting (continued)

10. Authority to purchase own shares

That, the Company be generally and unconditionally authorised to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary shares of 1 penny each in the capital of the Company ("Ordinary shares"), on such terms as the Directors think fit, and where such shares are held as treasury shares, the Company may use them for the purposes set out in section 727 of the Act, provided that:

(a) the maximum aggregate number of shares hereby authorised to be purchased is 14.99 per cent. of the issued Ordinary share capital of the Company as at the date of the passing of this resolution;

(b) the minimum price which may be paid for a share shall be 1 penny (exclusive of expenses);

(c) the maximum price (exclusive of expenses) which may be paid for a share shall be an amount being not more than the higher of (i) 105% of the average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange) for the shares for the five business days immediately preceding the date of purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid relating to a share on the trading venue where the purchase is carried out; and

(d) unless previously varied, revoked or renewed, the authority hereby conferred shall expire 18 months from the date that this resolution is passed or, if earlier, at the conclusion of the annual general meeting of the Company to be held after the passing of this resolution, save that the Company may, at any time prior to such expiry, enter into a contract or contracts to purchase shares under such authority which would or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of shares pursuant to any such contract or contracts as if the authority conferred hereby had not expired.

Under the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (the "Regulations"), Ordinary shares purchased by the Company out of distributable profits can be held as treasury shares, which may then be cancelled or sold for cash. The authority sought by this special resolution is intended to apply equally to shares to be held by the Company as treasury shares in accordance with the Regulations.

11. Authority to sell treasury shares

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

By order of the Board

Albion Ventures LLP
Company Secretary
Registered office
1 King's Arms Yard
London, EC2R 7AF
23 March 2016
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 meeting. A member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares. Proxies may only be appointed by:

   - completing and returning the Form of Proxy enclosed with this Notice to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ:
   - going to www.investorcentre.co.uk and following the instructions provided there; or
   - by having an appropriate CREST message transmitted, if you are a user of the CREST system (including CREST personal members).

   Return of the Form of Proxy will not preclude a member from attending the meeting and voting in person. You may not use any electronic address provided in the Notice of this AGM to communicate with the Company for any purposes other than those expressly stated.

   To be effective the Form of Proxy must be completed in accordance with the instructions and received by the Registrars of the Company by 11.00am on 6 June 2016.

2. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

   The statement of rights of members in relation to the appointment of proxies in Note 1 above does not apply to Nominated Persons. The rights described in that note can only be exercised by members of the Company.

3. To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), members must be registered in the register of members of the Company at 11.00am on 6 June 2016 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this AGM and any adjournment(s) by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent by 11.00am on 6 June 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

   CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK and Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

5. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

6. A copy of this Notice, and other information regarding the AGM, as required by section 311A of the Companies Act 2006, is available from www.albion-ventures.co.uk under the "Our Funds" section.

7. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

8. As at 21 March 2016 (being the latest practicable date prior to the publication of this Notice), the Company's issued share capital consists of 95,917,927 Ordinary shares with a nominal value of 1 penny each. The Company also holds 8,282,070 Ordinary shares in treasury. Therefore, the total voting rights in the Company as at 21 March 2016 are 87,635,857.

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