

Kings Arms Yard VCT PLC Interim Management Statement

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Introduction

I present Kings Arms Yard VCT PLC's (the "Company") interim management statement for the period from 1 January 2020 to 31 March 2020.

Impact of coronavirus (Covid-19) and Net asset value

Since the year ended 31 December 2019, the Board has been monitoring the ongoing disruption caused by the coronavirus (Covid-19) pandemic and its current and potential impact on portfolio companies. The full extent of the damage that will be inflicted on the global economies is still uncertain.

In light of this, the Company announces its unaudited net asset value (NAV) as at 31 March 2020 of £74.4 million or 19.79 pence per share (excluding treasury shares), which represents a decrease of 2.23 pence per share (10.1 per cent.) since 31 December 2019. This reflects reductions across the portfolio, which is carried at fair value, as a result of market conditions arising from the healthcare pandemic. The Board has reassessed the carrying values of all companies within the portfolio and has reduced those which are affected by the current situation. The portfolio is well diversified and has weightings in sectors that may be less badly affected by the pandemic such as renewable energy. Many companies within the portfolio are well suited to operating in a remote environment but this may not entirely insulate them from the failure of clients due to recession.

After accounting for the dividend of 0.60 pence per share payable on 30 April 2020 to shareholders on the register on 14 April 2020, the NAV will be 19.19 pence per share.

Fundraising and share issues

During the period from 1 January 2020 to 31 March 2020, the Company issued the following new Ordinary shares of nominal value 1 penny per share under the Albion VCTs Prospectus Top Up Offers 2019/20:

Date	Number of shares issued	Issue price per share (including costs of issue)	Net proceeds £'000
31 January 2020	42,437,803	22.4p to 22.7p	9,388

Share buy-backs

Given the uncertainty on valuations caused by coronavirus (Covid-19) and its impact on financial markets in recent times, the Board agreed to suspend the Company's buy back operation on 18 March 2020 until such time as the Company could provide an updated valuation as at 31 March 2020 of the portfolio and the Company's NAV.

With this announcement of the NAV of the Company at 31 March 2020, the Board is pleased to announce the resumption of its share buy-back policy, subject to the overall constraint that such purchases are in the Company's interest, including the maintenance of sufficient resources for investment in existing and new portfolio companies and the continued payment of dividends to shareholders. However, the level of share buybacks until the announcement of the Company's interim results, expected during August 2020, shall be limited to £500,000.

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

Portfolio

The following investments have been made during the period from 1 January 2020 to 31 March 2020:

New investments	£000s	Activity
Concirus Limited	308	<i>A software provider bringing real-time behavioural data analytics to the marine and transport insurance industries</i>

Credit Kudos Limited	154	<i>Challenger credit bureau helping lenders optimise and automate their affordability and risk assessments</i>
Total new investments	462	

Top ten holdings as at 31 March 2020:

Portfolio company	Carrying value £000s	% of net asset value	Activity
Active Lives Care Limited	6,540	8.8	<i>Owner and operator of a 75 bed care home in Cumnor Hill, Oxfordshire</i>
Proveca Limited	5,833	7.8	<i>Reformulation of paediatric medicines</i>
Egress Software Technologies Limited	4,545	6.1	<i>Encrypted email & file transfer service provider</i>
Ryefield Court Care Limited	4,473	6.0	<i>Owner and operator of a 60 bed care home in Hillingdon, Middlesex</i>
Chonais River Hydro Limited	3,331	4.5	<i>Owner and operator of a 2 MW hydro-power scheme in the Scottish Highlands</i>
Antenova Limited	2,329	3.1	<i>Supplier of integrated antennas and RF solutions</i>
The Street by Street Solar Programme Limited	1,876	2.5	<i>Owner and operator of photovoltaic systems on domestic properties in the UK</i>
Quantexa Limited	1,816	2.4	<i>Network analytics platform to detect financial crime</i>
Regenerco Renewable Energy Limited	1,554	2.1	<i>Generator of renewable energy from roof top solar installations</i>
Alto Prodotto Wind Limited	1,473	2.0	<i>Owner and operator of community scale wind energy projects on brownfield sites in the UK</i>

Board composition

Since the Company's year end, the Board has been engaged in discussions with regards to succession planning and an announcement will be made later on this year.

Material events and transactions after the period end

After the period end, the Company had no material transactions.

Further information

The Company continues to offer a dividend reinvestment scheme to existing shareholders. Details of this scheme can be found at www.albion.capital/funds/KAY.

Further information regarding historic and current financial performance and other useful shareholder information can be found on the Company's webpage on the Manager's website under www.albion.capital/funds/KAY.

Robin Field, Chairman
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