Albion Capital

Albion Technology & General VCT PLC

Annual Report and Financial Statements
for the year ended 31 December 2022

2022

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for the year ended 31 December 2022

Albion Capital

COMPANY INFORMATION

Company name	Country of incorporation	Legal form
Albion Technology & General VCT PLC (the "Company")	United Kingdom	Public Limited Company
Directors	**Company number**	**Auditor**
R Archibald, Chairman P M Payn M A Cordeiro P H Reeve C S Richardson (appointed 1 June 2022)	04114310	BDO LLP 55 Baker Street London, W1U 7EU
Manager, company secretary, AIFM and registered office	**Registrar**	**Corporate broker**
Albion Capital Group LLP 1 Benjamin Street London, EC1M 5QL	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol, BS99 6ZZ	Panmure Gordon (UK) Limited 40 Gracechurch Street London, EC3V 0BT
Taxation adviser	**Legal adviser**	**Depositary**
Philip Hare & Associates LLP 6 Snow Hill London, EC1A 2AY	Bird & Bird LLP 12 New Fetter Lane London, EC4A 1JP	Ocorian Depositary (UK) Limited Level 5, 20 Fenchurch Street London, EC3M 3BY

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 are 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.

Shareholders can also contact the Chairman directly on: AATGchair@albion.capital

Financial adviser information

For enquiries relating to the performance of the Company, and information for financial advisers please contact the Business Development team at Albion Capital Group LLP:

Email: info@albion.capital

Tel: 020 7601 1850 (lines are open 9.00am – 5.30pm; Mon – Fri, calls are recorded)

Website: www.albion.capital

Please note that these contacts are unable to provide financial or taxation advice.

Contents

6

Strategic

40

Governance

72

Company information and Financials

Strategic

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 a balanced portfolio of predominantly unquoted growth and technology businesses in a qualifying Venture Capital Trust ("VCT").

Investment policy

The Company will invest in a broad portfolio of unquoted growth and technology businesses. Allocation of assets will be determined by the investment opportunities which become available, but efforts will be made to ensure that the portfolio is diversified in terms of sectors and stages of maturity of portfolio companies.

VCT qualifying and non-qualifying investments

Application of the investment policy is designed to ensure that the Company continues to qualify, and remains approved as, a VCT by HM Revenue and Customs ("VCT regulations"). The maximum amount invested in any one company is limited to any HMRC annual investment limits. It is intended that normally at least 80% of the Company's funds will be invested in VCT qualifying investments. The VCT regulations also have an impact on the type of investments and qualifying sectors in which the Company can make an investment.

Funds held to invest in VCT qualifying assets or for liquidity purposes will be held as cash on deposit or invested in floating rate notes or similar instruments with banks or other financial institutions with high credit ratings. They may also be invested in liquid open-ended equity funds providing income and capital equity exposure (where it is considered economic to do so). Investment in such open-ended equity funds will not exceed 7.5% of the Company's assets at the time of investment.

Risk diversification and maximum exposures

Risk is spread by investing in a number of different businesses within VCT qualifying industry sectors using a mix of securities. The maximum the Company will invest in a single company is 15% of the Company's assets at cost at the time of investment. The value of an individual investment is expected to increase over time as a result of trading progress and a continuous assessment is made of investments' suitability for sale. It is possible that individual holdings may grow in value to a point where they represent a significantly higher proportion of total assets prior to a realisation opportunity being available.

Borrowing powers

The Company's maximum exposure in relation to gearing is restricted to 10% of the adjusted share capital and reserves. The Directors do not have any intention of utilising long-term gearing.

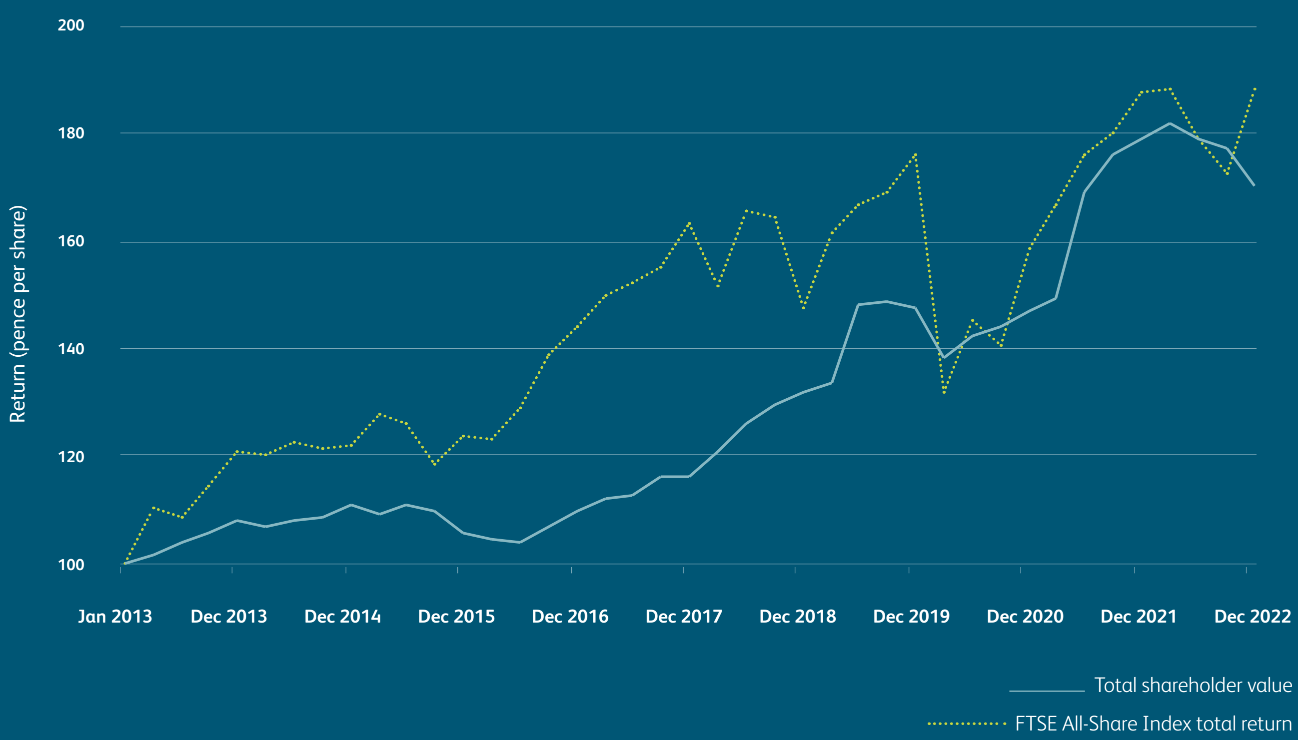
FINANCIAL CALENDAR

2 June 2023	Record date for first dividend
Noon on 6 June 2023	Annual General Meeting
30 June 2023	Payment date of first dividend
September 2023	Announcement of Half-yearly results for the six months ending 30 June 2023

FINANCIAL SUMMARY

(3.74)p	(4.64)%	3.99p	72.92p	196.54p
Decrease in total shareholder value for the year ended 31 December 2022 (2021: increase of 14.98p)[††]	Total loss on opening net asset value per share (2021: gain of 21.6%)[††]	Total tax-free dividends per Ordinary share paid in the year ended 31 December 2022 (a dividend yield of 4.9% on opening net asset value) (2021: 3.68p with a dividend yield of 5.3%)	Net asset value per Ordinary share as at 31 December 2022 (2021: 80.65p)	Total shareholder value as at 31 December 2022[†] (2021: 200.28p)[††]

Total shareholder value relative to FTSE All-Share Index total return
(with dividends reinvested)

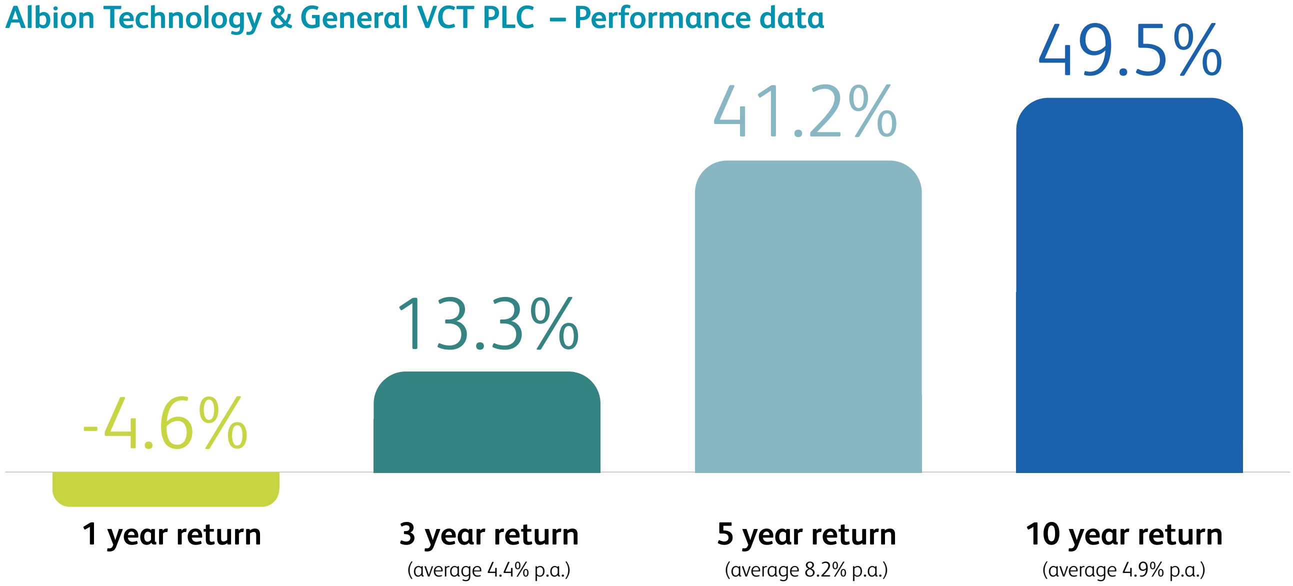


Methodology: The total shareholder value to the shareholder including original amount invested (rebased to 100) from 1 January 2013 assuming that dividends were reinvested at the net asset value of the Company at the time that the shares were quoted ex-dividend. Transaction costs are not taken into account.

†Total shareholder value at 31 December 2022 is calculated using net asset value per share at 31 December 2022 plus dividends paid per Ordinary share since launch to 31 December 2022.

††These are considered Alternative Performance Measures, see note 2 on page 17 of the Strategic report for further explanation.

Albion Technology & General VCT PLC – Performance data



The diagram above shows the one year, three year, five year and ten year total return to shareholders. This return comprises dividends paid and the change in net asset value over the relevant periods.

Movements in net asset value

		31 December 2022 pence per share		31 December 2021 pence per share
Opening net asset value		**80.65**		69.35
Capital (loss)/return	**(4.51)**		14.93	
Revenue return	**0.46**		0.37	
Total (loss)/return		**(4.05)**		15.30
Ordinary dividends paid		**(3.99)**		(3.68)
Impact from share capital movements		**0.31**		(0.32)
Net asset value		**72.92**		80.65

Total shareholder value

	Ordinary shares (pence per share)
Total dividends paid since launch to 31 December 2022	**123.62**
Net asset value as at 31 December 2022	72.92
Total shareholder value to 31 December 2022	**196.54**

In addition to the dividends noted above, the Board has declared a first dividend for the year ending 31 December 2023 of 1.82 pence per share to be paid on 30 June 2023 to shareholders on the register on 2 June 2023.

For historic shareholders, further details regarding the total shareholder value for C Shares and Albion Income and Growth VCT PLC can be found at www.albion.capital/funds/AATG under the 'Financial Summary for Previous Funds' section.

A more detailed breakdown of the dividends paid per year can be found at www.albion.capital/funds/AATG under the 'Dividend History' section.

CHAIRMAN'S STATEMENT

Robin Archibald

The Company's portfolio has faced an uncertain macroeconomic and geopolitical environment during the financial year under review. With the war in Ukraine, high inflation, increasing interest rates, combined with political instability, there has been considerable market volatility impacting the Company and its portfolio.

The Company returned a loss in the year ended 31 December 2022 of 3.74 pence per share, which represents a 4.6% loss on opening net asset value. Notwithstanding these disappointing results, which are not surprising given the economic environment in the financial year, the Board remains encouraged by the potential of the portfolio to deliver positive longer term returns.

Results and dividends

As at 31 December 2022, the net asset value was 72.92 pence per share compared to 80.65 pence per share at 31 December 2021. The total loss after tax was £6.3 million compared to £19.9 million total return in the year to 31 December 2021.

In line with our variable dividend policy targeting around 5% of NAV per annum, the Company paid semi-annual dividends totalling 3.99 pence per share for the year to 31 December 2022 (2021: 3.68 pence per share). The Board has declared a first dividend for the year ending 31 December 2023 of 1.82 pence per share to be paid on 30 June 2023 to shareholders on the register on 2 June 2023.

Investment portfolio

The results for the year showed net losses on investments of £4.5 million, against gains of £21.5 million for the previous year; the results are largely driven by unrealised losses across the portfolio. Oxsensis decreased in value by £4.1 million, Black Swan Data by £2.1 million, and Oviva by £1.1 million, all as a result of difficult trading conditions. Against these losses, there have been unrealised gains, including a £1.1 million uplift in Convertr Media, and realised gains including the disposal of Credit Kudos and MyMeds&Me, both of which are detailed below. Quantexa, the largest company in our portfolio (14% of net asset value), continues to show strong revenue growth which has counter-balanced the well-publicised pressure on technology sector valuations and has not seen a valuation movement during the reported year. After the year end Quantexa completed an externally led Series E fundraising, and further details are in the Updated NAV announcement section on page 13.

The Company had a number of investment realisations in the year with proceeds totalling £11.5 million, leading to realised gains during the year of £1.6 million. The notable exits included Credit Kudos delivering 5.2 times return on cost, Phrasee delivering 3.5 times cost and MyMeds&Me delivering 3.4 times cost. Further details on the above disposals, and other realisations, can be found in the realisations table on page 30.

During a busy year for the Manager, a total of £16.7 million was invested into portfolio companies, of which £9.2 million was invested across fifteen new portfolio companies, all of which are likely to require further investment as they develop and grow. The average age of the fifteen new portfolio companies was four years, demonstrating the Company's focus on investing in earlier-stage businesses and building value over the longer term. The five largest new investments during the year are show below.

A further £7.5 million was invested into existing portfolio companies, the largest being: £1.4 million into Cantab Research (trading as Speechmatics), £1.1 million into Runa Network (previously WeGift) and £1.0 million into Black Swan Data.

The three largest investments in the Company's portfolio, being Quantexa, Radnor House School and Proveca, are valued at £26.9 million and represent 22.2% of the Company's net asset value.

Overall, 33% of the portfolio by value is trading profitably, measured by earnings before interest, tax and depreciation, with a number of our investments showing strong growth in fast-developing markets.

More information on each of the investments made by the Company can be found on the Manager's website at www.albion.capital.

Peppy	toqio	PeakData	csgenetics	OutThink
£1.5 million into Peppy Health, a platform providing expert support for underserved areas of health and wellness (e.g. menopause) via content, video, chat support as an employment benefit for employees	£1.4 million into Toqio FinTech which bridges the gap between financial services and financial outcomes by providing an orchestration platform to any business large or small which wishes to launch a financial product	£0.9 million into PeakData, a software platform that uses big data analytics and AI to collate data from across the web to provide insights and analytics for the world's top pharmaceutical companies, key opinion leaders and healthcare professionals before and after the launch of new therapies	£0.8 million into GX Molecular (trading as CS Genetics), a developer of a wet-phase approach to single cell indexing in a single tube that enables increased scalability and high quality single-cell analysis	£0.7 million into OutThink, a software platform to measure and manage human risk for enterprises

Board composition

I have had the privilege of serving as a Director of the Company for nine years, including two as Chairman, and I will retire at the Annual General Meeting in June 2023. I am delighted that Clive Richardson, an existing Board member, will succeed me as Chairman. Mary Anne Cordeiro, who has also served nine years, will retire from the Board and Margaret Payn will become SID when Mary Anne stands down.

The Board, as part of its ongoing succession planning, is well advanced in the process of recruiting for new Directors, which will be announced in due course. The aim continues to be a small and focussed Board. We will aim to continue to be a diverse Board, as has been the case during the Company's life, and with collective competence to the fore.

Risks and uncertainties

The Company faces a number of significant risks, including higher interest rates, inflation, the ongoing impact of Russia's invasion of Ukraine, and potentially a period of economic stagnation, or even recession, in the UK. This complex backdrop is factored into how the Company is managed, including in its management of cash.

The concentration risk to the technology sector, which is part of the Company's stated investment objective, is noted as technology company valuations have become more volatile in the current economic climate.

The Manager is continually assessing the exposure to these risks for each portfolio company and appropriate actions, where possible, are being implemented. This includes the potential provision of further financial support to portfolio companies where necessary.

A detailed analysis of the principal risks and uncertainties facing the business is shown in the Strategic report on pages 24 to 26.

Share buy-backs

It remains a primary objective to maintain sufficient cash resources for investment in new and existing portfolio companies, for the continued payment of dividends to shareholders and to provide liquidity in the secondary market through share buy-backs. The Board's policy is to buy back shares in the market, subject to the overall constraint that such purchases are in the Company's best interest. It is the Board's intention for such buy-backs to be in the region of a 5% discount to net asset value, so far as market conditions and liquidity permit. The Board continues to review the use of buy-backs and is satisfied that it is an important means of providing market liquidity for shareholders. Details of shares bought back during the year can be found in note 16.

The Company also manages a relatively high level of distributable reserves which can be used for share buy-backs and the payment of dividends. Following shareholder approval last year, additional distributable reserves were created through the reclassification of the share premium account balance.

Albion VCTs' Prospectus Top Up Offers

Your Board, in conjunction with the Boards of five other VCTs managed by Albion Capital Group LLP, launched a Prospectus Top Up Offer of new Ordinary shares on 6 January 2022 and applications reached its £24 million limit under the Offer on 29 March 2022.

A new Prospectus Top Up Offer was launched on 10 October 2022. The Board announced on 18 January 2023 that, following strong demand for the Company's shares, it had elected to exercise the over-allotment facility, taking the total amount under offer to £15.5 million. An allotment was scheduled to take place on 24 February 2023. However due to positive developments in the Albion managed portfolio impacting on post balance sheet valuations and, following advice, the date of the second allotment was deferred to 31 March 2023 for the 2022/2023 tax year. On 22 March 2023, the Company was pleased to announce that it had reached its limit under its latest Offer which was fully subscribed and closed to further applications.

"During a busy year for the Manager, a total of £16.7 million was invested into portfolio companies, of which £9.2 million was invested across fifteen new portfolio companies."

The funds raised by the Company pursuant to the Offer will be added to the cash resources available for investment, putting the Company into a position to take advantage of investment opportunities over the next two to three years. The proceeds of the Offer will be applied in accordance with the Company's investment policy.

Updated NAV Announcement post year end

On 2 March 2023, a NAV update was announced with a pleasing 4.63 pence per share uplift, representing a 6.35% increase on the previously announced 31 December 2022 NAV. This update resulted from Quantexa, a company within the portfolio, undergoing an external fundraising process, which was not known at 31 December 2022. This transaction has since completed and was announced by Quantexa on 4 April 2023.

Annual General Meeting

The Annual General Meeting ("AGM") will be held at noon on 6 June 2023 via the Lumi platform. Information on how to participate in the live webcast can be found on the Manager's website at www.albion.capital/vct-hub/agms-events. The notice of the AGM is at the end of this document.

The Board welcomes questions from shareholders at the AGM and shareholders will be able to ask questions using the Lumi platform, or in person. Alternatively, shareholders can email their questions to AATGchair@albion.capital prior to the Meeting.

Further details on the format and business to be conducted at the AGM can be found in the Directors' report on pages 51 and 52 and in the Notice of the Meeting on pages 93 to 96.

The Board encourages shareholders to vote on the Company business at the AGM, irrespective of attendance, and strongly recommends that shareholders should vote in favour of all the resolutions being proposed at the meeting.

Outlook and prospects

Continuing risks and uncertainties, largely outside the Company's control, make it difficult to be entirely confident about what lies ahead. The portfolio is well diversified with companies at different stages of maturity and targeted at sectors such as software, FinTech and healthcare. These are sectors where we believe growth can be resilient and sustainable. The recently announced 6.35% NAV uplift since the year end gives the Board further confidence that the Company is well positioned in the current economic climate to generate long term value for shareholders.

Robin Archibald
Chairman
6 April 2023

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 a balanced portfolio of unquoted growth and technology businesses in a qualifying VCT.

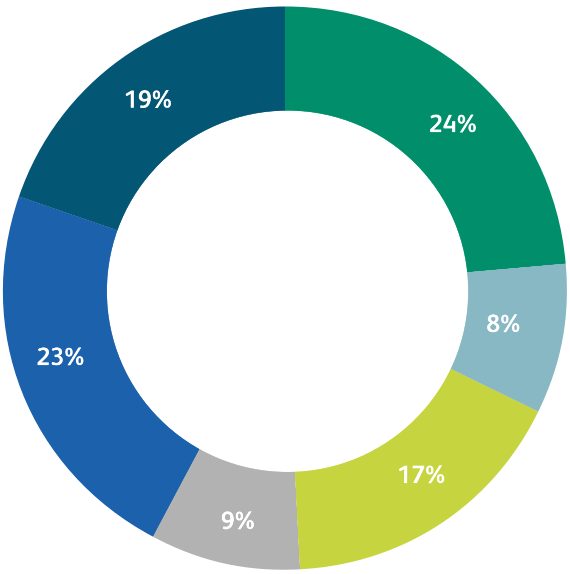
The Company will invest in a broad portfolio of unquoted growth and technology businesses. Allocation of assets will be determined by the investment opportunities which become available, but efforts will be made to ensure that the portfolio is diversified in terms of sectors and stages of maturity of portfolio companies.

The full investment policy can be found on page 7.

Current portfolio sector allocation

The following pie charts show the split of the portfolio valuation as at 31 December 2022 by sector, stage of investment and number of employees. This is a useful way of assessing how the Company and its portfolio are diversified across sector, portfolio companies' maturity measured by revenues and their size measured by the number of employees. Details of the principal investments made by the Company are shown in the Portfolio of investments on pages 28 to 30.

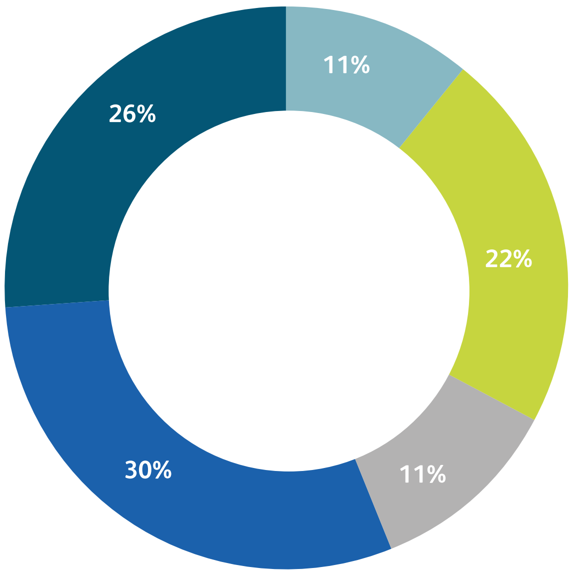
Portfolio analysis by sector
(including cash & liquid investments)



- Cash and net assets 24% (15%)
- Other (including education) 8% (9%)
- Healthcare (including digital healthcare) 17% (19%)
- Renewable energy 9% (10%)
- FinTech 23% (26%)
- Software & other technology 19% (21%)

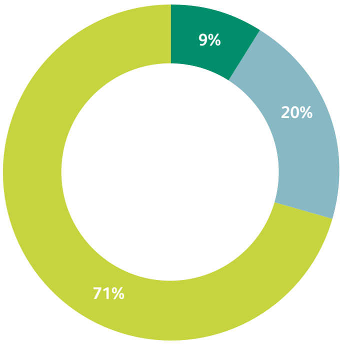
Comparatives for 31 December 2021 are in brackets

Portfolio analysis by sector
(excluding cash & liquid investments)



- Other (including education) 11% (11%)
- Healthcare (including digital healthcare) 22% (23%)
- Renewable energy 11% (11%)
- FinTech 30% (31%)
- Software & other technology 26% (24%)

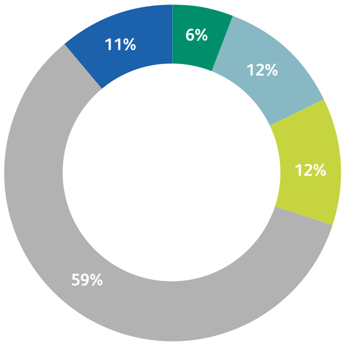
Portfolio analysis by stage of investment



- Early stage (revenue less than £1 million) 9% (12%)
- Growth (revenue between £1 million and £5 million) 20% (27%)
- Scale up (revenue over £5 million) 71% (61%)

Comparatives for 31 December 2021 are in brackets

Portfolio analysis by number of employees



- Under 20 6% (4%)
- 21 - 50 12% (26%)
- 51 - 100 12% (14%)
- 101+ 59% (45%)
- Renewable energy* 11% (11%)

*Renewable energy companies have no employees

Direction of portfolio

The current portfolio remains well-balanced both in terms of stage of investment and sectors, with FinTech accounting for 23%, software and other technology accounting for 19%, healthcare (including digital healthcare) accounting for 17%, renewable energy accounting for 9% and other (including education) accounting for 8%.

Due to the share allotments under the 2021/22 and 2022/23 Prospectus Top Up Offers, and the exits during the year, cash is a significant proportion of the portfolio at 22%. The Company will use these funds to support those portfolio companies that require it, as well as to capitalise on any new investment opportunities that arise. We therefore expect that proportion of investments in the FinTech, software and other technology and healthcare sectors (including digital healthcare) will increase, and that the proportion of asset-based investments will decrease over the coming years.

Results and dividends

	£’000
Net capital loss for the year ended 31 December 2022	(7,021)
Net revenue return for the year ended 31 December 2022	720
Total loss for the year ended 31 December 2022	**(6,301)**
Dividend of 2.02 pence per share paid on 30 June 2022	(3,240)
Dividend of 1.97 pence per share paid on 31 December 2022	(3,267)
Transferred from reserves	**(12,808)**
Net assets as at 31 December 2022	121,247
Net asset value per share as at 31 December 2022	**72.92p**

Results and dividends

The Company paid ordinary dividends of 3.99 pence per share during the year ended 31 December 2022 (2021: 3.68 pence per share). The Board has a variable dividend policy which targets an annual dividend yield of around 5% on the prevailing net asset value. The Board has declared a first dividend for the year ending 31 December 2023 of 1.82 pence per share to be paid on 30 June 2023 to shareholders on the register on 2 June 2023.

As shown in the Income statement on page 73, investment income has increased to £1,631,000 (2021: £1,077,000). This is largely due to the receipt of dividends which include a dividend declared by memsstar immediately prior to the disposal in the year. As a result, there was an overall revenue gain to shareholders of £720,000 (2021: £476,000).

The net capital loss for the year was £7,021,000 (2021: gain of £19,412,000). The net loss was generated largely due to a fall in the unrealised movement in valuation of investments, partially offset by gains on disposals. The gain in 2021 was primarily due to the largest portfolio company, Quantexa. Further information on this together with key valuation movements during the year are outlined in the Investment portfolio section of the Chairman's statement. The total loss for the period was 4.05 pence per share (2021: gain of 15.30 pence per share).

The Balance sheet on page 74 shows that the net asset value per share decreased over the year ended 31 December 2022 to 72.92 pence per share (2021: 80.65 pence per share).

The cash inflow for the year was £12.2 million (2021: £2.9 million). This resulted mainly from the issue of new Ordinary shares under the Top Up Offers, disposal proceeds and loan stock income, offset by new investments, dividends paid, share buy-backs and ongoing expenses.

Review of business and outlook

A review of the Company's business during the year and its future prospects is contained in the Chairman's statement on pages 10 to 13 and in this Strategic report.

There is a continuing focus on growing investments in the FinTech, healthcare and other software and technology sectors, and, therefore, we expect the portfolio to increase its weighting in these sectors.

Investment income largely comprises loan stock interest on our renewable energy investments, which the Company intends to hold for the longer term. As a result, loan stock income is expected to remain relatively flat over the near term and most of the Company's investment returns are expected to be delivered via capital gains. Dividend income is likely to reduce next year, as memsstar declared a large dividend prior to its disposal in the year.

On 2 March 2023, a NAV update was announced with a 4.63 pence per share uplift (6.35%), as detailed in the Chairman's statement on page 13.

Future prospects

The Company's financial results for the ended 31 December 2022 demonstrate that the portfolio remains well balanced across sectors and risk classes, and is largely weathering the ongoing global issues caused as a result of higher levels of interest rates and inflation and other economic headwinds. Although there remains much uncertainty, the Board considers that the Company has the potential to deliver long term growth, whilst maintaining predictable dividend payments to shareholders.

Key Performance Indicators ("KPIs") and Alternative Performance Measures ("APMs")

The Directors believe that the following KPIs and APMs, which are typical for VCTs, used in the Board's 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 KPIs and APMs give a good indication that the Company is achieving its investment objective and policy. These are:

1. Net asset value per share and total shareholder value

Total shareholder value decreased by 3.74 pence to 196.54 pence per Ordinary share for the year ended 31 December 2022 (4.6% on the opening net asset value).

The graph on page 8 reflects the total shareholder value performance of the Company relative to the FTSE All-share Index over the last ten years.

2. Movement in shareholder value in the year †

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
8.0%	2.5%	(4.7%)	3.6%	6.0%	13.2%	11.9%	(0.3%)	21.6%	(4.6%)

† Calculated as the movement in total shareholder value for the year compared with the opening net asset value.

The figures in the table above show that total shareholder value, despite some annual volatility, mean that the Company has delivered an average increase of 5.7% per annum over the past ten years.

The returns to shareholders who have acquired shares through the C share issue in 2006 and the merger with Albion Income & Growth VCT in 2013 are shown on the Company's Webpage on the Manager's website at www.albion.capital/funds/AATG under "Financial Summary for Previous Funds". Shareholders who have acquired shares through Top Up Offers, the dividend reinvestment scheme or in the market outside the corporate events will be able to calculate their own returns based on the price at which they acquired their shares, the dividends they have received since the purchase and the current net asset value of their holding.

3. Dividend distributions

Dividends paid in respect of the year ended 31 December 2022 were 3.99 pence per share (2021: 3.68 pence per share). Cumulative dividends paid since inception were 123.62 pence per Ordinary share.

4. Ongoing charges

As agreed with the Manager in 2015, the ongoing charges ratio for the year ended 31 December 2022 was capped at 2.75% (2021: 2.75%) with any excess over the cap being a reduction in the management fee. Following the reduction to the management fee in the year, the ongoing charges ratio has decreased to 2.55% (2021: 2.75%). The ongoing charges ratio has been calculated using The Association of Investment Companies' (AIC) recommended methodology. This figure shows shareholders the total recurring annual

Net asset value per share and total shareholder value*

* Total shareholder value is net asset value plus cumulative dividends.

running expenses (including investment management fees charged to capital reserves) as a percentage of the average net assets attributable to shareholders.

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 VCT 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 pages 47 and 48.

The relevant tests to measure compliance have been carried out and independently reviewed for the year ended 31 December 2022 and are reviewed during the year. These reviews confirmed that the Company has complied with all tests.

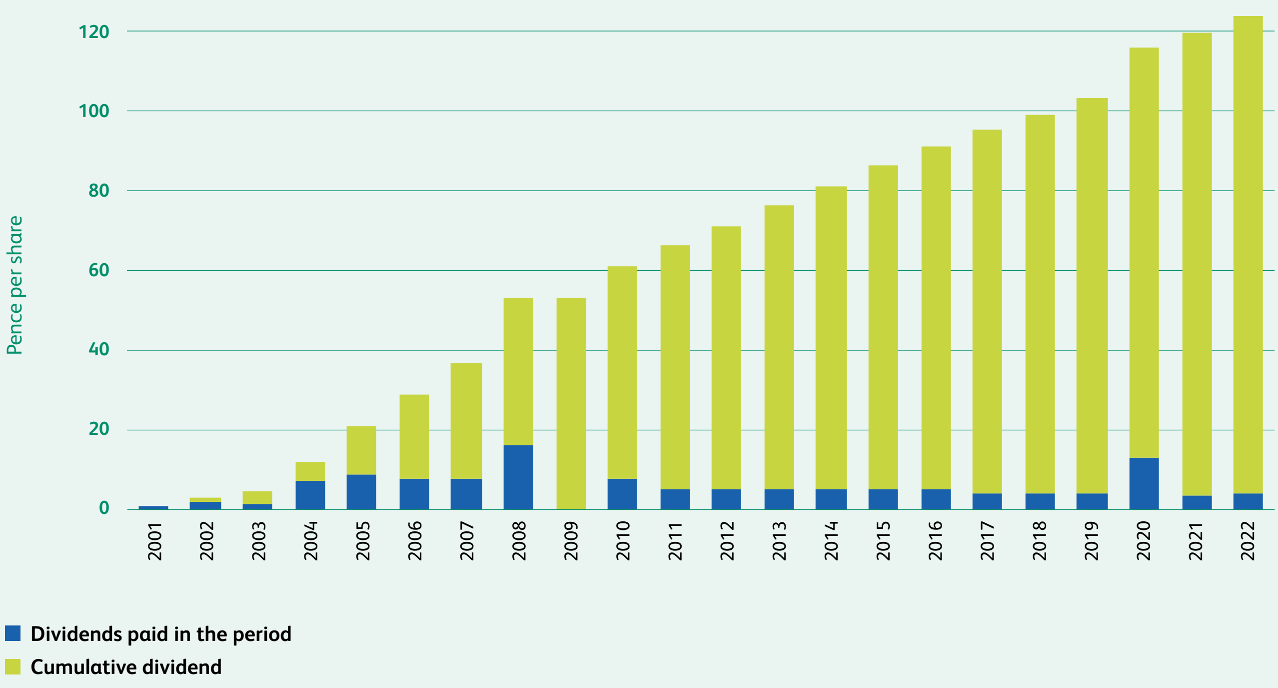
Gearing

As defined by the Articles of Association, the Company's maximum exposure in relation to gearing is restricted to 10%. of the share capital and reserves adjusted for any dividends declared. Although the investment policy permits the Company to borrow, the Directors do not currently have any intention of utilising long-term gearing and have not done so in the past.

Operational arrangements

The Company has delegated the investment management of the portfolio to Albion Capital Group LLP, which is authorised and regulated by the Financial Conduct Authority. Albion Capital Group LLP also provides company secretarial and other accounting and administrative support to the Company under the Management Agreement, as well as acting as the Company's Alternative Investment Fund Manager ("AIFM").

Dividend paid



*VCT compliance is not a numerical measure of performance and thus cannot be defined as an APM.

Management Agreement

A resolution was passed (with 95.6% of votes cast in favour of the resolution) at the General Meeting on 26 May 2022 which specifically covered changes to the Management Agreement.

The changes to the Management Agreement included: lowering the Management fee from 2.5% of net asset value to 2.0% of net asset value, backdated to 1 January 2022; introduction of a capped administration fee; and revisions to the performance incentive arrangements. Full details are available in the Circular dated 13 April 2022 which can be found on the Manager's website at www.albion.capital/funds/AATG/circular2022.pdf.

Under these new management arrangements, the ongoing operating costs for the year ended 31 December 2022 have been reduced by £246,000.

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 2.0% of the net asset value of the Company, payable quarterly in arrears. The total annual running costs of the Company, including management fees payable to Albion Capital Group LLP, 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 Capital Group LLP) are capped at an amount equal to 2.75% of the Company's net assets, with any excess being met by Albion Capital Group LLP by way of a reduction in management fees.

In some instances, the Manager is entitled to an arrangement fee, payable by a portfolio company in which the Company invests, in the region of 2.0% of the investment made, and also monitoring fees where the Manager has a representative on the portfolio company's board; these fees are payable by the investee company. Further details of the Manager's fee can be found in note 5 to the financial statements.

Management performance incentive

Under the performance incentive arrangement, the Manager will receive an incentive fee calculated annually on a five year average rolling basis, equal to 15% of the performance over a 5% hurdle (applied to the opening net asset value each year in line with the current dividend target). This fee will only become payable when average returns to shareholders are in excess of 5% per annum over a five year period. The first payment of a performance fee, if earned, will be in 2024 based on the audited results of the five years ending 31 December 2023.

Details of the calculation of the performance incentive provision can be found in note 15. For the year ended 31 December 2022, the total provision for the performance incentive earned is £272,000 (2021: £nil).

Investment and co-investment

The Company co-invests with other Albion Capital Group LLP managed VCTs. Allocation of investments is on the basis of an allocation agreement which is based, inter alia, on the ratio of cash available for investment in each of the entities and the HMRC VCT qualifying tests.

Liquidity Management

The Board examines regularly both the liquidity of the Company's shares in the secondary market, which is substantially influenced by the use of share buybacks and share issuance, and the liquidity of the Company's portfolio. The nature of investments in a venture capital portfolio is longer term and these are relatively illiquid in the short term. Consequently, the Company maintains sufficient liquidity in cash and near cash assets to cover the operating costs of the Company and to meet dividend payments and share buy-backs, as well as to have the capacity to make fresh investments when the opportunities arise. Although the Company is authorised to borrow, in practice it does not borrow. The Board has no intention that the Company should borrow given the nature of the Company's investments, a number of which have their own gearing. Management of liquidity is one of the key operational areas that the Board discusses regularly with the Manager.

Evaluation of the Manager

The Board, through the Management Engagement Committee, has evaluated the performance of the Manager based on:

- returns generated by the Company;
- continued compliance with the VCT regulation;
- long-term prospects of the current portfolio of investments;
- management of treasury, including use of share buy-backs and participation in fund raising;
- a review of the Management Agreement and the services provided therein;
- benchmarking the performance of the Manager to other service providers, including the performance of other VCTs that the Manager is responsible for managing: and
- the contribution made by the administration and secretarial team to the operation of the Company.

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 Capital Group LLP as the Company's AIFM in 2014 as required by the AIFMD. The Manager became a full-scope AIFM under the AIFMD in 2018. As a result, from that date, Ocorian Depositary (UK) Limited was appointed as Depositary to oversee the custody and cash arrangements and provide other AIFMD duties with respect to the Company. Having the Depositary provides another level of oversight over the safe-keeping of the Company's assets.

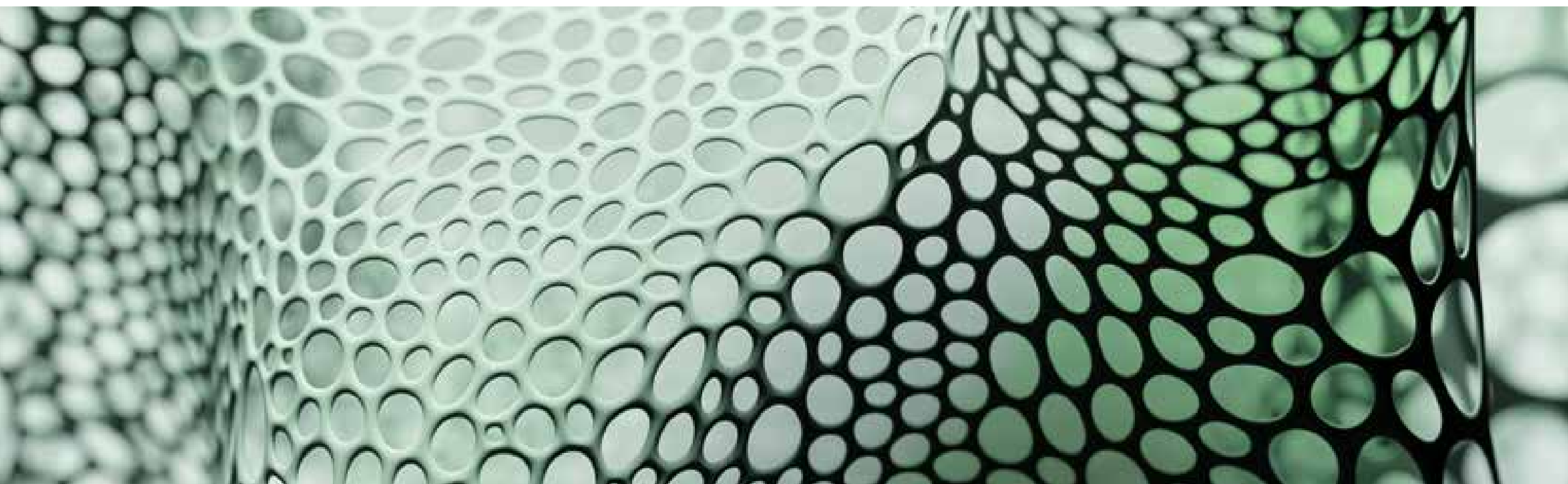
Companies Act 2006 Section 172 Reporting

Under Section 172 of the Companies Act 2006, the Board has a duty to promote the success of the Company for the benefit of its members as a whole in both the long and short term, having regard to the interests of other stakeholders in the Company, such as suppliers, and to do so with an understanding of the impact on the community and environment and with high standards of business conduct, which includes acting fairly between members of the Company.

The Board is very conscious of these wider responsibilities in the ways it promotes the Company's culture and ensures, as part of its regular oversight, that the integrity of the Company's affairs is foremost in the way the activities are managed and promoted. This includes regular engagement with the wider stakeholders of the Company and being alert to issues that might damage the Company's standing in the way that it operates. The Board works very closely with the Manager in reviewing how stakeholder issues are handled, ensuring good governance and responsibility in managing the Company's affairs, as well as visibility and openness in how the affairs are conducted.

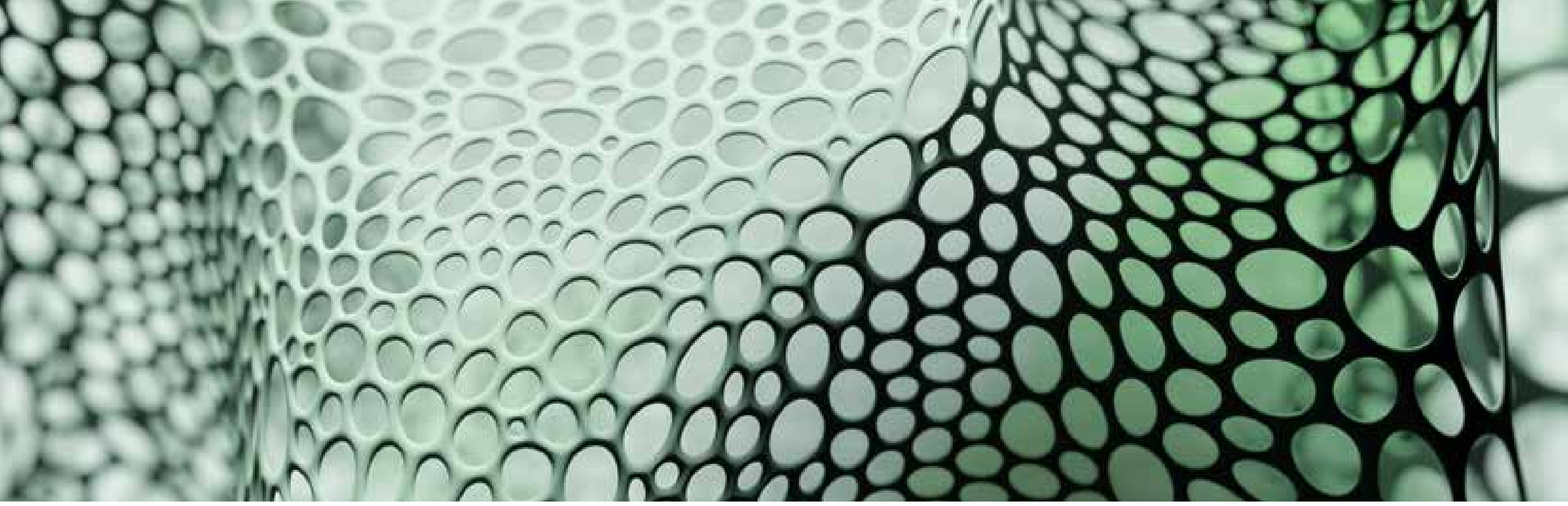
The Company is an externally managed investment company with no employees, and as such has nothing to report in relation to employee engagement but does keep close attention on how the Board operates as a cohesive and competent unit. The Company also has no customers in the traditional sense and, therefore, there is also nothing to report in relation to relationships with customers.

The table below sets out the key stakeholders the Board considers most relevant, details how the Board has engaged with these key stakeholders and the effect of these considerations on the Company's decisions and strategies during the year.



Engagement with Stakeholder	Outcomes and decisions based on engagement
Shareholders	
The key methods of engaging with Shareholders are as follows: • Annual General Meeting ("AGM") • Shareholder seminar • Annual report and Financial Statements, Half-yearly financial report, and Interim management statements • RNS announcements for all key decisions including changes to the Board, and the publication of a Prospectus in relation to the Top up Offers • Albion Capital website, social media pages, as well as publishing Albion News shareholder magazine • A briefing from the Company's broker and sponsor	• Shareholders' views are important. The Board encourages Shareholders to exercise their right to vote on the resolutions at the AGM or any other General Meetings of the Company. The Company's AGM is used as an opportunity to communicate with investors, including through a presentation made by the investment management team. The Board has decided that this year's AGM will be held virtually, via Lumi platform, which enabled engagement with a wider audience of shareholders from across the country, and gave shareholders the opportunity to ask questions and vote during the AGM last year. The virtual medium helps facilitate greater shareholder participation and to help those who are unable to attend the AGM in person. • Shareholders are also encouraged to attend in person the annual Shareholders' Seminar. This year's event took place on 23 November 2022 at the Royal College of Surgeons. The seminar included Speechmatics and Ophelos sharing insights into their businesses and also a Q&A from Albion executives on some of the key factors affecting the investment outlook, as well as a review of the past year and the plans for the year ahead. Representatives of the Board attended the seminar. The Board considers this an important interactive event and expects to continue to run this in 2023. • The Board recognises the importance to shareholders of maintaining and applying a share buy-back policy, in order to provide market liquidity. The Board closely monitors the discount to the net asset value, with a target to maintain this in the region of 5%. • The Board seeks to create value for shareholders by generating strong and sustainable returns to provide shareholders with regular dividends and the prospect of capital growth. The Board takes this into consideration when making the decision to pay dividends to shareholders. The variable dividend policy has resulted in a dividend yield of 4.9% on opening net asset value, with dividends paid semi-annually. • During the year, the Board made the decision to participate in the Albion Prospectus Top Up Offers, launched on 6 January 2022 and 10 October 2022, to raise more funds for deployment into new and existing portfolio companies. The Board carefully considered whether further funds were required, whether the VCT tests would continue to be met and whether it would be in the interest of shareholders, before agreeing to participate in the Top up Offers. On allotting shares, an issue price formula based on the prevailing net asset value is used to ensure there is no dilution to existing Shareholders. • Cash management and liquidity of the Company are key quarterly discussions with the Board, focusing on deployment of cash for future investments, dividends and share buy-backs and the prospect of future realisations in the portfolio. • The Board decided to propose a special resolution at the 2022 AGM to increase the Company's distributable reserves by way of a reduction of share premium account and capital redemption reserve. This resolution was approved with 99.4% of Shareholders voting in favour of the resolution. Further details on this can be found on page 51.

Engagement with Stakeholder	Outcomes and decisions based on engagement
Manager	
The performance of Albion Capital Group LLP is essential to the long term success of the Company, including achieving the investment policy and generating returns to shareholders, as well as the impact the Company has on Environment, Social and Governance practice.	• The Manager meets with the Board at least quarterly to discuss the performance of the Company, and is in regular contact in between these meetings, for example to share investment papers for new and follow-on investments. All strategic decisions are discussed in detail and minuted, with an open dialogue between the Board and the Manager. • The performance of the Manager in managing the portfolio and in providing company secretarial, administration and accounting services is reviewed in detail each year by the Management Engagement Committee, which includes reviewing comparator engagement terms and portfolio performance. • There was a change in the year to the management fees and to the performance incentive fee which is now calculated by reference to the Company's five year rolling historic returns commencing from 2019 and with any fee first payable in 2024. A provision of £272,000 has been recognised based on the Directors' best estimate of incentive fees potentially earned to date based on historic performance. • Details of the Manager's responsibilities can be found in the Statement of corporate governance on pages 54 and 55.
Suppliers	
The key suppliers with regular engagement with the Company often through the Manager are: • Corporate broker • VCT taxation adviser • Depositary • Registrar • External auditor • Lawyer	• The Manager is in regular contact with the suppliers. The contractual arrangements with all the principal suppliers to the Company are reviewed regularly and formally once a year, alongside the performance of the suppliers in acquitting their responsibilities. • The Board reviews the performance of the providers annually in conjunction with the Manager's input, and was satisfied with the suppliers' performances.
Portfolio companies	
The portfolio companies are considered key stakeholders, because they are principal drivers of value for the Company. As discussed in the Environmental, Social and Governance ("ESG") report on pages 36 to 39, the portfolio companies' impact on their own stakeholders and the wider community is also important to the Company.	• The Board aims to have a diversified portfolio in terms of sector and stage of investment. Further details of this can be found in the pie charts on pages 14 and 15. • In most cases, an Albion executive is on the board of a portfolio company, to help with both business operational decisions, as well as good ESG practices. • The AlbionVC platform team provide access to deep expertise on growth strategy alignment, leadership team hiring, organisational scaling and founder leader development. • The Manager ensures good dialogue with portfolio companies, and often holds events to help portfolio companies benefit from the Albion network.
Community and environment	
The Company as an investment company, with no employees and no customers, has no direct effect itself on the community and environment. However, as discussed above, the portfolio companies' ESG impact is extremely important to the Board and considered as part of the review of Company operations.	• The Board receives reports on ESG factors within its portfolio from the Manager. The Manager is a signatory of the United Nations Principles for Responsible Investment ("UN PRI"). Further details of this are set out in the ESG report on pages 36 to 39. ESG, without its specific definition, has always been at the heart of the responsible and sustainable investing that the Company engages in and in how the Company conducts itself with all of its stakeholders.



Social and community issues, employees and human rights

The Board recognises the requirement under section 414C of the Companies Act 2006 (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 the effectiveness of these policies. As an externally managed investment company with no employees, the Company has no requirement for formal policies in these matters, however, it is at the core of its responsible investment approach.

General Data Protection Regulation ("GDPR")

The General Data Protection Regulation has the objective of unifying data privacy requirements across the European Union. GDPR forms part of the UK law after Brexit, now known as UK GDPR. The Manager continues to take action to ensure that the Manager and the Company are compliant with the regulation.

Further policies

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

- Environment
- Global greenhouse gas emissions
- Anti-bribery
- Anti-facilitation of tax evasion
- Diversity

These are set out in the Directors' report on page 49.

Risk management

The Board carries out a regular review of the risk environment in which the Company operates, together with changes to the environment and individual risks. The Board also identifies emerging risks which might affect the Company. In the year ended 31 December 2022 the most noticeable continuing risk to operational and investment risk has been the heightened geopolitical risk and its effect on the economy, with inflation remaining high, interest rates increasing and pricing volatility in world markets, particularly affecting growth stocks. The full impact on the Company's portfolio is likely to be uncertain for some time.

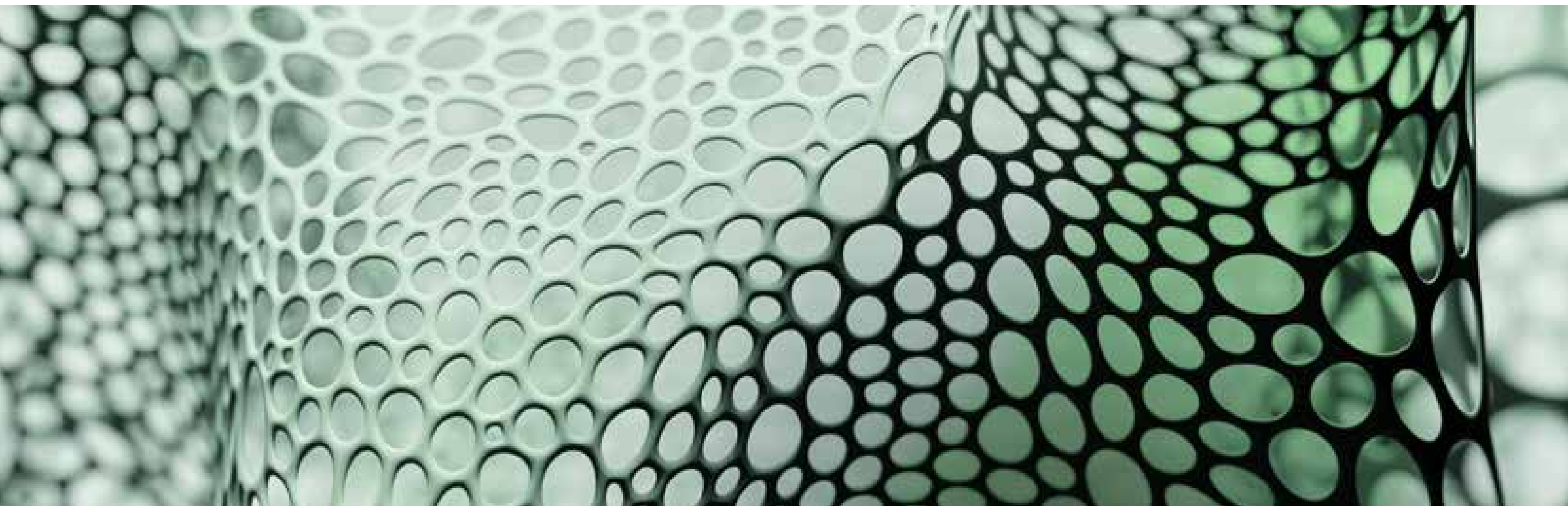
The Board has carried out a robust assessment of the Company's principal risks and uncertainties and seeks to mitigate these risks through regular reviews of performance and monitoring progress and compliance. The Board applies the principles detailed in the Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting, in the mitigation and management of these risks. More information on specific mitigation measures for the principal risks and uncertainties are explained below:

The Board has carried out a robust assessment of the Company's principal risks and uncertainties.

Possible consequence	Risk assessment during the year	Risk management
RISK: Investment, performance and valuation risk		
The risk of investment in poor quality businesses, which could reduce the returns to shareholders and could negatively impact on the Company's current and future valuations. By nature, smaller unquoted businesses, such as those that qualify for Venture Capital Trust investment purposes, are more volatile than larger, long-established businesses. The Company's investment policy creates concentration risk to the technology sector (including FinTech and HealthTech), as well as to the health sector generally. 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.	Increased in the year due to the heightened economic and geopolitical issues as referred to above. Earlier stage technology companies have suffered from a particularly significant de-rating in the past 9 months, and volatility continues to be seen in valuations for these types of assets.	To reduce this risk, the Board places reliance upon the skills and expertise of the Manager and its track record over many years of making successful investments in this segment of the market. In addition, the Manager operates a formal and structured investment appraisal and review process, which includes an Investment Committee, comprising investment professionals from the Manager for all investments, and at least one external investment professional for investments greater than £1 million in aggregate across all the Albion managed VCTs. The Manager also invites and takes account of comments from non-executive Directors of the Company on matters discussed at the Investment Committee meetings. Investments are actively and regularly monitored by the Manager (investment managers normally sit on portfolio company boards), including the level of diversification in the portfolio, and the Board receives detailed reports on each investment as part of the Manager's report at quarterly board meetings. The Board and Manager regularly review the deployment of investments and cash resources available to the Company in assessing liquidity required for servicing the Company's buy-backs, dividend payments and operational expenses. The decision to issue a Prospectus for the 2021/22 and 2022/23 Top-Ups followed careful analysis of these factors. The unquoted investments held by the Company are designated at fair value through profit or loss and valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines updated in 2022. These guidelines set out recommendations, intended to represent current best practice on the valuation of venture capital investments. The valuation takes into account all known material facts up to the date of approval of the Financial Statements by the Board.
RISK: VCT approval risk		
The Company must comply with section 274 of the Income Tax Act 2007 which enables its investors to take advantage of tax relief on their investment and on future returns. Breach of any of the rules enabling the Company to hold VCT status could result in the loss of that status.	No change in the year.	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 formal assurance, the Board has appointed Philip Hare & Associates LLP as its taxation adviser, who report quarterly to the Board to independently confirm compliance with the Venture Capital Trust legislation, and highlight areas of risk and to inform on changes in legislation. Each investment in a new portfolio company is also pre-cleared with our professional advisers or H.M. Revenue & Customs. The Company monitors closely the extent of qualifying holdings and addresses this as required.

Possible consequence	Risk assessment during the year	Risk management
RISK: Cyber and data security		
The Company relies on a number of third parties, in particular the Manager, for the provision of investment management and administrative functions. Failures in key IT systems and controls within the Manager's business could place assets of the Company at risk, result in loss of sensitive data (including shareholder data), or loss of access to systems resulting in a lack of timely communication to market.	No change in the year.	The Manager has a dedicated in-house IT support to assist in the management of the IT infrastructure and improve the IT control environment. The Company and its operations are subject to a series of rigorous internal controls and review procedures exercised throughout the year. The Board receives reports from the Manager on its internal controls and risk management, including on matters relating to cyber security. The Audit and Risk Committee reviews the Internal Audit Reports prepared by the Manager's internal auditors, Azets and has access to their internal audit partner to whom it can ask specific detailed questions in order to satisfy itself that the Manager has sufficient systems and controls in place including those in relation to business continuity and cyber security. The Manager also has a formal risk group in place which meets every six months, with cyber risk being discussed at Board meetings.
RISK: Reliance on key agents and personnel		
The Company relies on a number of third parties, in particular the Manager, for the provision of investment management and administrative functions. Failures in key systems and controls or loss of key personnel, 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.	No change in the year.	Ocorian Depositary (UK) Limited is the Company's Depositary, appointed to oversee the custody and cash arrangements and provide other AIFMD duties. The Board reviews the quarterly reports prepared by Ocorian Depositary (UK) Limited to ensure that the Manager is adhering to its policies and procedures as required by the AIFMD. In addition, the Board annually reviews the performance of its key service providers, particularly the Manager, to ensure they continue to have the necessary expertise and resources to deliver the Company's investment objective and policy. The Manager and other service providers have also demonstrated to the Board that there is no undue reliance placed upon any one individual.
RISK: Economic, political and social risk		
Changes in economic conditions, including; higher 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. This also includes risks of social upheaval, including from infection and population re-distribution, as well as economic risk challenges as a result of healthcare pandemics/infection.	Increased in the year, due to the high levels of inflation, rising interest rates and the geopolitical risks from the invasion of Ukraine.	The Company invests in a diversified portfolio of companies across a number of industry sectors and in addition often invests in a mixture of instruments in portfolio companies and has a policy of minimising any external bank borrowings within portfolio companies. At any given time, the Company has sufficient cash resources to meet its operating requirements, including share buy-backs and follow-on investments. In common with most commercial operations, exogenous risks over which the Company has no control are always a risk and the Company does what it can to address these risks where possible, not least as the nature of the investments the Company makes are long term. The Board and Manager continuously assess the resilience of the portfolio, the Company and its operations and the robustness of the Company's external agents, as well as considering longer term impacts on how the Company might be positioned in how it invests and operates. Ensuring liquidity in the portfolio to cope with exigent and unexpected pressures on the finances of the portfolio and the Company is an important part of the risk mitigation in uncertain times. The portfolio is diversified and exposure is relatively small to at-risk sectors that include leisure, hospitality, retail and travel.

Possible consequence	Risk assessment during the year	Risk management
RISK: Discount risk		
The market value of Ordinary shares can fluctuate. The market value of an Ordinary share, as well as being affected by its net asset value ("NAV") and prospective NAV, also takes into account its dividend yield and prevailing interest rates. As such, the market value of an Ordinary share may vary considerably from its underlying NAV. The market prices of shares in quoted investment companies can, therefore, be at a discount or premium to the NAV at different times, depending on supply and demand, market conditions, general investor sentiment and other factors, including the ability to exercise share buybacks. Accordingly, the market price of the Ordinary shares may not fully reflect their underlying NAV.	No change in the year.	The Company operates a share buy-back policy, which aims to limit the discount at which the shares trade to around 5% to NAV, by providing a purchaser through the Company in absence of market purchasers. From time to time buy-backs cannot be applied, for example when the Company is subject to a close period, or if it were to exhaust and could not renew any buyback authorities. New Ordinary shares are issued at sufficient premium to NAV to cover the costs of issue and to avoid asset value dilution to existing investors.



Viability statement

In accordance with the FRC UK Corporate Governance Code published in 2018 and provision 36 of the AIC Code of Corporate Governance, the Directors have assessed the prospects of the Company for the three years to 31 December 2025. The Directors believe that three years is a reasonable period in which they can assess the ability of the Company to continue to operate as a going concern and meet its liabilities as they fall due. This is the period used by the Board as part of its strategic planning process, which includes: the estimated timelines for finding, assessing and completing investments; the potential impact of any new regulations; and the availability of cash.

As noted above, the Board has carried out a robust assessment of the principal and emerging risks facing the Company, including those that could threaten its business model, future performance, solvency or liquidity, and focused on the major factors which affect the economic, regulatory and political environment. The Board also considered the procedures in place to identify emerging risks and the risk management processes in place to avoid or reduce the impact of the underlying risks. The Board carefully assessed, and was satisfied with, the risk management processes in place to avoid or reduce the impact of these risks. Inflation remaining high, interest costs increasing and the impact on growth stocks against a geopolitically uncertain environment remain risks that need to be considered against the practical management of the Company's net assets and its operational requirements. The Board has carried out robust stress testing of cashflows which included; factoring in higher levels of inflation when budgeting for future expenses; only including proceeds from investment disposals where there is a high probability of completion; assessing the resilience of portfolio companies given the current decline in the global economy, including the requirement for any future financial support; and the ability to fulfil interest requirements on debt instruments.

The Board assessed the ability of the Company to raise finance and deploy capital, as well as the existing cash resources of the Company by looking at cashflow forecasts and the future pipeline of investments. The Board has additionally considered the ability of the Company to comply with the ongoing conditions to ensure it maintains its VCT qualifying status under its current investment policy. As a result of the Board's quarterly valuation reviews, it has concluded that the portfolio is well balanced and geared towards delivering long term growth and strong returns 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. It is also satisfied that the Company can maintain its VCT qualifying status.

Taking into account the processes for mitigating risks, monitoring costs, implementing share buy-backs and issuance of new shares, the Manager's compliance with the investment objective, achievement of the VCT qualifying status, policies and business model and the balance of the portfolio, the Board has 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 2025. The Board is mindful of the ongoing and emerging risks and will continue to ensure that appropriate safeguards are in place, in addition to monitoring the quarterly cashflow forecasts to ensure the Company has sufficient liquidity to meet its operational and investment needs.

Companies Act 2006

This Strategic report of the Company for the year ended 31 December 2022 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.

For and on behalf of the Board

Robin Archibald
Chairman
6 April 2023

PORTFOLIO OF INVESTMENTS

Fixed asset investments	% voting rights	% voting rights of Albion managed companies	As at 31 December 2022 Cost £'000	Cumulative movement in value £'000	Value £'000	As at 31 December 2021 Cost £'000	Cumulative movement in value £'000	Value £'000	Change in value for the year* £'000
Quantexa	2.9	11.3	2,740	14,193	16,933	2,740	14,193	16,933	-
Radnor House School (TopCo)	14.8	48.3	2,710	2,535	5,245	2,710	2,999	5,709	(464)
Proveca	7.2	49.9	1,184	3,546	4,730	1,184	3,635	4,819	(89)
Oviva	2.9	12.2	2,694	1,608	4,302	2,694	2,700	5,394	(1,092)
Chonais River Hydro	15.7	50.0	2,169	1,864	4,033	2,169	1,625	3,794	239
Cantab Research (T/A Speechmatics)	3.4	14.4	2,901	917	3,818	1,486	735	2,221	182
The Evewell Group	6.4	33.0	1,547	1,590	3,137	1,547	1,522	3,069	68
Egress Software Technologies	2.2	24.7	765	2,193	2,958	765	2,259	3,024	(66)
Runa Network (previously WeGift)	3.3	13.9	2,101	591	2,692	1,020	-	1,020	591
Gharagain River Hydro	18.5	50.0	1,526	789	2,315	1,526	620	2,146	169
Black Swan Data	8.3	26.1	4,714	(2,454)	2,260	3,268	(366)	2,902	(2,088)
Convertr Media	6.9	26.6	1,105	1,056	2,161	1,105	45	1,150	1,011
Elliptic Enterprises	1.6	5.9	2,156	-	2,156	2,156	804	2,960	(804)
Panaseer	3.1	11.4	1,122	815	1,937	1,122	534	1,656	281
Healios	2.5	17.5	1,500	417	1,917	633	417	1,050	-
MHS1	22.5	48.8	1,565	93	1,658	1,565	(257)	1,308	350
TransFICC	2.7	13.0	1,275	377	1,652	397	377	774	-
Threadneedle Software Holdings (T/A Solidatus)	1.7	11.5	1,014	617	1,631	1,014	-	1,014	617
The Street by Street Solar Programme	8.1	50.0	895	648	1,543	895	597	1,492	51
Peppy Health	1.6	8.7	1,481	-	1,481	-	-	-	-
Toqio FinTech Holdings (T/A Toqio)	2.0	10.4	1,400	-	1,400	-	-	-	-
Regenerco Renewable Energy	7.9	50.0	822	498	1,320	822	472	1,294	26
Locum's Nest	6.9	25.6	813	370	1,183	675	41	716	329
Aridhia Informatics	4.9	21.6	950	227	1,177	950	290	1,240	(63)
Gravitee Topco (T/A Gravitee.io)	2.2	18.1	920	235	1,155	490	-	490	235
Beddlestead	9.8	49.0	1,200	(84)	1,116	1,200	34	1,234	(118)
InCrowd Sports	4.8	17.2	749	313	1,062	636	219	855	94
PeakData	2.1	11.2	943	71	1,014	-	-	-	71
The Q Garden Company	33.4	50.0	934	65	999	934	(150)	784	215
GX Molecular (T/A CS Genetics)	2.9	14.8	846	-	846	-	-	-	-
NuvoAir Holdings	1.4	11.2	564	272	836	443	186	629	86
Alto Prodotto Wind	6.9	50.0	530	206	736	567	204	771	24
Seldon Technologies	1.4	14.0	694	-	694	283	-	283	-
OutThink	2.7	13.9	687	-	687	-	-	-	-
PerchPeek	2.0	13.6	635	-	635	-	-	-	-
Neurofenix	19.7	14.8	590	-	590	-	-	-	-
DiffBlue	2.5	12.9	585	-	585	-	-	-	-

Fixed asset investments	% voting rights	% voting rights of Albion managed companies	As at 31 December 2022 Cost £'000	As at 31 December 2022 Cumulative movement in value £'000	As at 31 December 2022 Value £'000	As at 31 December 2021 Cost £'000	As at 31 December 2021 Cumulative movement in value £'000	As at 31 December 2021 Value £'000	Change in value for the year* £'000
Premier Leisure (Suffolk)	25.8	47.4	**454**	**90**	**544**	454	(26)	428	**116**
Ophelos	1.9	12.3	**492**	**-**	**492**	-	-	-	**-**
PetsApp	2.6	13.6	**487**	**-**	**487**	-	-	-	**-**
Erin Solar	15.7	50.0	**440**	**12**	**452**	440	(85)	355	**97**
Arecor Therapeutics PLC	0.7	4.2	**231**	**206**	**437**	304	632	936	**(276)**
Cisiv	7.5	29.6	**695**	**(282)**	**413**	695	331	1,026	**(613)**
DySIS Medical	3.5	10.1	**2,589**	**(2,197)**	**392**	2,589	(1,915)	674	**(282)**
5Mins AI	2.2	11.1	**390**	**-**	**390**	-	-	-	**-**
Brytlyt	1.9	14.8	**386**	**-**	**386**	322	-	322	**-**
Koru Kids	1.3	7.9	**430**	**(68)**	**362**	345	192	537	**(260)**
Accelex Technology	2.0	16.5	**353**	**-**	**353**	181	-	181	**-**
AVESI	8.0	50.0	**259**	**88**	**347**	259	83	342	**5**
Imandra	1.6	8.1	**215**	**116**	**331**	215	324	539	**(208)**
Zift Channel Solutions	1.6	6.5	**881**	**(555)**	**326**	881	(533)	348	**(22)**
Limitless Technology	2.1	11.0	**560**	**(278)**	**282**	560	-	560	**(278)**
Ramp Software	1.8	9.7	**277**	**-**	**277**	-	-	-	**-**
Tem-Energy	1.9	9.5	**241**	**-**	**241**	-	-	-	**-**
Harvest AD	n/a	n/a	**210**	**23**	**233**	210	(1)	209	**24**
Mirada Medical	4.6	15.0	**1,321**	**(1,125)**	**196**	1,321	(1,321)	-	**196**
uMedeor (T/A uMed)	0.9	9.5	**150**	**1**	**151**	100	-	100	**1**
Greenenerco	3.1	50.0	**80**	**54**	**134**	87	51	138	**4**
uMotif	3.6	20.2	**1,121**	**(1,001)**	**120**	1,121	(69)	1,052	**(932)**
Regulatory Genome Development	0.7	4.9	**107**	**-**	**107**	-	-	-	**-**
Infact Systems (T/A Infact)	1.9	10.0	**96**	**-**	**96**	-	-	-	**-**
Oxsensis	18.9	27.9	**3,484**	**(3,389)**	**95**	3,307	930	4,237	**(4,140)**
Symetrica	0.3	5.0	**79**	**(16)**	**63**	79	(16)	63	**-**
Forward Clinical (T/A Pando)	1.6	9.2	**196**	**(196)**	**-**	196	(190)	6	**(6)**
Elements Software	3.3	4.5	**19**	**(19)**	**-**	19	(19)	-	**-**
Total fixed asset investments			**67,269**	**25,032**	**92,301**	50,681	32,103	82,784	**(6,719)**

*As adjusted for additions and disposals during the year

The comparative cost and valuations for 31 December 2021 do not agree to the Annual Report and Financial Statements for the year ended 31 December 2021 as the above list does not include brought forward investments that were fully disposed of in the year.

The following is a summary of fixed asset realisations or write-offs for the year ended 31 December 2022:

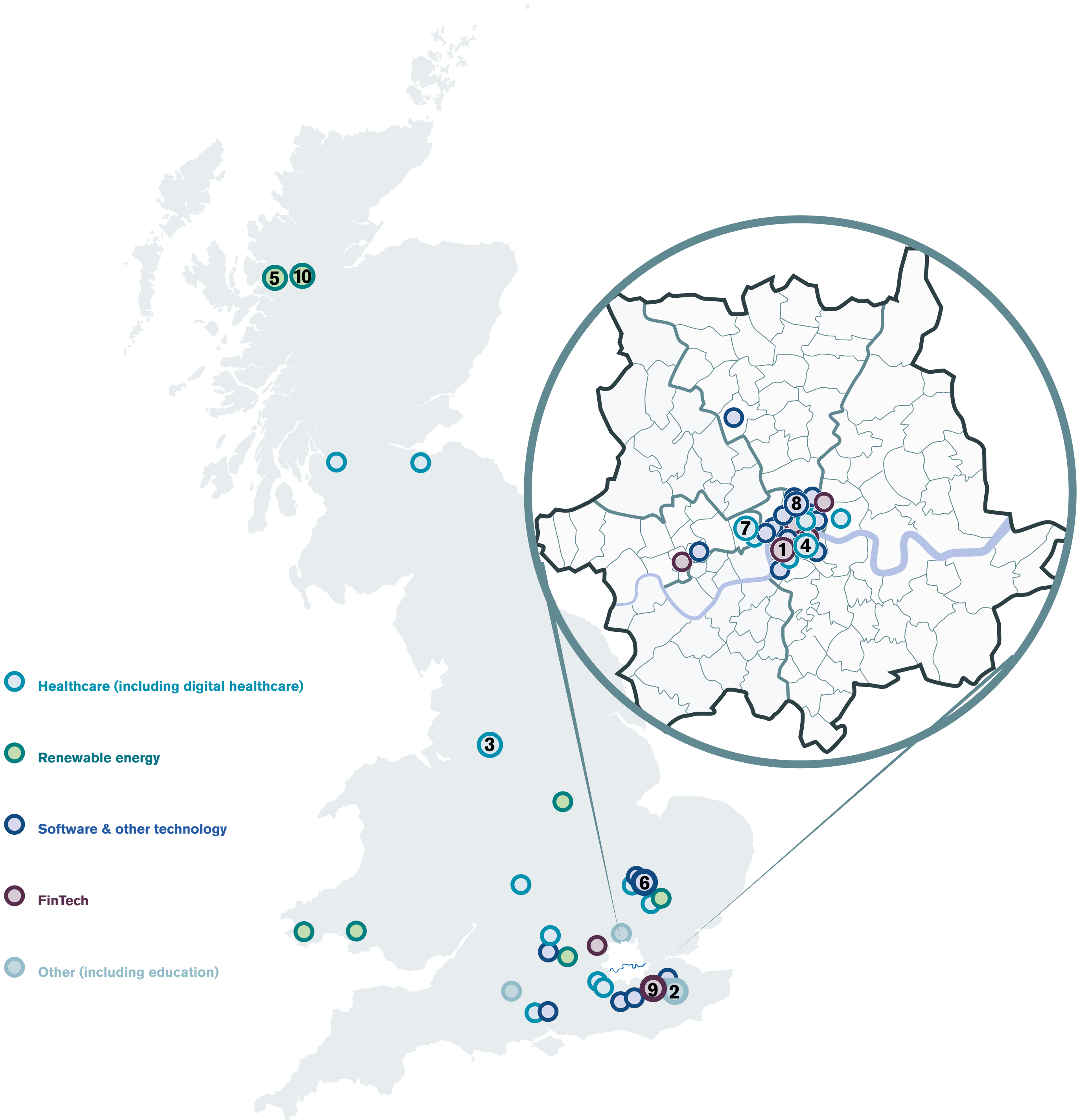
Fixed asset investment realisations	Cost £'000	Opening carrying value* £'000	Disposal proceeds £'000	Total realised gain/(loss) £'000	Gain/(loss) on opening value £'000
Disposals:					
Credit Kudos	979	4,050	5,065	4,086	1,015
Phrasee	680	2,018	2,384	1,704	366
MyMeds&Me	439	666	1,467	1,028	801
Memsstar	515	577	651	136	74
Arecor Therapeutics PLC	73	224	163	90	(61)
Abcodia	568	2	3	(565)	1
Avora	400	9	-	(400)	(9)
Palm Tree Technology	320	16	-	(320)	(16)
Sandcroft Avenue (T/A Hussle)	427	5	-	(427)	(5)
Concirrus	1,795	571	-	(1,795)	(571)
Loan stock repayments and other:					
Oxsensis	1,420	1,598	1,598	178	-
Alto Prodotto Wind	38	58	58	20	-
Greenenerco	7	10	10	3	-
Escrow adjustments and other**	-	-	52	52	52
Total fixed asset realisations	**7,661**	**9,804**	**11,451**	**3,790**	**1,647**

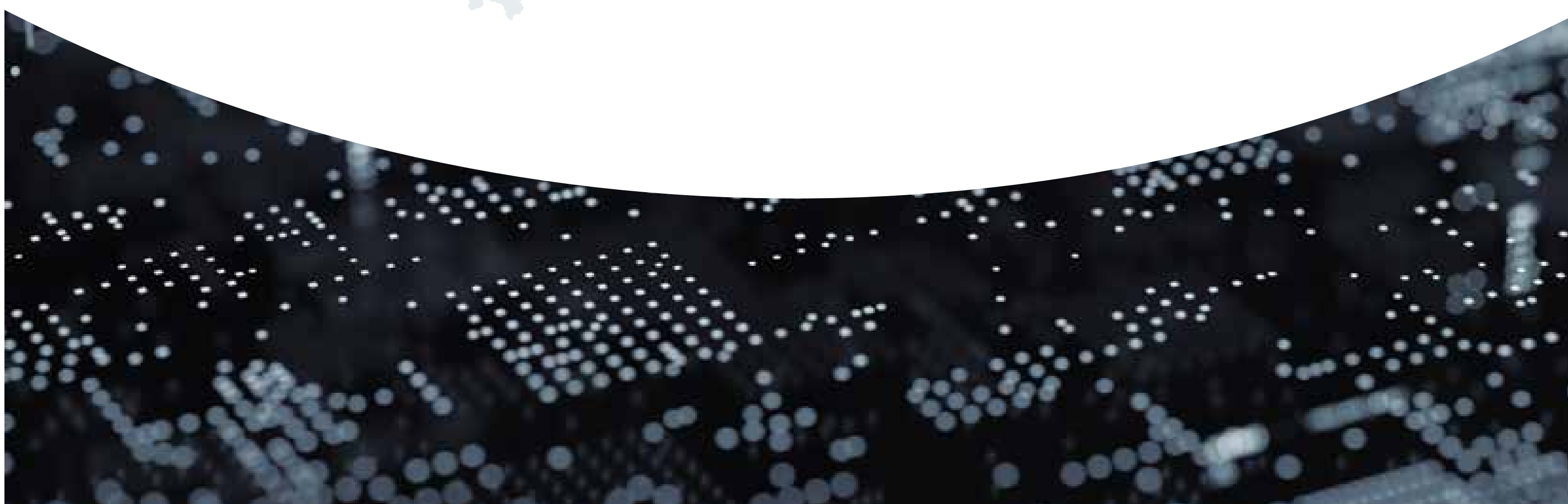
* as adjusted for additions during the year.

** These comprise fair value movements on deferred consideration on previously disposed investments and expenses which are incidental to the purchase or disposal of an investment.

Total change in value of investments for the year	**(6,719)**
Movement in loan stock accrued interest	221
Unrealised losses on fixed asset investments	**(6,498)**
Realised gains on fixed asset investments	1,647
Unwinding of discount on deferred consideration	371
Total losses on investments as per Income statement	**(4,480)**

PORTFOLIO COMPANIES





TOP TEN

1

Quantexa has developed an analytics platform which offers entity resolution, network analytics and automated decisioning at massive scale in real time. This capability is used to fight financial crime and reduce fraud. Quantexa now counts many of the world's largest banks, insurers and governments among its clients.

Audited results for year ended:	31 March 2021 £'000	31 March 2020 £'000
Turnover	30,307	17,545
LBITDA	(9,078)	(13,064)
Loss before tax	(9,516)	(13,700)
Net assets/(liabilities)	22,890	(3,495)
Basis of valuation	Cost and price of recent investment (calibrated and reviewed for impairment)	Cost and price of recent investment (calibrated and reviewed for impairment)

Investment information	£'000
Income recognised in the year	-
Total cost	2,740
Valuation	16,933
Voting rights	2.9%
Voting rights for all Albion managed companies	11.3%

quantexa

www.quantexa.com

2

Radnor House School (TopCo) operates a co-educational independent school near Sevenoaks, Kent. The school is growing strongly with over 500 children on the roll and further capacity to expand. Significant further investment has been made into the school's facilities to enable it to deliver a personalised education experience to each student. The curriculum and co-curricular activities are designed to give each child a wide range of academic and other skills in a supportive and nurturing environment.

Audited results for year ended:	31 Aug 2021 £'000	31 Aug 2020 £'000
Turnover	7,548	8,367
EBITDA	622	838
Loss before tax	(850)	(408)
Net assets	12,205	9,211
Basis of valuation	Third party valuation – earnings multiple	Third party valuation – earnings multiple

Investment information	£'000
Income recognised in the year	266
Total cost	2,710
Valuation	5,245
Voting rights	14.8%
Voting rights for all Albion managed companies	48.3%

Radnor House
celebrating every individual

www.radnorhouse.org

3

Proveca is a specialty pharmaceutical company focused on children's medicines. The company is addressing a significant need in developing drugs that are specifically formulated for children, taking advantage of a supportive regulatory regime and market protection throughout Europe. Its first product for chronic drooling was launched in 2017. It has a pipeline of drugs focused on neurology, immunology and cardiovascular that it expects to reach the market over the next one to three years.

Filleted audited results for year ended:	31 July 2021 £'000	31 July 2020 £'000
Net liabilities	(2,731)	(4,102)
Basis of valuation	Revenue multiple	Revenue multiple

Investment information	£'000
Income recognised in the year	-
Total cost	1,184
Valuation	4,730
Voting rights	7.2%
Voting rights for all Albion managed companies	49.9%

www.proveca.com

4

Oviva is the category leader in Europe for digital, reimbursed dietetic care. The company sells digital and technology-led services solutions for conditions such as diabetes and obesity. It consistently demonstrates best-in-class outcomes helping its clients save costs and improve patient well-being. It is active in the UK, Germany, France and Switzerland.

Audited results for year ended:	31 Dec 2021 £'000	31 Dec 2020 £'000
Turnover	7,531	5,097
LBITDA	(9,468)	(4,285)
Net assets	61,700	14,661
Basis of valuation	Cost and price of recent investment (calibrated and reviewed for impairment)	Cost and price of recent investment (calibrated and reviewed for impairment)

Investment information	£'000
Income recognised in the year	-
Total cost	2,694
Valuation	4,302
Voting rights	2.9%
Voting rights for all Albion managed companies	12.2%

www.oviva.com

5

Chonais River Hydro is a 2MW hydropower scheme near Loch Carron in the Scottish Highlands. It is a run-of-river scheme, taking water from a small river via an intake on the mountainside. The scheme is low visual impact with the only visible components being a small intake and a powerhouse, both of which are built using local material. It generates enough electricity to power approximately 2,000 homes. It benefits from inflation-protected renewable subsidies for a period of 20 years. The scheme was commissioned in 2014 and has been generating successfully since.

Filleted audited results for year ended:	30 Sept 2021 £'000	30 Sept 2020 £'000
Net liabilities	(163)	(138)
Basis of valuation	Third party valuation – discounted cash flow	Third party valuation – discounted cash flow

Investment information	£'000
Income recognised in the year	129
Total cost	2,169
Valuation	4,033
Voting rights	15.7%
Voting rights for all Albion managed companies	50.0%

www.greenhighland.co.uk

6

Cantab Research Limited (T/A Speechmatics) provides advanced speech recognition software. Its technology can automatically transcribe any voice or audio assets from any live or recorded media and convert it into text in real time with leading accuracy across a wide range of languages. The software can be deployed using small footprint language models, which allow the speech to text processing to be performed at high accuracy both on premise and on device, as well as in the cloud. Albion funds invested alongside existing investors (IQ Capital and leading Cambridge angels) to accelerate growth.

Audited results for year ended:	31 Dec 2021 £'000	31 Dec 2020 £'000
Turnover	9,533	6,409
LBITDA	(5,213)	(3,976)
Loss before tax	(5,244)	(4,177)
Net assets	1,353	3,704
Basis of valuation	Cost and price of recent investment (calibrated and reviewed for impairment)	Cost and price of recent investment (calibrated and reviewed for impairment)

Investment information	£'000
Income recognised in the year	-
Total cost	2,901
Valuation	3,818
Voting rights	3.4%
Voting rights for all Albion managed companies	14.4%

Speechmatics

www.speechmatics.com

7

The Evewell Group owns and operates private women's health centres of excellence with one on Harley Street and another in Hammersmith both focusing on fertility and IVF treatment but uniquely also covering all aspects of a woman's gynaecological health.

Filleted audited results for year ended:	31 Dec 2021 £'000	31 Dec 2020 £'000
Net liabilities	(978)	(3,354)
Basis of valuation	Revenue multiple	Discounted offer price

Investment information	£'000
Income recognised in the year	280
Total cost	1,547
Valuation	3,137
Voting rights	6.4%
Voting rights for all Albion managed companies	33.0%

THE EVEWELL

www.evewell.com

8

Egress Software Technologies has developed a secure communication platform that uses encryption and machine learning to secure content shared via email and other applications. Egress serves SMBs and small enterprise customers in the public sector, legal, healthcare, financial services and defence sectors.

Audited results for year ended:	31 Dec 2021 £'000	31 Dec 2020 £'000
Turnover	21,890	17,336
LBITDA	(8,106)	(6,822)
Loss before tax	(8,612)	(7,056)
Net liabilities	(8,537)	(1,956)
Basis of valuation	Revenue multiple	Revenue multiple

Investment information	£'000
Income recognised in the year	-
Total cost	765
Valuation	2,958
Voting rights	2.2%
Voting rights for all Albion managed companies	24.7%

egress

www.egress.com

9

Runa Network (previously WeGift) provides a cloud platform and an API that enables corporates to purchase digital gift cards and issue digital payouts to employees and customers. This can be done for a variety of use cases such as HR (employee benefits/rewards), marketing (customer acquisition/activation), loyalty and disbursements. It has built unique technology and direct integrations with over a thousand brands and retailers on the supply side.

Audited results for year ended:	31 Dec 2021 £'000	31 Dec 2020 £'000
Turnover	32,642	16,542
LBITDA	(5,032)	(3,318)
Loss before tax	(5,245)	(3,342)
Net assets	2,793	7,443
Basis of valuation	Cost and price of recent investment (calibrated and reviewed for impairment)	Cost and price of recent investment (calibrated and reviewed for impairment)

Investment information	£'000
Income recognised in the year	-
Total cost	2,101
Valuation	2,692
Voting rights	3.3%
Voting rights for all Albion managed companies	13.9%

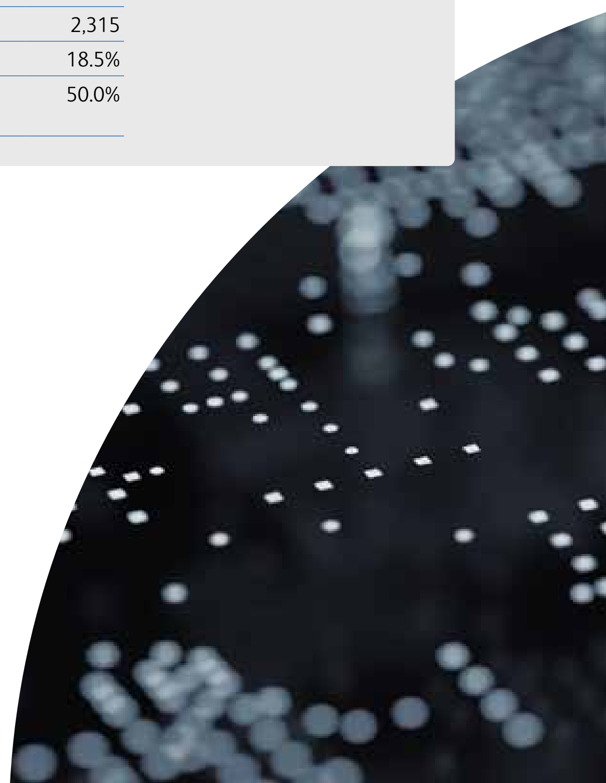
www.runa.io

10

Gharagain River Hydro is a 1MW hydropower scheme near Loch Carron in the Scottish Highlands, about 3 miles from Chonais Hydro. It is a run-of-river scheme with the same design as Chonais Hydro. It generates enough electricity to power about 1,000 homes. It benefits from inflation-protected renewable subsidies for a period of 20 years. The scheme was commissioned in 2014 and has been generating successfully since.

Filleted audited results for year ended:	30 Sept 2021 £'000	30 Sept 2020 £'000
Net assets	175	177
Basis of valuation	Third party valuation – discounted cash flow	Third party valuation – discounted cash flow

Investment information	£'000
Income recognised in the year	74
Total cost	1,526
Valuation	2,315
Voting rights	18.5%
Voting rights for all Albion managed companies	50.0%



ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") REPORT

The Company's Manager, Albion Capital Group LLP ("Albion"), sees sustainable and responsible investment as an integral part of its investment mandate. In turn, the Board is kept appraised of ESG issues in both the portfolio and in how company affairs are conducted as part of regular Board oversight.

The United Nations Principles for Responsible Investment ("UN PRI") is the world's leading proponent of responsible investment, working to understand the investment implications of ESG factors and to support its international network of investor signatories in incorporating these into their investment and ownership decisions.

As a signatory of the UN PRI, Albion (and the Board) recognise that applying the following six principles better aligns investors with broader objectives of society:

Principle 1: to incorporate ESG issues into investment analysis and decision-making processes.

Principle 2: to be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3: to seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: to promote acceptance and implementation of the Principles within the investment industry.

Principle 5: to work together to enhance our effectiveness in implementing the Principles.

Principle 6: to report on our activities and progress towards implementing the Principles.

The Board and Albion have been conscious in making responsible investments throughout the life of the Company by providing finance for promising companies in important sectors such as technology, healthcare and renewable energy. Through this, Albion is directly involved in the oversight and governance of these investments, including ensuring standards of reporting and visibility on business practices, all of which are reported to the Board.

By its nature, not least in making qualifying investments which fulfil the criteria set by HMRC, the Company has focused on sustainable and longer term investment propositions, some of which will grow and serve important societal demands. One of the most important drivers of performance is the quality of the investment portfolio, which goes beyond the individual valuations and examines the prospects of each portfolio company and their sectors – all of which requires a long term view.

Given the nature of venture capital investment, Albion is more intimately involved in the affairs of portfolio companies than typical funds invested in listed securities. As such, Albion is able to influence good governance and behaviour in portfolio companies, many of which are relatively small without the support of a larger company's administration and advisory infrastructure.

The Company adheres to the principles of the AIC Code of Corporate Governance and is also aware of other governance and corporate conduct guidance which it meets as far as practical. This includes the constitution of a diversified and independent Board capable of providing constructive challenge.

Albion is a member of VentureESG steering committee, a global network of fund managers that drives application of ESG principles in the ecosystem.

ESG considerations are an integrated part of Albion's investment process, from pre investment to exit, designed to create value for investors and develop sustainable long-term strategies for portfolio companies. This is reflected in the transparency of reporting, governance principles adopted by the Company and the portfolio companies, and increasingly in the positive environmental or socially impactful nature of investments made. Where relevant, climate-specific issues are also considered.

Albion integrates ESG through all aspects of the investment process:

STAGE 1
Screening

- Check company activity with **Albion Capital Group LLP's exclusion list**
- Track Founder/ CEO gender and ethnic diversity for all potential new investments

STAGE 2
Due diligence

- **ESG Due Diligence questionnaire** completed pre-investment
- ESG summary added to investment committee paper and **reviewed at IC**
- ESG terms added to the Shareholders Agreement

STAGE 3
Stewardship & monitoring

- Leverage portfolio **company board and platform function** to implement ESG initiatives
- Collect information on ESG developments annually via **ESG Balance Score Card (BSC)*** and include in internal review meetings when significant developments have taken place

STAGE 4
Follow on investments

- **Reassess ESG** risks and opportunities during each round of funding
- Use new funding round to check for improvements

Exit

- **Support** the company in demonstrating to potential investors how ESG risks have been mitigated and opportunities realised
- To the extent possible ensure good ESG practices remain in place following exit

* The ESG BSC contains sustainability metrics used to determine a company's sustainability risks and opportunities, and track progress over time.

PRE-INVESTMENT STAGE

An exclusion list is used to rule out investments in unsustainable, socially detrimental areas. ESG due diligence is performed on each potential portfolio company to identify any sustainability risks, which are ranked from low to high and are reported to the relevant investment committee. If sustainability risks are identified, mitigations are assessed and, if necessary, mitigation plans are put in place. If this is not deemed sufficient, the committee would consider the appropriate level and structure of funding to balance the associated risks. If this is not possible, investment committee approval will not be provided, and the investment will not proceed.

Albion's investment deal documents includes a sustainability clause that reinforces individual portfolio company's commitment to driving principles of ESG as it scales.

INVESTMENT STAGE

An ESG clause is integrated into the shareholders' agreement for all new investments, which outlines the portfolio company's commitment to combine economic success with ecological and social success.

All new and existing portfolio companies are asked to report against the ESG BSC annually. It contains a number of sustainability factors against which a portfolio company is assessed and scored in order to determine the potential sustainability risks and opportunities arising from the investment. ESG score is reviewed annually, and key priority improvement areas are identified for the next 12 months. It forms part of Albion's internal broader risk review meetings and any outstanding issues are addressed in collaboration with the portfolio companies' senior management.

EXIT STAGE

Albion aims to ensure that good ESG practices remain in place following exit. For example, by ensuring that the portfolio company creates a self-sustaining ESG management system during our period of ownership, wherever feasible.

The Manager's ESG initiatives

ESG is incorporated into Albion's own internal operations as follows:

Environmental: Committed to ensuring that the environmental impacts of its business operations are positive and, as far as possible, any negative impact is mitigated.

Social: Aims to conduct its business in a socially responsible manner, to contribute to the communities in which it operates and to respect the needs of all employees and stakeholders.

Governance: Seeks to conduct business activities in an honest, ethical and socially responsible manner. These values underpin its business model and strategy.

Overview of Albion's ESG activity in 2022:

ENVIRONMENTAL

- Net Zero target by 2030
- Measuring carbon footprint with Plan A
- Purchased carbon removal permits for 2021/2022 emissions

SOCIAL

- Fair HQ score improvement (from 3.8 to 6.1 out of 10) within a year
- Mentoring for under-represented groups in VC
- Social and team activities
- Continued support for Whizz Kidz

GOVERNANCE

- ESG principles integrated across the full investment cycle
- Completion of 2022 ESG BSC portfolio reporting and targets set for 2023
- UN PRI score 2020/21: 3/5 stars
- Regular ESG updates for all stakeholders

Signatories

As a signatory of UN Principles for Responsible Investment (UN PRI) Albion is committed to the six key principles to incorporate ESG into investment practice.

Albion is a member of VentureESG steering committee, a venture capital-based non-profit initiative to push the industry on ESG best practices. The current group consists of 300 venture funds and 90 limited partners globally who work to make ESG a standard part of the due diligence, portfolio stewardship and internal fund management.

Albion is a proud signatory of the Investing in Women Code, and commits to adopt internal practices that aim to improve female entrepreneurs' access to the tools, resources and finance required to scale their companies.

Governance

THE BOARD OF DIRECTORS

The Board provides a wide range of relevant experience and skills and good diversity in its membership. Each member of the Board has demonstrated sufficient time capacity to meet the commitments required in preparing for, attending and participating in periodic Board meetings and for all the activities that take place between formal Board meetings as an important part of the process of oversight and constructive challenge from an independent board of an investment company. The Board works closely together and reviews succession and allocation of responsibilities on a regular basis.

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

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 until 1986. Since 1986, Robin has worked in corporate finance and corporate broking roles, including for Samuel Montagu, SG Warburg Securities, NatWest Wood Mackenzie and Intelli Corporate Finance. Latterly, he was a director of Winterflood Investment Trusts until 2014, where he was head of corporate finance and broking from 2004 until 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 fundraising, reorganisations and restructuring for all types of listed funds, including VCTs. He is a non-executive director of Capital Gearing Trust PLC, Henderson European Focus Trust PLC and Shires Income PLC and was, until recently, a non-executive director of Ediston Property Investment Company. Robin has acted as SID on all of the investment company boards and audit chair of five of the boards on which he has served over the last ten or more years.

Margaret Payn BA, FCA, (appointed 3 August 2020) has extensive experience across the financial sector. She qualified as a chartered accountant with KPMG in London. She has worked for a number of financial institutions in the UK, Australia and Asia, including nine years at Schroders where she held CFO and COO roles, and seven years in similar roles with Westpac and ANZ Banking Group. Her most recent executive role was at AMP Capital where she held the positions of CFO/COO within the asset management division and was responsible for leading the finance, product, strategy and support functions. She retired from this position in 2018. Most recently, she was appointed as a non-executive Director of JPMorgan Mid Cap Investment Trust plc. She was also a director of McPhersons Consumer Products Limited, from 2015 to 2018, a public listed company in Australia.

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 including a novel medical device to improve the care of critically injured and trauma patients. She is also a member of the Development Board of the University of Oxford's Department of Chemistry. Mary Anne has an MA in Chemistry from Oxford University.

Patrick Reeve MA, FCA, (appointed 11 December 2003) was formerly the managing partner of Albion Capital and became chairman in 2019. He is also a director of Albion Development VCT and Albion Enterprise VCT. Patrick is on Albion's Valuation Committee and its Risk Management Committee. He is also a director of the Association of Investment Companies. Patrick joined Close Brothers Group plc in 1989 before establishing Albion Capital Group LLP (originally Close Ventures Ltd) in 1996. Prior to Close he qualified as a chartered accountant before joining Cazenove & Co. Patrick has an MA in Modern Languages from Oxford University and a BA in Sanskrit from SOAS. Patrick, although considered non-independent for governance purposes, contributes both direct investment experience and a wider perspective in the venture capital markets.

Clive Richardson, (appointed 1 June 2022) has extensive experience across a range of private and public international healthcare and technology focused firms from start-ups to mid-cap companies. He was Head of Equities Research for Investec Bank, and worked as a strategy consultant for L.E.K. Consulting, a leading global strategy firm. He has held non-executive director roles and served as an executive board member on CIS Healthcare Limited and Clinisys Group Limited, both decision support healthcare software companies. In his most recent role, he served as COO and CEO for Akari Therapeutics, PLC, a NASDAQ listed biotechnology company.

All Directors, except for Patrick Reeve, are members of the Audit and Risk Committee and Margaret Payn is Chairman.

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

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

All Directors, except for Patrick Reeve, are members of the Remuneration Committee and Mary Anne Cordeiro is Chairman.

Mary Anne Cordeiro is the Senior Independent Director.

Clive Richardson will become the new Chairman of the Board, Nomination Committee and Management Engagement Committee when Robin Archibald retires. Margaret Payn will become Senior Independent Director when Mary Anne Cordeiro retires.

THE MANAGER

Albion Capital Group LLP, is authorised and regulated by the Financial Conduct Authority and is the Manager of Albion Technology & General VCT PLC. Established in 1996, Albion Capital is an independent investment firm providing investors with access to entrepreneurs who build enduring businesses.

The following are specifically responsible for the management and administration of the Venture Capital Trusts managed by Albion Capital Group LLP:

Will Fraser-Allen, BA (Hons), FCA, has been managing partner since 2019 and chairs the investment committee. He is chairman of the VCTA and sits on the Venture Capital Committee of the BVCA. He joined Albion in 2001, became deputy managing partner in 2009. He qualified as a chartered accountant and has a BA in History from Southampton University.

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

Dr. Andrew Elder, MA, FRCS, practised as a neurosurgeon before starting his career in investment. He heads up the healthcare investment team and became deputy managing partner in 2019. He joined Albion in 2005 and became a partner in 2009. He has an MA plus Bachelor of Medicine and Surgery from Cambridge University. He is a Fellow of the Royal College of Surgeons (England).

Vikash Hansrani, BA (Hons), FCA, is a partner and oversees the finance and administration of all funds under Albion's management. He qualified as a chartered accountant with RSM before joining Albion in 2010. He has a BA in Accountancy & Finance from Nottingham Business School.

Valerie Aelbrecht, MSc, MSc, joined as investment associate in 2022. She was at Cherry Ventures after being a founder and operator for 8 years in the foodtech space. She holds an MSc in Applied Economics from the University of Antwerp and an MSc in International Business Management & Entrepreneurship from Kingston University.

Lauren Apostolidis, BA (Hons), joined as platform director in 2022. She was previously at Huckletree where she built and managed the support network of ambassadors and investors to help connect founders. Prior to this, she managed FinTech partnerships at Thomson Reuters.

Adam Chirkowski, MA (Hons), is an investment director focusing on B2B and ClimateTech investments. Prior to joining Albion in 2013, he spent five years working in corporate finance at Rothschild. He holds a first-class degree in Industrial Economics and a Masters in Corporate Strategy and Governance from Nottingham University.

Emil Gigov, BA (Hons), FCA, is a partner focusing on B2B SaaS businesses. He joined Albion in 2000 and became a partner in 2009. He graduated from the European Business School, London, with a BA in European Business Administration.

Dr. Molly Gilmartin BA, joined in 2022 as an investment manager from McKinsey & Company. Before that, she was Chief Commercial Officer of Induction Healthcare Group which completed an IPO on AIM in 2019. Before this she was a founding team member of start-up Pando and an NHS Clinical Entrepreneur as a medical doctor.

Ed Lascelles, BA (Hons), heads up the technology investment team. He joined in 2004 having started his career advising public companies and became a partner in 2009. He holds a first-class honours degree in Philosophy from UCL.

Paul Lehair, MSc, MA, is an investment director who joined in 2019 having spent five years at Citymapper. He also worked at Viagogo and in M&A at Citigroup. He holds a dual Masters' degree in European Political Economy from the LSE and Political Science and Sciences Po Paris.

Catriona McDonald, BA (Hons), is an investment director specialising in technology investing. She joined in 2018 from Goldman Sachs where she worked on IPOs, M&A and leveraged buyouts in New York and London. She graduated from Harvard University, majoring in Economics.

Kibriya Rahman, MMath, joined as investment associate in 2022. He was previously at Funding Circle and Formula 1. Before this, he worked at OC&C Strategy Consultants. Kibriya graduated from Oxford University with an MMath degree.

Gita Kler, BSc, joined in 2022 as platform analyst. Before this, she worked on data analytics at a Dutch re-commerce start-up. Gita holds a BSc in Economics and Finance from the University of Amsterdam and an MA in Management of Information Systems and Digital Innovation from the LSE.

Jane Reddin, BA (Hons), heads up the platform team. She joined Albion in 2021 and became partner in 2022. Prior to Albion, she spent six years as Talent Advisor at Balderton Capital and then co-founded The Talent Stack. She graduated from Durham University with a BA in French and German.

Dr. Christoph Ruedig, MBA, is a partner focusing on digital health. He originally practiced radiology and was responsible for M&A in healthcare at GE and venture capital with 3i. He joined Albion in 2011 and became a partner in 2014. He holds a degree in medicine from Ludwig-Maximilians University and an MBA from INSEAD.

Nadine Torbey, MSc, BEng, is an investment director who joined in 2018 from Berytech Fund Management. She holds a BSc in Electrical and Computer Engineering from the American University of Beirut and an MSc in Innovation Management and Entrepreneurship from Brown University.

Robert Whitby-Smith, BA (Hons), FCA, is a partner focusing on software investing. His background was in corporate finance at KPMG, CSFB and ING Barings, after qualifying as a chartered accountant. He joined Albion in 2005 and became a partner in 2009. He graduated from Reading University with a BA in History.

Jay Wilson, MBA, MMath, is an investment director focusing on FinTech. He joined in 2019 from Bain & Co, where he had been a consultant since 2016. Prior to this he graduated from the London Business School with an MBA having spent eight years as a broker at ICAP Securities.

Marco Yu, PhD, MRICS, is head of renewables. Prior to joining Albion in 2007, he qualified as a Chartered Surveyor with Bouygues and advised on large capital projects with EC Harris. He has a degree in economics from University of Cambridge and a PhD in construction economics from UCL.

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 2022. The Statement of corporate governance on pages 54 to 60 forms a part of the Directors' report.

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 pages 47 and 48 of this Directors' report. Approval for the year ended 31 December 2022 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 premium 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 Company's 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 16.

Ordinary shares represent 100% of the total share capital and voting rights. The Ordinary shares are designed for individuals who are 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 dividends 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 of capital on winding up or other return of 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 36,947,257 Ordinary shares, of which 35,502,344 Ordinary shares (2021: 22,852,406) were issued under the Albion VCTs' Top Up Offers; and 1,444,913 Ordinary shares (2021: 1,040,706 Ordinary shares) were issued under the Company's Dividend Reinvestment Scheme.

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 12 of the Chairman's statement. Details on share buy-backs during the year can be found in note 16.

Substantial interests and shareholder profile

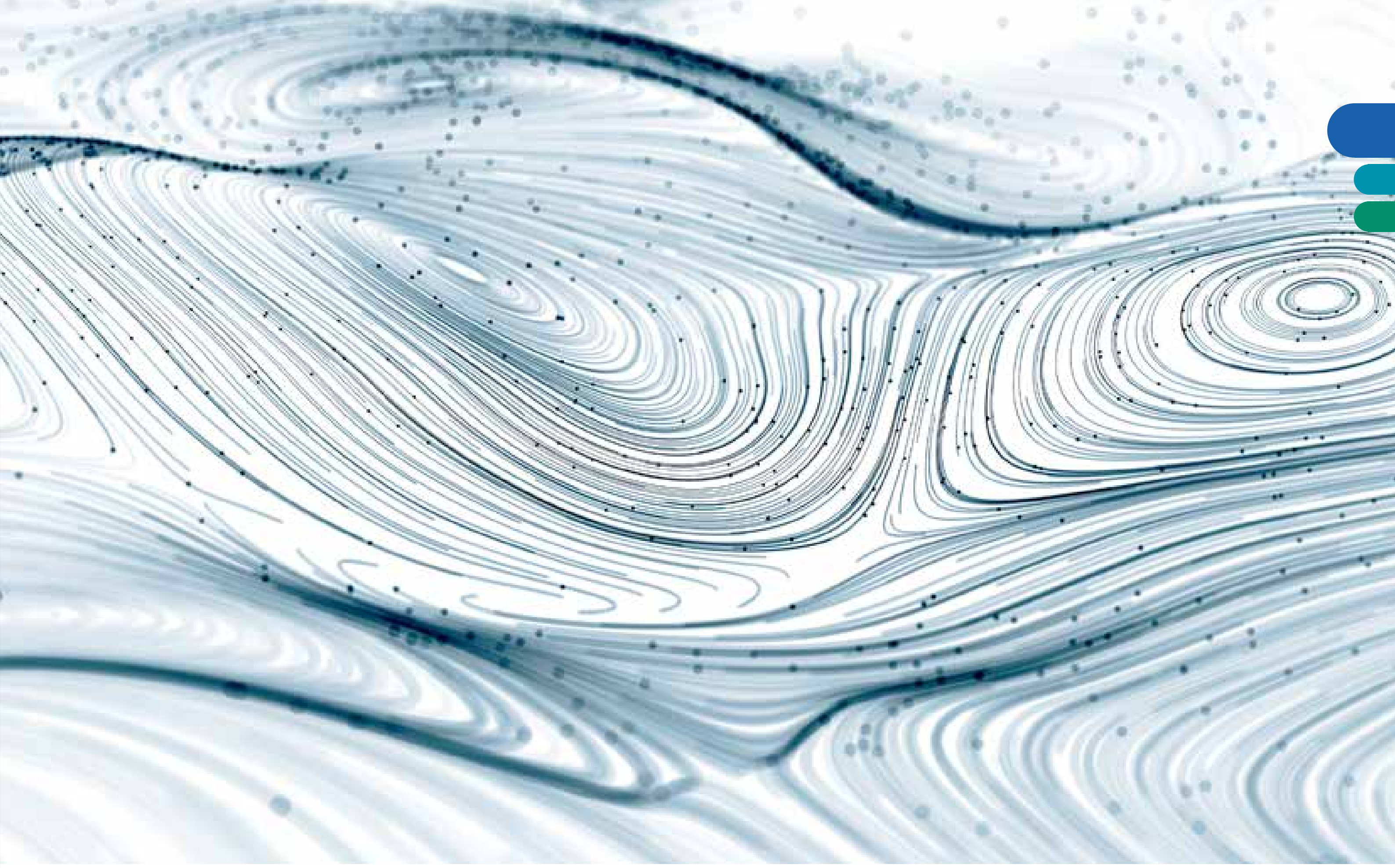
As at 31 December 2022 and the date of this report, the Company was not aware of any shareholder who had a beneficial interest exceeding 3% of voting rights. There have been no disclosures in accordance with Disclosure Guidance and Transparency Rule 5 made to the Company during the year ended 31 December 2022, 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 13 of the Chairman's statement and on page 16 of the Strategic report.

Results and dividends

Detailed information on the results and dividends for the year ended 31 December 2022 can be found in the Strategic report on pages 15 and 16.



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 sufficient cash and liquid resources, its portfolio of investments is well diversified in terms of sector and stage of investment, and the major cash outflows of the Company (namely investments, buy-backs and dividends) are within the Company's control. Cash flow forecasts are discussed quarterly at Board level with regards to going concern. The cash flow forecasts have been updated and stress tested, which included assessing the resilience of portfolio companies, incorporating the requirement for any future financial support, including proceeds from investment disposals only when there is a high probability of completion, and evaluating the impact of high inflation, both within the Company and within its portfolio. Accordingly, after making diligent enquiries, including examination of forward net cash commitments and sensitivities as prepared by the Manager, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence over a period of at least twelve months from the date of approval of the Financial Statements. For this reason, the Directors have adopted the going concern basis in preparing the accounts. The Directors do not consider there to be any material uncertainty over going concern.

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 18. The Company's business activities, 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 2022 are shown in note 20.

Principal risks and uncertainties

A summary of the principal risks faced by the Company is set out on pages 24 to 26 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 80% 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 70% by HMRC value of its total qualifying holdings must have been represented throughout the year by holdings of 'eligible shares'. Investments made before 6 April 2018 from funds raised before 6 April 2011 are excluded from this requirement;
4	At least 30% of funds raised in accounting periods beginning on or after 6 April 2018 must be invested in qualifying holdings by the anniversary of the end of the accounting period in which the funds were raised;
5	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% by HMRC value of its investments;
6	The Company must not have retained greater than 15% of its income earned in the year from shares and securities;
7	The Company's shares, throughout the year, must have been listed on a regulated market;
8	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 (the limits are £10 million and £20 million respectively for a 'knowledge intensive' company);
9	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 the company is entering a new market and a turnover test is satisfied;
10	The Company's investment in another company must not be used to acquire another business, or shares in another company; and
11	The Company may only make qualifying investments or certain non-qualifying investments permitted by Section 274 of the Income Tax Act 2007.

These tests drive a spread of investment risk through preventing holdings of more than 15% by HMRC value in any portfolio company. The tests have been carried out and independently reviewed for the year ended 31 December 2022. The Company has complied with all tests and continues to do so.

'Qualifying holdings' include shares or securities (including unsecured loans with a five year or greater maturity period) in companies which have a permanent establishment in the UK and operate a 'qualifying trade' wholly or mainly in the United Kingdom. The investment must bear a sufficient level of risk to meet a risk-to-capital condition. Eligible shares must comprise at least 10% 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 14.

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.

As at 31 December 2022, the HMRC value of the Company's qualifying investments (which includes a 12 month disregard for disposals) was 100.00% (2021: 92.19%). The Board continues to monitor this and all the VCT qualification requirements very carefully in order to ensure that all requirements are met and that qualifying investments comfortably exceed the current minimum threshold of 80% required for the Company to continue to benefit from VCT tax status. The Board and Manager are confident that the qualifying requirements can be met during the course of the year ahead.

Environment

The management and administration of the Company is undertaken by the Manager, Albion Capital Group LLP. Albion Capital Group 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, favouring digital printing and reducing energy consumption. Further details can be found in the Environmental, Social and Governance ("ESG") report on pages 36 to 39.

Global greenhouse gas emissions

The Company qualifies as a low energy user with regards to greenhouse gas emissions, and therefore is not required to report emissions 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. Therefore, the Company is outside of the scope of Streamlined Energy Carbon Reporting.

Anti-bribery

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

The Manager reviews the anti-bribery policies and procedures of portfolio companies.

Anti-facilitation of tax evasion

The Company has a zero tolerance approach with regards to the facilitation of criminal tax evasion and has put in place a robust risk assessment procedure to ensure compliance. The Board reviews this policy and the prevention procedures in place for all associates on a regular basis.

Diversity

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 gender and other forms of diversity within the Board.

The Board is required to disclose their compliance in relation to the targets on board diversity set out under paragraph 9.8.6R (9) of the Listing Rules (and corresponding AIC guidance). These are as follows:

(i) At least 40% of the individuals on the Board of Directors are women;
(ii) At least one of the senior positions on the Board of Directors is held by a woman; and
(iii) At least one individual on the Board of Directors is from a minority ethnic background.

The Board of Directors self-reported their gender identity and ethnic background, which offered each of the categories noted in the table below, along with the additional option to indicate an 'other category', should they wish to do so.

As at 31 December 2022, the breakdown of the gender identity and ethnic background of the five members of the Board is below.

The Board notes that they currently meet the above targets, whilst also maintaining the need for sustained future consideration of diversity in recruitment and succession planning.

More details on the Directors can be found in the Board of Directors section on pages 41 and 42.

	Number of Board members	Percentage of the Board
Gender Identity		
Men	3	60%
Women	2	40%
Not specified/prefer not to say	-	-
Ethnic Background		
White British or other White (including minority-white groups)	4	80%
Mixed/Multiple Ethnic Groups	-	-
Asian/Asian British	1	20%
Black/African/Caribbean/Black British	-	-
Other ethnic group, including Arab	-	-
Not specified/prefer not to say	-	-

Packaged Retail and Insurance-based Investment Products ("PRIIPs")

Investors should be aware that the PRIIPs Regulation requires the Manager, as PRIIP manufacturer, to prepare a Key Information Document ("KID") in respect of the Company. This KID must be made available by the Manager to retail investors prior to them making any investment decision and is available on the Company's webpage on the Manager's website. The Company is not responsible for the information required to be contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by the law. The figures in the KID may not reflect the expected returns for the Company and anticipated performances returns cannot be guaranteed.

Alternative Investment Fund Managers Directive ("AIFMD")

Under the Alternative Investment Fund Manager Regulations 2013 (as amended) the Company is a UK AIF and the Manager is a full scope UK AIFM. Ocorian Depositary (UK) Limited provides depositary services under the AIFMD.

Material changes to information required to be made available to investors of the Company

The AIFMD outlines the required information which has to be made available to investors prior to investing in an AIF and directs that material changes to this information be disclosed in the Annual Report of the AIF. There were no material changes in the year.

Assets of the Company subject to special arrangements arising from their illiquid nature

There are no assets of the Company which are subject to special arrangements arising from their illiquid nature.

Remuneration (unaudited)

The Manager has a remuneration policy which meets the requirements of the AIFMD Remuneration Code and associated Financial Conduct Authority guidance. The remuneration policy together with the remuneration disclosures for the AIFM's most recent reporting period are available on the Company's webpage on the Manager's website.

Employees

The Company is managed by Albion Capital Group LLP and has no employees. The Board consists solely of non-executive Directors, who are considered key management personnel.

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 63.

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 themselves in relation to the performance of their duties as a Director of the Company. A copy of each Deed of Indemnity entered into by the Company with each Director is available at the registered office of the Company.

Re-election of Directors

The AIC Code recommends that all Directors submit themselves for re-election annually, therefore in accordance with the AIC Code, Margaret Payn and Patrick Reeve will offer themselves for re-election. As Clive Richardson has been appointed since the last Annual General Meeting, he will be subject to election at the forthcoming Annual General Meeting. Neither Robin Archibald nor Mary Anne Cordeiro, who have both served on the Board for nine years, are putting themselves forward for re-election.

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

Auditor

The Audit and Risk 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.

This committee also reviews the risk matrix of the Company and the controls in place to manage those risks.

Cancellation of share premium and capital redemption reserve

The Company obtained authority to cancel the amount standing to the credit of its share premium and capital redemption reserves at the Annual General Meeting on 26 May 2022. The purpose of the proposal was to increase the distributable reserves available to the Company for the payment of dividends, the buy-back of shares, and for other corporate purposes.

The proposal received the consent of the Court on 2 August 2022, and the changes have been registered at Companies House on 10 August 2022. Over time, this will create additional distributable reserves of £76.4 million.

Annual General Meeting

The Annual General Meeting ("AGM") will be held at noon on 6 June 2023 via the Lumi platform. Information on how to participate in the live webcast can be found on the Manager's website at www.albion.capital/vct-hub/agms-events. The notice of the AGM is at the end of this document.

The AGM will include a presentation from the Manager, the answering of questions received from shareholders and the formal business of the AGM, which includes voting on the resolutions proposed by the Board by way of a poll.

The Board welcomes questions from shareholders at the AGM and shareholders will be able to ask questions using the Lumi platform. Alternatively, shareholders can email their questions to AATGchair@albion.capital prior to the Meeting.

Shareholders will be able to vote during the Meeting using the Lumi platform. Shareholders are encouraged to complete and return proxy cards in advance of the AGM but those participating in the meeting will be able to cast their votes through the Lumi platform once the Chairman declares the poll open.

The results of the poll held at the AGM will be announced through a Regulatory Information Service and will be published on the Company's webpage on the Manager's website at www.albion.capital/funds/AATG as soon as reasonably practicable following the AGM.

Shareholders' views are important, and the Board encourages shareholders to vote on the resolutions. You can cast your vote by using the proxy form enclosed with this Annual Report or electronically at www.investorcentre.co.uk/eproxy. The Board has carefully considered the business to be approved at the AGM and recommends shareholders to vote in favour of all the resolutions being proposed.

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 AGM will be published at www.albion.capital/funds/AATG under the "Financial Reports and Circulars" section.

The ordinary business resolutions 1 to 8 includes receiving and adopting the Company's accounts, to approve the Directors' remuneration report and remuneration policy, to elect or re-elect Directors (excluding Robin Archibald and Mary Anne Cordeiro who will retire during the year) and to re-appoint BDO as auditor for the next year end and to fix their remuneration.

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.

Resolutions 9 to 11 replace authorities given to the Directors at the Annual General Meeting in 2023. The authorities sought at the forthcoming Annual General Meeting will expire 15 months from the date that the resolution is passed, or at the conclusion of the next Annual General Meeting of the Company, whichever is earlier.

Authority to allot shares

Ordinary resolution number 9 will request the authority to allot up to an aggregate nominal amount of £405,813 representing approximately 20% of the issued Ordinary share capital of the Company as at the date of this Report.

Annual General Meeting (continued)

The Directors current intention is to allot shares under the Dividend Reinvestment Scheme, any future Albion VCTs' Share Offers in which the Company participates and by reissuing treasury shares where it is in the Company's interest to do so. The Company currently holds 24,236,401 treasury shares representing 11.9% of the total Ordinary share capital in issue as at the date of this Report.

Disapplication of pre-emptive rights

Special resolution number 10 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 £405,813 of the nominal value of the share capital representing approximately 20% of the issued Ordinary share capital of the Company as at the date of this Report.

Purchase of own shares

Special resolution number 11 will request the authority to purchase approximately 14.99% of the Company's issued Ordinary share capital at, or between, the minimum and maximum prices specified in resolution number 11. 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. Details of share buy-backs during the year can be found in note 16.

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 they ought to have taken as a Director to make themselves 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 Section 418 of the Companies Act 2006.

By Order of the Board

Albion Capital Group LLP
Company Secretary
1 Benjamin Street
London, EC1M 5QL
6 April 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and 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 have elected to prepare the Company's Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP") (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 judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK GAAP 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; and
- prepare a Directors' report, a Strategic report and Directors' 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. 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 Financial Statements, taken as a whole, are fair, balanced, and understandable and provide 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 Financial Statements are made available on a website. Financial Statements are published on the Company's webpage on the Manager's website (www.albion.capital/funds/AATG) 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 Guidance and Transparency Rule 4 of the UK Listing Authority

The Directors confirm to the best of their knowledge:

- The Financial Statements have been prepared in accordance with UK GAAP and give a true and fair view of the assets, liabilities, financial position and profit or 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 it faces.

For and on behalf of the Board

Robin Archibald
Chairman
6 April 2023

STATEMENT OF CORPORATE GOVERNANCE

Background

The Financial Conduct Authority requires all companies listed on a regulated market 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 2018.

The Board of Albion Technology & General VCT PLC has considered the Principles and Provisions of the AIC Code of Corporate Governance ("AIC Code"). The AIC Code addresses the Principles and Provisions set out in the Code, as well as setting out additional Provisions on issues that are of specific relevance to Albion Technology & General VCT PLC and other investment companies. Closed-ended investment companies have particular factors which have an impact on their governance arrangements, principally from four features: outsourcing their day-to-day activities to external service providers and being governed by boards of non-executive directors; the importance of the Manager in the outsourcing compared to a typical supplier; having no executive directors or employees and consequently no executive remuneration packages; and no customers in the traditional sense, only shareholders.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to shareholders. The Company has complied with the Principles and Provisions of the AIC Code.

The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the Code to make them relevant for investment companies.

Board of Directors

The Board consists solely of non-executive Directors. Robin Archibald is the Chairman, Margaret Payn is chairman of the Audit and Risk Committee, Mary Anne Cordeiro is the Senior Independent Director and chairman of the Remuneration Committee, and Clive Richardson is an Independent Director. All Directors are non-executive and day-to-day management responsibilities are sub-contracted to the Manager.

Robin Archibald, Margaret Payn, Mary Anne Cordeiro and Clive Richardson are considered independent Directors. Patrick Reeve is not considered an independent Director as he is the chairman of Albion Capital Group LLP, the Manager. Patrick is not a member of the Board sub-committees.

The Board does not have a strict policy of limiting the tenure of any Director as the Board does not consider that a Director's length of service reduces their ability to act independently of the Manager. However, it is agreed that, as far as practical, the independent Directors should have no more than a nine-year tenure.

The AIC Code requires that all Directors submit themselves for re-election annually, therefore in accordance with the AIC Code, Margaret Payn, and Patrick Reeve will offer themselves for re-election. As Clive Richardson has been appointed since the last Annual General Meeting, he will be subject to election at the forthcoming Annual General Meeting. Robin Archibald and Mary Anne Cordeiro will retire during the year.

The Directors have a range of business and financial skills, including serving on the boards of other investment companies, which are relevant to the Company; these are described in the Board of Directors section on pages 41 and 42. All of the Directors have demonstrated that they have sufficient time, skill and experience to acquit their Board responsibilities and to work together effectively. 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. 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 succession planning for existing members of the Board and the recruitment of new Directors can be found in the Nomination Committee section on pages 58 and 59.

The Board met four times during the year as part of its regular programme of quarterly Board meetings. All Directors attended each meeting, except for Clive Richardson who joined the Board on 1 June 2022. A sub-committee of the Board comprising at least two Directors met during the year to allot shares issued under the Dividend Reinvestment Scheme. A sub-committee of the Board also met to approve the terms and contents of the Offer Documents under the Albion VCTs' Prospectus Top Up Offers. Various Board members also engaged with the Manager and other service providers to the Company during the course of the year in furtherance of their duties, as well as regular contact between individual members of the Board. Representatives of the Manager attend all Board meetings and participate in Board discussions, other than on matters where there might be a perceived conflict of interest between the Manager and the Company. During the course of the year, the Nomination, Remuneration, and Management Engagement Committees had a series of meetings to discuss proposed changes to board membership and remuneration.

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, compliance, accounting, secretarial and administrative services, all of which are subject to Board oversight. The main issues reserved for the Board include:

- review of the Management Engagement Committee's recommendation on the appointment, evaluation, remuneration and removal 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, including periodic Top up Offers;
- application of the principles of the AIC Code, corporate governance and internal control;
- review of sub-committee recommendations, including the recommendation to shareholders for the appointment and remuneration of the Auditor;
- approving the Annual Report and Financial Statements, the Half-yearly Financial Report, the Interim Management Statements (which the Company will continue to publish), net asset value updates (where required), and the associated announcements;
- approval of the dividend policy and payments of appropriate dividends to shareholders;
- the performance of the Company, including monitoring of the discount of share price to the net asset value;
- share buy-back and treasury share policies;
- participation in dividend re-investment schemes and Top Up Offers; 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, and 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 Senior Independent Director).

The evaluation process has consistently 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 Directors attend external courses and industry events which provides further experience to help them fulfil their responsibilities. The Board also undertakes a proper and thorough evaluation of its Committees on an annual basis.

In light of the performance of the individual Directors and the structured performance evaluation, Clive Richardson, Margaret Payn and Patrick Reeve are considered to be effective Directors who demonstrate strong commitment to the role. The Board believes it to be in the best interest of the Company to re-appoint these Directors at the forthcoming Annual General Meeting and has nominated them for re-election or election accordingly. As Robin Archibald and Mary Anne Cordeiro will be retiring during the year, they are not being put forward for re-election. For more details on the specific background, skills and experience of each Director, please see the Board of Directors section on pages 41 and 42.

Remuneration Committee

A remuneration committee has acted in accordance with the provisions of the AIC Code issued in 2019. The Remuneration Committee consists of all Directors except Patrick Reeve, with Mary Anne Cordeiro as Chairman. The Committee held one formal meeting during the year, which was attended by all the members of the Committee. The Committee also held a number of informal meetings to discuss remuneration for proceeding periods, in conjunction with considerations of the Nomination Committee on the future make-up of the Board and succession planning.

All Directors sit on the Remuneration Committee as their balance of skills and knowledge are relevant to the Committee's responsibilities. The terms of reference for the Remuneration Committee can be found on the Company's webpage on the Manager's website at www.albion.capital/funds/AATG under the Corporate Governance section.

Audit and Risk Committee

The Audit and Risk Committee consists of all Directors except Patrick Reeve, with Margaret Payn as Chairman. In accordance with the AIC Code, members of the Audit and Risk Committee have recent and relevant financial experience as well as experience relevant to the sector. Given the size of the Board and the complexity of the business, Robin Archibald is both Chairman of the Board and a member of the Audit and Risk Committee as his background, skills and experience are also relevant for the Committee's responsibilities. The Committee met twice during the year ended 31 December 2022; all members attended except for Clive Richardson who joined the Board on 1 June 2022.

The independent Auditor, BDO LLP, attended the Audit and Risk Committee meeting at which the Annual Report and Financial Statements for the year ended 31 December 2022 were discussed. BDO LLP also met with the Audit and Risk Committee prior to the meeting without the presence of the Manager.

Written terms of reference have been constituted for the Audit and Risk Committee and can be found on the Company's webpage on the Manager's website at www.albion.capital/funds/AATG under the Corporate Governance section.

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

- formally reviewing the Annual Report and Financial Statements and the Half-yearly Financial Report with particular focus on the main areas requiring judgement 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;

- 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 and viability statements. 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 to back up the discussions. Taking into account risk factors that impact on the Company both as reflected in the annual accounts and in a detailed risk matrix, both of which are reviewed periodically in detail, including in the context of emerging risks;
- 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.

The Board, and particularly the Audit and Risk Committee, monitors closely developments in the provision of audit services and is aware that the costs of rendering audit services from most audit firms are increasing significantly, with more pressure on those firms who provide services to listed companies and for those companies operating in a regulated environment. Due to these increasing pressures on audit firms and their reporting, the Company expects an increase in costs across the market. The Board is satisfied from discussions with the current audit firm and from scrutiny of what is happening elsewhere, that BDO continues to provide the Company with an independent and expert review of its financial reporting from an audit firm with significant experience in the sector and on a competitive fee base for the work required in reporting on an extensive portfolio of unquoted investments.

The Committee also examines going concern and viability statements, using financial projections provided by the Manager on the Company and by examining the liquidity in the Company's portfolio, including cash and realisable investments, the committed costs of the Company and where liquidity might be found if required. The Audit and Risk Committee also receives regular reports on compliance with VCT status, which is subject to various internal controls and external review when investment commitments are made.

Financial Statements

The Audit and Risk 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 and Risk Committee and the external Auditor in respect of their work during the year.

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 Manager. The Audit and Risk Committee reviewed the estimates and judgements made in relation to these investments and were satisfied that they were appropriate. The Audit and Risk 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 and Risk Committee as part of its review of the Financial Statements as well as a quarterly review of the management accounts prepared by the Manager. The

Audit and Risk 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 and Risk 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 and Risk 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. No non-audit services were provided during the financial year ended 31 December 2022.

As part of its work, the Audit and Risk 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 and Risk Committee and the Board by the external Auditor regarding the external audit for the year ended 31 December 2022, and assessments made by individual Directors using their experiences elsewhere as required.

The core legislation mandates that the maximum period for which a firm can be appointed auditor of a public interest entity is 10 years. Member states can choose to make this period shorter, or they can choose to allow extensions: to 20 years if a competitive tender is held at the 10 year point, or to 24 years in the case of a joint audit appointment. Transition arrangements vary depending on the length of time auditors have been incumbent. In 2017, the Audit and Risk Committee undertook a tendering exercise for the provision of audit services. As a result of this process, BDO LLP was retained as Auditor. BDO LLP first acted as Auditor for the year ended 31 December 2008 and this will be year 15 of their tenure. This year is the third year that Peter Smith has acted as audit engagement partner and rotation will take place before the year ended 31 December 2025.

The Audit and Risk Committee also has an annual meeting with the external Auditor, without the Manager present, at which pertinent questions are asked to help the Audit and Risk Committee determine if the Auditor's skills and approach to the annual audit and issues that arise during the course of the audit match all the relevant and appropriate criteria for the audit to have been an effective and objective review of the Company's year-end reporting.

Based on the assurance obtained, the Audit and Risk 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 Robin Archibald as Chairman. The terms of reference of the Nomination Committee are to evaluate the balance of skills, experience and time commitment of the current Board members and make recommendations to the Board as and when a particular appointment arises.

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 gender and other diversity within the Board. The Board is also mindful of the importance of creating good working relationships within the Board and with external agents. The Nomination Committee reviews succession planning regularly which includes considering tenure of existing Board members, including the Chairman, and any potential skills gaps that might need to be addressed when board membership changes.

The Nomination Committee held one formal meeting during the year, which was fully attended by all the members of the Committee at the time the meeting was held. As the Board is undergoing succession planning, there have been a number of sessions to discuss the succession plan, with both Robin Archibald and Mary Anne Cordeiro due to retire in the near future from the Board. The Board is engaged in interviewing candidates and expects to be able to announce additions to the Board in the relatively near future.

Terms of reference for the Nomination Committee can be found on the Company's webpage on the Manager's website at www.albion.capital/funds/AATG under the Corporate Governance section. The terms and conditions of Directors' appointment are available for inspection at the Annual General Meeting.

Management Engagement Committee

The Management Engagement Committee consists of all Directors except Patrick Reeve, with Robin Archibald as Chairman. The Committee held one formal meeting during the year, which was attended by all the members of the Committee.

The terms of reference for the Management Engagement Committee can be found on the Company's webpage on the Manager's website at www.albion.capital/funds/AATG under the Corporate Governance section.

Internal control

In accordance with the AIC 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 FRC guidance "Risk Management, Internal Control and Related Financial and Business Reporting". 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 and Risk Committee, monitors all controls, including financial, operational and compliance controls, and risk management. The Audit and Risk 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 and Risk Committee's attention.

The Board, through the Audit and Risk 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 and Risk Committee assists the Board in discharging its review responsibilities.

The main features of the internal control system with respect to financial reporting are:

- segregation of duties between the preparation of valuations and recording in accounting records;
- independent third party valuations of the majority of the asset-based investments within the portfolio are undertaken annually;
- reviews of valuations are carried out by Albion's Valuation Committee (who are independent of the investment team) and reviews of financial reports are carried out by the operations partner of Albion Capital Group LLP;
- bank reconciliations are carried out monthly by the Manager;
- all financial reports are reviewed by Albion Capital Group LLP's compliance department before publishing;
- the Board reviews financial information; and
- a separate Audit and Risk 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 Capital Group LLP, the Board feels that it is not necessary to have its own internal audit function.

Instead, it has access to Azets, which, as internal auditor for Albion Capital Group LLP from 2021, undertakes periodic examination of the business processes and controls environment at Albion Capital Group LLP, and ensures that any recommendations to implement improvements in controls are carried out. During the year, the Audit and Risk Committee and the Board reviewed internal audit reports prepared by Azets. The Audit and Risk Committee Chairman also met with Azets to discuss the internal audit report. The Board will continue to monitor its system of internal control in order to provide assurance that it operates as intended.

In addition to this, Ocorian Depositary (UK) Limited, the Company's external Depositary, provides cash monitoring, asset verification, and oversight services to the Company and reports to the Board on a quarterly basis. The Board and the Audit and Risk 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 sign off 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 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 page 46 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 and other stakeholders

The Company's Annual General Meeting ("AGM") is on 6 June 2023. The AGM typically includes a presentation from the Manager on the portfolio and on the Company, as well as answering questions that shareholders may have. The AGM will be held virtually.

Shareholders are also encouraged to attend the annual Shareholders' Seminar. Last year's event was held on 23 November 2022, at the Royal College of Surgeons. The seminar included some of the portfolio companies sharing insights into their businesses and presentations from Albion executives on some of the key factors affecting the investment outlook, as well as a review of the past year and the plans for the year ahead. Representatives of the Board attended the seminar. The Board considers this an important interactive event, and expects to continue to run this in 2023.

Shareholders and financial advisers are able to obtain information on holdings and performance using the contact details provided on page 4.

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 their own broker to undertake the sale. Banks may be able to assist shareholders with a referral to a broker within their banking group. More information on share buy-backs can be found in the Chairman's statement on page 12.

Statement of compliance

The Directors consider that the Company has complied throughout the year ended 31 December 2022 with all the relevant provisions set out in the AIC Code issued in 2019. By reporting against the AIC Code, the Board is meeting its obligations in relation to the 2018 UK Corporate Governance Code (and associated disclosure requirements under paragraph 9.8.6 of the Listing Rules). The Directors also consider that they are complying with their statutory responsibilities and other regulatory provisions which have a bearing on the Company.

For and on behalf of the Board

Robin Archibald
Chairman
6 April 2023

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.

Ordinary resolutions will be proposed at the Annual General Meeting of the Company to be held on 6 June 2023 for the approval of the Directors' remuneration Policy, a three yearly requirement, and the Annual Remuneration Report as set out below.

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 Directors, excluding Patrick Reeve, with Mary Anne Cordeiro as Chairman.

As detailed in the 2021 Directors remuneration report, as part of its succession planning and review of individual board responsibilities, committee structure and overall make-up of the Board going forward, the Remuneration Committee conducted a full remuneration review. It was concluded that it was in the interests of the Company to have a small but engaged board, with the requisite breadth of experience, to oversee the activities of the Company and to contribute to the Company's development through that experience. It was agreed that from 1 January 2023 the base level remuneration would move to £35,000 for the Chairman, £31,000 for the Audit Chairman and £27,000 for non-executive Directors, save for Patrick Reeve who continued to waive his fees.

The Remuneration Committee met during the year to review Directors' responsibilities and fees against the market and concluded that the proposed increase in Directors' remuneration from 1 January 2023, as outlined above, remained appropriate and so proposed no further increases for the forthcoming year. It is expected that it will be reviewed every three years, at the same time as considering and approving the Company's remuneration policy.

Directors' remuneration policy

The Company's remuneration 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 are no performance related pay criteria applicable to non-executive Directors.

The maximum total level of non-executive Directors' remuneration is £150,000 per annum which is fixed by the Company's Articles of Association; amendment to this is by way of an ordinary resolution.

The AIC Code requires that all Directors submit themselves for re-election annually, therefore in accordance with the AIC Code, Margaret Payn and Patrick Reeve will offer themselves for re-election. As Clive Richardson has been appointed since the last Annual General Meeting, he will be subject to election at the forthcoming Annual General Meeting. Robin Archibald and Mary Anne Cordeiro will be retiring as Directors during the year.

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 which is kept at the registered address of The Manager. The Company is managed by Albion Capital Group LLP and has no employees. The Board consists solely of non-executive Directors, who are considered key management personnel.

In accordance with the reporting requirements, an Ordinary resolution for the approval of the Remuneration policy of the Company, to remain in force for a three-year period, will be put to the members at the AGM and will be effective from that date. There are no proposed changes to the Remuneration Policy.

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 remuneration policy and its application. At the last Annual General Meeting, 97.22% of shareholders voted for the resolution approving the Directors' remuneration report, 2.78% against the resolution and of the total votes cast, 170,182 (being 0.11% of total voting rights) were withheld, 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.

The Board 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

The Director's remuneration and interests in the shares of the Company which are shown in the tables below have been audited.

The following tables show an analysis of the remuneration of individual Directors, who were in office during the year and the preceding year, exclusive of National Insurance:

Total Directors' remuneration

	31 December 2022 **£**	31 December 2021 £
Robin Archibald	**29,250**	26,690
Margaret Payn	**27,000**	24,690
Mary Anne Cordeiro	**24,500**	23,500
Patrick Reeve	**-**	-
Clive Richardson (appointed 1 June 2022)	**14,708**	-
Dr. Neil Cross (retired 27 May 2021)	**-**	11,176
Modwenna Rees-Mogg (retired 20 September 2021)	**-**	16,932
	95,458	102,988

Annual percentage change in Directors' remuneration

	Percentage change 2021 to 2022 **%**	Percentage change 2020 to 2021 %	Percentage change 2019 to 2020 %
Robin Archibald	**9.6**	4.7	(8.1)
Margaret Payn	**9.4**	-	n/a
Mary Anne Cordeiro	**4.3**	-	3.3
Patrick Reeve	**n/a**	n/a	n/a
Clive Richardson (appointed 1 June 2022)	**n/a**	n/a	n/a
Dr. Neil Cross (retired 27 May 2021)	**n/a**	-	4.8
Modwenna Rees-Mogg (retired 20 September 2021)	**n/a**	-	3.3
	(7.3)	(6.2)	10.3

The base remuneration of each of the Directors' positions increased during the year, effective 1 July 2022. The committee agreed to raise the fee for the Chairman to £31,000 from £27,500, the Chairman of the audit committee to £28,500 from £25,500 and all other Directors to £25,500 from £23,500. The changes from the prior year are due to the retirement of Dr. Neil Cross and Modwenna Rees-Mogg in the previous year, the appointment of Robin Archibald as Chairman and Margaret Payn's appointment as Audit Chairman during the year, as well as the appointment of Clive Richardson during the year.

Directors' remuneration for the year ending 31 December 2023, excluding any special payments, is expected to total around £120,000 (excluding National Insurance contributions) and includes an annualised chairman's fee of £35,000, audit chair of £31,000 and non-executive directorial fees of £27,000 as reported in last year's accounts.

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. Directors were also reimbursed for authorised expenses totalling £537 (2021: £814) during the year.

In addition to Directors' remuneration, the Company paid an annual premium in respect of Directors' & Officers' Liability Insurance of £35,439 (2021: £32,023).

Directors' interests

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:

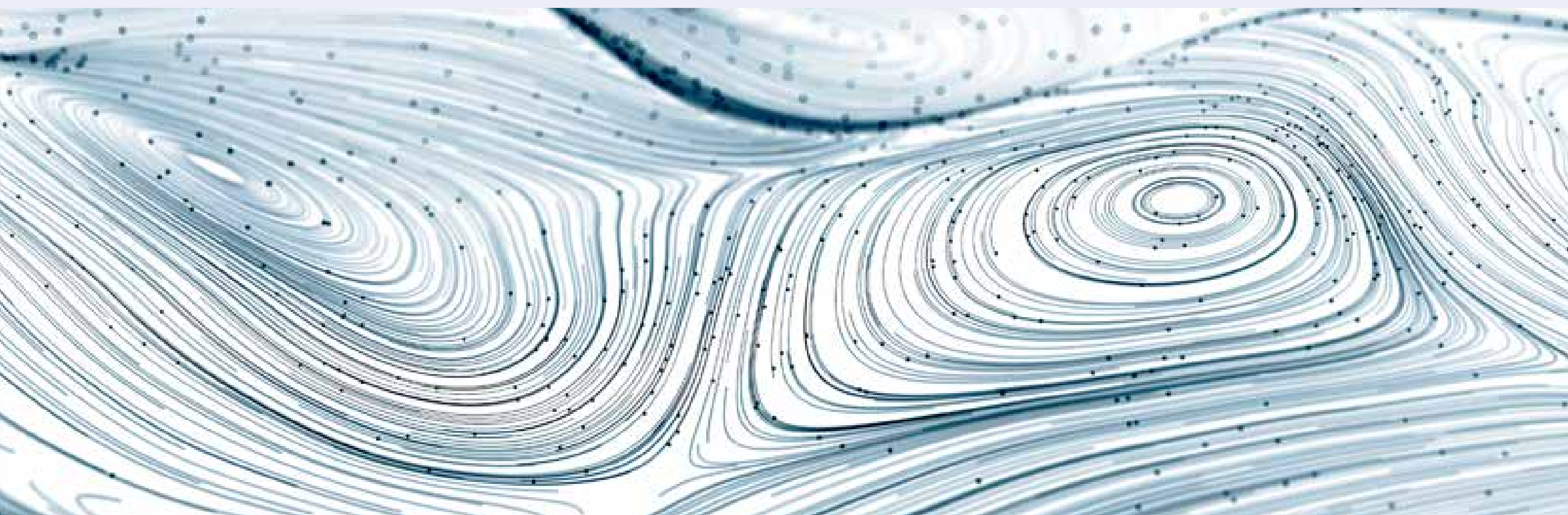
There are no guidelines or requirements in respect of Directors' share holdings.

The following items have not been audited.

Albion Capital Group LLP, its partners and staff (including Patrick Reeve) held 1,596,085 shares in the Company as at 31 December 2022.

Directors' interests

	Shares held at 31 December 2022	Shares held at 31 December 2021
Robin Archibald	**39,618**	31,071
Margaret Payn	**7,246**	-
Mary Anne Cordeiro	**7,476**	7,108
Patrick Reeve	**627,691**	627,691
Clive Richardson	**12,500**	n/a

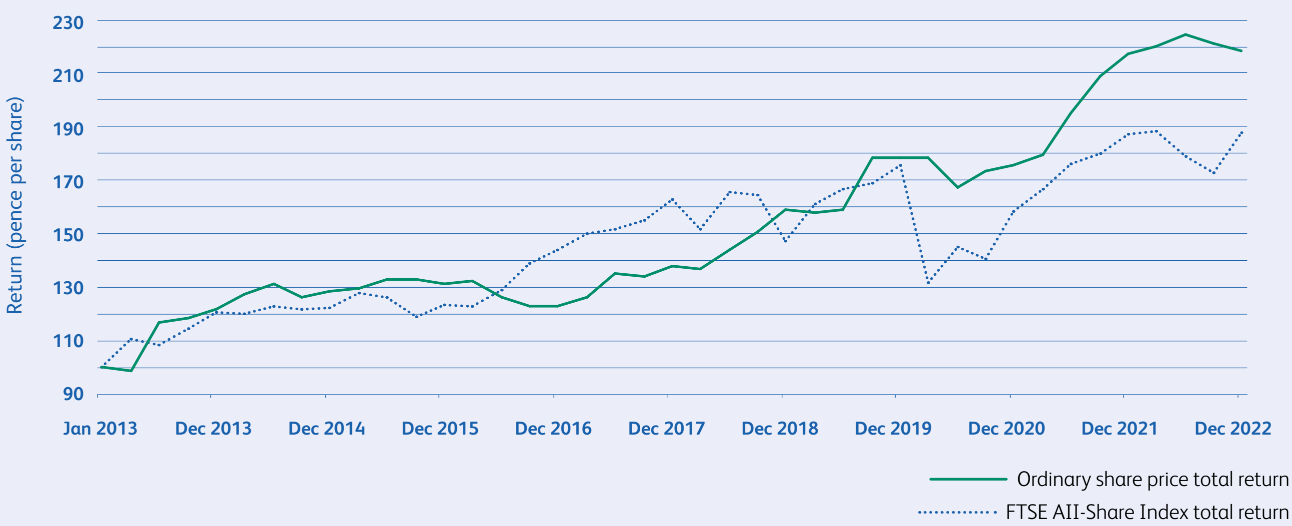


Performance graph

The graph shows the Company's Ordinary share price total return against the FTSE All-Share Index total return, with dividends reinvested, since 1 January 2013. 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.

Share price total return relative to FTSE All-Share Index total return (with dividends reinvested)



Methodology: The share price return to the shareholder, including original amount invested (rebased to 100) from 1 January 2013, 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.

Directors' pay compared to distributions to shareholders

	2022 £'000	2021 £'000	**Percentage change**
Total dividend distribution to shareholders	**6,507**	4,896	33%
Share buy-backs	**2,512**	1,906	32%
Total Directors fees	**95**	103	(8%)

For and on behalf of the Board

Robin Archibald
Director
6 April 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALBION TECHNOLOGY & GENERAL VCT PLC

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Albion Technology & General VCT PLC (the 'Company') for the year ended 31 December 2022 which comprise the income statement, the balance sheet, the statement of changes in equity, the statement of cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)*.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were appointed by the Board of Directors in 2008 to audit the financial statements for the year ending 31 December 2008 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 15 years, covering the years ending 31 December 2008 to 31 December 2022. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the VCT compliance reports during the year and as at year end and reviewing their calculations to check that the Company was meeting its requirements to retain VCT status;
- Consideration of the Company's expected future compliance with VCT legislation, the absence of bank debt, contingencies and commitments and any market or reputational risks;
- Reviewing the forecasted cash flows that support the Directors' assessment of going concern, challenging assumptions and judgements made in the forecasts, and assessing them for reasonableness. In particular, we considered the impact of rising inflation and the available cash resources relative to the forecast expenditure which was assessed against the prior year for reasonableness; and
- Calculating financial ratios to ascertain the financial health of the Company.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

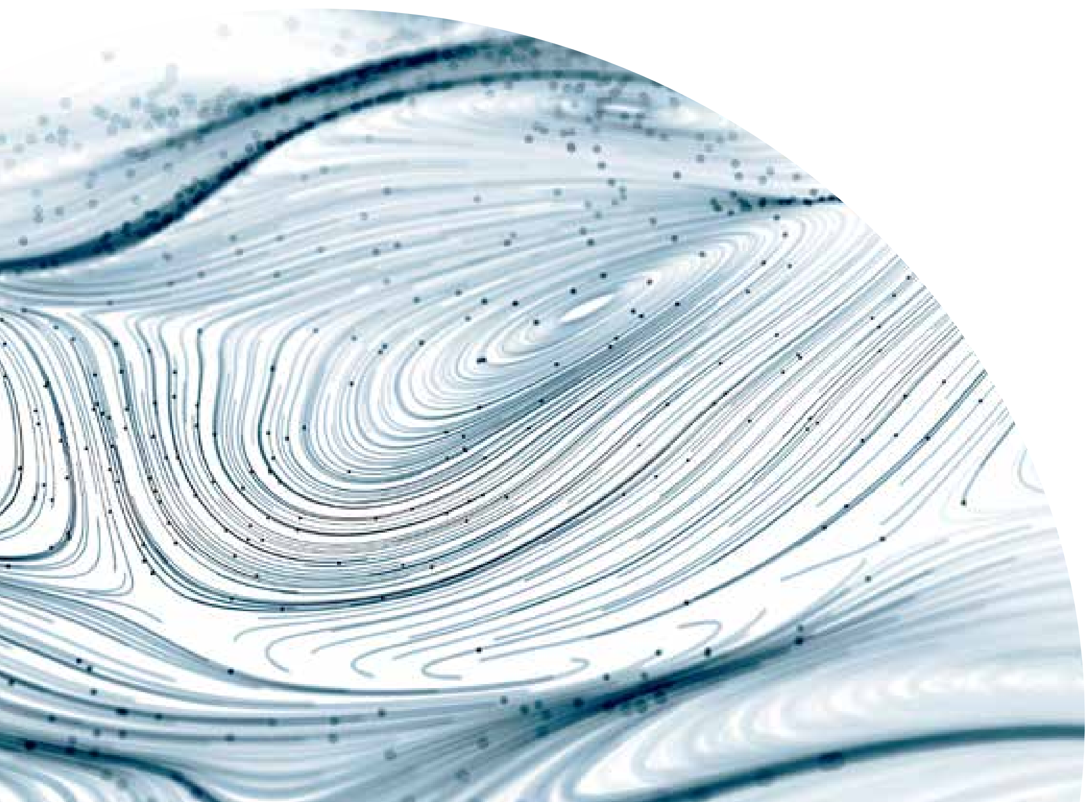
Overview		2022	2021
Key audit matters	Valuation of Unquoted Investments	✓	✓
Materiality	Company financial statements as a whole £1.86m (2021: £1.81m) based on 2% (2021: 2%) of net assets adjusted to exclude fundraising during the year		

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.



Key audit matter	How the scope of our audit addressed the key audit matter
Valuation of unquoted investments (Notes 3 and 11 to the financial statements)) There is a high level of estimation uncertainty involved in determining the unquoted investment valuations; consisting of both equity and loan stock instruments. The Investment Manager's fee is based on the value of the net assets of the fund, as shown in note 5. As the Investment Manager is responsible for valuing investments for the financial statements, there is a potential risk of overstatement of investment valuations by management override.	For a sample of loans held at fair value we: • Agreed security held to confirmation statements and Depositary stock sheet. • Reviewed the treatment of accrued redemption premium/other fixed returns in line with the Statement of Recommended Practice ("SORP"): Financial Statements of Investment Trust Companies and Venture Capital Trusts (Issued in July 2022). For a sample of the unquoted investment portfolio, we performed the following: • Considered whether the valuation methodology is the most appropriate in the circumstances under the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines. Where there has been a change in valuation methodology from prior year, we assessed whether the change was appropriate. • Considered the change in market multiples and discount applied from prior year to see if these were supported by the performance of the underlying investment. • Checked that the valuation was based on recent financial information and reviewed the arithmetic accuracy of the valuation. For investments based on valuations using net assets, cost (where the investment was recently acquired), the price of a recent investment or an offer to acquire the investee company, we checked the cost, net assets or third party offer to supporting evidence, reviewed the calibration of fair value and considered the Investment Manager's determination of whether there were any reasons why the valuation and the valuation methodology was not appropriate at 31 December 2022. This is particularly pertinent in those circumstances where the impact of rising inflation, the war in Ukraine and the resulting impact may call into question whether the price of recent investment remains reflective of fair value. For a sample of investments valued with reference to more subjective techniques, we: • Re-performed the calculation of the investment valuation. • Agreed and benchmarked key inputs and estimates to independent information from our own research and against metrics from the most recent management accounts of the investee companies. • Challenged the consistency and appropriateness of adjustments made to such market data in establishing the revenue, cash flow or earnings multiple applied in arriving at the valuations adopted by considering the individual performance of investee companies against plan and relative to the peer group, the market and sector in which the investee company operates and other factors as appropriate. • Where a valuation has been performed by a third party management's expert, we have assessed the competence and capabilities of that expert, the quality of their work and their qualifications, as well as challenging the basis of inputs and assumptions used by the expert. We have also considered any updates for subsequent information to the valuation made by the investment manager and obtained appropriate evidence for those changes. • Where appropriate, we performed sensitivity analysis on the valuation calculations where there is sufficient evidence to suggest reasonable alternative inputs might exist. **Key observations** Based on the procedures performed we consider the investment valuations to be appropriate considering the level of estimation uncertainty.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. 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.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels 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 as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Company financial statements	
	2022 £	2021 £
Materiality	£1,855,000	£1,810,000
Basis for determining materiality	2% of net assets adjusted to exclude fundraising during the year	2% of net assets adjusted to exclude fundraising during the year
Rationale for the benchmark applied	In setting materiality, we have had regard to the nature and disposition of the investment portfolio. Given that the VCT's portfolio is comprised of largely unquoted investments which would typically have a wider spread of reasonable alternative possible valuations, we have applied a percentage of 2% of adjusted net asset value.	
Performance materiality	£1,391,000	£1,350,000
Basis for determining performance materiality	75% of materiality The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

Lower testing threshold

We determined that for Revenue return before tax, a misstatement of less than materiality for the financial statements as a whole, could influence users of the financial statements as it is a measure of the Company's performance of income generated from its investments after expenses. As a result, we determined a lower testing threshold for those items impacting revenue return of £172,000 (2021: £135,000) based on 5% of expenditure (2021: 5%).

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £92,000 (2021: £36,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that 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.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified; and • The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate.
Other Code provisions	• Directors' statement on fair, balanced and understandable; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems; and • The section describing the work of the audit committee.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • 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 Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Corporate governance statement	In our opinion, based on the work undertaken in the course of the audit the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in this information. In our opinion, based on the work undertaken in the course of the audit information about the Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules. We have nothing to report arising from our responsibility to report if a corporate governance statement has not been prepared by the Company.

Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006, the FCA listing and DTR rules, the principles of the UK Corporate Governance Code, industry practice represented by the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("the SORP") and updated in February 2018 with consequential amendments and the applicable financial reporting framework. We also considered the Company's qualification as a VCT under UK tax legislation.

Our procedures included:

- obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management and those charged with governance relating to the existence of any non-compliance with laws and regulations including fraud occurring within the Company and its operations;

- obtaining the VCT compliance reports prepared by management's expert during the year and as at year end and reviewing their calculations to check that the Company was meeting its requirements to retain VCT status; and
- reviewing minutes of board meetings and legal correspondence and invoices throughout the period for instances of non-compliance with laws and regulations and fraud.

We assessed the susceptibility of the financial statement to material misstatement including fraud and considered the fraud risk areas to be the valuation of unquoted investments and management override of controls.

Our tests included, but were not limited to:

- The procedures set out in the Key Audit Matters section above;
- Obtaining independent evidence to support the ownership of investments;
- Recalculating investment management fees in total;
- Obtaining independent confirmation of bank balances; and
- Testing journals which met a defined risk criteria by agreeing to supporting documentation and evaluating whether there was evidence of bias by the Investment Manager and Directors that represented a risk of material misstatement due to fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Peter Smith (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
6 April 2023

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

Company information and Financials

INCOME STATEMENT

		Year ended 31 December 2022			Year ended 31 December 2021		
		Revenue	Capital	Total	Revenue	Capital	Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000
(Losses)/gains on investments	3	-	(4,480)	(4,480)	-	21,527	21,527
Investment income	4	1,631	-	1,631	1,077	-	1,077
Investment Manager's fees	5	(253)	(2,541)	(2,794)	(235)	(2,115)	(2,350)
Other expenses	6	(658)	-	(658)	(366)	-	(366)
(Loss)/profit on ordinary activities before tax		720	(7,021)	(6,301)	476	19,412	19,888
Tax charge on ordinary activities	8	-	-	-	-	-	-
(Loss)/profit and total comprehensive income attributable to shareholders		720	(7,021)	(6,301)	476	19,412	19,888
Basic and diluted (loss)/profit per share (pence)*	10	0.46	(4.51)	(4.05)	0.37	14.93	15.30

*Adjusted for treasury shares

The accompanying notes on pages 77 to 92 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.

BALANCE SHEET

	Note	31 December 2022 £'000	31 December 2021 £'000
Fixed asset investments	11	**92,301**	90,535
Current assets			
Trade and other receivables	13	**3,456**	2,878
Cash in bank and in hand		**26,594**	14,361
		30,050	17,239
Payables: amounts falling due within one year			
Trade and other payables	14	**(832)**	(780)
Net current assets		**29,218**	16,459
Total assets less current liabilities		**121,519**	106,994
Provisions falling due after one year	15	**(272)**	-
Net assets		**121,247**	106,994
Equity attributable to equity holders			
Called-up share capital	16	**1,905**	1,536
Share premium		**5,534**	52,687
Capital redemption reserve		**-**	48
Unrealised capital reserve		**24,828**	33,469
Realised capital reserve		**19,879**	18,259
Other distributable reserve		**69,101**	995
Total equity shareholders' funds		**121,247**	106,994
Basic and diluted net asset value per share (pence)*	17	**72.92**	80.65

*Excluding treasury shares

The accompanying notes on pages 77 to 92 form an integral part of these Financial Statements.

These Financial Statements were approved by the Board of Directors, and were authorised for issue on 6 April 2023 and were signed on its behalf by

Robin Archibald
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 2022	1,536	52,687	48	33,469	18,259	995	106,994
(Loss)/profit and total comprehensive income for the year	-	-	-	(6,498)	(523)	720	(6,301)
Transfer of previously unrealised gains on disposal of investments	-	-	-	(2,143)	2,143	-	-
Purchase of shares for treasury	-	-	-	-	-	(2,512)	(2,512)
Issue of equity	369	29,943	-	-	-	-	30,312
Cost of issue of equity	-	(739)	-	-	-	-	(739)
Cancellation of share premium and capital redemption reserve	-	(76,357)	(48)	-	-	76,405	-
Dividends paid	-	-	-	-	-	(6,507)	(6,507)
As at 31 December 2022	**1,905**	**5,534**	**-**	**24,828**	**19,879**	**69,101**	**121,247**
As at 1 January 2021	1,307	37,036	48	13,595	23,617	2,425	78,028
Profit/(loss) and total comprehensive income for the year	-	-	-	20,761	(1,349)	476	19,888
Transfer of previously unrealised gains on disposal of investments	-	-	-	(887)	887	-	-
Purchase of shares for treasury	-	-	-	-	-	(1,906)	(1,906)
Issue of equity	229	16,056	-	-	-	-	16,285
Cost of issue of equity	-	(405)	-	-	-	-	(405)
Dividends paid	-	-	-	-	(4,896)	-	(4,896)
As at 31 December 2021	**1,536**	**52,687**	**48**	**33,469**	**18,259**	**995**	**106,994**

*Included within these reserves are amounts of £31,907,000 (2021: £17,035,000) which are considered distributable. Over the next three years an additional £50,403,000 will become distributable. This is due to the HMRC requirement that the Company cannot use capital raised in the past three years to make a payment or distribution to shareholders. On 1 January 2023, £8,437,000 became distributable in line with this.

STATEMENT OF CASH FLOWS

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Cash flow from operating activities		
Loan stock income received	**1,199**	674
Dividend income received	**132**	15
Deposit interest received	**109**	1
Investment management fee paid	**(2,586)**	(2,166)
Other cash payments	**(591)**	(373)
Corporation tax paid	**-**	-
Net cash flow from operating activities	**(1,737)**	(1,849)
Cash flow from investing activities		
Purchase of fixed asset investments	**(16,108)**	(8,229)
Proceeds from disposals of fixed asset investments	**9,530**	3,910
Net cash flow from investing activities	**(6,578)**	(4,319)
Cash flow from financing activities		
Issue of share capital	**28,484**	15,120
Cost of issue of equity	**(36)**	(37)
Dividends paid*	**(5,387)**	(4,099)
Purchase of own shares	**(2,513)**	(1,906)
Net cash flow from financing activities	**20,548**	9,078
Increase in cash in bank and in hand	**12,233**	2,910
Cash in bank and in hand at start of period	**14,361**	11,451
Cash in bank and in hand at end of period	**26,594**	14,361

*The dividends paid shown in the cash flow are different to the dividends disclosed in note 9 as a result of the non-cash effect of the Dividend Reinvestment Scheme.

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

The Financial Statements have been prepared in accordance with applicable United Kingdom law and accounting standards, including Financial Reporting Standard 102 ("FRS 102"), and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP") issued by The Association of Investment Companies ("AIC"). The Financial Statements have been prepared on a going concern basis and further details can be found in the Directors' report on page 47.

The preparation of the Financial Statements requires management to make judgements and estimates that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The most critical estimates and judgements relate to the determination of carrying value of investments at fair value through profit and loss ("FVTPL") in accordance with FRS 102 sections 11 and 12. The Company values investments by following the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines as updated in 2022 and further detail on the valuation techniques used are outlined in note 2 below.

Company information can be found on page 4.

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% 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 Fair Value Through Profit and Loss ("FVTPL").

Upon initial recognition (using trade date accounting) investments, including loan stock, 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 no active market, are valued using an appropriate valuation technique in accordance with the IPEV Guidelines. Indicators of fair value are derived using established methodologies including earnings multiples, revenue multiples, the level of third party offers received, cost or prices of recent investment rounds, net assets and industry valuation benchmarks. Where the price of recent investment is used as a starting point for estimating fair value at subsequent measurement dates, this has been benchmarked using an appropriate valuation technique permitted by the IPEV guidelines.
- In situations where the cost or price of recent investment is used, 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, other valuation techniques are employed to conclude on the fair value as of the measurement date. Examples of events or changes that could indicate a diminution include:
  – the performance and/or prospects of the underlying business are significantly below the expectations on which the investment was based; or
  – 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

– 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.

Current assets and payables

Receivables (including debtors due after more than one year), payables and cash are carried at amortised cost, in accordance with FRS 102. Debtors due after more than one year meet the definition of a financing transaction and are held at amortised cost, and interest will be recognised through capital over the credit period using the effective interest method. There are no financial liabilities other than payables.

Provisions falling due after one year

Provisions falling due after one year relate to the performance incentive fee payable to the Manager. The provision requires management to make judgements and estimates under the Basis of Preparation. The performance incentive fee provision is the best estimate of the probable amounts payable in respect of the five-year performance measurement period for the performance incentive fee. The most significant assumption when calculating this amount, is that of future performance. This has been calculated by reference to the Company's five year rolling historic returns and has been corroborated by a portfolio return analysis using appropriate benchmarks.

Investment income

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 expected 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.

Investment management fee, performance incentive fee 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:

- 90% of management fees and 100% of performance incentive fees, if any, are allocated to the realised capital reserve.
- expenses which are incidental to the purchase or disposal of an investment are charged through the realised capital reserve.

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 for 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.

Share capital and reserves

Called-up share capital

This accounts for the nominal value of the shares.

Share premium

This accounts for the difference between the price paid for the Company's shares and the nominal value of those shares, less issue costs.

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, or permanent diminutions in value (including gains recognised on the realisation of investments where consideration is deferred that are not distributable as a matter of law);
- finance income in respect of the unwinding of the discount on deferred consideration that is not distributable as a matter of law;
- expenses, together with the related taxation effect, charged in accordance with the above policies; and
- dividends paid to equity holders where paid out by capital.

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 liability to make the payment has been established or approved at the Annual General Meeting.

Segmental reporting
The Directors are of the opinion that the Company is engaged in a single operating segment of business, being investment in smaller early stage companies principally based in the UK.

3. (Losses)/gains on investments

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Unrealised (losses)/gains on fixed asset investments	**(6,498)**	20,761
Realised gains on fixed asset investments	**1,647**	448
Unwinding of discount on deferred consideration	**371**	318
	(4,480)	21,527

4. Investment income

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Loan stock interest	**978**	1,060
Dividend income	**544**	15
Bank deposit interest	**109**	2
	1,631	1,077

5. Investment management fees

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Investment management fee charged to revenue	**253**	235
Investment management fee charged to capital	**2,269**	2,115
Total investment management fee	**2,522**	2,350
Movement in provision for performance incentive fee charged to capital	**272**	-
	2,794	2,350

Further details of the Management Agreement under which the investment management fee and performance incentive fee are paid are given in the Strategic report on page 19.

During the year, services of a total value of £2,522,000 (2021: £2,350,000) were purchased by the Company from Albion Capital Group LLP in respect of management fees. At the financial year end, the amount due to Albion Capital Group LLP in respect of these services disclosed as accruals was £597,000 (2021: £660,000). The total annual running costs of the Company are capped at an amount equal to 2.75% of the Company's net assets, with any excess being met by Albion Capital Group LLP by way of a reduction in management fees. During the year, the management fee was reduced by nil as the running costs remained below the cap (2021: reduced by £231,000).

A provision of £272,000 has been recognised based on the Directors' best estimate and included in relation to potential performance incentive fees which arise from performance to 31 December 2022, which would become payable over the periods to 31 December 2026. The first payment will only become payable after the adoption of the accounts at the 2024 AGM based on actual year end performance, in relation to the five-year period ending 31 December 2023. Further details can be found in note 15.

During the year, the Company was not charged by Albion Capital Group LLP in respect of Patrick Reeve's services as a Director (2021: nil).

Albion Capital Group LLP, its partners and staff (including Patrick Reeve) held 1,596,085 Ordinary shares in the Company as at 31 December 2022.

Albion Capital Group LLP is, from time-to-time, eligible to receive arrangement fees and monitoring fees from portfolio companies. During the year ended 31 December 2022, fees of £345,000 attributable to the investments of the Company were received by Albion Capital Group LLP pursuant to these arrangements (2021: £207,000).

The Company has entered into an offer agreement relating to the Offers with the Company's Manager, Albion Capital Group LLP ("Albion"), pursuant to which Albion will receive a fee of 2.5% of the gross proceeds of the Offers and out of which Albion will pay the costs of the Offers, as detailed in the Prospectus.

6. Other expenses

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Directors' fees (including NIC)	**104**	111
Auditor's remuneration for statutory audit services (excluding VAT)	**48**	38
Tax services	**18**	18
Other administrative expenses	**488**	199
	658	366

7. Directors' fees

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

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Directors' fees	**95**	103
National insurance	**9**	8
	104	111

The Company's key management personnel are the non-executive Directors. Further information regarding Directors' remuneration can be found in the Directors' remuneration report on pages 61 to 64.

8. Tax on ordinary activities

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
UK corporation tax charge	**-**	-

Factors affecting the tax charge:

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
(Loss)/profit on ordinary activities before taxation	**(6,301)**	19,888
Tax (credit)/charge on (loss)/profit at the average companies rate of 19% (2021: 19%)	**(1,197)**	3,779
Factors affecting the charge:		
Non-taxable losses/(gains)	**851**	(4,090)
Income not taxable	**(103)**	(3)
Excess management expenses carried forward	**449**	314
	-	-

The tax charge for the year shown in the Income statement is lower than the average companies rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained above. From April 2023 the Company's rate of corporation tax will increase in the UK from 19% to 25%.

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 excess management expenses of £9,378,000 (2021: £7,063,000) that are available for offset against future profits. A deferred tax asset of £2,345,000 (2021: £1,766,000) has not been recognised in respect of these losses as they will be recoverable only to the extent that the Company has sufficient future taxable profits.

(iv) There is no expiry date on timing differences, unused tax losses or tax credits.

9. Dividends

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
First dividend of 2.02p per share paid on 30 June 2022 (30 June 2021: 1.73p per share)	**3,240**	2,306
Second dividend of 1.97p per share paid on 30 December 2022 (31 December 2021: 1.95p per share)	**3,267**	2,590
	6,507	4,896

In addition to the dividends summarised above, the Board has declared a first dividend for the year ending 31 December 2023 of 1.82 pence per share. The dividend will be paid on 30 June 2023 to shareholders on the register on 2 June 2023. The total dividend will be approximately £3,252,000.

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

	Year ended 31 December 2022			Year ended 31 December 2021		
	Revenue	**Capital**	**Total**	Revenue	Capital	Total
Profit/(loss) attributable to equity shares (£'000)	**721**	**(7,022)**	**(6,301)**	476	19,412	19,888
Weighted average shares in issue (adjusted for treasury shares)	**155,471,219**			130,014,383		
Return/(loss) attributable per equity share (pence)	**0.46**	**(4.51)**	**(4.05)**	0.37	14.93	15.30

The weighted average number of shares is calculated after adjusting for treasury shares of 24,236,401 (2021: 20,904,204).

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

Investments held at fair value through profit or loss	31 December 2022 £'000	31 December 2021 £'000
Unquoted equity and preference shares	**74,217**	70,209
Quoted equity	**437**	936
Unquoted loan stock	**17,647**	19,390
	92,301	90,535

	31 December 2022 £'000	31 December 2021 £'000
Opening valuation	**90,535**	65,152
Purchases at cost	**18,289**	7,681
Disposal proceeds	**(11,451)**	(3,893)
Realised gains	**1,647**	448
Movement in loan stock accrued income	**(221)**	386
Unrealised (losses)/gains	**(6,498)**	20,761
Closing valuation	**92,301**	90,535
Movement in loan stock accrued income		
Opening accumulated loan stock accrued income	**473**	87
Movement in loan stock accrued income	**(221)**	386
Closing accumulated loan stock accrued income	**252**	473
Movement in unrealised gains		
Opening accumulated unrealised gains	**33,421**	13,547
Transfer of previously unrealised gains to realised reserve on disposal of investments	**(2,143)**	(887)
Movement in unrealised gains	**(6,498)**	20,761
Closing accumulated unrealised gains	**24,780**	33,421
Historic cost basis		
Opening book cost	**56,641**	51,518
Purchases at cost	**18,289**	7,681
Sales at cost	**(7,661)**	(2,558)
Closing book cost	**67,269**	56,641

Purchases and disposals detailed above do not agree to the Statement of cash flows due to restructuring of investments, conversion of convertible loan stock and settlement of receivables and payables.

Fixed asset investments are valued at fair value in accordance with the IPEV guidelines as follows:

Valuation methodology	31 December 2022 £'000	31 December 2021 £'000
Cost and price of recent investment (calibrated and reviewed for impairment)	**51,900**	41,065
Revenue multiple	**19,194**	20,019
Third party valuation – discounted cash flow	**10,428**	9,987
Third party valuation – earnings multiple	**8,019**	7,017
Net assets	**2,228**	1,797
Bid Price	**437**	936
Discounted offer price	**95**	9,137
Earnings multiple	**-**	577
	92,301	90,535

When using the cost or price of a recent investment in the valuations, the Company looks to re-calibrate this price at each valuation point by reviewing progress within the investment, comparing against the initial investment thesis, assessing if there are any significant events, or milestones that would indicate the value of the investment has changed and considering whether a market-based methodology (i.e. using multiples from comparable public companies) or a discounted cashflow forecast would be more appropriate. The background to the transaction is also considered when the price of investment may not be an appropriate measure of fair value, for example, disproportionate dilution of existing investors from a new investor coming on board or the market conditions at the time of investment no longer being a true reflection of fair value.

The main inputs into the calibration exercise, and for the valuation models using multiples, are revenue, EBITDA and P/E multiples (based on the most recent revenue, EBITDA or earnings achieved and equivalent corresponding revenue, EBITDA or earnings multiples of comparable companies), quality of earnings assessments and comparability difference adjustments. Revenue multiples are often used, rather than EBITDA or earnings, due to the nature of the Company's investments, being in growth and technology companies which are not normally expected to achieve profitability or scale for a number of years. Where an investment has achieved scale and profitability the Company would normally then expect to switch to using an EBITDA or earnings multiple methodology.

In the calibration exercise and in determining the valuation for the Company's equity instruments, comparable trading multiples are used. In accordance with the Company's policy, appropriate comparable companies based on industry, size, developmental stage, revenue generation and strategy are determined and a trading multiple for each comparable company identified is then calculated. The multiple is calculated by dividing the enterprise value of the comparable group by its revenue, EBITDA or earnings. The trading multiple is then adjusted for considerations such as illiquidity, marketability and other differences, advantages and disadvantages between the portfolio company and the comparable public companies based on company specific facts and circumstances.

Fair value investments had the following re-classifications between valuation methodologies:

Change in valuation methodology (2021 to 2022)	Valuation at 31 December 2022 £'000	Explanatory note
Cost and price of recent investment (calibrated and reviewed for impairment) to revenue multiple	1,912	More appropriate valuation methodology
Cost and price of recent investment (calibrated and reviewed for impairment) to third party valuation – earnings multiple	1,116	More appropriate valuation methodology
Cost and price of recent investment (calibrated and reviewed for impairment) to discounted offer price	95	Based on recent offer price
Discounted offer price to revenue multiple	3,137	Sale not expected in the short term
Revenue multiple to cost and price of recent investment (calibrated and reviewed for impairment)	4,322	Valuation based on recent funding round

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 IPEV Guidelines. The Directors believe that, within these parameters, there are no other more relevant methods of valuation which would be reasonable as at 31 December 2022.

FRS 102 and the SORP requires the Company to disclose the inputs to the valuation methods applied to its investments measured at FVTPL in a fair value hierarchy. The table below sets out fair value hierarchy definitions using FRS 102 s.11.27.

Fair value hierarchy	Definition
Level 1	Unadjusted quoted prices in an active market
Level 2	Inputs to valuations are from observable sources and are directly or indirectly derived from prices
Level 3	Inputs to valuations not based on observable market data

Quoted investments are valued according to Level 1 valuation methods. Unquoted equity, preference shares and loan stock are all valued according to Level 3 valuation methods.

Investments held at fair value through profit or loss (Level 3) had the following movements:

	31 December 2022	31 December 2021
	£'000	£'000
Opening balance	**89,599**	65,152
Purchases at cost	**18,289**	7,681
Disposals proceeds	**(11,288)**	(3,893)
Movement in loan stock accrued income	**(221)**	386
Realised gains	**1,708**	448
Unrealised (losses)/gains	**(6,222)**	20,129
Transfer to level 1	**-**	(304)
Closing balance	**91,865**	89,599

The Directors are required to consider the impact of changing one or more of the inputs used as part of the valuation process to reasonable possible alternative assumptions. 77% of the portfolio of investments, consisting of equity and loan stock, is based on recent investment price, discounted offer price, net assets and cost, and as such the Board believes that changes to reasonable possible alternative input assumptions (by adjusting the earnings and revenue multiples) for the valuation of the remainder of the portfolio could lead to a significant change in the fair value of the portfolio. Therefore, for the remainder of the portfolio, the Board has adjusted the inputs for a number of the largest portfolio companies (by value) resulting in a total coverage of 86% of all the portfolio of investments. The main inputs considered for each type of valuation are as follows:

Valuation technique	Portfolio company sector	Input	Base Case*	Change in input	Change in fair value of investments (£'000)	Change in NAV (pence per share)
Revenue multiple	Healthcare (including digital care)	Revenue multiple	5.4x	+0.5x	407	0.24
				-0.5x	(407)	(0.24)
Third party valuation – discounted cash flow	Renewable energy	Discount rate	5.5%	+0.5%	58	0.04
				-0.5%	(53)	(0.03)
Third party valuation – earnings multiple	Other (including education)	Earnings multiple	22.5x	+2.25x	400	0.24
				-2.25x	(400)	(0.24)

*As detailed in the accounting policies on page 77, the base case is based on market comparables, discounted where appropriate for marketability, in accordance with the IPEV guidelines.

The impact of these changes could result in an overall increase in the valuation of the equity investments by £865,000 (1.2%) or a decrease in the valuation of equity investments by £860,000 (1.2%).

12. Significant interests

The principal activity of the Company is to select and hold a portfolio of investments. 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 14.4B, they are measured at FVTPL and not accounted for using the equity method.

The Company has interests of greater than 20% of the nominal value of any class of the allotted shares in the following portfolio companies as at 31 December 2022 as described below:

Company	Registered postcode	Loss before tax £'000	Net liabilities £'000	Result for year ended	% class and share type	% total voting rights
MHS 1 Limited	EC1M 5QL, UK	(1,017)	(9,982)	31 August 2021	22.5% Ordinary	22.5%
Premier Leisure (Suffolk) Limited	EC1M 5QL, UK	n/a*	(1,504)	31 August 2021	25.8% Ordinary	25.8%
The Q Garden Company Limited	EC1M 5QL, UK	n/a*	(4,600)	31 August 2021	33.4% A Ordinary	33.4%

*Filleted accounts which do not disclose this information.

13. Current assets

Trade and other receivables	31 December 2022 £'000	31 December 2021 £'000
Prepayments and accrued income	30	25
Other receivables	420	546
Deferred consideration under one year	416	88
Deferred consideration over one year	2,590	2,219
	3,456	2,878

The deferred consideration over one year relates to the sale of G.Network Communications Limited in December 2020. These proceeds are receivable in January 2024, and have been discounted to present value at the prevailing market rate, including a provision for counterparty risk. This constitutes a financing transaction and has been accounted for using the policy disclosed in note 2.

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

14. Payables: amounts falling due within one year

	31 December 2022 £'000	31 December 2021 £'000
Trade payables	13	7
Accruals and deferred income	819	773
	832	780

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

15. Provisions and significant estimates

	31 December 2022 £'000	31 December 2021 £'000
Opening provision	-	-
Charged to profit and loss	272	-
Closing provision	272	-

In accordance with the AIC SORP and FRS 102, a provision for a performance incentive fee ("PIF") is required to be estimated and accounted for in the financial statements. The PIF is calculated on a five-year rolling average performance basis, with a 5% hurdle applied to the opening net asset value each year, which is in line with our current dividend target. The first five year performance period will take into account the audited results of the five years ending 31 December 2023.

Any PIF will only be paid on actual year end audited results, and this provision is the Board's best estimate of the potential obligation relating to the inclusion of realised performance from 1 January 2019 to 31 December 2022 in any future five-year rolling period.

The most significant assumption when calculating this amount, is that of future performance. Audited financial results for the period from 1 January 2019 to 31 December 2022 are included in the calculation; a forecast has been used for future years assuming performance is achieved in line with the five year historic rolling average. The provision included in the financial statements has been calculated on this basis and has been corroborated by a portfolio return analysis using appropriate benchmarks.

The average return per annum over each rolling five year period since the Company's inception in 2000 to the date of approval of the new performance fee arrangements was 5.85%. This smooths the performance through the various economic events and cycles seen since inception. This has resulted in a provision of £272,000 at 31 December 2022. The amount due at 31 December 2022 is nil (2021: nil).

16. Called-up share capital

Allotted, called-up and fully paid	£'000
153,563,297 Ordinary shares of 1 penny each at 31 December 2021	1,536
36,947,257 Ordinary shares of 1 penny each issued during the year	369
190,510,554 Ordinary shares of 1 penny each at 31 December 2022	**1,905**
20,904,204 Ordinary shares of 1 penny each held in treasury at 31 December 2021	(209)
3,332,197 Ordinary shares of 1 penny each purchased for treasury during the year	(33)
24,236,401 Ordinary shares of 1 penny each held in treasury at 31 December 2022	**(242)**
Voting rights of 166,274,153 Ordinary shares of 1 penny each at 31 December 2022	**1,663**

The Company purchased 3,332,197 Ordinary shares to be held in treasury (2021: 2,707,734) at a cost of £2,512,000 including stamp duty (2021: £1,906,000) during the year ended 31 December 2022. Total share buy backs in 2022 represents 1.7% (2021: 1.8%) of called-up share capital.

The Company holds a total of 24,236,401 shares (2021: 20,904,204) in treasury representing 12.7% (2021: 13.6%) of the issued Ordinary share capital at 31 December 2022.

Under the terms of the Dividend Reinvestment Scheme, the following new 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 invested (£'000)	Opening market price on allotment date (pence per share)
30 June 2022	715,031	7	80.03	554	76.50
30 December 2022	729,882	7	75.97	535	72.50
	1,444,913			**1,089**	

Under the terms of the Albion VCTs Prospectus Top Up Offers 2021/22, the following new 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)
25 February 2022	1,308,032	13	81.90	1,055	77.00
25 February 2022	443,854	4	82.30	358	77.00
25 February 2022	12,172,712	122	82.80	9,828	77.00
31 March 2022	14,154,989	142	82.80	11,428	77.00
11 April 2022	170,608	2	81.90	138	77.00
11 April 2022	13,972	-	82.30	11	77.00
11 April 2022	737,806	7	82.80	596	77.00
	29,001,973			**23,414**	

Under the terms of the Albion VCTs Prospectus Top Up Offers 2022/23, the following new 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)
2 December 2022	1,473,524	15	79.20	1,150	74.50
2 December 2022	273,558	3	79.60	213	74.50
2 December 2022	4,753,289	48	80.00	3,707	74.50
	6,500,371			**5,070**	

17. Basic and diluted net asset value per share

	31 December 2022 (pence per share)	31 December 2021 (pence per share)
Basic and diluted net asset value per share	**72.92**	80.65

The basic and diluted net asset value per share at the year end is calculated in accordance with the Articles of Association and is based upon total shares in issue (less treasury shares) of 166,274,153 at 31 December 2022 (2021: 132,659,093).

18. Capital and financial instruments risk management

The Company's capital comprises Ordinary shares as described in note 16. The Company is permitted to buy back its own shares for cancellation or treasury purposes.

The Company's financial instruments comprise equity and loan stock investments in quoted and unquoted companies, cash balances, receivables and payables 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 payables. 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 28 to 30. 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 £92,301,000 (2021: £90,535,000). Fixed asset investments form 76% of the net asset value as at 31 December 2022 (2021: 85%).

More details regarding the classification of fixed asset investments are shown in note 11.

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. As a Venture Capital Trust, the Company invests in accordance with the investment policy set out on page 7. The management of risk within the venture capital portfolio is addressed through careful investment selection, by diversification across different industry segments, by maintaining a wide spread of holdings in terms of financing stage and by limitation of the size of individual holdings. The Directors monitor the Manager's compliance with the investment policy, review and agree policies for managing this risk and monitor the overall level of risk on the investment portfolio on a regular basis.

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 IPEV Guidelines. Details of the industries in which investments have been made are contained in the Portfolio of investments section on pages 28 to 30 and in the Strategic report.

As required under FRS 102 the Board is required to illustrate by way of a sensitivity analysis the extent to which the assets are exposed to market risk. In order to show the impact of sensitivity in market movements on the Company, a 10% increase or decrease in the valuation of the fixed asset investment portfolio (keeping all other variables constant) would increase or decrease the net asset value and return for the year by £9,230,000. A 20% increase or decrease in the valuation of the fixed asset investment portfolio (keeping all other variables constant) would increase or decrease the net asset value and return for the year by £18,460,000.

Further sensitivity analysis on fixed asset investments is included in note 11.

Interest rate risk

The Company is exposed to fixed and floating rate interest rate risk on its financial assets. On the basis of the Company's analysis, it was estimated that a rise of 1% in all interest rates would have increased the investment income for the year by approximately £205,000 (2021: £129,000). Furthermore, it was 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 6.7% (2021: 7.1%). The weighted average period to maturity for the unquoted loan stock is approximately 3.7 years (2021: 3.4 years).

The Company's financial assets and liabilities, all denominated in pounds sterling, consist of the following:

	31 December 2022				31 December 2021			
	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	**-**	**-**	**74,217**	**74,217**	-	-	70,209	70,209
Quoted equity	**-**	**-**	**437**	**437**	-	-	936	936
Unquoted loan stock	**15,884**	**-**	**1,764**	**17,648**	18,700	-	690	19,390
Receivables*	**-**	**-**	**3,426**	**3,426**	-	-	2,853	2,853
Current liabilities	**-**	**-**	**(832)**	**(832)**	-	-	(780)	(780)
Cash	**-**	**26,594**	**-**	**26,594**	-	14,361	-	14,361
Total	**15,884**	**26,594**	**79,012**	**121,490**	18,700	14,361	73,908	106,969

*The receivables do not reconcile to the Balance sheet as prepayments 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 receivables, 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. For loan stock investments made prior to 6 April 2018, which account for 70.3% of loan stock value, typically loan stock instruments will have a fixed or floating charge, which may or may not be subordinated, 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 receivables) and other risks, both at the time of initial investment and at quarterly Board meetings.

The Company's total gross credit risk as at 31 December 2022 was limited to £17,647,000 (2021: £19,390,000) of unquoted loan stock instruments, £26,594,000 (2021: £14,361,000) cash deposits with banks and £3,456,000 (2021: £2,878,000) of other receivables.

At the Balance sheet date, cash in bank and in hand held by the Company were held with Lloyds Bank plc, Scottish Widows Bank plc (part of Lloyds Banking Group), Barclays Bank plc, Bank of Montreal, Société Générale S.A. and National Westminster Bank plc. Credit risk on cash transactions was 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% of net asset value for any one counterparty.

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

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% of its adjusted capital and reserves of the latest published audited Balance sheet, which amounts to £11,800,000 as at 31 December 2022 (2021: £10,373,000).

The Company has no committed borrowing facilities as at 31 December 2022 (2021: £nil). The Company had cash balances of £26,594,000 (2021: £14,361,000). 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. The Company's financial liabilities which are short term in nature total £832,000 as at 31 December 2022 (2021: £780,000).

The carrying value of loan stock investments analysed by expected maturity dates is as follows:

	31 December 2022				31 December 2021			
Redemption date	**Fully performing £'000**	**Valued below cost £'000**	**Past due £'000**	**Total £'000**	Fully performing £'000	Valued below cost £'000	Past due £'000	Total £'000
Less than one year	**5,390**	**-**	**4,054**	**9,444**	4,436	2,746	620	7,802
1-2 years	**3,369**	**-**	**63**	**3,432**	195	1	-	196
2-3 years	**117**	**-**	**-**	**117**	3,571	6	64	3,641
3-5 years	**478**	**-**	**-**	**478**	4,525	-	-	4,525
5+ years	**3,724**	**-**	**452**	**4,176**	2,871	-	355	3,226
Total	**13,078**	**-**	**4,569**	**17,647**	15,598	2,753	1,039	19,390

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

The cost of loan stock investments valued below cost is £26,000 (2021: £3,743,000).

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 those valued below cost and past due assets are covered by the value of security held for these loan stock investments.

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 2022 are stated at fair value as determined by the Directors, with the exception of receivables (including debtors due after more than one year), payables and cash which are carried at amortised cost, in accordance with FRS 102. There are no financial liabilities other than payables. 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.

19. Commitments and contingencies

The Company had no financial commitments in respect of investments as at 31 December 2022 (2021: nil).

There were no contingent liabilities or guarantees given by the Company as at 31 December 2022 (2021: nil).

20. Post balance sheet events

Since the year end, the Company has not made any material investment transactions.

On 2 March 2023, a NAV update was announced with a 4.63 pence per share uplift, representing a 6.35% increase on the 31 December 2022 NAV. This uplift is a result of a portfolio company, Quantexa, undergoing an external fundraising process after the year end. This was not known at 31 December 2022 and therefore this is a non adjusting post balance sheet event. This transaction has since completed and was announced by Quantexa on 4 April 2023.

The Company issued the following new Ordinary shares of nominal value 1 penny each under the Albion VCTs' Prospectus Top Up Offers 2022/23:

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)
31 March 2023	12,395,704	124	79.60	9,621	74.00

21. Related party transactions

Other than transactions with the Manager as disclosed in note 5, the Directors' remuneration disclosed in the Directors' remuneration report on pages 61 to 64, and that disclosed above, there are no other related party transactions requiring disclosure.

NOTICE OF ANNUAL GENERAL MEETING

SHAREHOLDERS SHOULD TAKE NOTE THAT THIS WILL BE A VIRTUAL AGM AND FURTHER DETAILS WILL BE MADE AVAILABLE AT WWW.ALBION.CAPITAL/VCT-HUB/AGMS-EVENTS.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Albion Technology & General VCT PLC (the "Company") will be held virtually at noon on 6 June 2023 for the following purposes of considering and, if thought fit, to pass the following resolutions, of which numbers 1 to 9 will be proposed as ordinary resolutions and numbers 10 and 11 as special resolutions.

Ordinary Business

1. To receive and adopt the Company's accounts for the year ended 31 December 2022 together with the Strategic report and the reports of the Directors and Auditor.

2. To approve the Directors' remuneration policy.

3. To approve the Directors' remuneration report for the year ended 31 December 2022.

4. To re-elect Margaret Payn as a Director of the Company.

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

6. To elect Clive Richardson as a Director of the Company.

7. 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.

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

Special Business

9. 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 shares in the Company up to an aggregate nominal amount of £405,813 (representing approximately 20% of the issued share capital as at the date of this Notice) provided that this authority shall expire 15 months from the date that this resolution is passed, or if earlier, at the conclusion of the next Annual General Meeting, but so that the Company may, before the expiry of such period, 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 pursuant to such an offer or agreement as if the authority had not expired.

10. Authority for the disapplication of pre-emptive rights

That, subject to the authority and conditional on the passing of resolution number 9, the Directors be empowered, pursuant to section 570 and 573 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 9 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561(1) of the Act did not apply to any such allotment or sale.

Under this power the Directors may impose any limits or restrictions and make any arrangements which they deem necessary or expedient to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or laws of, any territory or other matter, 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 shall expire 15 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.

11. Authority to purchase own shares

That, subject to and in accordance with the Company's Articles of Association, the Company be generally and unconditionally authorised, pursuant to and in accordance with section 701 of the Act, 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, provided always that:

(a) the maximum aggregate number of Ordinary shares hereby authorised to be purchased is 30,415,648 shares or, if lower, such number of Ordinary shares representing 14.99% of the issued Ordinary share capital of the Company as at the date of the passing of this resolution;

(b) the minimum price, exclusive of any expenses, which may be paid for an Ordinary share is 1 penny;

(c) the maximum price, exclusive of any expenses, which may be paid for an Ordinary share shall be an amount equal to the higher of (a) 105% of the average of the middle market quotations for the share, as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the date on which the share is purchased; and (b) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003;

(d) the authority hereby conferred shall, unless previously revoked, varied or renewed, expire 15 months from the date that this resolution is passed or, if earlier, at the conclusion of the next Annual General Meeting; and

(e) the Company may enter into a contract or contracts to purchase Ordinary shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

By Order of the Board

Albion Capital Group LLP
Company Secretary
Registered office
1 Benjamin Street
London, EC1M 5QL
6 April 2023

Albion Technology & General VCT PLC is registered in England and Wales with number 04114310

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 AGM. 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 6ZY; or
   - going to www.investorcentre.co.uk/eproxy 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. A member may not use any electronic address provided in the Notice of this meeting 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 noon on 2 June 2023.

   In accordance with good governance practice, the Company is offering shareholders use of an online service, offered by the Company's registrar, Computershare Investor Services, at www.investorcentre.co.uk/eproxy. Shareholders can use this service to vote or appoint a proxy online. The same voting deadline of noon on 2 June 2023 applies as if you were using your Personalised Voting Form to vote, or appoint a proxy by post to vote for you. Shareholders who hold their shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company's registrar not later than two business days before the start of the meeting. Instructions on how to vote through CREST can be found by accessing the following website: www.euroclear.com. Shareholders should not show this information to anyone unless they wish to give proxy instructions on their behalf.

2. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 ("the Act") 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 noon on 2 June 2023 (or, in the event of any adjournment, on the date which is two business 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 noon on 2 June 2023. 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 provider(s) 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 or her 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 provider(s) 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 meeting, as required by section 311A of the Act, is available from www.albion.capital/funds/AATG under the 'Fund reports' 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. Copies of contracts of service and letters of appointment between the Directors and the Company, together with the Register of Directors' Interests in the Ordinary shares of the Company, will be available for inspection at the Registered Office of the Company during normal business hours from the date of this Notice until the conclusion of the meeting, and at the place of the meeting for at least 15 minutes prior to the meeting until its conclusion. In addition, a copy of the Articles of Association will be available for inspection at the Company's registered office from the date of this Notice until the conclusion of the meeting, and at the place of the meeting for at least 15 minutes prior to the meeting until its conclusion.

9. Under section 527 of the Act members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the AGM: or (ii) any circumstances connected with an Auditor of the Company ceasing to hold office since the previous meeting at which the annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with section 527 and 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.

10. Members satisfying the thresholds in Section 338 of the Companies Act 2006 may require the Company to give, to members of the Company entitled to receive notice of the AGM, notice of a resolution which those members intend to move (and which may properly be moved) at the AGM. A resolution may properly be moved at the AGM unless (i) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment of the Company's constitution or otherwise); (ii) it is defamatory of any person; or (iii) it is frivolous or vexatious. The business which may be dealt with at the AGM includes a resolution circulated pursuant to this right. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given, must be authenticated by the person(s) making it and must be received by the Company not later than 6 weeks before the date of the AGM.

11. Members satisfying the thresholds in Section 388A of the Companies Act 2006 may request the Company to include in the business to be dealt with at the AGM any matter (other than a proposed resolution) which may properly be included in the business at the AGM.

A matter may properly be included in the business at the AGM unless (i) it is defamatory of any person or (ii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than 6 weeks before the date of the AGM.

12. As at 5 April 2023 being the latest practicable date prior to the publication of this Notice, the Company's issued share capital consists of 202,906,258 Ordinary shares with a nominal value of 1 penny each. The Company also holds 24,236,401 Ordinary shares in treasury. Therefore, the total voting rights in the Company as at 5 April 2023 are 178,669,857.