

## Albion Development VCT PLC Interim Management Statement

### Introduction

I am pleased to present Albion Development VCT PLC (the "Company")'s interim management statement for the period from 1 July 2016 to 3 November 2016.

### Performance

The Company's unaudited net asset value (NAV) as at 30 September 2016 was £43.2 million or 68.9 pence per share (excluding treasury shares) (30 June 2016: 69.3 pence per share) after accounting for the dividend of 2.5 pence per share paid on 30 September 2016 to shareholders on the register as at 9 September 2016.

Adjusting for the payment of the dividend, the net asset value has risen by 2.1 pence per share (3.0 per cent.) since 30 June 2016, as a result of an increase in investment valuations.

### Dividend target from 2017

The Company paid dividends totalling 5.0 pence per share during the financial year in line with the Company's policy, which has now been maintained for six years. For most of this period, however, this dividend has not been fully covered by total returns, resulting in a gradual decline in NAV per share over the years. In an economic environment of persistently low interest rates, the Board considers a recalibration of the annual dividend target to 4.0 pence per share to be more appropriate, representing a dividend yield on current NAV of 5.8 per cent. This target will apply from 2017.

### Share issues

During the period from 1 July 2016 to 3 November 2016, the Company issued the following shares under the dividend reinvestment scheme (and are included in the net asset value figures for 30 September 2016 above):

Date	Number of shares issued	Issue price per share	Net proceeds £'000
30 September 2016	381,011	66.8 pence	251

### Share buybacks

During the period from 1 July 2016 to 3 November 2016, the Company purchased 614,000 Ordinary shares for £402,000 at an average price of 65.4p pence per Ordinary share. All of the shares are to be held in treasury.

It remains the Board's policy to buy back shares in the market, subject to the overall constraint that such purchases are in the Company's interest, including the maintenance of sufficient resources for investment in existing and new portfolio companies and the continued payment of dividends to shareholders. It is the Board's intention for such buy-backs to be at around a 5 per cent. discount to net asset value, so far as market conditions and liquidity permit.

### Portfolio

The following investments have been made during the period from 1 July 2016 to 3 November 2016:

<b><i>New investments</i></b>	<b>£000's</b>	<b>Activity</b>
Convertr Limited	583	<i>Digital lead generation software</i>
Secured by Design Limited	330	<i>Research and consulting for the global automotive sector</i>
Oviva AG	159	<i>Medical nutritional therapy</i>
<b>Total new investments</b>	<b>1,072</b>	

<b><i>Further investments</i></b>	<b>£000's</b>	<b>Activity</b>
Abcodia Limited	133	<i>Validation and discovery of serum biomarkers</i>
Proveca Limited	100	<i>Repositioning of paediatric medicines</i>
DySIS Medical Limited	87	<i>Medical devices for the detection of cervical cancer</i>
<b>Total further investments</b>	<b>320</b>	

## Disposals

The following loan stock repayments were made during the period from 1 July 2016 to 3 November 2016:

Portfolio company	£000's	
Radnor House School (Holdings) Limited	88	Loan stock repayment
Hilson Moran Holdings Limited	46	Loan stock and redemption premium repayment
<b>Total proceeds</b>	<b>134</b>	

## Top ten holdings as at 30 September 2016:

Investment	Value £000's	% of net asset value	Activity
Radnor House School (Holdings) Limited	5,395	12.5%	Independent schools for children aged 5-18
Exco InTouch Limited	2,752	6.4%	Provider of mobile patient data solutions
Chonais River Hydro Limited	1,995	4.6%	Hydropower project in Scotland
The Street by Street Solar Programme Limited	1,915	4.4%	Builds, owns and operates photovoltaic systems on domestic properties in the UK
Regenerco Renewable Energy Limited	1,620	3.8%	Generator of renewable energy from roof top solar installations
Proveca Limited	1,602	3.7%	Repositioning of paediatric medicines
Alto Prodotto Wind Limited	1,296	3.0%	Owns and operates community scale wind energy projects on brownfield sites in the UK
Earnside Energy Limited	1,271	2.9%	An anaerobic digestion plant in Scotland
Bravo Inns II Limited	1,173	2.7%	Owner and operator of freehold pubs
Egress Software Technologies Limited	1,077	2.5%	Encrypted email & file transfer service provider

A full breakdown of the Company's portfolio can be found on the Fund's webpage on the Manager's website at [www.albion-ventures.co.uk/funds/AADV](http://www.albion-ventures.co.uk/funds/AADV), by following the 'Portfolio of Investments' link under the 'Funds reports' section.

## Material events and transactions

There have been no further significant events or transactions that the Board is aware of which would have a material impact on the financial position of the Company between 1 July 2016 to 3 November 2016.

## Further information

The Company continues to offer a Dividend Reinvestment Scheme to existing shareholders. Details of this Scheme can be found at [www.albion-ventures.co.uk/funds/AADV](http://www.albion-ventures.co.uk/funds/AADV).

Further information regarding historic and current financial performance and other useful shareholder information can be found on the Fund's webpage on the Manager's website under [www.albion-ventures.co.uk/funds/AADV](http://www.albion-ventures.co.uk/funds/AADV).

Geoffrey Vero, Chairman

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