

Kings Arms Yard VCT PLC Interim Management Statement

Introduction

I am pleased to present Kings Arms Yard VCT PLC's interim management statement for the period from 1 January 2014 to 14 May 2014 as required by the UK Listing Authority's Disclosure and Transparency Rule 4.3.

Performance and dividends

The Company's unaudited net asset value (NAV), based on management accounts, as at 31 March 2014 was £39.7 million (31 December 2013: £38.2 million) or 20.20 pence per share (excluding treasury shares) (31 December 2013: 19.95 pence per share) after accounting for the dividend of 0.5 pence per share paid on 30 April 2014 to shareholders on the register as at 11 April 2014.

After taking account of the dividend, the Company's NAV has risen by 0.25 pence per share or 1.27 per cent. since 31 December 2013 mainly as a result of an increase in investment valuations.

Share issues and buybacks

During the period from 1 January 2014 to 14 May 2014, the Company issued the following shares under the Albion VCTs Top Up Offers 2013/2014;

Date	Number of shares issued	Issue price per share (including 3% costs of issue)	Net proceeds £'000	Opening mid market price per share on allotment (pence per share)
31 January 2014	2,409,885	19.30 pence	452	18.00
31 January 2014	2,179,282	19.20 pence	411	18.00
31 January 2014	78,946	19.00 pence	15	18.00
Total 31 January 2014	4,668,113		878	

Date	Number of shares issued	Issue price per share (including 3% costs of issue)	Net proceeds £'000	Opening mid market price per share on allotment (pence per share)
5 April 2014	2,072,451	21.20 pence	13	19.00
5 April 2014	64,249	21.10 pence	13	19.00
5 April 2014	59,305	21.00 pence	426	19.00
Total 5 April 2014	2,196,005		452	

During the period the Company issued the following shares under the Albion VCTs Prospectus Offers 2013/2014;

Date	Number of shares issued	Issue price per share (including 3% costs of issue)	Net proceeds £'000	Opening mid market price per share on allotment (pence per share)
5 April 2014	5,590,448	21.20 pence	1,150	19.00

In addition, the following shares were issued under the dividend reinvestment scheme on 30 April 2014;

Date	Number of shares issued	Issue price per share	Net proceeds £'000	Opening mid market price per share on allotment (pence per share)
30 April 2014	218,728	19.95 pence	42	19.00

During the period from 1 January 2014 to 14 May 2014, the Company purchased 4,145,000 shares for £765,000 at an average price of 18.45 pence per 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 January 2014 to 14 May 2014:

Name	£000's	Activity
<i>New investments</i>		
Egress Software Technologies Limited	430	<i>Provider of cloud-based email and file encryption software</i>
Grapeshot Limited	280	<i>Provider of digital marketing software</i>
Taunton Hospital Limited	109	<i>Owner and operator of a psychiatric hospital</i>
Mirada Medical Limited	94	<i>Developer of medical imaging software</i>
Sandcroft Avenue Limited	60	<i>Provider of online gym passes, trading as PayasUgym.com</i>
<i>Total new investments</i>	973	

<i>Further investments</i>		
Perpetuum Limited	279	<i>Provider of vibration harvester powered wireless sensing systems for the rail and industrial sectors</i>
Elateral Group Holdings Limited	150	<i>Provider of digital marketing software</i>
Green Highland Renewables (Ledgowan) Limited	150	<i>Hydropower project in Scotland</i>
Haemostatix Limited	100	<i>Develops haemostatic therapies for applications during surgery</i>
MyMeds&Me Limited	73	<i>Software for managing pharmaceutical adverse events</i>
The Street by Street Solar Programme Limited	40	<i>Builds, owns and operates photovoltaic systems on domestic properties in the UK</i>
Abcodia Limited	31	<i>Validation and discovery of molecular biomarkers linked to age related diseases</i>
<i>Total further investments</i>	823	

Top ten holdings as at 31 March 2014:

Investment	Carrying value £000's	% of net asset value	Activity
Elateral Group Holdings Limited	4,944	12.1%	<i>Provider of digital marketing software</i>
Oxford Immunotec Global PLC	4,699	11.5%	<i>A global, commercial-stage diagnostic company in the field of immunology</i>
Atego Group Limited	2,929	7.2%	<i>Provider of engineering software</i>
Sift Limited	2,639	6.5%	<i>Web based provision of online business and community management solutions</i>
Cluster Seven Ltd	2,263	5.6%	<i>Design and development of spreadsheet management software for risk control and compliance</i>
Alto Prodotto Wind Limited	1,353	3.3%	<i>Owns and operates community scale wind energy projects on brownfield sites in the UK</i>
Chonais Holdings Limited	1,310	3.2%	<i>Hydropower project in Scotland</i>
The Street by Street Solar Programme Limited	1,295	3.2%	<i>Builds, owns and operates photovoltaic systems on domestic properties in the UK</i>
Lab M Holdings Limited	1,280	3.1%	<i>Microbiological testing products</i>
Hilson Moran Holdings Limited	1,241	3.0%	<i>Multi-disciplinary engineering consultancy</i>

A full breakdown of the Company's portfolio can be found on the funds website under current portfolio at www.albion-ventures.co.uk/ourfunds/KAY.htm.

Albion VCTs Prospectus Offers 2013/2014

On 19 March 2014 the Company announced the launch of a prospectus offer of new ordinary shares for subscription in the 2013/2014 and 2014/2015 tax years (the "Offer(s)"). The Offer will form part of joint top up offers between the six VCTs managed by Albion Ventures LLP seeking to raise, in aggregate, up to £27m. Within this total, the amount to be raised by the King's Arms Yard VCT PLC Offer is expected to amount to approximately £3-4 million.

The proceeds of the Offer will be used to provide further resources to the Company at a time when a number of attractive new investment opportunities are being seen.

An Investor Guide and Offers document have been sent to the shareholders and these, as well as a prospectus, can be obtained from www.albion-ventures.co.uk.

The Offer will close no later than 30 September 2014 (unless fully subscribed by an earlier date or previously closed).

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 January 2014 and 14 May 2014.

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/ourfunds/KAY.htm.

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

Robin Field, Chairman

14 May 2014

For further information please contact:

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