

# venture matters

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## VCTs and the recent change in Government

► We were pleased to note that the recent emergency budget did not generate any surprises with regards to VCTs. With the changes in capital gains tax (CGT) and the previously announced pension contribution changes, VCTs remain attractive for high earners, with initial up front income tax relief of 30% and a tax free dividend stream combined with no CGT to pay on disposal.

It also appears that the Government is keen to continue to support smaller businesses, and we believe the reduction in corporation tax and the extension of entrepreneurs' relief to £5m is extremely welcome by entrepreneurs.



**Charnwood**  
Pub Co Ltd

Sample the delicious menus at a range of pubs, and receive 20% off your bill.

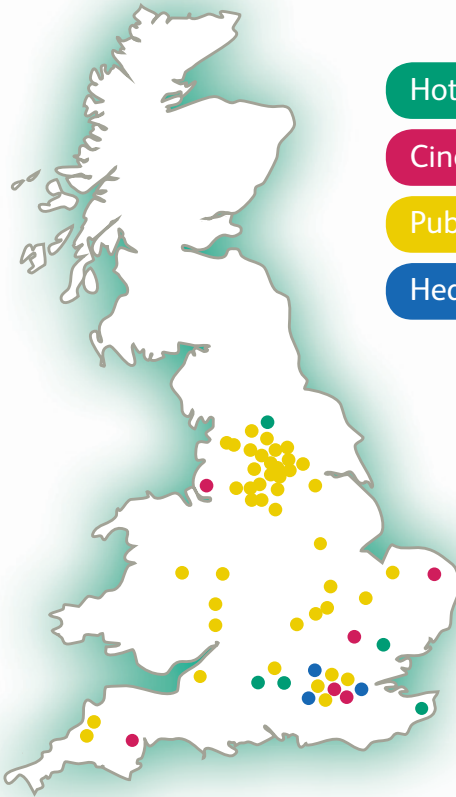
► Albion invests in the Charnwood Pub Company, which owns and operates a portfolio of 11 public houses across Central England including the recently refurbished Ye Three Fyshes in Turvey. The pub has been renovated throughout and offers extended dining facilities, a brand new bar and a fantastic external drinking area ready for the warm summer months ahead.

**We are offering readers of Venture Matters a 20% discount off their bill when they spend over £20 on food and drink until 30 September 2010 at the following pubs:**

- .....
- The Hop Pole, Hereford, HR1 2BP**
  - The Coach & Horses, Wellingborough, NN8 4HY**
  - The Swan, Bridgnorth, WV16 4DX**
  - The Chequers, Leominster, HR6 8AE**
  - Lion Hotel, Buckden, PE19 5XA**
  - Ye Three Fyshes, Turvey, MK43 8ER**
  - Fortescue Arms, Billingborough, NG34 0QB**
  - Red Lion, Stretham, CB6 3LD**
- .....

For further details on the pubs, please visit the Charnwood website: [www.charnwoodpubco.co.uk](http://www.charnwoodpubco.co.uk). To qualify for the discount, please present your copy of Venture Matters to the staff when ordering.

## Hotel, Pub & Healthclub investments



Hotels

Cinemas

Pubs

Health Clubs

### Change of name : Albion Protected VCT PLC

► Please note that at the AGM on 28 June 2010, shareholders voted in favour of changing the name of this fund to Albion Prime VCT PLC. This took place with immediate effect.

## Media Case Studies

► We are often asked by journalists if we have any shareholders who would be willing to act as 'case studies' for media articles on VCTs. If this is something that you would be able to assist us with, please e-mail [info@albion-ventures.co.uk](mailto:info@albion-ventures.co.uk). **Any shareholder who features as a case study will receive their choice of an iPod nano™ or £100 Marks and Spencers vouchers.**



## Orchard Portman Hospital

### ► Albion invests in Taunton hospital



Albion Ventures has invested £6.4 million to fund the creation of a 62 bed rehabilitation hospital offering long-term psychiatric care to NHS patients in the Somerset area. The investment follows research from Albion Ventures that identified an area of under provision in this type of care and in particular in the South West of England.

The current site, a nursing home in Taunton, Somerset, will be refurbished and extended. It will then be re-classified by the Quality Care Commission as a hospital, to provide 'slow stream' rehabilitative psychiatric care for NHS patients. Planning permission has been granted for a further 27 rooms, with work due to start immediately and take 18 months to complete. Albion Ventures has partnered with Dr Oliver Sargent, MD of a family business, Beagle Healthcare, an experienced care home operator. Dr Sargent will work with Albion Ventures to build up a hospital group specializing in psychiatric care.



## Stanwell Hotel

► The Stanwell Hotel is a boutique hotel located close to Heathrow Terminal 5, yet with views over parklands and a local 13th Century Church.



Albion invested £6.75 million in 2007 to purchase and expand what was the first Heathrow hotel. The hotel has recently undergone a complete upgrade, which includes the addition of a brand new wing, refurbished bedrooms, meeting room and popular restaurant, whilst maintaining the character of the historic building. The 53 room hotel has now opened and offers a boutique offering to air travellers.

Albion Ventures LLP is a leading venture capital investor which has been managing investments since 1996. The team previously worked together at Close Ventures before becoming an independent business in January 2009.



## Masters Pharmaceuticals

► Albion have recently invested £2.65 million in Masters , a global healthcare solution provider.

Masters Pharmaceuticals distributes a comprehensive range of prescription drugs and medical supplies in over 35 countries worldwide.

Masters offers a fast responsive service to pharmaceutical manufacturers, hospitals, state health systems, retailers and patients in a range of high-growth international markets, using its long established relationships and know-how at local level.

Masters was founded in 1984 by Zulf Masters who is joining with Albion Ventures investing in the company's next stage of growth.

Masters operates primarily in the international supply of licensed drugs into unlicensed territories, providing access for international markets to drugs that are commonly available in the US and Europe, but hard to access from outside those markets. Other activities are centred on specialist, wholesale distribution of generic and branded pharmaceuticals. We believe Masters is an attractive investment for Albion because it operates within a global market that is experiencing a huge increase in demand for leading US and European drugs and treatments.



## Successful sale of RFI Global

► In June 2010, Albion exited its investment in RFI Global Services.



RFI is a leading provider of testing, approval and consultancy services to the global technology market, including data security, cellular, wireless and smart card technologies. The company is the market leader in testing and certifying new generations of payment devices, including contactless cards and terminals, as well as broader mobile payment systems. RFI will be integrated into UL's Verification Services business. UL, based in Illinois, USA, is a global leader in safety testing and certification, with over 20 billion UL Marks issued to customers in over 100 countries. Albion's VCT funds have invested £2.2m in RFI since 2006, and received £4.7m from the sale, including interest paid over the course of the investment.

Albion Ventures continues to pay a regular stream of income tax free dividends to their VCT investors. For details of recent dividends, fund share prices and latest Manager's Report, please visit the Our Funds section of the Albion website. Dates of forthcoming AGMs can also be found on our website, [www.albion-ventures.co.uk](http://www.albion-ventures.co.uk).

## Performance of VCTs managed by Albion Ventures LLP

Fund	Launch date	Total return since launch <sup>†</sup>	Mid-market share price <sup>††</sup>	Last dividend paid/declared per share
Albion Venture Capital Trust PLC – Ordinary shares*	Apr 96	191.40p	70.0p	2.5p paid on 25/6/10
Albion Prime VCT PLC formerly Albion Protected VCT PLC	Apr 97	113.25p	60.0p	1.5p paid on 9/7/10
Albion Development VCT PLC – Ordinary shares*	Jan 99	131.56p	66.0p	4.0p paid on 4/5/10
Albion Development VCT PLC – D shares***	Dec 09	94.60p	95.0p	
Albion Technology & General VCT PLC – Ordinary shares	Jan 01	148.5p	78.0p	4.0p paid on 21/5/10
Albion Technology & General VCT PLC – C shares	Jan 06	81.2p	61.0p	1.5p paid on 21/5/10
Albion Income & Growth VCT PLC	Oct 04	84.50p	58.5p	1.75p paid on 9/7/10
Albion Enterprise VCT PLC	Apr 07	92.64p	75.0p	1.5p paid on 7/8/10
Crown Place VCT PLC**	Apr 98	70.26p	27.5p	1.25p paid on 9/4/10

Source: Albion Ventures. All data is prepared as at 28 July 2010, using the last published net asset value of the relevant fund.

\*The Albion VCT PLC C shares were converted to Ordinary shares at a rate of 1 Ordinary share for each C share and the Albion Development VCT PLC C shares

were converted to Ordinary shares at a rate of 1.0715 Ordinary shares for each C share.

\*\*Albion Ventures took over the management of this VCT in April 2005.

\*\*\*The Albion Development VCT PLC D shares were issued at 100 pence each. The total return since

launch of 94.60 pence is after deducting fundraising costs of 5.5 pence per share.

† Dividends paid/declared plus NAV.

Please note: the above excludes all tax reliefs.

††As at 19 July 2010.

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