

Issued 1 November 2010

Key Facts**Manager**

Albion Ventures LLP

Launch date**Ordinary shares** December 2000**C shares** November 2005**Albion VCTs Linked Top Up Offer (Ordinary and C shares)**

1 November 2010

Share classes

Ordinary shares

C shares (due to merge with Ordinary shares on 31 March 2011 on the basis of the Net Asset Values of the respective classes as at 31 December 2010)

Approximate date of dividend payments

April & October

Current dividend target

Ordinary shares 5p per share post merger of share classes

LSE mnemonic

AATG

AATC

Directors

Neil Cross (Chairman) (Chairman of the Audit Committee)

Lt. Gen. Sir Edmund Burton

Mike Hart

Patrick Reeve

Investment policy

The Company's investment strategy is to provide investors with a regular and predictable source of dividend income combined with the prospect of long term capital growth through allowing investors the opportunity to participate in a balanced portfolio of technology and non-technology businesses. It is intended that, in time, the Company's investment portfolio will be split approximately as follows:

- 40 per cent. in unquoted UK technology related companies; and
- 60 per cent. in unquoted UK non-technology companies.

This split is subject to the availability of quality new investment opportunities arising within the UK technology and non-technology sectors. In neither of the categories listed above would investee companies normally have any external borrowing with a charge ranking ahead of the Company. Up to two-thirds of investments (by cost) will comprise loan stock secured with a first charge on the investee company's assets.

The Company pursues a longer term investment approach, with a view to providing shareholders with a strong, predictable dividend flow combined with the prospects of capital growth. This is achieved in two ways. First, controlling the VCT's exposure to technology risk by ensuring that many of the companies in the non-technology portfolio have property as their major asset, with no external borrowings. Second, by balancing the Investment portfolio by sector, so that those areas such as leisure and business services, which are susceptible to changes in consumer sentiment, are complemented by sectors with more predictable long term characteristics, such as healthcare and the environment.

Venture Capital Trust status

In addition to the investment policy described above, the HMRC rules drive the Company's investment allocation and risk diversification policies. In order to maintain status under Venture Capital Trust legislation, the following tests must be met:

- (1) The Company's income must be derived wholly or mainly from shares and securities;
- (2) At least 70 per cent. 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 30 per cent. by HMRC value of its total qualifying holdings must have been represented throughout the year by holdings of 'eligible shares';
- (4) At no time in the year must the Company's holdings in any one company (other than another VCT) have exceeded 15 per cent. by value of its investments;
- (5) The Company must not have retained greater than 15 per cent. of its income earned in the year from shares and securities;
- (6) Eligible shares must comprise at least 10 per cent. By HMRC value of the total of the shares and securities that the Company holds in any one investee company; and
- (7) The Company's shares, throughout the year must have been listed in the Official List of the Stock Exchange.

These tests drive a spread of investment risk through disallowing holdings of more than 15 per cent. in any investee company.

'Qualifying holdings' for Albion Technology & General VCT PLC include shares or securities (including loans with a five year or greater maturity period) in companies which operate a 'qualifying trade' wholly or mainly in the United Kingdom. 'Qualifying trade' excludes, amongst other sectors, dealing in property or shares and securities, insurance, banking, agriculture, and operating or managing hotels or residential care homes.

Investee company gross assets must not exceed £15 million immediately prior to the investment and £16 million immediately thereafter and there is an annual investment limit of £1 million in each company.

Gearing

As defined by the Articles of Association, the Company's maximum exposure in relation to gearing is restricted to 10 per cent. of the adjusted share capital and reserves. As at 31 December 2009, the Company's maximum exposure was £3,711,000 (2008: £3,964,000) and its actual short term and long term gearing at this date was £nil (2008: £nil). The Directors do not currently have any intention to utilise long term gearing.

This factsheet is issued in the UK by Albion Ventures LLP

Investment in the Company will involve certain risks, including:

- The Company will invest in unquoted investments which are, or may be, illiquid and difficult to realise;
- The Company will invest in shares of companies that may be subject to transfer restrictions;
- The performance of the Company is dependent on the availability of appropriate tax reliefs relating to venture capital trust status.

The value of investments can fall as well as rise and an investor may not get back the original amount invested.

The tax treatment depends on the individual circumstances of each investor and may be subject to change in the future.

Albion Ventures does not provide advice to, or ensure suitability in respect of any of its investment funds. An authorised investment adviser should be consulted in all circumstances where advice on an investment product is required. Although Albion Ventures may have an informed opinion on such matters, it cannot comment on the individual circumstances of each investor. The information relating to tax on this website is based on current law and practice and should not be construed as tax advice in respect of which investors should consult their own tax adviser. The market value of, and the income derived from shares can fluctuate and there is no guarantee that the market price of shares will fully reflect their underlying net asset value. There can be no guarantee that the investment objectives will be met.

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Management agreement

Following the buy-out of Close Ventures Limited, the Management agreement was novated to Albion Ventures LLP on 23 January 2009. Under this agreement, the Manager also provides secretarial and administrative services to the Company. The Management agreement can be terminated by either party on 12 months' notice. The Management agreement 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 2.5 per cent. of the net asset value of the Company, payable quarterly in arrears.

Total annual expenses, including the management fee, are limited to 3.5 per cent. of the net asset value. In line with common practice, the Manager is also entitled to an arrangement fee, payable by each investee company, of approximately 2 per cent. on each investment made.

Management performance incentive

In order to provide the Manager with an incentive to maximise the return to investors, the Company has entered into a Management performance incentive arrangement with the Manager. Under the incentive arrangement, if the net asset value per share at the end of a financial period, when added to the aggregate dividends per share (both revenue and capital) paid to that date, exceeds £1 increased at the rate of 8 per cent. per annum since the Company's commencement of trading, then the

Manager will be entitled to an incentive fee equal to 20 per cent. of such excess. The calculation is made separately for each class of share. In the event that the performance of the Company falls short of the target in any period, such shortfall must be made up in future periods before the Manager is entitled to any incentive in respect of such future periods.

Share buy-back policy (as announced in annual report to 31 December 2009)

It remains the Board's policy to buy back shares in the market, subject to the overall constraint that such purchases are in the VCT's interests, including the maintenance of sufficient resources for investment in new and existing investee companies and the continued payment of dividends to shareholders. It is the Board's policy to maintain a narrower discount to net asset value than has been the case over the past 18 months, when the discount increased during the crisis that affected financial markets.

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