

Kings Arms Yard VCT PLC Interim Management Statement

LEI Code 213800DK8H27QY3J5R45

Introduction

I am pleased to present Kings Arms Yard VCT PLC (the "Company")'s interim management statement for the period from 1 July 2017 to 30 September 2017.

Performance and dividends

The Company's unaudited net asset value (NAV) as at 30 September 2017 was £59.32 million or 21.76 pence per share (excluding treasury shares), a decrease of 0.05 pence per share (0.2 per cent.) since 30 June 2017.

After accounting for the dividend paid of 0.50 pence per share on 31 October 2017 to shareholders on the register on 6 October 2017, the NAV is 21.26 pence per share.

Albion VCTs Prospectus Top Up Offers 2017/2018

On 6 September 2017 the Company announced the publication of a prospectus in relation to an offer for subscription for new Ordinary shares. The Company is aiming to raise circa £8 million out of a target of £32 million in aggregate that the Albion VCTs are seeking to raise. A Securities Note, which forms part of the prospectus, has been sent to shareholders. All applications that are received before 2:00pm on 17 November 2017 will be included in the first allotment on that date.

Share buy-backs

During the period from 1 July 2017 to 30 September 2017, the Company purchased 344,000 shares for £70,000 at an average price of 20.45 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 July 2017 to 30 September 2017:

<i>Follow on investments into existing investee companies</i>	£000s	Activity
Egress Software Technologies Limited	573	<i>Encrypted email and file transfer service provider</i>
Oviva AG	276	<i>A technology enabled service business in medical nutritional therapy (MNT)</i>
Ryefield Court Care Limited	270	<i>Owns and operates a 60 bed care home in Hillingdon, Middlesex</i>
Active Lives Care Limited	255	<i>Owns and operates a 75 bed care home in Cumnor Hill, Oxfordshire</i>
G.Network Communications Limited	204	<i>Fibre optic broadband provider in central London</i>
Black Swan Data Limited	189	<i>Data analysis that supports corporate decision making</i>
Convertr Media Limited	56	<i>Digital lead generation software</i>
Abcodia Limited	41	<i>Validation and discovery of serum biomarkers</i>
Beddlestead Limited	6	<i>Developer and operator of a dedicated wedding venue in the UK</i>
Aridhia Informatics Limited	5	<i>Healthcare informatics and analysis provider</i>
<i>Total follow on investments</i>	1,875	

Disposals

The following disposals were made during the period from 1 July 2017 to 30 September 2017:

Portfolio company	£000s	
Hilson Moran Holdings Limited	2,205	Full disposal for a realised gain on cost of £1.9 million
Oxford Immunotec PLC	846	Partial disposal of shares
ErgoMed PLC	202	Partial disposal of shares
Total proceeds	3,253	

Furthermore, Relayware Limited merged with Zift Solutions Inc. to form Zift Channel Solutions Inc..

Top ten holdings as at 30 September 2017:

Portfolio company	Carrying value £000s	% of net asset value	Activity
Active Lives Care Limited	6,347	10.7	<i>Owns and operates a 75 bed care home in Cumnor Hill, Oxfordshire</i>
Ryefield Court Care Limited	4,641	7.8	<i>Owns and operates a 60 bed care home in Hillingdon, Middlesex</i>
Chonais River Hydro Limited	2,987	5.0	<i>Owns and operates a 2 MW hydro-power scheme in the Scottish Highlands</i>
Proveca Limited	2,985	5.0	<i>Reformulation of paediatric medicines</i>
Antenova Limited	2,857	4.8	<i>Supplier of integrated antennas and RF solutions</i>
Elaternal Group Limited	2,666	4.5	<i>Provider of digital marketing software</i>
Egress Software Technologies Limited	2,267	3.8	<i>Encrypted email and file transfer service provider</i>
Anthropics Technology Limited	1,739	2.9	<i>Provider of digital picture enhancement software</i>
The Street by Street Solar Programme Limited	1,693	2.9	<i>Owns and operates photovoltaic systems on domestic properties in the UK</i>
Grapeshot Limited	1,589	2.7	<i>Provider of digital marketing software</i>

A full breakdown of the Company's portfolio can be found on the Company's webpage on the Manager's website at www.albion.capital/funds/KAY, by following the 'Portfolio of Investments' link under the 'Fund reports' section.

Material events and transactions after the period end

Portfolio

After the period end, the Company had the following material investment transactions:

- Investment of £583,000 in a new portfolio company, Women's Health (London West One) Limited, to develop a women's health centre of excellence focussing on fertility;
- Investment of £490,000 in an existing portfolio company, Beddlestead Limited, which is a developer and operator of a dedicated wedding venue in the UK;
- Investment of £228,000 in an existing portfolio company, G.Network Communications Limited, which is a fibre optic broadband provider in central London; and
- Investment of £150,000 in an existing portfolio company, Elateral Group Limited, which is a provider of digital marketing software.

Patient capital review

The current consultation entitled “Financing growth in innovative firms” may result in changes to VCT legislation in the next Budget, which may limit the category of business in which the Company currently invests.

Further information

The Company continues to offer a dividend reinvestment scheme to existing shareholders. Details of this Scheme can be found at www.albion.capital/funds/KAY.

Further information regarding historic and current financial performance and other useful shareholder information can be found on the Company’s webpage on the Manager’s website under www.albion.capital/funds/KAY.

Robin Field, Chairman

9 November 2017

For further information please contact:

Patrick Reeve, Albion Capital Group LLP – Tel: 020 7601 1850