

Albion Technology & General VCT PLC

Annual Report and Financial
Statements for the year
ended 31 December 2021



2021

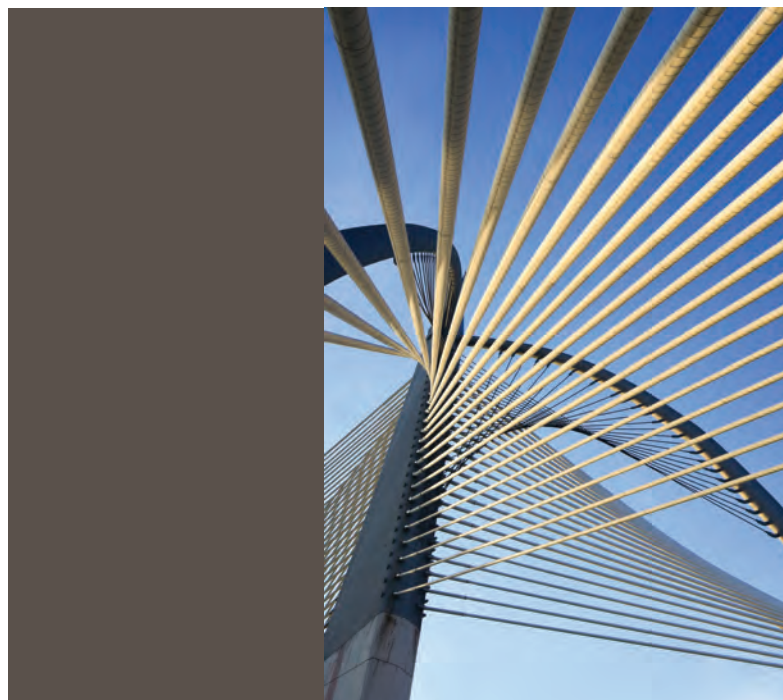
AlbionCapital



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Company information

Company name

Albion Technology & General VCT PLC (the "Company")

Company number

04114310

Directors

R Archibald, Chairman

P M Payn

M A Cordeiro

P H Reeve

Dr. N E Cross (retired 27 May 2021)

M V Rees-Mogg (retired 20 September 2021)

Country of incorporation

United Kingdom

Legal form

Public Limited Company

Manager, company secretary, AIFM and registered office

Albion Capital Group LLP

1 Benjamin Street

London, EC1M 5QL

Registrar

Computershare Investor Services PLC

The Pavilions

Bridgwater Road

Bristol, BS99 6ZZ

Auditor

BDO LLP

55 Baker Street

London, W1U 7EU

Corporate broker

Panmure Gordon (UK) Limited

One New Change

London, EC4M 9AF

Taxation adviser

Philip Hare & Associates LLP

Hamilton House

1 Temple Avenue

London, EC4Y 0HA

Legal adviser

Bird & Bird LLP

12 New Fetter Lane

London, EC4A 1JP

Depositary

Ocorian Depositary (UK) Limited

Level 5, 20 Fenchurch Street

London, EC3M 3BY

Albion Technology & General VCT PLC is a member of The Association of Investment Companies (www.theaic.co.uk).

Shareholder information

For help relating to dividend payments, shareholdings and share certificates please contact Computershare Investor Services PLC:

Tel: 0370 873 5854 (UK national rate call, lines are open 8.30am – 5.30pm; Mon – Fri, calls are recorded)

Website: www.investorcentre.co.uk

Shareholders can access holdings and valuation information regarding any of their shares held with Computershare by registering on Computershare's website.

Shareholders can also contact the Chairman directly on: AATGchair@albion.capital

Financial adviser information

For enquiries relating to the performance of the Company, and information for financial advisers please contact the Business Development team at Albion Capital Group LLP:

Email: info@albion.capital

Tel: 020 7601 1850 (lines are open 9.00am – 5.30pm; Mon – Fri, calls are recorded)

Website: www.albion.capital

Please note that these contacts are unable to provide financial or taxation advice.

Investment objective and policy

The Company's investment objective is to provide investors with a regular and predictable source of dividend income, combined with the prospect of long-term capital growth, through a balanced portfolio of predominantly unquoted growth and technology businesses in a qualifying Venture Capital Trust ("VCT").

Investment policy

The Company will invest in a broad portfolio of unquoted growth and technology businesses. Allocation of assets will be determined by the investment opportunities which become available, but efforts will be made to ensure that the portfolio is diversified in terms of sectors and stages of maturity of portfolio companies.

VCT qualifying and non-qualifying investments

Application of the investment policy is designed to ensure that the Company continues to qualify and remains approved as a VCT by HM Revenue and Customs ("VCT regulations"). The maximum amount invested in any one company is limited to any HMRC annual investment limits. It is intended that normally at least 80 per cent. of the Company's funds will be invested in VCT qualifying investments. The VCT regulations also have an impact on the type of investments and qualifying sectors in which the Company can make an investment.

Funds held to invest in VCT qualifying assets or for liquidity purposes will be held as cash on deposit, invested in floating rate notes or similar instruments with banks or other financial institutions with high credit ratings. They may also be invested in liquid open-ended equity funds providing income and capital equity exposure (where it is considered economic to do so). Investment in such open-ended equity funds will not exceed 7.5 per cent. of the Company's assets at the time of investment.

Risk diversification and maximum exposures

Risk is spread by investing in a number of different businesses within VCT qualifying industry sectors using a mix of securities. The maximum the Company will invest in a single company is 15 per cent. of the Company's assets at cost at the time of investment. The value of an individual investment is expected to increase over time as a result of trading progress and a continuous assessment is made of investments' suitability for sale. It is possible that individual holdings may grow in value to a point where they represent a significantly higher proportion of total assets prior to a realisation opportunity being available.

Borrowing powers

The Company's maximum exposure in relation to gearing is restricted to 10 per cent. of the adjusted share capital and reserves. The Directors do not have any intention of utilising long-term gearing.

Financial calendar

Annual General Meeting	3pm on 26 May 2022
General Meeting	4pm on 26 May 2022
Record date for first dividend	6 June 2022
Payment date of first dividend	30 June 2022
Announcement of Half-yearly results for the six months ending 30 June 2022	September 2022

Financial highlights

200.28p

Total shareholder value – being net asset value plus dividends paid per Ordinary share since launch[†]

14.98p

Increase in total shareholder value for the year ended 31 December 2021[†]

21.6%

Total uplift on opening net asset value per share[†]

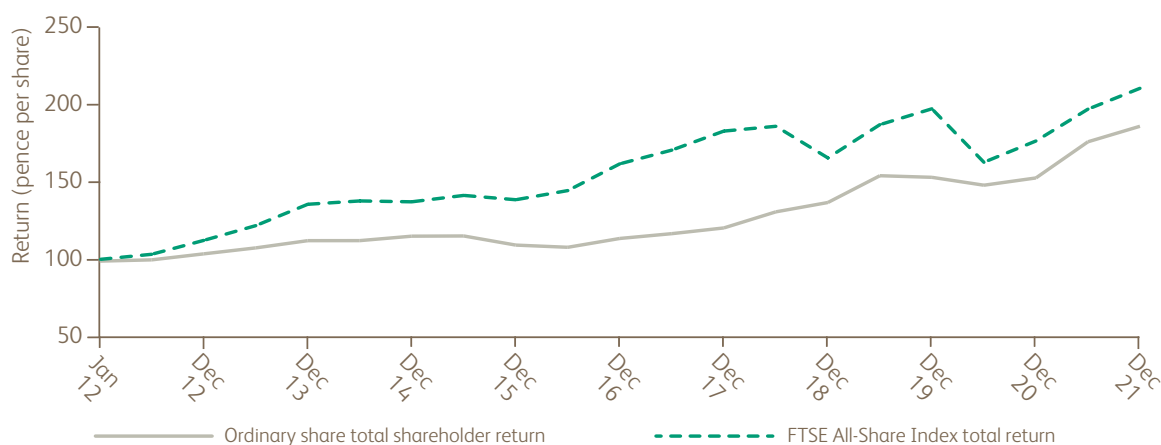
3.68p

Total tax-free dividend per Ordinary share paid in the year ended 31 December 2021 (a dividend yield of 5.3% on opening net asset value)

80.65p

Net asset value per Ordinary share as at 31 December 2021

Ordinary share total shareholder value relative to FTSE All-Share Index total return (with dividends reinvested)



Methodology: The total shareholder value to the shareholder including original amount invested (rebased to 100) from 1 January 2012 assuming that dividends were reinvested at the net asset value of the Company at the time that the shares were quoted ex-dividend. Transaction costs are not taken into account.

[†]These are considered Alternative Performance Measures, see notes 2 and 3 on pages 12 and 13 of the Strategic report for further explanation.

Financial highlights continued

	31 December 2021 (pence per share)	31 December 2020 (pence per share)
Opening net asset value	69.35	82.58
Capital return/(loss)	14.93	(0.06)
Revenue return/(loss)	<u>0.37</u>	<u>(0.22)</u>
Total return/(loss)	15.30	(0.28)
Ordinary dividends paid	(3.68)	(3.95)
Special dividend paid	–	(9.00)
Impact from share capital movements	<u>(0.32)</u>	<u>–</u>
Net asset value	80.65	69.35

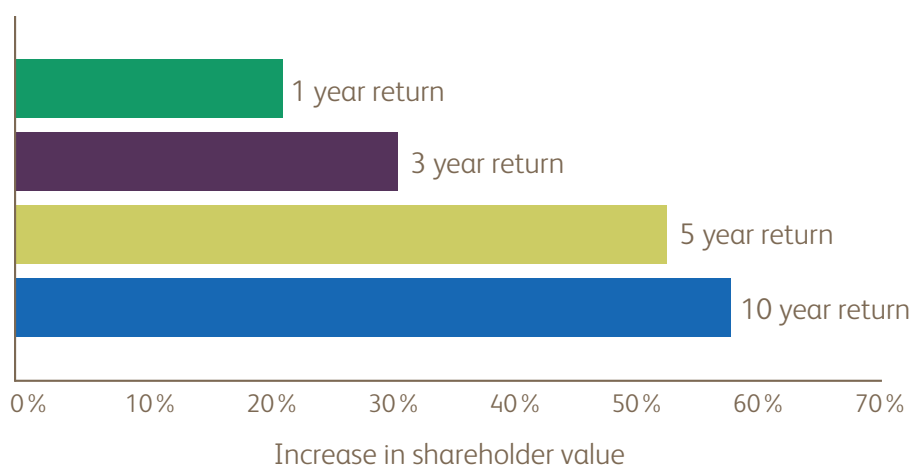
	Ordinary share (pence per share)
Total dividends paid to 31 December 2021	119.63
Net asset value as at 31 December 2021	80.65
Total shareholder value to 31 December 2021	200.28

In addition to the dividends noted above, the Board has declared a first dividend for the year ending 31 December 2022 of 2.02 pence per share to be paid on 30 June 2022 to shareholders on the register on 6 June 2022.

For historic shareholders, further details regarding the total shareholder value for C Shares and Albion Income and Growth VCT PLC can be found at www.albion.capital/funds/AATG under the 'Financial Summary for Previous Funds' section.

A more detailed breakdown of the dividends paid per year can be found at www.albion.capital/funds/AATG under the 'Dividend History' section.

Albion Technology & General VCT PLC - Performance data



■ 1 year average 21.6% p.a. ■ 3 year average 10.3% p.a. ■ 5 year average 10.5% p.a. ■ 10 year average 5.8% p.a.

The diagram above shows the one year, three year, five year and ten year total return to shareholders. This return comprises dividends paid and the change in net asset value over the relevant periods.

Chairman's statement



Robin Archibald
Chairman



“ This is the highest annual return achieved by the Company since 2003 ”

Introduction

The Company has undergone a series of changes in recent years in the makeup of its portfolio; how returns are earned, with income from the portfolio being reduced relative to capital return given the nature of the portfolio companies; and has faced some dramatic economic challenges, with the Covid-19 pandemic (“the Pandemic”) and more recent geopolitical crisis having direct economic and market implications for the Company.

It is pleasing, therefore, with these headwinds to report a strong positive total return for the year ended 31 December 2021 of 15.30 pence per share, which represents a 22.1 per cent. return on opening net asset value. This is the highest annual return achieved by the Company since 2003 and is in no small part a reflection of the different type of portfolio in which the Company invests, with technology, FinTech and health companies providing much of the return.

We continue to see resilience and growth from our portfolio, with many of our portfolio companies demonstrating the value of the services they provide to their customers as the economy emerges from the Pandemic. However, with heightened risks through increased inflation and more recent events in Ukraine, it is difficult to be entirely positive about what lies ahead when there are such significant issues outside the Company's control but with impact on economic outlook generally. Returns from venture capital can be volatile but are not necessarily correlated to listed markets.

As you will read later in the report and in the accompanying Circular, the Board has worked with the Manager to reduce the ongoing costs of the Company and to do so in a way that aligns the interests of shareholders with the Manager over the longer term. The proposed changes to the Manager's remuneration, including to the performance incentive, will be subject to shareholder approval. If approved, management costs will be substantially reduced, an administration fee will be

introduced and the performance incentive arrangements will be re-structured, potentially rewarding the Manager for outperformance over a hurdle of 5 per cent., calculated over a period of 5 years, and at the same rate as under the existing performance incentive of 15 per cent. of outperformance earned as a fee.

Investment in the Company remains a longer-term proposition. The Manager and Board are conscious of this in how the portfolio is structured, costs are incurred (with ongoing costs capped at 2.75 per cent.), dividends are calculated and paid and in how liquidity is provided in the secondary market through share buy-backs at a pre-determined level (circa 5 per cent. discount) to the prevailing net asset value. It is encouraging that the Company continues to raise fresh funds through the top up offers and through dividend re-investment, as the Manager continues to see new and exciting investment opportunities and uses ‘five-year, five per cent total return’ horizons as its targets, recognising that there will be ‘ups and downs’ along the way, as has been the case since the Company was launched in 2000 in very different market circumstances.

Results and dividends

As at 31 December 2021, the net asset value was 80.65 pence per share compared to 69.35 pence per share at 31 December 2020. The total return after tax was £19.9 million compared to £0.3 million total loss in the year to 31 December 2020.

In line with our variable dividend policy targeting 5 per cent. of NAV per annum, the Company paid semi-annual dividends totalling 3.68 pence per share during the year to 31 December 2021 (2020: 12.95 pence per share, which included a 9 pence per share special dividend). The Board has declared a first dividend for the year ending 31 December 2022 of 2.02 pence per share to be paid on 30 June 2022 to shareholders on the register on 6 June 2022.

Chairman's statement continued

Investment portfolio

The results for the year showed net gains on investments of £21.5 million, against gains of £1.5 million for the previous year, which are largely driven by unrealised gains across the portfolio. Quantexa increased in value by £9.0 million and Oviva by £2.4 million, both following externally led funding rounds, and Credit Kudos increased by £3.1 million as a result of a third party offer. Against these gains, unrealised write-downs were made against our investment in Concirrus (£1.2 million) and Memstar (£0.8 million) following difficult trading conditions for both portfolio companies.

The Company had a number of investment realisations in the year with proceeds totalling £4.2 million, leading to realised gains of £0.4 million. The sale of Innovation Broking Group delivered 10.3 times return on equity. OmPrompt Holdings was sold which resulted in a return of 2.3 times cost and SBD Automotive was also sold generating 2.1 times cost. Against this, we have realised a loss of £0.4 million on our investment in Xperiome, which went into administration following the year end. Further details on the above disposals, and other realisations, can be found in the realisations table on page 30.

During the year, a total of £7.7 million was invested into portfolio companies, of which £2.4 million was invested across five new portfolio companies, all of which are likely to require further investment as the companies develop and hopefully grow:

- £1.0 million into Threadneedle Software Holdings (trading as Solidatus) a provider of data lineage software to enterprise customers in regulated sectors, which allows them to rapidly discover, visualise, catalogue and understand how data flows through their systems;

- £0.5 million into Gravitee TopCo (trading as Gravitee.io) an application programming interface (API) management platform;
- £0.4 million into NuvoAir Holdings a provider of digital therapeutics and decentralised clinical trials for respiratory conditions;
- £0.3 million into Brytlyt which uses patented software and artificial intelligence (AI), combined with the superior computation power of graphics processing units (GPUs), to derive insights thousands of times faster than legacy systems; and
- £0.2 million into Accelex Technology, a data extraction and analytics technology for private capital markets.

A further £5.3 million was invested into existing portfolio companies, the largest being: £1.5 million into Oviva, £0.9 million into Black Swan and £0.8 million into Elliptic.

The three largest investments in the Company's portfolio, being Quantexa, Radnor House School and Oviva, are valued at £28.0 million and represent 26.2 per cent. of the Company's net asset value.

Overall, 32 per cent. of the portfolio by value is profitable, measured by earnings before interest, tax and depreciation, with a number of our investments showing strong growth in fast-developing markets. Given the evolving nature of the portfolio, increasingly the return will be in the form of capital rather than income, which is why the basis of charging a proportion of the management fee to capital has increased from 75% to 90%, as explained in the notes to the accounts. As part of portfolio management, the Board always maintains liquidity to meet future potential investments, running costs and, importantly, cash for payment of dividends and to facilitate share buy-backs.

‘ During the year, a total of £7.7 million was invested into portfolio companies ’



‘ The results for the year showed net gains on investments of £21.5 million ’

New management performance incentive and reduction in annual management fee

Accompanying this Annual Report is a Circular to shareholders proposing changes to the Management Agreement with Albion Capital Group LLP. These changes will be implemented by a deed of variation to the Company's existing Management Agreement. Full details of the changes are set out in the Circular. The proposed changes will be voted on by shareholders under a single Ordinary resolution at a General Meeting ("GM") which will follow the Annual General Meeting ("AGM") on 26 May 2022. The proposed changes include: lowering the Management fee from 2.5 per cent. of NAV to 2.0 per cent. of NAV; introduction of an administration fee; and revisions to the performance incentive arrangements. The net result is to significantly reduce operating costs (whilst retaining the cap of 2.75 per cent.) and to have performance incentive arrangements which apply a hurdle and term in their calculation that are more in accordance with the Companies long term investment returns and timing of returns profile, but represent the same percentage of outperformance payable as is in place currently, namely 15 per cent.

In supporting this management remuneration package, the Board is conscious of being fair to all the stakeholders in the Company, with shareholders' and the Manager's interests being balanced and aligned around outperformance being achieved from the portfolio before any fee is earned. There is also a reduction in the running costs of managing the portfolio, including for circumstances where the portfolio continues to increase materially in value, as has been the case in the last five years, as well as having a cap on the level of expenses the Company might bear if its assets were to fall.

Board

The Board continues with its succession planning, which includes looking at fresh appointments and focusing the roles on the Board. During the last year I assumed the Chair, Margaret Payn became Audit Chair and Mary Anne Cordeiro became Senior Independent Director. This followed the retirement of Dr Neil Cross and Modwenna Rees-Mogg. Patrick Reeve continues to serve as a non-independent Director on the Board of four, with three independent Directors being remunerated by the Company. We have established a clear committee structure for nominations, remuneration and management engagement amongst the independent non-executive Directors (all reported on later in this report). The aim is to have a small and focussed Board, with remuneration in line with the responsibilities borne, skills and experience required and more in line with the investment company arena taken as a whole. This will result in a reduction in absolute board costs and a more precise period for serving on the Board of nine years, absent unforeseen circumstances. We are also mindful of diversity in how the Board is structured, as has been the case for a number of years.

Risks and uncertainties

The highly uncertain outlook for the UK and Global economies remains the key risk affecting the Company, with the continuing health risk clouding any evaluation of risk and returns for many companies in the developed world. The Russian invasion of Ukraine has led to increased global geopolitical tensions and headline figures for inflation are not encouraging reaching levels in the UK not seen for some decades. While many of our portfolio companies have shown remarkable growth and resilience during the Pandemic, there are some underlying portfolio companies that continue to be adversely affected. The Manager is continually assessing the exposure to these risks for each portfolio company and appropriate actions, where possible, are being implemented, which includes provision of financial support where necessary.

A detailed analysis of the principal risks and uncertainties facing the business is shown in the Strategic report on pages 18 to 20.

Share buy-backs and reserves

It remains a primary objective to maintain sufficient cash resources for investment in new and existing portfolio companies, for the continued payment of dividends to shareholders and to provide liquidity in the secondary market through share buy-backs. The Board's policy is to buy back shares in the market, subject to the overall constraint that such purchases are in the Company's interest. It is the Board's intention for such buy-backs to be in the region of a 5 per cent. discount to net asset value, so far as market conditions and liquidity permit. The Board continues to review the use of buy-backs and is satisfied that it is an important means of providing market liquidity for shareholders. Details of shares bought back during the year can be found in note 15. During the last year, the Company raised substantially more through the top up offer and dividend re-investment than was required to fund share buy-backs, but this might not always be the case, which is why managing relatively high cash resources is prudent for investment and structural purposes.

The Company also manages a relatively high level of distributable reserves which can be used for share buy-backs and the payment of dividends. As in the past, the Company has sought authority from shareholders for reclassification of the share premium account to create additional distributable reserves, which is being done again this year as explained on page 40.

Albion VCTs' Prospectus Top Up Offers

A prospectus top up offer of new Ordinary shares was launched on 6 January 2022. The Board announced on 22 March 2022 that, following strong demand for the Company's shares, it had elected to exercise its £4 million over-allotment facility, taking the total offer to £24 million. On 29 March 2022, the Company was pleased to announce that it had reached its limit under its Offer which was fully subscribed and closed to further applications.

Chairman's statement continued

The funds raised by the Company pursuant to the Offer will be added to the cash resources available for investment, putting the Company into a position to take advantage of investment opportunities over the next two to three years. The proceeds of the Offer will be applied in accordance with the Company's investment policy.

Annual General Meeting and General Meeting

Due to the proposed changes to the Management Agreement, the Board has decided to adopt a hybrid format for the AGM and GM this year to ensure maximum participation and shareholder engagement. The AGM will be held at 3pm on 26 May 2022 at the offices of Bird & Bird LLP, 12 New Fetter Lane, London EC4A 1JP, with virtual participation via the Lumi platform, which will be followed immediately by the GM at 4pm. Information on how to attend or participate in the live webcast can be found on the Manager's website www.albion.capital/vct-hub/agms-events. The Board intends to hold AGMs virtually in the future as this has seen record numbers of shareholders attending the AGM.

The Board welcomes questions from shareholders at the AGM and GM and shareholders will be able to ask questions using the Lumi platform, or in person. Alternatively, shareholders can email their questions to AATGchair@albion.capital prior to the Meeting.

Further details on the format and business to be conducted at the AGM can be found in the Directors' report on page 39 and in the Notice of the Meeting on pages 76 to 79.

The Board also encourages shareholders to vote on the Company business at the AGM and GM and is strongly recommending that shareholders should vote in favour of the resolutions being proposed at both meetings.

Outlook and prospects

The former chairman served the Company well since its inception in 2000 and he saw changes in how and where the Company invested, as well as what the prospects were during different market cycles. This year is no different, but with some positive corporate changes envisaged and some portfolio challenges ahead. Whilst there are uncertainties as to the full extent of the ongoing economic and societal impact of the Pandemic as well as the Russian invasion of Ukraine, the positive results for the year just ended demonstrate the resilience of our portfolio during what were challenging times. The portfolio is diversified with companies at different stages of maturity and targeted at sectors such as software, FinTech and healthcare. We believe that the sectors in which we invest can continue to provide opportunities where growth can be resilient and sustainable. The Board remains confident that the Company and its portfolio are well positioned to continue to generate long term value for shareholders and that the proposed changes to Management arrangements and the Board are designed to assist in that direction.

Robin Archibald

Chairman

13 April 2022

Strategic report

Investment objective and policy

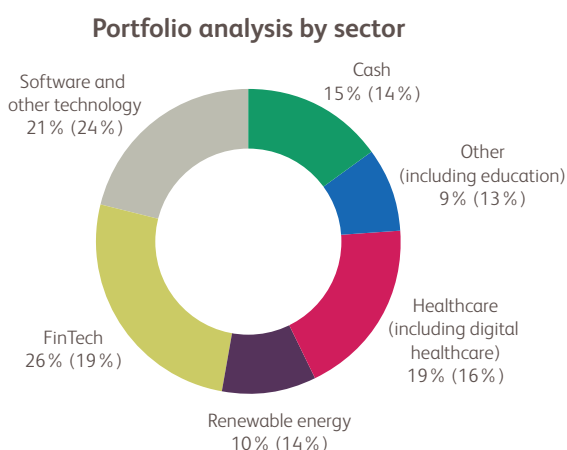
The Company's investment objective is to provide investors with a regular and predictable source of dividend income, combined with the prospect of long-term capital growth, through a balanced portfolio of unquoted growth and technology businesses in a qualifying VCT.

The Company will invest in a broad portfolio of unquoted growth and technology businesses. Allocation of assets will be determined by the investment opportunities which become available, but efforts will be made to ensure that the portfolio is diversified in terms of sectors and stages of maturity of portfolio companies.

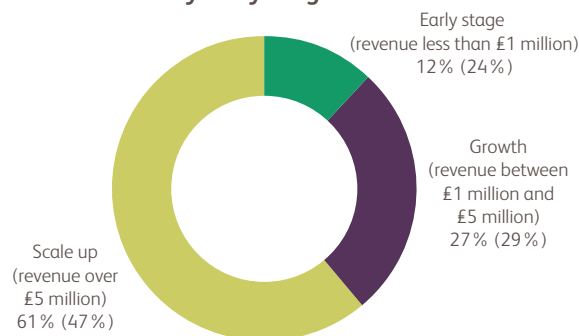
The full investment policy can be found on page 3.

Current portfolio sector allocation

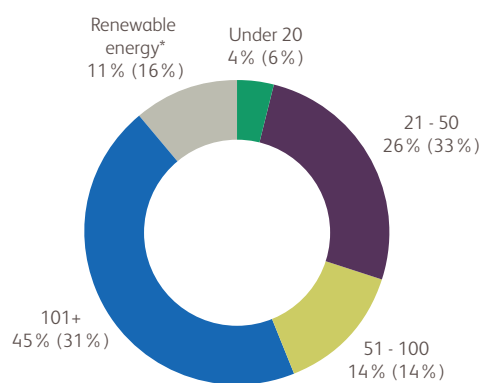
The following pie charts show the split of the portfolio valuation as at 31 December 2021 by sector, stage of investment and number of employees. This is a useful way of assessing how the Company and its portfolio are diversified across sector, portfolio companies' maturity measured by revenues and their size measured by the number of employees. As the Company continues to invest in software and other technology companies, FinTech (technology specifically applicable to financial services companies) becomes a more prominent investment, and therefore is included as a subsector below. Details of the principal investments made by the Company are shown in the Portfolio of investments on pages 28 to 30.



Portfolio analysis by stage of investment



Portfolio analysis by number of employees



Comparatives for 31 December 2020 are in brackets.
*Renewable energy investments have no employees.

Direction of portfolio

The current portfolio remains well-balanced both in terms of stage of investment and sectors, with FinTech accounting for 26%, software and other technology accounting for 21%, healthcare (including digital healthcare) accounting for 19%, renewable energy accounting for 10%, and other (including education) accounting for 9%. The performance of two of the Company's largest investments (by value), Quantexa and Credit Kudos, in FinTech companies have driven the material increase in FinTech as a proportion of the overall portfolio. During the year, Quantexa increased in value by £9.0 million, and Credit Kudos by £3.1 million.

In line with the Company's investment policy, investment continues to be made predominately into higher growth technology companies. The Company will support those portfolio companies who require it, as well as capitalise on any new investment opportunities that arise. We therefore expect that investments in the FinTech, software and other technology and healthcare sectors (including digital healthcare) will continue to increase, and that asset-based investments will decrease over the coming years.

Results and dividends

	Ordinary shares £'000
Net capital return for the year ended 31 December 2021	19,412
Net revenue return for the year ended 31 December 2021	476
Total return for the year ended 31 December 2021	19,888
Dividend of 1.73 pence per share paid on 30 June 2021	(2,306)
Dividend of 1.95 pence per share paid on 31 December 2021	(2,590)
Transferred to reserves	14,992
Net assets as at 31 December 2021	106,994
Net asset value per share as at 31 December 2021	80.65p

The Company paid ordinary dividends of 3.68 pence per share during the year ended 31 December 2021 (2020: 3.95 pence per share); there were no special dividends paid in this year (2020: 9.0 pence per share). The Board has a variable dividend policy which targets an annual dividend yield of around 5 per cent. on the prevailing net asset value. The Board has declared a first dividend for the year ending 31 December 2022 of 2.02 pence per share to be paid on 30 June 2022 to shareholders on the register on 6 June 2022.

As shown in the Income statement on page 58, investment income has increased to £1,077,000 (2020: £604,000). This is due to the payment of previously rolled up interest. As a result, there is an overall revenue gain to shareholders of £476,000 (2020: loss of £248,000). This gain is also partially driven by an increased percentage of investment management fees being allocated to the realised capital reserve; this better aligns with the Board's expectation that over the long term the majority of the Company's investment returns will be in the form of capital gains. Further information can be found in the Notes to the Financial Statements on page 63.

The net capital gain for the year was £19,412,000 (2020: loss of £63,000). The net gain was generated largely by unrealised gains on investments, together with gains on disposals, partially offset by the capital portion of investment management fees. Key valuation movements during the year are outlined in the Investment portfolio section of the Chairman's statement. The total gain for the period was 15.30 pence per share (2020: loss of 0.28 pence per share).

The Balance sheet on page 59 shows that the net asset value per share increased over the year to 31 December 2021 to 80.65 pence per share (2020: 69.35 pence per share). The increase in net asset value was driven principally by investment gains offset by dividend payments.

The cash inflow for the year was £2.9 million (2020: £21.0 million outflow). This resulted mainly from the issue of new Ordinary shares under the Top Up Offer, disposal proceeds and loan stock income, offset by new investments, dividends paid, share buy-backs and ongoing expenses.

Review of business and outlook

A review of the Company's business during the year and its future prospects is contained in the Chairman's statement on pages 6 to 9 and in this Strategic report.

There is a continuing focus on growing investments in the FinTech, healthcare and other software and technology sectors, and, therefore, we expect the portfolio to continue to increase its weighting in these sectors.

Investment income largely comprises of loan stock interest on our renewable energy investments, which the Company intends to hold for the longer term. As a result, investment income is expected to remain relatively flat over the near term and most of the investment returns are expected to be delivered by capital gains.

Since the end of the financial year, the Company has made a number of follow-on investments in existing portfolio companies as well as making small new investments and disposals. In addition, a successful top-up offer has raised £24 million.

Future prospects

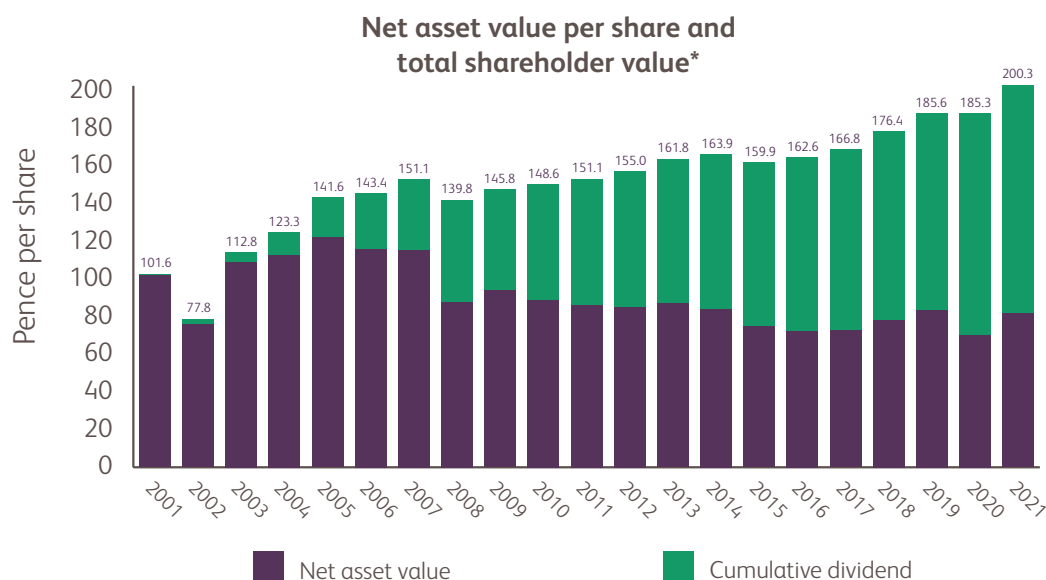
The Company's financial results for the year to 31 December 2021 demonstrate the resilience of the portfolio which is a consequence of the portfolio remaining well balanced across sectors and risk classes, despite the effects of the Pandemic so far. Many of the companies in the portfolio have continued to grow throughout the Pandemic and have been providing products and services that are considered innovative and essential to their customers.

The Board remains confident that the Company and its portfolio are well positioned to continue to generate long term value for shareholders. The Manager has a strong pipeline of investment opportunities in which the Company's cash can be deployed.

Key Performance Indicators ("KPIs") and Alternative Performance Measures ("APMs")

The Directors believe that the following KPIs and APMs, which are typical for VCTs, used in the Board's assessment of the Company, will provide shareholders with sufficient information to assess how effectively the Company is applying its investment policy to meet its objectives. The Directors are satisfied that the results shown in the following KPIs and APMs give a good indication that the Company is achieving its investment objective and policy. These are:

1. Net asset value per share and total shareholder value



Total shareholder value increased by 14.98 pence to 200.28 pence per Ordinary share for the year ended 31 December 2021 (21.6 per cent. on the opening net asset value).

The graph on page 4 reflects the total shareholder value performance of the Company relative to the FTSE All-share Index.

2. Movement in shareholder value in the year†

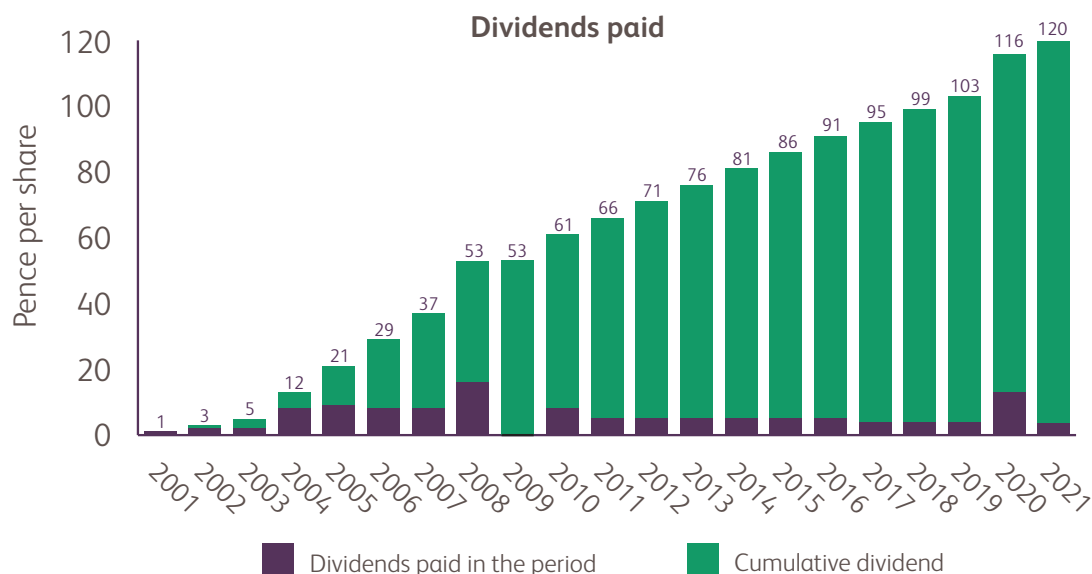
2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
4.6%	8.0%	2.5%	(4.7%)	3.6%	6.0%	13.2%	11.9%	(0.3%)	21.6%

† Calculated as the movement in total shareholder value for the year compared with the opening net asset value.

The figures in the table above show that total shareholder value, despite some annual volatility, has delivered an average increase of 6.6 per cent. per annum over the past ten years.

The returns to shareholders who have acquired shares through the C share issue in 2006 and the merger with Albion Income & Growth VCT in 2013 are shown on the Company’s Webpage on the Manager’s website at www.albion.capital/funds/AATG under “Financial Summary for Previous Funds”. Shareholders who have acquired shares through Top Up Offers, the dividend reinvestment scheme or in the market outside the corporate events will be able to calculate their own returns based on the price at which they acquired their shares, the dividends they have received since the purchase and the current net asset value of their holding.

3. Dividend distributions



Dividends paid in respect of the year ended 31 December 2021 were 3.68 pence per share (2020: 12.95 pence per share; 3.95 pence per share in ordinary dividends and a 9.00 pence per share special dividend). Cumulative dividends paid since inception are 119.63 pence per Ordinary share.

4. Ongoing charges

As agreed with the Manager in 2015, the ongoing charges ratio for the year ended 31 December 2021 was capped at 2.75 per cent. (2020: 2.75 per cent.) with any excess over the cap being a reduction in the management fee. The ongoing charges ratio has been calculated using The Association of Investment Companies' (AIC) recommended methodology. This figure shows shareholders the total recurring annual running expenses (including investment management fees charged to capital reserves) as a percentage of the average net assets attributable to shareholders. Subject to shareholder approval at the General Meeting on 26 May 2022, the Directors expect the ongoing charges ratio for the year ahead to decrease to 2.5 per cent. following the changes to the Management Fee as detailed in the Circular to shareholders accompanying this Annual Report and Financial Statements. If the resolution does not pass at the General Meeting, the Directors expect the ongoing charges ratio for the year to remain at 2.75 per cent. for the 2022 financial year.

The reduction in management fees payable to Albion Capital Group LLP in the year, due to the expense cap, amounted to £231,000 (2020: £78,000).

5. VCT regulation*

The investment policy is designed to ensure that the Company continues to qualify, and is approved, as a VCT by HMRC. In order to maintain its status under VCT legislation, a VCT must comply on a continuing basis with the provisions of Section 274 of the Income Tax Act 2007, details of which are provided in the Directors' report on page 37.

The relevant tests to measure compliance have been carried out and independently reviewed for the year ended 31 December 2021. These confirmed that the Company has complied with all tests and continues to do so.

*VCT compliance is not a numerical measure of performance and thus cannot be defined as an APM.

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 share capital and reserves adjusted for any dividends declared. Although the investment policy permits the Company to borrow, the Directors do not currently have any intention of utilising long-term gearing and have not done so in the past.

Operational arrangements

The Company has delegated the investment management of the portfolio to Albion Capital Group LLP, which is authorised and regulated by the Financial Conduct Authority. Albion Capital Group LLP also provides company secretarial and other accounting and administrative support to the Company under the Management Agreement, as well as acting as the Company's Alternative Investment Fund Manager ("AIFM").

Management Agreement

Shareholders should note that accompanying this Annual Report and Financial Statements is a Circular proposing changes to the Management Agreement with Albion Capital Group LLP. Details of the proposed changes can be found in the Chairman's Statement on page 8 and in the Circular. The following information covers the current Management Agreement.

Under the Management Agreement, the Manager provides investment management, secretarial and administrative services to the Company. The Management Agreement can be terminated by either party on 12 months' notice and 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. The total annual running costs of the Company, including management fees payable to Albion Capital Group LLP, Directors' fees, professional fees and the costs incurred by the Company in the ordinary course of business (but excluding any exceptional items and performance fees payable to Albion Capital Group LLP) are capped at an amount equal to 2.75 per cent. of the Company's net assets, with any excess being met by Albion Capital Group LLP by way of a reduction in management fees.

In some instances, the Manager is entitled to an arrangement fee, payable by a portfolio company in which the Company invests, in the region of 2.0 per cent. of the investment made, and also monitoring fees where the Manager has a representative on the portfolio company's board. Further details of the Manager's fee can be found in note 5.

Management performance incentive

Shareholders should note that accompanying this Annual Report and Financial Statements is a Circular proposing changes to the Manager's remuneration which includes changes to the performance incentive arrangement with Albion Capital Group LLP. Details of the proposed changes can be found in the Chairman's Statement on page 8 and in the Circular. The following information covers the current incentive arrangement.

To provide the Manager with an incentive to maximise the return to investors, the Manager is entitled to charge an incentive fee in the event that the returns exceed minimum target levels per share.

Under the current 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 RPI plus 2 per cent. per annum un compounded from the date of first admission to the Official List of the relevant class of share), then the Manager will be entitled to an incentive fee equal to 15 per cent. of such excess. 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. This methodology creates a cumulative hurdle to be beaten before any fee is payable.

The fee if applicable, will be payable annually. No performance fee has arisen during the year (2020: £nil). There has been no performance fee paid since the year ended 31 December 2005. The performance threshold is set in proportion to historic share classes and at 31 December 2021 was 212.47 pence for the Ordinary shares, 185.67 pence for the former C shares and 191.47 pence for the former Income & Growth shares which compares to total returns of 200.28 pence, 119.85 pence and 123.80 pence respectively, based on the latest NAV.

New management performance incentive fee

Since 2005, the Company's total return for all shares has fallen significantly short of the cumulative hurdle detailed above and the performance from the early years of the measurement period mean that the current arrangements are ineffective in sharing the portfolio returns with the Manager. In addition, the challenge to find and retain investment talent continues to be strong and performance fee arrangements are viewed as an important factor in attracting new investment professionals. Maintaining the calibre of investment professionals is strongly in the interests of shareholders. In light of this, and having a performance incentive more closely aligned with the target performance and investment period, the Board have agreed with the Manager that the existing management performance incentive arrangements be reviewed to align the interests of the Manager and the Company.

Please refer to the accompanying Circular to shareholders containing details of the proposed new management performance incentive which, subject to approval by shareholders at the forthcoming General Meeting will replace the existing incentive arrangements.

Investment and co-investment

The Company co-invests with other Albion Capital Group LLP managed VCTs. Allocation of investments is on the basis of an allocation agreement which is based, inter alia, on the ratio of cash available for investment in each of the entities and the HMRC VCT qualifying tests.

Liquidity Management

The Board examines regularly both the liquidity of the Company's shares in the secondary market, which is substantially influenced by the use of share buybacks and share issuance, and the liquidity of the Company's portfolio. The nature of investments in a venture capital portfolio is longer term and these are relatively illiquid in the short term. Consequently, the Company maintains sufficient liquidity in cash and near cash assets to cover the operating costs of the Company and to meet dividend payments and share buy-backs, as well as to have the capacity to make fresh investments when the opportunities arise. Although the Company is authorised to borrow, in practice it does not borrow. The Board has no intention that the Company should borrow given the nature of the Company's investments, a number of which have their own gearing. Management of liquidity is one of the key operational areas that the Board discusses regularly with the Manager.

Evaluation of the Manager

The Board, via the Management Engagement Committee, has evaluated the performance of the Manager based on:

- the returns generated by the Company;
- the continued compliance with the VCT regulation;
- the long term prospects of the current portfolio of investments;
- the management of treasury, including use of share buy-backs and participation in fund raising;
- a review of the Management Agreement and the services provided therein;
- benchmarking the performance of the Manager to other service providers, including the performance of other VCTs that the Manager is responsible for managing; and
- the contribution made by the administration and secretarial team to the operation of the Company.

The Board believes that it is in the interests of shareholders as a whole, and of the Company, to continue the appointment of the Manager for the forthcoming year.

Alternative Investment Fund Managers Directive ("AIFMD")

The Board appointed Albion Capital Group LLP as the Company's AIFM in 2014 as required by the AIFMD. The Manager became a full-scope AIFM under the AIFMD in 2018. As a result, from that date, Ocorian Depository (UK) Limited was appointed as Depository to oversee the custody and cash arrangements and provide other AIFMD duties with respect to the Company. This provides another degree of oversight over the custody of the Company's assets.

Companies Act 2006 Section 172 Reporting

Under Section 172 of the Companies Act 2006, the Board has a duty to promote the success of the Company for the benefit of its members as a whole in both the long and short term, having regard to the interests of other stakeholders in the Company, such as suppliers, and to do so with an understanding of the impact on the community and environment and with high standards of business conduct, which includes acting fairly between members of the Company.

The Board is very conscious of these wider responsibilities in the ways it promotes the Company's culture and ensures, as part of its regular oversight, that the integrity of the Company's affairs is foremost in the way the activities are managed and promoted. This includes regular engagement with the wider stakeholders of the Company and being alert to issues that might damage the Company's standing in the way that it operates. The Board works very closely with the Manager in reviewing how stakeholder issues are handled, ensuring good governance and responsibility in managing the Company's affairs, as well as visibility and openness in how the affairs are conducted.

The Company is an externally managed investment company with no employees, and as such has nothing to report in relation to employee engagement but does keep close attention on how the Board operates as a cohesive and competent unit. The Company also has no customers in the traditional sense and, therefore, there is also nothing to report in relation to relationships with customers.

Strategic report continued

The table below sets out the key stakeholders the Board considers most relevant, details how the Board has engaged with these key stakeholders and the effect of these considerations on the Company's decisions and strategies during the year.

Stakeholder	Engagement with Stakeholder	Outcome and decisions based on engagement
Shareholders	<p>The key methods of engaging with Shareholders are as follows:</p> <ul style="list-style-type: none"> • Annual General Meeting ("AGM") • Shareholder seminar • Annual report and Financial Statements, Half-yearly financial report, and Interim management statements • RNS announcements for all key decisions including changes to the Board, and the publication of a Prospectus in connection with the Top Up Offer • Maintenance of a user friendly website • Conversations with the Company's broker on shareholder trends in the VCT marketplace 	<ul style="list-style-type: none"> • Shareholders' views are important and the Board encourages Shareholders to exercise their right to vote on the resolutions at the AGM or any other General Meetings of the Company. The Company's AGM is typically used as an opportunity to communicate with investors, including through a presentation made by the investment management team. In light of the Covid-19 pandemic, the Board took the decision to update the Company's Articles of Association to allow for virtual/hybrid events in order for the 2021 AGM to be live streamed for shareholders. The Board was able to take questions from shareholders at the AGM enabling maximum shareholder engagement in the absence of a face-to-face event and saw higher number of attendees compared to previous years. The Board has decided that this year's AGM will be held as a hybrid event to facilitate maximum shareholder participation. • Shareholders are also encouraged to attend the annual Shareholders' Seminar. This year's event took place on 12 November 2021. The seminar included Quantexa and Healios sharing insights into their businesses and also presentations from Albion executives on some of the key factors affecting the investment outlook, as well as a review of the past year and the plans for the year ahead. Representatives of the Board attended the seminar. The Board considers this an important interactive event and expects to continue to run this in 2022. • The Board recognises the importance to shareholders of maintaining a share buy-back policy, in order to provide market liquidity, and considered this when establishing the current policy. The Board closely monitors the discount to the net asset value to ensure this is in the region of 5 per cent. • The Board seeks to create value for shareholders by generating strong and sustainable returns to provide shareholders with regular dividends and the prospect of capital growth. The Board takes this into consideration when making the decision to pay dividends to shareholders. The variable dividend policy has been enacted, and has resulted in a dividend yield of 5.3 per cent. on opening net asset value. • During the year, the decision to publish a Prospectus was taken, in order to raise more funds for deployment into new and existing portfolio companies. The Board carefully considered whether further funds were required, whether the VCT tests would continue to be met and whether it would be in the interest of shareholders, before agreeing to publish the Prospectus. On allotment, the decision was made to use different issue prices based on the most recent published NAVs to ensure there was no dilution to existing Shareholders. • Cash management and liquidity of the Company are key quarterly discussions amongst the Board, with focus on deployment of cash for future investments, dividends and share buy-backs. The Board has therefore proposed a special resolution at the 2022 AGM to increase the Company's distributable reserves by way of a reduction of share premium account and capital redemption reserve. This will provide flexibility, if it is required, for the Company to make buy backs and dividend payments. Further details on this can be found on page 40.
Suppliers	<p>The key suppliers with regular engagement from the Manager are:</p> <ul style="list-style-type: none"> • Corporate broker • VCT taxation adviser • Depository • Registrar • Auditor • Lawyer 	<ul style="list-style-type: none"> • The Manager is in regular contact with the suppliers and the contractual arrangements with all the principal suppliers to the Company are reviewed regularly and formally once a year, alongside the performance of the suppliers in acquitting their responsibilities. • During the year a Management Engagement Committee was established to review the performance of the Company's key providers, annually, in line with the Manager. The review took place during the year, and the Committee is satisfied with the performance of the key suppliers. Full Terms of Reference can be found on the Company's webpage on the Manger's website at www.albion.capital/funds/AATG.

Stakeholder	Engagement with Stakeholder	Outcome and decisions based on engagement
Manager	<p>The performance of Albion Capital Group LLP is essential to the long-term success of the Company, including meeting the investment policy and generating returns to shareholders, as well as the impact the Company has on Environment, Social and Governance issues by its activities.</p> <p>The quality of investment and administration staff and their continuity is an important part of the Management service level to the Company and an area that the Board engages regularly with Albion to ensure that the quality continues.</p>	<ul style="list-style-type: none"> The Manager meets with the Board at least quarterly to discuss the performance of the Company, and is in regular contact in between these meetings, e.g. to share investment papers for new and follow-on investments. All strategic decisions are discussed in detail and minuted, with an open dialogue between the Board and the Manager. The performance of the Manager in managing the portfolio and in providing company secretarial, administration and accounting services is reviewed in detail each year by the Management Engagement Committee, which includes reviewing comparator engagement terms and portfolio performance. Further details on the evaluation of the Manager, and the decision to continue the appointment of the Manager for the forthcoming year, can be found in this report. Following a thorough review by the Management Engagement Committee, the Board have agreed with the Manager that the existing management fee, which includes administration services, and performance incentive arrangements be reviewed to align the interests of the Manager and the Company. Accompanying these accounts is a Circular to shareholders containing details of the proposed new management fees and changes to the performance incentive which, subject to approval by shareholders at the forthcoming General Meeting, will replace the existing management arrangements. During the year, the Board has reviewed the current Management Agreement, and a new agreement was signed which updated the agreement for new regulatory requirements, such as GDPR and AIFMD, but did not change any commercial terms with the Manager. Details of the Manager’s responsibilities can be found in the Statement of corporate governance on pages 43 and 44.
Portfolio companies	<p>The portfolio companies are considered key stakeholders, not least because they are principal drivers of value for the Company. However, as discussed in the Environmental, Social and Governance (“ESG”) report on pages 22 to 24, the portfolio companies’ impact on their stakeholders is also important to the Company.</p>	<ul style="list-style-type: none"> The Board aims to have a diversified portfolio in terms of sector and stage of investment. Further details of this can be found in the pie charts on page 10. In most cases, an Albion executive is on the board of a portfolio company, to help with both business operation decisions, as well as good ESG practices. The Manager ensures good dialogue with portfolio companies, and often holds events to help portfolio companies benefit from the Albion network.
Community and environment	<p>The Company, with no employees, has no effect itself on the community and environment. However, as discussed above, the portfolio companies’ ESG impact is extremely important to the Board.</p>	<ul style="list-style-type: none"> The Board receives reports on ESG factors within its portfolio from the Manager. The Manager is a signatory of the United Nations Principles for Responsible Investment (“UN PRI”). Further details of this are set out in the ESG report on pages 22 to 24. ESG, without its specific definition, has always been at the heart of the responsible investing that the Company engages in and in how the Company conducts itself with all of its stakeholders.

Environmental, Social and Governance (“ESG”)

The Board and the Company’s Manager, Albion Capital Group LLP, take ESG very seriously and more detail can be found in the ESG report on pages 22 to 24.

Social and community issues, employees and human rights

The Board recognises the requirement under section 414C of the Companies Act 2006 (the “Act”) to detail information about social and community issues, employees and human rights; including any policies it has in relation to these matters and the effectiveness of these policies. As an externally managed investment company with no employees, the Company has no requirement for formal policies in these matters, however, it is at the core of its responsible investment approach as detailed above.

General Data Protection Regulation (“GDPR”)

The GDPR has the objective of unifying data privacy requirements across the European Union and continues to apply in the United Kingdom after Brexit. The Manager continues to take action to ensure that the Manager and the Company are compliant with the regulation.

Further policies

The Company has adopted a number of further policies relating to:

- Environment
- Global greenhouse gas emissions
- Anti-bribery
- Anti-facilitation of tax evasion
- Diversity

These are set out in the Directors' report on page 38.

Risk management

The Board carries out a regular review of the risk environment in which the Company operates, together with changes to the environment and individual risks. The Board also identifies emerging risks which might affect the Company. In the year ended 31 December 2021 the most noticeable continuing risk to operational and investment risk has been the global pandemic which has impacted not only public health and mobility but also has had an adverse impact on the economy, the full impact of which is likely to be uncertain for some time. Inflation has increased which is also being factored into the risks facing the Company. Since the year end, geopolitical risk has become heightened, further affecting the economic outlook. Again, the effects will not be known in the short term.

The Board has carried out a robust assessment of the Company's principal risks and uncertainties and seeks to mitigate these risks through regular reviews of performance and monitoring progress and compliance. The Board applies the principles detailed in the Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting, in the mitigation and management of these risks. More information on specific mitigation measures for the principal risks and uncertainties are explained below:

Risk	Possible consequence	Risk assessment during the year	Risk management
Investment, performance and valuation risk	<p>Investment in smaller unquoted growth businesses carries a higher degree of risk and is more volatile than investing in larger, long-established businesses. This could negatively impact shareholder returns.</p> <p>The Company relies on the judgement and reputation of the Manager to provide strong investment returns and valuations for shareholders.</p> <p>The Company's investment valuation methodology is based on fair value, which for smaller unquoted growth businesses can be difficult to determine due to the lack of observable market data and the limitation of external reference points.</p> <p>The Company publishes quarterly net asset values and uses the most contemporary net asset values for issuing and buying back shares.</p>	No change.	<p>The Board places reliance on the skills and expertise of the Manager and its track record of making successful investments in higher growth technology businesses. The Manager operates a structured investment appraisal and due diligence process. This includes a review from one external investment professional and comments from non-executive Directors of the Company on matters discussed at the Investment Committee meetings.</p> <p>Investments are monitored by the Manager, through monthly portfolio updates and typically an investment manager sitting on portfolio company boards. The Board receives detailed reports on each investment and their valuation as part of their quarterly board meetings.</p> <p>Review and oversight by non-executive Directors ensures that the risk to the Company's and Manager's reputation is kept to a minimum.</p> <p>Investments are valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which represent current best practice for investment valuation and are reviewed by the Manager's Valuation Committee.</p>
VCT approval risk	Any breach of section 274 of the Income Tax Act 2007, including any legislative changes, could result in the loss of the Company's HMRC qualifying status and tax reliefs for investors.	No change.	The Company's VCT qualifying status is monitored monthly by the Manager and quarterly by the Board. The Board has appointed Philip Hare & Associates LLP as its taxation adviser, which independently confirms compliance, highlights areas of risk and informs on any legislative changes.

Strategic report continued

Risk	Possible consequence	Risk assessment during the year	Risk management
Regulatory and compliance risk	The Company is listed on The London Stock Exchange and is required to comply with the rules of the UK Listing Authority, as well as with the Companies Act, Accounting Standards and other legislation. Failure to comply with these regulations could result in a delisting of the Company's shares, or other penalties under the Companies Act or from financial reporting oversight bodies.	No change.	<p>The Board and the Manager receive regular updates on new regulation, including legislation on the management of the Company, from its auditor, lawyers and other professional bodies. The Company is subject to compliance checks through the Manager's compliance officer, and any issues arising from compliance or regulation are reported to its own board every two months. The Board ensures the Company is compliant as part of its quarterly Board meetings.</p> <p>The Board reviews the quarterly reports prepared by Ocorian Depository (UK) Limited (the Company's Depository) to ensure the Manager is adhering to the AIFMD requirements.</p>
Market value of Ordinary shares	The market value of Ordinary shares can fluctuate. The market value of an Ordinary share, as well as being affected by its net asset value ("NAV") and prospective NAV, also takes into account its dividend yield and prevailing interest rates. As such, the market value of an Ordinary share may vary considerably from its underlying NAV. The market prices of shares in quoted investment companies can, therefore, be at a discount or premium to the NAV at different times, depending on supply and demand, market conditions, general investor sentiment and other factors, including the ability to exercise share buybacks. Accordingly, the market price of the Ordinary shares may not fully reflect their underlying NAV.	No change.	<p>The Company operates a share buy-back policy, which aims to limit the discount at which the Ordinary shares trade to around 5 per cent. to NAV, by providing a purchaser through the Company in absence of market purchasers. From time to time buy-backs cannot be applied, for example when the Company is subject to a close period, or if it were to exhaust and could not renew any buyback authorities.</p> <p>New Ordinary shares are issued at sufficient premium to NAV to cover the costs of issue and to avoid asset value dilution to existing investors.</p>
Operational and internal control risk (including cyber and data security)	The Company relies on a number of third parties, in particular the Manager, for the provision of investment management and administrative functions. Failures in key IT systems and controls within the Manager's business could place assets of the Company at risk, resulting in inaccurate information being passed to the Board or shareholders. This could additionally result in losses for the Company and its shareholders.	No change.	<p>The Company's operations and IT systems are subject to rigorous internal controls which are reviewed on a regular basis and reported to the Board.</p> <p>The Audit and Risk Committee reviews the Internal Audit Reports prepared by the Manager's internal auditors (from 2022 Azets) and has access to their internal audit partner of whom it can ask specific detailed questions to satisfy itself that the Manager has strong systems and controls in place including those in relation to risk management, business continuity and cyber security.</p> <p>The Board reviews the systems and processes (including cyber and data security) in place for the Company's key suppliers to ensure that there is an appropriate risk mitigation.</p>

Risk	Possible consequence	Risk assessment during the year	Risk management
Economic and political risk	<p>Events such as the Covid-19 pandemic, the impact of Brexit, an economic recession, fluctuation in inflation and interest rates, or significant political events and economic sanctions could adversely affect the companies within the portfolio and consequently the Company's net asset value.</p> <p>Covid-19 impacts, while lessening, continue to pose a significant exogenous risk to the Company, the wider population and economy.</p> <p>Inflation is now running at levels where it might affect economic prospects.</p> <p><i>Emerging risk</i> Russia's invasion of Ukraine is at an early stage and the effects on the Company, if any, over the medium term are unknown. Immediate impacts from supply-chain driven inflation have seen material falls in tech stock prices in listed markets. An abatement of investor appetite to fund the tech sector could be both a risk and a threat to the portfolio.</p>	Increased (ongoing Covid-19 uncertainty and the invasion of Ukraine by Russia).	<p>The Company invests in a diversified portfolio of circa 60 companies predominantly in the United Kingdom, and has a policy of minimising any external bank borrowings within portfolio companies.</p> <p>Exogenous risks over which the Company has no control are always a risk and the Company does what it can to address these risks. The inherent long-term nature of the portfolio, and the closed-ended nature of the Company, help to mitigate exogenous risks as the Company should not be a forced seller of investments.</p> <p>The Board and Manager continuously assess the resilience of the portfolio as a result of economic and political risks, to ascertain where support is required. The Company has sufficient cash resources to cope with unexpected pressures. Exposure is relatively small to at-risk sectors that include leisure, hospitality, retail and travel. Inflationary factors are taken into account in examining prospective costs and returns in portfolio companies.</p> <p>The Company's investment policy and the Boards scrutiny of the investment portfolio ensures that this increased risk continues to be mitigated where possible.</p> <p>The Manager monitors the situation closely insofar as it affects any portfolio company. The Board receives papers for each new or follow-on investment and can raise queries covering this situation.</p> <p>The portfolio is diversified and is invested in UK based companies with little European exposure.</p>

Viability statement

In accordance with the FRC UK Corporate Governance Code published in 2018 and provision 36 of the AIC Code of Corporate Governance, the Directors have assessed the prospects of the Company for the three years to 31 December 2024. The Directors believe that three years is a reasonable period in which they can assess the ability of the Company to continue to operate and meet its liabilities as they fall due. This is the period used by the Board as part of its strategic planning process, which includes: the estimated timelines for finding, assessing and completing investments; the potential impact of any new regulations; and the availability of cash.

The Board has carried out a robust assessment of the principal and emerging risks facing the Company, including those that could threaten its business model, future performance, solvency or liquidity, and focused on the major factors which affect the economic, regulatory and political environment. The Board also considered the procedures in place to identify emerging risks and the risk management processes in place to avoid or reduce the impact of the underlying risks. The Board carefully assessed, and was satisfied with, the risk management processes in place to avoid or reduce the impact of these risks. The Board considers that the Covid-19 pandemic and the geopolitical risk arising from Russia's invasion of Ukraine are the largest uncertainties facing the Company, and thus has carried out robust stress testing of cashflows which included; assessing the resilience of portfolio companies, including the requirement for any future financial support and the ability to fulfil interest requirements on debt instruments.

The Board assessed the ability of the Company to raise finance and deploy capital, as well as the existing cash resources of the Company. The Board has additionally considered the ability of the Company to comply with the ongoing conditions to ensure it maintains its VCT qualifying status under its current investment policy. As a result of the Board's quarterly valuation reviews, it has concluded that the portfolio is well balanced and geared towards delivering long term growth and strong returns to shareholders. In assessing the prospects of the Company, the Directors have considered the cash flow by looking at the Company's income and expenditure projections and funding pipeline over the assessment period of three years and they appear realistic. It is also satisfied that the Company can maintain its VCT qualifying status.

Strategic report continued

Taking into account the processes for mitigating risks, monitoring costs, implementing share buy-backs and issuance of new shares, the Manager's compliance with the investment objective, achievement of the VCT qualifying status, policies and business model and the balance of the portfolio, the Board has concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period to 31 December 2024. The Board is mindful of the ongoing and emerging risks and will continue to ensure that appropriate safeguards are in place, in addition to monitoring the quarterly cashflow forecasts to ensure the Company has sufficient liquidity.

This Strategic report of the Company for the year ended 31 December 2021 has been prepared in accordance with the requirements of section 414A of the Companies Act 2006 (the "Act"). The purpose of this report is to provide shareholders with sufficient information to enable them to assess the extent to which the Directors have performed their duty to promote the success of the Company in accordance with Section 172 of the Act.

On behalf of the Board,

Robin Archibald

Chairman

13 April 2022

Environmental, Social, and Governance (“ESG”) report

The Company’s Manager, Albion Capital Group LLP, takes the concept of sustainable and responsible investment seriously for existing investments and in reviewing new investment opportunities. In turn, the Board is kept apprised of ESG issues in connection with both the portfolio and in how Company affairs are conducted more generally as a regular part of Board oversight.

Albion Capital Group LLP is a signatory of the United Nations Principles for Responsible Investment (“UN PRI”). The UN PRI is the world’s leading proponent of responsible investment, working to understand the investment implications of ESG factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.

The Board and Albion Capital Group LLP recognise that applying the following six Principles for Responsible Investment better aligns investors with broader objectives of society:

Principle 1: to incorporate ESG issues into investment analysis and decision-making processes.

Principle 2: to be active owners and incorporate ESG issues into ownership policies and practices.

Principle 3: to seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: to promote acceptance and implementation of the Principles within the investment industry.

Principle 5: to work together to enhance our effectiveness in implementing the Principles.

Principle 6: to report on our activities and progress towards implementing the Principles.

The Board and Albion Capital Group LLP have exercised conscious principles in making responsible investments throughout the life of the Company, not least in providing finance for promising companies in a variety of important sectors such as technology, healthcare and renewable energy. In making the investments, the Manager is directly involved in the oversight and governance of these investments, including ensuring standards of reporting and visibility on business practices, all of which are reported to the Board of the Company. By its nature, not least in making qualifying investments which fulfil the criteria set by HMRC, the Company has focused on sustainable and longer-term investment propositions, some of which will grow and serve important societal demands. One of the most important drivers of performance is the quality of the investment portfolio, which goes beyond the individual valuations and examines the prospects of each of the portfolio companies, as well as the sectors in which they operate – all requiring a longer-term view.

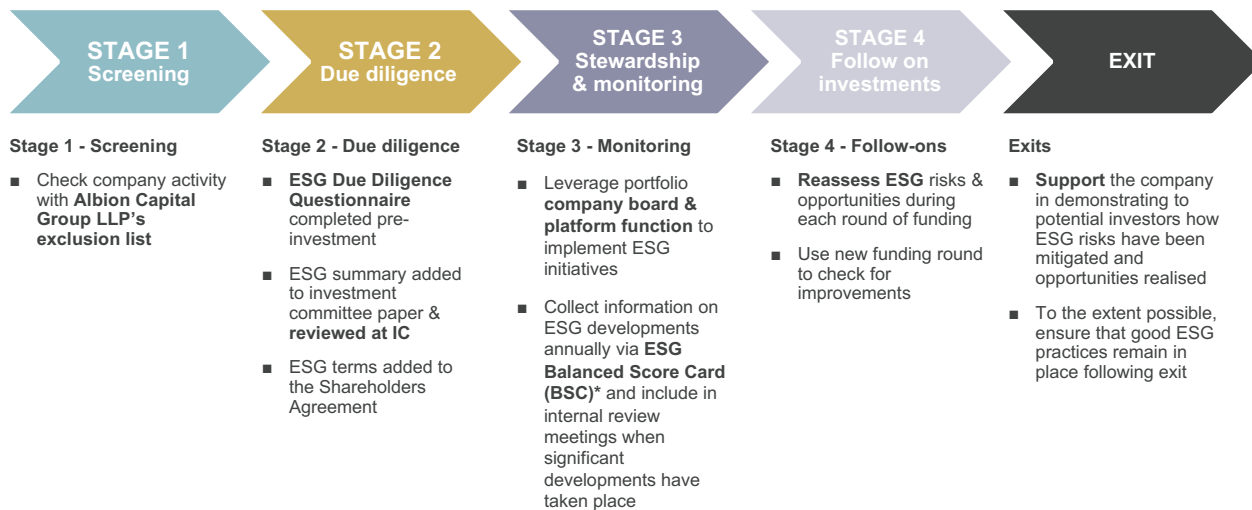
In the nature of venture capital investment, Albion Capital Group LLP is more intimately involved in the affairs of portfolio companies than might be the case for funds invested in listed securities. As such, Albion Capital Group LLP is in a position to influence good governance and behaviour in the portfolio companies, many of which are relatively small companies without the support of a larger company’s administration and advisory infrastructure. The Company adheres to the principles of the AIC Code of Corporate Governance and is also aware of other governance and corporate conduct guidance which it meets as far as practical, including in the constitution of a diversified and independent Board capable of providing constructive challenge.

Albion Capital Group LLP incorporates ESG considerations into its investment process. These form part of its process to create value for investors and develop sustainable long-term strategies for portfolio companies. Albion Capital Group LLP reports ESG criteria to the UN PRI regularly and to the Board quarterly. The Manager is a member of the VentureESG steering committee, a global network of fund managers that drives application of ESG principles for early-stage technology investors and companies.

ESG principles are integrated at the pre-investment, investment and exit stages. This is reflected in transparency of reporting, governance principles adopted by the Company and the portfolio companies, and increasingly in the positive environmental or socially nature of investments made. Albion Capital Group LLP, where relevant, considers climate-specific issues in its investment policies and activities.

Environmental, Social, and Governance (“ESG”) report continued

Albion Capital Group LLP has long held the belief that returns are optimised by investing in sustainable businesses with positive societal and environmental outcomes, which forms an important aspect of the investment process:



* The ESG BSC contains sustainability metrics against which a portfolio company is assessed in order to determine sustainability risks and opportunities, and track progress over time. As a minority investor in early stage technology companies, Albion Capital Group LLP has not set ESG KPIs for its portfolio companies. Albion Capital Group LLP's role is to guide portfolio company leadership and share best practice methods across the venture capital industry.

Pre-investment stage

An exclusion list is used to rule out investments in unsustainable areas, or in areas which might be perceived as socially detrimental. ESG due diligence is performed on each potential investee company to identify any sustainability risks associated with the investment. Identified sustainability risks are ranked from low to high and are reported to the relevant investment committee. The investment committee considers each potential investment. If sustainability risks are identified, mitigations are assessed and, if necessary, mitigation plans are put in place. If this is not deemed sufficient, the committee would consider the appropriate level and structure of funding to balance the associated risks. If this is not possible, investment committee approval will not be provided, and the investment will not proceed.

The Manager's standard investment deal documents include a sustainability clause that reinforces an individual company's commitment to driving principles of ESG as it scales.

Investment stage

An ESG clause is integrated into the shareholders agreement for all new investments. The clause outlines the portfolio company's commitment to combine economic success with environmental and social success.

All new and existing portfolio companies are asked to report against an ESG BSC annually. The ESG BSC contains a number of sustainability factors against which a portfolio company is assessed in order to determine the potential sustainability risks and opportunities arising from the investment. The ESG BSCs form part of the Manager's internal review meetings alongside discussions around other risk factors, and any outstanding issues are addressed in collaboration with the portfolio companies' senior management.

Exit stage

Albion Capital Group LLP aims to ensure that good ESG practices remain in place following exit. For example, by ensuring that the portfolio company creates a self-sustaining ESG management system during our period of ownership, wherever feasible.

Environmental, Social, and Governance (“ESG”) report continued

The Manager’s ESG initiatives

Albion Capital Group LLP incorporates ESG for its internal operations, a breakdown of its ESG considerations, together with recent initiatives, follow:

Environmental – Albion Capital Group LLP is committed to ensuring that the environmental impacts of its business operations are positive and as far as possible, any negative impact is mitigated.

Social – Albion Capital Group LLP aims to conduct its business in a socially responsible manner, to contribute to the communities in which it operates and to respect the needs of its employees and all of its stakeholders.

Governance – Albion Capital Group LLP seeks to conduct all of its business activities in an honest, ethical and socially responsible manner and these values underpin its business model and strategy.

Overview of Albion Capital Group LLP’s ESG activity in 2021:

Environmental

- Monitoring carbon footprint
- Net Zero carbon emissions strategy designed
- Biochar carbon removal offsets purchased
- Supporting local environmental action

Social

- Unconscious Bias training for leadership team
- Future VC, a paid internship offered
- FairHQ, working with expert consultancy to establish diverse and inclusive practices
- Women in Leadership Series, video interview with women founders & CEOs across the portfolio

Governance

- Updated ESG for investment process
- Regular ESG updates for VCT boards
- Actively promoting ESG within the industry

The Board provides a wide range of relevant experience and skills and good diversity in its membership. Each member of the Board has demonstrated sufficient time capacity to meet the commitments required in preparing for, attending and participating in periodic Board meetings and for all the activities that take place between formal Board meetings as an important part of the process of oversight and constructive challenge from an independent board of an investment company. The Board works closely together and reviews succession and allocation of responsibilities on a regular basis.

The following are the Directors of the Company, all of whom operate in a non-executive capacity:

Robin Archibald BCom, CA, (appointed 18 November 2013) qualified as a chartered accountant with Touche Ross in Glasgow in 1983, before transferring with Touche Ross to London where he worked in the corporate finance department. Since 1986, he has worked in corporate finance and corporate broking roles, including for Samuel Montagu, SG Warburg Securities, NatWest Wood Mackenzie and Intelli Corporate Finance. He was a director of Winterflood Investment Trusts until 2014, where he was head of corporate finance and broking from 2004 until 2013. Since the early nineties, he has concentrated on advising and managing transactions in the UK closed-ended funds sector and has gained a wide experience in fundraising, reorganisations and restructuring for all types of listed funds, including VCTs. He is currently a non-executive director of Ediston Property Investment Company PLC, Capital Gearing Trust PLC, Henderson European Focus Trust plc and Shires Income plc.

Margaret Payn BA, FCA, (appointed 3 August 2020) has extensive experience across the financial sector. She qualified as a chartered accountant with KPMG in London. She has worked for a number of financial institutions in the UK, Australia and Asia, including nine years at Schroders where she held CFO and COO roles, and seven years in similar roles with Westpac and ANZ Banking Group. Her most recent executive role was at AMP Capital where she held the positions of CFO/COO within the asset management division and was responsible for leading the finance, product, strategy and support functions. She retired from this position in 2018. Most recently, she was appointed as a non-executive Director of JPMorgan Mid Cap Investment Trust plc. She was also a director of McPhersons Consumer Products Limited, from 2015 to 2018, a public listed company in Australia.

Mary Anne Cordeiro MA, (appointed 18 November 2013) worked at Goldman Sachs International Limited, first in the mergers and acquisitions department and subsequently in the Financial Institutions Group from 1986 to 1992. She worked in similar roles in corporate finance at Bankers Trust Company and Paribas, and was also co-head of Paribas' Financial Institutions Group, before leaving to found her own business in the finance sector in 1998. More recently she has applied her scientific and financial strategy expertise to the commercialisation of innovation and to funding growth of early stage companies. She currently advises a number of medical technology businesses including a novel medical device to improve the care of critically injured and trauma patients. She is also a member of the Development Board of the University of Oxford's Department of Chemistry. Mary Anne has an MA in Chemistry from Oxford University.

Patrick Reeve MA, FCA, (appointed 11 December 2003) was formerly the managing partner of Albion Capital and became chairman in 2019. He is also a director of Albion Development VCT and Albion Enterprise VCT. Patrick is on Albion's Valuation Committee and its Risk Management Committee. He is also a director of the Association of Investment Companies. Patrick joined Close Brothers Group plc in 1989 before establishing Albion Capital (formerly Albion Ventures LLP) in 1996. Prior to Close he qualified as a chartered accountant before joining Cazenove & Co. Patrick has an MA in Modern Languages from Oxford University. Patrick, although considered non-independent for governance purposes, contributes both direct investment experience and a wider perspective in the venture capital markets.

All Directors, except for Patrick Reeve, are members of the Audit and Risk Committee and Margaret Payn is Chairman.

All Directors, except for Patrick Reeve, are members of the Nomination Committee and Robin Archibald is Chairman.

All Directors, except for Patrick Reeve, are members of the Management Engagement Committee and Robin Archibald is Chairman.

All Directors, except for Patrick Reeve, are members of the Remuneration Committee and Mary Anne Cordeiro is Chairman.

Mary Anne Cordeiro is the Senior Independent Director.

Albion Capital Group LLP is authorised and regulated by the Financial Conduct Authority and is the Manager of Albion Technology & General VCT PLC. In addition, it manages a further five Venture Capital Trusts, the UCL Technology Funds, Albion Real Assets Fund, Albion Growth Opportunities Fund, Albion Community Power and provides administration services to Albion Care Communities Limited. Albion Capital currently has total assets under management or administration of approximately £850 million.

The following are specifically responsible for the management and administration of the Venture Capital Trusts managed by Albion Capital Group LLP:

Will Fraser-Allen, BA (Hons), FCA, is the managing partner of Albion Capital. Will is also chairman of the Public Policy Committee of the VCTA and sits on the Venture Capital Committee of the BVCA. He is passionate about the positive impact venture capital backed healthcare and technology companies will have on the way we live and work. Will joined Albion in 2001, became deputy managing partner in 2009 and managing partner in 2019. He has over 20 years' experience investing in healthcare, leisure, media and technology enabled businesses. Prior to joining Albion, Will qualified as a chartered accountant with Cooper Lancaster Brewers and has a BA in History from Southampton University.

Patrick Reeve, MA, FCA, details included in the Board of Directors section.

Dr. Andrew Elder, MA, FRCS, initially practised as a neurosurgeon before starting his career in investment. He now focuses on medical technologies, digital health, and the life-sciences sector. Andrew is head of healthcare investing and became deputy managing partner in 2019. He graduated with an MA plus Bachelor of Medicine and Surgery from Cambridge University and practised as a surgeon for six years. He is a Fellow of the Royal College of Surgeons (England).

Lauren Apostolidis, takes responsibility for driving the growth and engagement of the Talent X platform. In this impactful brand ambassadorial role, Lauren focuses on continuously expanding the value of AlbionVC networks to increase the success of our companies. Previously, as Platform Lead for workspace accelerator, Huckletree, Lauren built and managed the support network of ambassadors and investors to help connect founders across the workspaces to key individuals in the ecosystem. She built relevant programming and connection opportunities for the start ups and also ran an in-house accelerator for underrepresented founders who were looking to raise their Seed round. Prior to this, Lauren managed FinTech partnerships at Thomson Reuters (Refinitiv, now part of LSEG).

Adam Chirkowski, MA (Hons), is responsible primarily for investments in the asset-based portfolio. He is an investment director at Albion Capital and invests across a number of sectors including digital infrastructure, healthcare and renewable energy. Adam graduated from Nottingham University with a first-class degree in industrial economics and a masters in corporate strategy and governance. Prior to joining Albion in 2013, he spent five years working in corporate finance at Rothschild.

Emil Gigov, BA (Hons), FCA, has been an early-stage investor for over 20 years, supporting more than 30 companies spanning software technology, advanced manufacturing, education, and healthcare. More recently he has focused on B2B SaaS businesses across a range of sectors including data management, FinTech and marketing technologies. Emil joined Albion Capital in 2000 and became a partner in 2009. He graduated from the European Business School, London, with a BA (Hons) Degree in European Business Administration.

Dr. Molly Gilmartin, BA, joined Albion Capital from McKinsey & Company where she focused on healthcare systems, services and technologies. Prior to McKinsey, Molly was Chief Commercial Officer of Induction Healthcare Group which completed an IPO on AIM in 2019 and provided digital tools for healthcare professionals and patients to deliver care more efficiently and effectively. Before Induction, Molly was a founding team member of Pando, a messaging and workflow tool for doctors, and an NHS Clinical Entrepreneur as a medical doctor. As part of the Albion investment team, Molly focuses on health technology investing with a focus on digital tools and technologies that can drive better outcomes for patients through more efficient delivery of care and better clinical research.

Vikash Hansrani, BA (Hons), FCA, is the operations partner and oversees the finance and administration of all the funds under Albion Capital's management and is on the AIC's VCT Technical Committee. He qualified as a chartered accountant with RSM and latterly worked in its corporate finance team before joining Albion in 2010 and became partner in 2017. He has a BA (Hons) in Accountancy & Finance from Nottingham Business School. Vikash is on Albion's Valuation Committee and its Risk Management Committee.

Ed Lascelles, BA (Hons), heads up the technology investment team at Albion, focusing on B2B software and disruptive tech services. He joined Albion Capital in 2004 having started his career advising public companies during the 'dotcom' boom, and he became a partner in 2009. Ed graduated from University College London with a first-class honours' degree in Philosophy.

Paul Lehair, MSc, MA, joined Albion Capital with 10 years of experience in tech start-ups and investment banking. He came from Citymapper where he was Finance Director for five years having joined when the company had fewer than ten employees. He also worked in business operations at Viagogo and in M&A TMT at Citigroup. Paul is an investment manager at Albion specialising in technology investing. He holds a dual Masters' degree in European Political Economy from the London School of Economics and Political Science and Sciences Po Paris.

Catriona McDonald, BA (Hons), joined Albion Capital in 2018 from Goldman Sachs where she worked on IPOs, M&A and leveraged buyouts in New York and London. Her time in banking taught her how to implement proven systems and run detailed analysis. Cat is now an investment manager specialising in technology investing. She graduated from Harvard University, majoring in Economics.

Jane Reddin, is the talent director of Albion Capital. She helps the Albion Capital managed VCTs invest in the best founders, by assessing leadership potential, and accelerating the rapid scaling of our portfolio companies. In her 25 year career, Jane has transacted over 500 senior hires, built international, new-market and fund teams and helped over 70 start-ups build high performing teams. Prior to Albion, she spent six years as Talent Advisor at Balderton Capital then co-founded The Talent Stack, a talent management consulting company for start-ups. Jane joined Albion in 2021. She cares deeply about helping entrepreneurial leadership teams to thrive as they scale up. The talent platform she is developing at Albion enables the sharing of talent and leadership development expertise with our early-stage community.

Dr. Christoph Ruedig, MBA, practiced radiology and strategy consulting before becoming an investor in healthcare. He joined Albion Capital in 2011 and became a partner in 2016. At Albion he focuses on digital health, with investments ranging from clinical trial software to chronic disease management. Prior to joining Albion, he worked at General Electric, responsible for M&A in healthcare following a role in venture capital with 3i plc. He holds a degree in medicine from Ludwig-Maximilians University, Munich, and an MBA from INSEAD.

Nadine Torbey, MSc, BEng, joined Albion Capital in 2018 from Berytech Fund Management, one of the first VC funds in the Middle East and her investing experience includes: AI/Data Platforms and Infrastructure, CX, Digital Networks and Hardware. Nadine is an investment manager at Albion specialising in technology investing. She graduated from the American University of Beirut with a BSc in Electrical and Computer Engineering and followed this with an MSc in Innovation Management and Entrepreneurship from Brown University.

Robert Whitby-Smith, BA (Hons), FCA, is a partner at Albion Capital specialising in software investing. Robert joined Albion in 2005 and became a partner in 2009. Previously Robert worked in corporate finance for Credit Suisse, KPMG and ING Barings, after qualifying as a chartered accountant.

Jay Wilson, MBA, MMath, comes from an advisory background and is passionate about partnering with management teams. Jay joined Albion Capital in 2019 from Bain & Company where he had been a consultant since 2016 and is an investment director at Albion specialising in technology investing. Prior to this he graduated from the London Business School with an MBA having spent eight years as a broker at ICAP Securities.

Marco Yu, PhD, MRICS, specialises in energy related investment and has in-depth knowledge and understanding of energy generation, distribution, balancing, storage as well as servicing the sector. Marco is an investment director at Albion Capital, has a first-class degree in economics from Cambridge, a PhD in construction economics from UCL and has led over 20 investments to date. Prior to joining Albion in 2007, he qualified as a Chartered Surveyor with Bouygues (UK), and advised on large capital projects with EC Harris.

Portfolio of investments

Portfolio company	% voting rights held by all Albion managed companies		As at 31 December 2021			As at 31 December 2020			Change in value for the year* £'000
			Cost £'000	Cumulative movement in value £'000	Value £'000	Cost £'000	Cumulative movement in value £'000	Value £'000	
Quantexa Limited	2.9	11.3	2,740	14,193	16,933	2,740	5,238	7,978	8,955
Radnor House School (TopCo) Limited	14.8	48.3	2,710	2,999	5,709	2,710	1,849	4,559	1,150
Oviva AG	2.9	12.2	2,694	2,700	5,394	1,192	337	1,529	2,363
Proveca Limited	7.2	49.9	1,184	3,635	4,819	1,184	2,815	3,999	820
Oxsensis Limited	15.9	23.5	3,307	930	4,237	2,968	729	3,697	201
Credit Kudos Limited	4.5	13.8	979	3,071	4,050	979	–	979	3,071
Chonais River Hydro Limited	15.7	50.0	2,169	1,625	3,794	2,169	1,786	3,955	(161)
The Evewell Group Limited	6.4	33.0	1,547	1,522	3,069	1,195	301	1,496	1,221
Egress Software Technologies Limited	2.2	24.7	765	2,259	3,024	765	1,724	2,489	535
Elliptic Enterprises Limited	1.6	5.9	2,156	804	2,960	1,402	–	1,402	804
Black Swan Data Limited	0.9	2.9	3,268	(366)	2,902	2,378	(1,005)	1,373	639
Cantab Research Limited (T/A Speechmatics)	3.6	10.9	1,486	735	2,221	1,486	–	1,486	735
Gharagain River Hydro Limited	18.5	50.0	1,526	620	2,146	1,526	677	2,203	(57)
Phrasee Limited	2.9	17.4	680	1,338	2,018	680	237	917	1,101
Panaseer Limited	3.1	11.4	1,122	534	1,656	752	563	1,315	(29)
The Street by Street Solar Programme Limited	8.1	50.0	895	597	1,492	895	690	1,585	(93)
MHS1 Limited	22.5	48.8	1,565	(257)	1,308	1,565	(169)	1,396	(88)
Regenerco Renewable Energy Limited	7.9	50.0	822	472	1,294	822	542	1,364	(70)
Aridhia Informatics Limited	4.9	21.6	950	290	1,240	950	(254)	696	544
Beddlestead Limited	9.8	49.0	1,200	34	1,234	1,200	(389)	811	423
Convertr Media Limited	6.9	26.6	1,105	45	1,150	1,105	35	1,140	10
uMotif Limited	3.8	21.0	1,121	(69)	1,052	681	49	730	(118)
Healios Limited	2.5	17.5	633	417	1,050	216	470	686	(53)
Cisiv Limited	7.5	29.7	695	331	1,026	695	(248)	447	579
The Voucher Market Limited (T/A WeGift)	2.5	10.0	1,020	–	1,020	1,020	–	1,020	–
Threadneedle Software Holdings Limited (T/A Solidatus)	1.7	11.5	1,014	–	1,014	–	–	–	–
Arecor Therapeutics PLC (Previously Arecor Limited)**	0.9	5.5	304	632	936	304	–	304	632
InCrowd Sports Limited	5.0	17.8	636	219	855	636	(13)	623	232
The Q Garden Company Limited	33.4	50.0	934	(150)	784	934	(98)	836	(52)
TransFICC Limited	2.6	9.9	397	377	774	397	–	397	377
Alto Prodotto Wind Limited	6.9	50.0	567	204	771	602	293	895	(73)
Locum's Nest Limited	9.8	24.1	675	41	716	675	(42)	633	83
DySIS Medical Limited	3.5	10.1	2,589	(1,915)	674	2,589	(1,882)	707	(33)
MyMeds&Me Limited	4.6	42.1	439	227	666	439	(21)	418	248
NuvoAir Holdings Inc.	1.4	11.6	443	186	629	–	–	–	186
memsstar Limited	30.1	44.7	515	62	577	515	877	1,392	(815)
Limitless Technology Limited	2.1	11.0	560	–	560	560	55	615	(55)
Imandra Inc.	1.6	8.1	215	324	539	151	–	151	324

Portfolio of investments continued

Portfolio company	% voting rights	% voting rights held by all Albion managed companies	As at 31 December 2021			As at 31 December 2020			Change in value for the year* £'000
			Cost £'000	Cumulative movement in value £'000	Value £'000	Cost £'000	Cumulative movement in value £'000	Value £'000	
Koru Kids Limited	1.6	9.3	345	192	537	345	36	381	156
Gravitee Topco Limited (T/A Gravitee.io)	2.3	18.4	490	–	490	–	–	–	–
Premier Leisure (Suffolk) Limited	25.8	47.4	454	(26)	428	454	1	455	(27)
Concirus Limited	3.2	9.7	1,632	(1,224)	408	1,632	–	1,632	(1,224)
Erin Solar Limited	15.7	50.0	440	(85)	355	440	(61)	379	(24)
Zift Channel Solutions Inc.	1.6	6.5	881	(533)	348	881	(717)	164	184
AVESI Limited	8.0	50.0	259	83	342	259	117	376	(34)
Brytlyt Limited	1.9	14.8	322	–	322	–	–	–	–
Seldon Technologies Limited	1.4	14.0	283	–	283	283	–	283	–
Harvest AD Limited	n/a	n/a	210	(1)	209	210	4	214	(5)
Accelex Technology Limited	2.0	16.5	181	–	181	–	–	–	–
Greenenerco Limited	3.1	50.0	87	51	138	92	67	159	(12)
uMedeor Limited (T/A uMed)	0.9	9.5	100	–	100	100	–	100	–
Symetrica Limited	0.3	5.0	79	(16)	63	79	(16)	63	–
Palm Tree Technology Limited	0.5	0.7	320	(304)	16	320	(287)	33	(17)
Avora Limited	2.2	16.7	400	(391)	9	400	–	400	(391)
Forward Clinical Limited (T/A Pando)	1.6	9.2	196	(190)	6	196	(142)	54	(48)
Sandcroft Avenue Limited (T/A Hussle)	2.1	21.2	427	(422)	5	427	(369)	58	(53)
Abcodia Limited	3.2	19.5	568	(566)	2	549	(355)	194	(211)
Mirada Medical Limited	12.9	42.4	1,321	(1,321)	–	1,321	(638)	683	(683)
Elements Software Limited	3.3	4.5	19	(19)	–	19	(19)	–	–
Total fixed asset investments			56,641	33,894	90,535	49,084	12,767	61,851	21,147

*as adjusted for additions and disposals during the year.

**quoted investment.

The comparative cost and valuations for 31 December 2020 do not agree to the Annual Report and Financial Statements for the year ended 31 December 2020 as the above list does not include brought forward investments that were fully disposed of in the year.

Portfolio of investments continued

The following is a summary of fixed asset realisations or write-offs for the year ended 31 December 2021:

Fixed asset investment realisations	Cost £'000	Opening carrying value* £'000	Disposal proceeds £'000	Total realised gain/(loss) £'000	Gain/(loss) on opening value £'000
Disposals:					
MPP Global Solutions Limited	950	950	1,261	311	311
OmPrompt Holdings Limited	306	678	700	394	22
Innovation Broking Group Limited	60	183	619	559	436
SBD Automotive Limited	273	569	567	294	(2)
Albion Investment Properties Limited	434	456	456	22	-
Mi-Pay Group PLC	135	135	151	16	16
Loan stock repayments and other:					
Alto Prodotto Wind Limited	35	52	52	17	-
Greenenerco Limited	5	8	8	3	-
Xperiome Limited**	360	414	-	(360)	(414)
Escrow adjustments and other***	-	-	79	79	79
Total fixed asset realisations	2,558	3,445	3,893	1,335	448

* as adjusted for additions during the year.

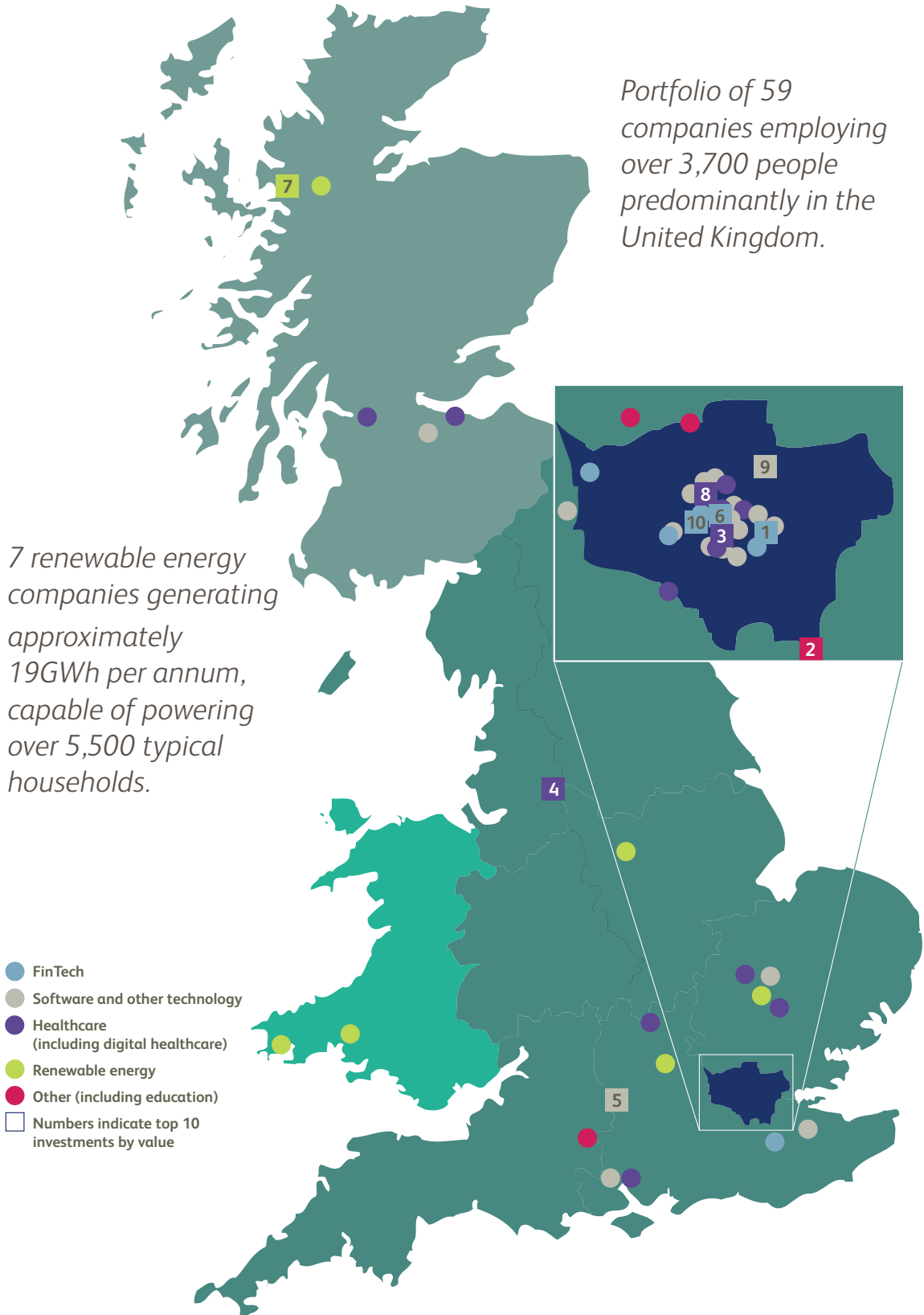
** in administration.

*** These comprise fair value movements on deferred consideration on previously disposed investments and expenses which are incidental to the purchase or disposal of an investment.

Total change in value of investments for the year	21,147
Movement in loan stock accrued interest	(386)
Unrealised gains on fixed asset investments	20,761
Realised gains on fixed asset investments	448
Unwinding of discount on deferred consideration	318
Total gains on investments as per Income statement	21,527

Portfolio companies

Geographical locations



Portfolio companies continued

The top ten portfolio companies by value are below.



Website: www.quantexa.com

1. Quantexa Limited

Quantexa has developed an analytics platform which offers entity resolution, network analytics and automated decisioning at massive scale in real time. This capability is used to fight financial crime and reduce fraud. Quantexa now counts many of the world's largest banks, insurers and governments among its clients.

Audited results: year to 31 March 2021

	£'000
Turnover	30,307
LBITDA	(9,078)
Loss before tax	(9,516)
Net assets	22,890
Basis of valuation	Cost and price of recent investment (reviewed for impairment or uplift)

Investment information

	£'000
Income recognised in the year	–
Total cost	2,740
Valuation	16,933
Voting rights	2.9 per cent.
Voting rights for all Albion managed companies	11.3 per cent.

2. Radnor House School (TopCo) Limited

Radnor House operates a co-educational independent school near Sevenoaks, Kent. The school is growing strongly with over 500 children on the roll and further capacity to expand. Significant further investment has been made into the school's facilities to enable it to deliver a personalised education experience to each student. The curriculum and co-curricular activities are designed to give each child a wide range of academic and other skills in a supportive and nurturing environment.



Website: www.radnorhouse.org

Audited results: year to 31 August 2021

	£'000
Turnover	7,548
EBITDA	622
Loss before tax	(850)
Net assets	12,205
Basis of valuation	Third party valuation – earnings multiple

Investment information

	£'000
Income recognised in the year	370
Total cost	2,710
Valuation	5,709
Voting rights	14.8 per cent.
Voting rights for all Albion managed companies	48.3 per cent.

Portfolio companies continued

3. Oviva AG

Oviva is the category leader in Europe for digital, reimbursed dietetic care. The company sells digital and technology-led services solutions for conditions such as diabetes and obesity. It consistently demonstrates best-in-class outcomes helping its clients save costs and improve patient well-being. It is active in the UK, Germany, France and Switzerland.



Website: www.oviva.com

Audited results: year to 31 December 2020		£'000	Investment information	£'000
Turnover		5,097	Income recognised in the year	–
LBITDA		(4,285)	Total cost	2,694
Net assets		14,661	Valuation	5,394
Basis of valuation	Cost and price of recent investment (reviewed for impairment or uplift)		Voting rights	2.9 per cent.
			Voting rights for all Albion managed companies	12.2 per cent.



Website: www.proveca.co.uk

4. Proveca Limited

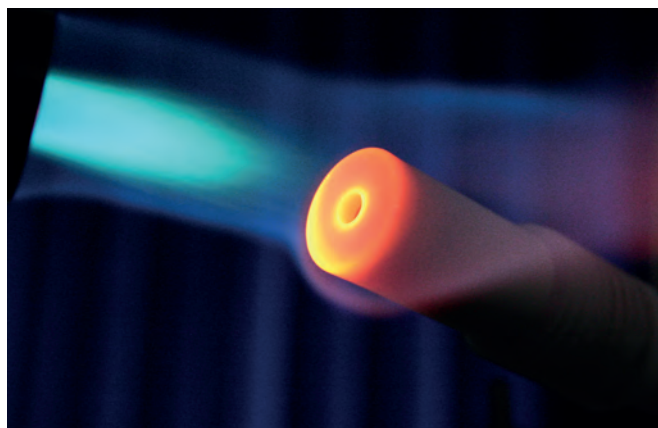
Proveca is a specialty pharmaceutical company focused on children's medicines. The company is addressing a significant need in developing drugs that are specifically formulated for children, taking advantage of a supportive regulatory regime and market protection throughout Europe. Its first product for chronic drooling was launched in 2017. It has a pipeline of drugs focused on neurology, immunology and cardiovascular that it expects to reach the market over the next one to three years.

Filleter audited results: year to 31 July 2020		£'000	Investment information	£'000
Net liabilities		(4,102)	Income recognised in the year	–
Basis of valuation	Revenue multiple		Total cost	1,184
			Valuation	4,819
			Voting rights	7.2 per cent.
			Voting rights for all Albion managed companies	49.9 per cent.

Portfolio companies continued

5. Oxsensis Limited

Oxsensis is an industrial technology company pioneering a new breed of optical instrumentation for precision controls in super harsh environments, with a range of “clean-tech” applications such as power generation applications. Their revolutionary next-generation instrumentation is designed to enable improved engine efficiency for cleaner power.



Website: www.oxsensis.com

Filleted audited results: year to 31 December 2020

	£'000
Net assets	35
Basis of valuation	Cost and price of recent investment (reviewed for impairment or uplift)

Investment information

	£'000
Income recognised in the year	–
Total cost	3,307
Valuation	4,237
Voting rights	15.9 per cent.
Voting rights for all Albion managed companies	23.5 per cent.

6. Credit Kudos Limited

Credit Kudos is a challenger credit bureau which automates and optimises the application and risk scoring of consumer credit by using open banking data and machine learning. Their solution enables lenders to make better decisions whilst simultaneously helping previously overlooked individuals access credit.

Website: www.creditkudos.com

Filleted audited results: year to 31 December 2020

	£'000
Net assets	3,487
Basis of valuation	Discounted offer price

Investment information

	£'000
Income recognised in the year	–
Total cost	979
Valuation	4,050
Voting rights	4.5 per cent.
Voting rights for all Albion managed companies	13.8 per cent.



Website: www.greenhighland.co.uk

7. Chonais River Hydro Limited

Chonais Hydro is a 2MW hydropower scheme near Loch Carron in the Scottish Highlands. It is a run-of-river scheme, taking water from a small river via an intake on the mountainside. The scheme is low visual impact with the only visible components being a small intake and a powerhouse, both of which are built using local material. It generates enough electricity to power about 2,000 homes. It benefits from inflation-protected renewable subsidies for a period of 20 years. The scheme was commissioned in 2014 and has been generating successfully since.

Filleted audited results: year to 30 September 2021

	£'000
Net liabilities	(163)
Basis of valuation	Third party valuation – discounted cash flow

Investment information

	£'000
Income recognised in the year	129
Total cost	2,169
Valuation	4,244
Voting rights	15.7 per cent.
Voting rights for all Albion managed companies	50.0 per cent.

Portfolio companies continued

8. The Ewell Group Limited

The Ewell owns and operates private pay women's health centres of excellence with one clinic open on Harley Street and one in development in Hammersmith (opening Q2 2022), both focusing on fertility and IVF treatment but uniquely also covering all aspects of a woman's gynaecological health.

Filleted audited results: year to 31 December 2020	£'000
Net liabilities	-3,354
Basis of valuation	Discounted offer price

Investment information	£'000
Income recognised in the year	180
Total cost	1,547
Valuation	3,069
Voting rights	6.4 per cent.
Voting rights for all Albion managed companies	33.0 per cent.



Website: www.ewell.com

9. Egress Software Technologies Limited

Egress has developed a secure communication platform that uses encryption and machine learning to secure content shared via email and other applications. Egress serves SMBs and small enterprise customers in the public sector, legal, healthcare, financial services and defence sectors.

Audited results: year to 31 December 2020	£'000
Turnover	17,336
LBITDA	-6,822
Loss before tax	-7,056
Net liabilities	-1,956
Basis of valuation	Revenue multiple

Investment information	£'000
Income recognised in the year	-
Total cost	765
Valuation	3,024
Voting rights	2.2 per cent.
Voting rights for all Albion managed companies	24.7 per cent.



Website: www.egress.com

10. Elliptic Enterprises Limited

Elliptic provides Anti Money Laundering services to digital asset (DA) institutions, e.g. crypto exchanges and banks, enabling them to detect financial crime and comply with emerging regulations. Elliptic is considered a key regulatory partner and spends considerable time liaising and advising the FCA, SEC and other state and regional regulators globally.

Filleted results: year to 31 March 2020	£'000
Net assets	15,083
Basis of valuation	Cost and price of recent investment (reviewed for impairment or uplift)

Investment information	£'000
Income recognised in the year	-
Total cost	2,156
Valuation	2,960
Voting rights	1.6 per cent.
Voting rights for all Albion managed companies	5.9 per cent.

Website: www.elliptic.com

Directors' report

The Directors submit their Annual Report and the audited Financial Statements on the affairs of Albion Technology & General VCT PLC (the "Company") for the year ended 31 December 2021. The Statement of corporate governance on pages 43 to 48 forms a part of the Directors' report.

BUSINESS REVIEW

Principal activity and status

The principal activity of the Company is that of a Venture Capital Trust. It has been approved by H.M. Revenue & Customs ('HMRC') as a Venture Capital Trust in accordance with the Income Tax Act 2007 and, in the opinion of the Directors, the Company has conducted its affairs so as to enable it to continue to obtain such approval. In order to maintain its status under Venture Capital Trust legislation, a VCT must comply on a continuing basis with the provisions of Section 274 of the Income Tax Act 2007 and further details of this can be found on page 37 of this Directors' report. Approval for the year ended 31 December 2021 is subject to review should there be any subsequent enquiry under corporation tax self-assessment.

The Company is not a close company for taxation purposes and its shares are premium listed on the official list of the London Stock Exchange.

Under current tax legislation, shares in the Company provide tax-free capital growth and income distribution, in addition to the income tax relief some investors would have obtained when they invested in the Company's original share offers.

Capital structure

Details of the issued share capital, together with details of the movements in the Company's issued share capital during the year are shown in note 15. The Ordinary shares are designed for individuals who are professionally advised private investors, seeking, over the long term, investment exposure to a diversified portfolio of unquoted investments. The investments are spread over a number of sectors, to produce a regular source of income, combined with the prospect of longer term capital growth.

All Ordinary shares (except for treasury shares, which have no right to dividends and no voting rights) rank *pari passu* for voting rights, and each Ordinary share is entitled to one vote. The Directors are not aware of any restrictions on the transfer of shares or on voting rights.

Shareholders are entitled to receive dividends and the return of capital on winding up or other return of capital based on the surpluses attributable to the shares.

Issue and buy-back of Ordinary shares

During the year the Company issued a total of 22,852,406 Ordinary shares, of which 21,811,700 Ordinary shares (2020: nil) were issued under the Albion VCTs' Top Up Offers; and 1,040,706

Ordinary shares (2020: 3,117,737 Ordinary shares) were issued under the Company's Dividend Reinvestment Scheme.

The Company operates a policy of buying back shares either for cancellation or for holding in treasury. Details regarding the current buy-back policy can be found on page 8 of the Chairman's statement. Details on share buy-backs during the year can be found in note 15.

Substantial interests and shareholder profile

As at 31 December 2021 and the date of this report, the Company was not aware of any shareholder who had a beneficial interest exceeding 3 per cent. of voting rights. There have been no disclosures in accordance with Disclosure Guidance and Transparency Rule 5 made to the Company during the year ended 31 December 2021, and up to the date of this report.

Future developments of the business

Details on the future developments of the business can be found on page 9 of the Chairman's statement and on page 11 of the Strategic report.

Results and dividends

Detailed information on the results and dividends for the year ended 31 December 2021 can be found in the Strategic report on pages 11 and 13.

Going concern

In accordance with the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued by the Financial Reporting Council in September 2014, the Board has assessed the Company's operation as a going concern. The Company has sufficient cash and liquid resources, its portfolio of investments is well diversified in terms of sector and stage of investment, and the major cash outflows of the Company (namely investments, buy-backs and dividends) are within the Company's control. Cash flow forecasts are discussed quarterly at Board level with regards to going concern. The cash flow forecasts have been updated and stress tested to allow for the forecast ongoing impact of coronavirus (Covid-19) and the emergence of inflation. Accordingly, after making diligent enquiries, including examination of forward net cash commitments and sensitivities as prepared by the Manager, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence over a period of at least twelve months from the date of approval of the Financial Statements. For this reason, the Directors have adopted the going concern basis in preparing the accounts. The Directors do not consider there to be any material uncertainty over going concern.

The Board's assessment of liquidity risk and details of the Company's policies for managing its capital and financial risks are shown in note 17. The Company's business activities, together with details of its performance are shown in the Strategic report and this Directors' report.

Post balance sheet events

Details of events that have occurred since 31 December 2021 are shown in note 19.

Principal risks and uncertainties

A summary of the principal risks faced by the Company is set out on pages 18 to 20 of the Strategic report.

VCT regulation

The investment policy is designed to ensure that the Company continues to qualify, and is approved as a VCT, by HMRC. In order to maintain its status under Venture Capital Trust legislation, a VCT must comply on a continuing basis with the provisions of Section 274 of the Income Tax Act 2007 as follows:

- (1) The Company's income must be derived wholly or mainly from shares and securities;
- (2) At least 80 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 70 per cent. by HMRC value of its total qualifying holdings must have been represented throughout the year by holdings of 'eligible shares'. Investments made before 6 April 2018 from funds raised before 6 April 2011 are excluded from this requirement;
- (4) At least 30 per cent. of funds raised in accounting periods beginning on or after 6 April 2018 must be invested in qualifying holdings by the anniversary of the end of the accounting period in which the funds were raised;
- (5) At the time of investment, or addition to an investment, the Company's holdings in any one company (other than another VCT) must not have exceeded 15 per cent. by HMRC value of its investments;
- (6) The Company must not have retained greater than 15 per cent. of its income earned in the year from shares and securities;
- (7) The Company's shares, throughout the year, must have been listed on a regulated market;
- (8) An investment in any company must not cause that company to receive more than £5 million in State aid risk finance in the 12 months up to the date of the investment, nor more than £12 million in total (the limits are £10 million and £20 million respectively for a 'knowledge intensive' company);

- (9) The Company must not invest in a company whose trade is more than seven years old (ten years for a 'knowledge intensive' company) unless the company previously received State aid risk finance in its first seven years, or the company is entering a new market and a turnover test is satisfied;
- (10) The Company's investment in another company must not be used to acquire another business, or shares in another company; and
- (11) The Company may only make qualifying investments or certain non-qualifying investments permitted by Section 274 of the Income Tax Act 2007.

These tests drive a spread of investment risk through preventing holdings of more than 15 per cent. by HMRC value in any portfolio company. The tests have been carried out and independently reviewed for the year ended 31 December 2021. The Company has complied with all tests and continues to do so.

'Qualifying holdings' include shares or securities (including unsecured loans with a five year or greater maturity period) in companies which have a permanent establishment in the UK and operate a 'qualifying trade' wholly or mainly in the United Kingdom. The investment must bear a sufficient level of risk to meet a risk-to-capital condition. 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 portfolio company. 'Qualifying trade' excludes, amongst other sectors, dealing in property or shares and securities, insurance, banking and agriculture. Details of the sectors in which the Company is invested can be found in the pie chart on page 10.

A 'knowledge intensive' company is one which is carrying out significant amounts of R&D from which the greater part of its business will be derived, or where those R&D activities are being carried out by staff with certain higher educational attainments.

Portfolio company gross assets must not exceed £15 million immediately prior to the investment and £16 million immediately thereafter.

As at 31 December 2021, the HMRC value of the Company's qualifying investments (which includes a 12 month disregard for disposals) was 92.19 per cent. (2020: 89.29 per cent). The Board continues to monitor this and all the VCT qualification requirements very carefully in order to ensure that all requirements are met and that qualifying investments comfortably exceed the current minimum threshold of 80 per cent. required for the Company to continue to benefit from VCT tax status. The Board and Manager are confident that the qualifying requirements can be met during the course of the year ahead.

Environment

The management and administration of the Company is undertaken by the Manager, Albion Capital Group LLP. Albion Capital Group LLP recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by its activities. Initiatives designed to minimise the Company's impact on the environment include recycling, favouring digital printing and reducing energy consumption. Further details can be found in the Environmental, Social and Governance ("ESG") report on pages 23 and 24.

Global greenhouse gas emissions

The Company qualifies as a low energy user with regards to greenhouse gas emissions, and therefore is not required to report emissions from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013, including those within our underlying investment portfolio. Therefore, the Company is outside of the scope of Streamlined Energy Carbon Reporting.

Anti-bribery

The Company has a zero tolerance approach to bribery, and will not tolerate bribery under any circumstances in any transaction the Company is involved in.

The Manager reviews the anti-bribery policies and procedures of portfolio companies.

Anti-facilitation of tax evasion

The Company has a zero tolerance approach with regards to the facilitation of criminal tax evasion and has put in place a robust risk assessment procedure to ensure compliance. The Board reviews this policy and the prevention procedures in place for all associates on a regular basis.

Diversity

The Board has a balanced representation of male and female Directors, with the current Board of Directors comprising two female and two male Directors. More details on the Directors can be found in the Board of Directors section on page 25.

Employees

The Company is managed by Albion Capital Group LLP and has no employees. The Board consists solely of non-executive Directors, who are considered key management personnel.

Directors

The Directors who held office throughout the year, and their interests in the shares of the Company (together with those of their immediate family) are shown in the Directors' remuneration report on page 50.

All Directors, except for Patrick Reeve, who is the chairman of the Manager, are members of the Audit and Risk Committee, of which Margaret Payn is Chairman.

Patrick Reeve, as chairman of Albion Capital Group LLP, is deemed to have an interest in the Management Agreement to which the Company is party, and as such has abstained from discussion around the updates to the Management Agreement and Management performance incentive. After the merger with Albion Income & Growth VCT PLC on 15 November 2013, Patrick Reeve agreed to waive his fees for his services as a Director of the Company.

Directors' indemnity

Each Director has entered into a Deed of Indemnity with the Company which indemnifies each Director, subject to the provisions of the Companies Act 2006 and the limitations set out in each deed, against any liability arising out of any claim made against themselves in relation to the performance of their duties as a Director of the Company. A copy of each Deed of Indemnity entered into by the Company with each Director is available at the registered office of the Company.

Re-election of Directors

The AIC Code recommends that all Directors submit themselves for re-election annually, therefore in accordance with the AIC Code, Robin Archibald, Margaret Payn, Mary Anne Cordeiro and Patrick Reeve will offer themselves for re-election.

Advising Ordinary Retail Investors

The Company currently conducts its affairs so that its shares can be recommended by financial intermediaries to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The FCA's restrictions which apply to non-mainstream investment products do not apply to the Company's shares because they are shares in a VCT which, for the purposes of the rules relating to non-mainstream investment products, are excluded securities and may be promoted to ordinary retail investors without restriction.

Packaged Retail and Insurance-based Investment Products ("PRIIPs")

Investors should be aware that the PRIIPs Regulation requires the Manager, as PRIIP manufacturer, to prepare a Key Information Document ("KID") in respect of the Company. This KID must be made available by the Manager to retail investors prior to them making any investment decision and is available on the Company's webpage on the Manager's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by the law. The figures in the KID may not reflect the expected returns or costs for the

Company as reported in the audited Annual Report, and anticipated performance returns cannot be guaranteed.

Alternative Investment Fund Managers Directive (“AIFMD”)

Under the Alternative Investment Fund Manager Regulations 2013 (as amended) the Company is a UK AIF and the Manager is a full scope UK AIFM. Ocorian Depository (UK) Limited provides depository services under the AIFMD.

Material changes to information required to be made available to investors of the Company

The AIFMD outlines the required information which has to be made available to investors prior to investing in an AIF and directs that material changes to this information be disclosed in the Annual Report of the AIF. There were no material changes in the year.

Assets of the Company subject to special arrangements arising from their illiquid nature

There are no assets of the Company which are subject to special arrangements arising from their illiquid nature.

Remuneration (unaudited)

The Manager has a remuneration policy which meets the requirements of the AIFMD Remuneration Code and associated Financial Conduct Authority guidance. The remuneration policy together with the remuneration disclosures for the AIFM's most recent reporting period are available on the Company's webpage on the Manager's website.

Auditor

The Audit and Risk Committee annually reviews and evaluates the standard and quality of service provided by the Auditor, as well as value for money in the provision of these services. A resolution to re-appoint BDO LLP will be put to the Annual General Meeting.

Annual General Meeting

The Annual General Meeting (“AGM”) will be held at the offices of Bird & Bird LLP, 12 New Fetter Lane, London EC4A 1JP at 3pm on 26 May 2022. This will be a hybrid event with virtual participation via the Lumi platform. Information on how to participate in the live webcast can be found on the Manager's website at www.albion.capital/vct-hub/agms-events. The notice of the AGM is at the end of this document.

The AGM will include a presentation from the Manager, the answering of questions received from shareholders and the formal business of the AGM, which includes voting on the resolutions proposed by the Board by way of a poll.

The Board welcomes questions from shareholders at the AGM and shareholders will be able to ask questions using the Lumi platform, or in person. Alternatively, shareholders can email their questions to AATGchair@albion.capital prior to the Meeting.

Shareholders will be able to vote during the Meeting using the Lumi platform. Shareholders are encouraged to complete and return proxy cards in advance of the AGM but those participating in the meeting will be able to cast their votes through the Lumi platform once the Chairman declares the poll open.

The results of the poll held at the AGM will be announced through a Regulatory Information Service and will be published on the Company's webpage on the Manager's website at www.albion.capital/funds/AATG as soon as reasonably practicable following the AGM.

Shareholders' views are important, and the Board encourages shareholders to vote on the resolutions. You can cast your vote by using the proxy form enclosed with this Annual Report or electronically at www.investorcentre.co.uk/eproxy. The Board has carefully considered the business to be approved at the AGM and recommends shareholders to vote in favour of all the resolutions being proposed.

The proxy form enclosed with this Annual Report and Financial Statements permits shareholders to disclose votes 'for', 'against', and 'withheld'. A 'vote withheld' is not a vote in law and will not be counted in the proportion of the votes for and against the resolution. Summary of proxies lodged at the AGM will be published at www.albion.capital/funds/AATG under the “Financial Reports and Circulars” section.

The ordinary business resolutions 1 to 8 includes receiving and adopting the Company's accounts, to approve the Directors' remuneration report, to re-elect all Directors, and to re-appoint BDO as auditor for the next year end and to fix their remuneration.

Resolutions 9 to 12 relate to the following items of special business for which shareholder approval is required in order to comply either with the Companies Act or the Listing Rules of the Financial Conduct Authority.

Resolutions 9 to 11 replace the authorities given to the Directors at the AGM in 2021. The authorities sought at the forthcoming AGM will expire 15 months from the date that the resolution is passed, or at the conclusion of the next AGM of the Company, whichever is earlier.

Authority to allot shares

Ordinary resolution number 9 will request the authority to allot up to an aggregate nominal amount of £365,131 representing approximately 20 per cent. of the issued Ordinary share capital of the Company as at the date of this Report.

The Directors current intention is to allot shares under the Dividend Reinvestment Scheme, any future Albion VCTs' Share Offers in which the Company participates and by reissuing treasury shares where it is in the Company's interest to do so. The

Company currently holds 20,904,204 treasury shares representing 13.6 per cent. of the total Ordinary share capital in issue as at the date of this Report.

Disapplication of pre-emptive rights

Special resolution number 10 will request the authority for the Directors to allot equity securities for cash without first being required to offer such securities to existing members. This will include the sale on a non pre-emptive basis of any shares the Company holds in treasury for cash. The authority relates to a maximum aggregate of £365,131 of the nominal value of the share capital representing approximately 20 per cent. of the issued Ordinary share capital of the Company as at the date of this Report.

Purchase of own shares

Special resolution number 11 will request the authority to purchase approximately 14.99 per cent. of the Company's issued Ordinary share capital at, or between, the minimum and maximum prices specified in resolution number 11. Shares bought back under this authority may be cancelled or held in treasury.

The Board believes that it is helpful for the Company to continue to have the flexibility to buy its own shares and this resolution seeks authority from shareholders to do so. Details of share buy-backs during the year can be found in note 15.

Cancellation of share premium and capital redemption reserve

Special resolution number 12 is a proposal by the Board to increase the Company's distributable reserves by way of the cancellation of the Company's share premium account and capital redemption reserve, subject to shareholder approval and confirmation by the Court. This procedure has been adopted in the past by the Company and is relatively common amongst investment companies.

If the special resolution is approved by shareholders, the Company will apply to the High Court for a Court Order confirming the cancellations and this is expected to take place later in the year. The Court may require the Company to protect the interests of the creditors of the Company and the Company can confirm that it will seek approval from all creditors to this proposal if so required. The main creditors as at the date of filing with the Court, will be the Manager and the Company's solicitors, Bird & Bird LLP. Both of the main creditors have confirmed that they will consent to the proposed reduction.

The Company's distributable reserves are used for the payment of dividends, for share buy-backs and for other corporate purposes. If approved, the proposed reduction of the share premium account and capital redemption reserve will create additional distributable reserves, in time, of greater than £50 million.

It is the Board's policy to pay regular dividends to shareholders as the Directors believe that this is a key source of shareholder value. The Company also has a policy of buying back its own shares for cancellation or for holding as treasury shares, when such purposes are considered to be to the advantage of the Company and shareholders as a whole. These shares are purchased at a discount to net asset value which enhances the Company's net asset value per share.

Under the Companies Act 2006, the Company is only permitted to pay dividends and to make buy-backs from its accumulated distributable reserves. Therefore, the Board believes that increasing the distributable reserves is in the interests of shareholders. Details of these reserves are shown on page 60.

The Company's share premium account represents the difference between the price paid for shares and the nominal value of the shares, less issue costs and transfers to the other distributable reserve. As at 31 December 2021, the amount credited to the Company's share premium account was £52,687,000.

The Company's capital redemption reserve accounts for amounts by which the issued share capital is diminished through the repurchase and cancellation of the Company's own shares. As at 31 December 2021, the amount credited to the Company's capital redemption reserve was £48,000.

Recommendation

The Board believes that the passing of the resolutions above is in the best interests of the Company and its shareholders as a whole, and unanimously recommends that you vote in favour of these resolutions, as the Directors intend to do in respect of their own shareholdings.

General Meeting for amendments to the Management Agreement between the Company and the Manager

As outlined in the Circular that has been sent to shareholders along with the Annual Report and Financial Statements, the Board are recommending that the current performance incentive arrangements be amended, and the Company's operating expenses be reduced by lowering the management fee. This requires the approval of shareholders at a General Meeting, where an ordinary resolution will propose a deed of variation to the Management Agreement between the Company and the Manager.

The General Meeting will be held at the registered office of the Company at the offices of Bird & Bird LLP, 12 New Fetter Lane, London EC4A 1JP. This will be a hybrid event with virtual participation via the Lumi platform. The notice of the General Meeting is included in the Circular that has been sent to shareholders along with this Annual Report and Financial Statements.

The proxy form enclosed with this Circular permits shareholders to disclose a vote 'for', 'against', and 'withheld'. A 'vote withheld' is not

Directors' report continued

a vote in law and will not be counted in the proportion of the votes for and against the resolution. A summary of proxies lodged at the General Meeting will be published at www.albion.capital/funds/AATG under the 'Financial Reports and Circulars' section.

Disclosure of information to Auditor

As at the date of approval of this Report:

- so far as each of the Directors are aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- each of the Directors has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

This disclosure is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

By Order of the Board

Albion Capital Group LLP

Company Secretary

1 Benjamin Street
London, EC1M 5QL
13 April 2022

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Company's Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP") (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that period.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK GAAP subject to any material departures disclosed and explained in the Financial Statements; and
- prepare a Directors' report, a Strategic report and Directors' remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that the Annual Report and Financial Statements, taken as a whole, are fair, balanced, and understandable and provide the information necessary for

shareholders to assess the Company's position, performance, business model and strategy.

Website publication

The Directors are responsible for ensuring the Annual Report and Financial Statements are made available on a website. Financial Statements are published on the Company's webpage on the Manager's website (www.albion.capital/funds/AATG) in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The Company's webpage is maintained on the Board's behalf by the Manager.

Directors' responsibilities pursuant to Disclosure Guidance and Transparency Rule 4 of the UK Listing Authority

The Directors confirm to the best of their knowledge:

- The Financial Statements have been prepared in accordance with UK GAAP and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company.
- The Annual Report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board

Robin Archibald

Chairman

13 April 2022

Statement of corporate governance

Background

The Financial Conduct Authority requires all companies listed on a regulated market to disclose how they have applied the principles and complied with the provisions of the UK Corporate Governance Code (the “Code”) issued by the Financial Reporting Council (“FRC”) in 2018.

The Board of Albion Technology & General VCT PLC has considered the Principles and Provisions of the AIC Code of Corporate Governance (“AIC Code”). The AIC Code addresses the Principles and Provisions set out in the Code, as well as setting out additional Provisions on issues that are of specific relevance to Albion Technology & General VCT PLC and other investment companies. Closed-ended investment companies have particular factors which have an impact on their governance arrangements, principally from four features: outsourcing their day-to-day activities to external service providers and being governed by boards of non-executive directors; the importance of the Manager in the outsourcing compared to a typical supplier; having no executive directors or employees and consequently no executive remuneration packages; and no customers in the traditional sense, only shareholders.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to shareholders. The Company has complied with the Principles and Provisions of the AIC Code.

The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the Code to make them relevant for investment companies.

Board of Directors

The Board consists solely of non-executive Directors. Robin Archibald is the Chairman, Margaret Payn is chairman of the Audit and Risk Committee and Mary Anne Cordeiro is the Senior Independent Director. All Directors are non-executive and day-to-day management responsibilities are sub-contracted to the Manager.

Robin Archibald, Margaret Payn and Mary Anne Cordeiro are considered independent Directors. Patrick Reeve is not considered an independent Director as he is the chairman of Albion Capital Group LLP, the Manager.

The Board does not have a strict policy of limiting the tenure of any Director as the Board does not consider that a Director’s length of service reduces their ability to act independently of the Manager. However, it is agreed that, as far as practical, the Directors should have no more than a nine-year tenure.

The AIC Code requires that all Directors submit themselves for re-election annually, therefore in accordance with the AIC Code,

Robin Archibald, Margaret Payn, Mary Anne Cordeiro and Patrick Reeve will offer themselves for re-election at the forthcoming Annual General Meeting.

The Directors have a range of business and financial skills, including serving on the boards of other investment companies, which are relevant to the Company; these are described in the Board of Directors section on page 25. All of the Directors have demonstrated that they have sufficient time, skill and experience to acquit their Board responsibilities and to work together effectively. Directors are provided with key information on the Company’s activities, including regulatory and statutory requirements, and internal controls, by the Manager. The Board has access to secretarial advice and compliance services by the Manager, who is responsible for ensuring that Board procedures are followed, and applicable procedures complied with. All Directors are able to take independent professional advice in furtherance of their duties if necessary. The Company has in place Directors’ & Officers’ Liability Insurance.

The Directors have considered diversity in relation to the composition of the Board and have concluded that its membership is diverse in relation to gender, experience and balance of skills. Further details on succession planning for existing members of the Board and the recruitment of new Directors can be found in the Nomination Committee section on page 46.

The Board met four times during 2021 as part of its regular programme of quarterly Board meetings. The Board also held separate meetings to review and update the Management Agreement for new regulatory requirements, such as GDPR and AIFMD, but did not change any commercial terms with the Manager. Patrick Reeve was present in his capacity of Director of the Company, but took no part in the approval process in respect of the Management Agreement. All Directors attended each meeting. A sub-committee of the Board comprising at least two Directors met during the year to allot shares issued under the Dividend Reinvestment Scheme. A sub-committee of the Board also met to approve the terms and contents of the Offer Documents under the Albion VCTs’ Prospectus Top Up Offers 2021/22. Various Board members also engaged with the Manager and other service providers to the Company during the course of the year in furtherance of their duties, as well as regular contact between individual members of the Board. Representatives of the Manager attend all Board meetings and participate in Board discussions, other than on matters where there might be a perceived conflict of interest between the Manager and the Company. During the course of the year, the Nomination, Remuneration, and Management Engagement Committees had a series of meetings to discuss proposed changes to board membership and remuneration and the proposals to amend the investment management fee arrangements.

Statement of corporate governance continued

The Chairman ensures that all Directors receive, in a timely manner, all relevant management, regulatory and financial information. The Board receives and considers reports regularly from the Manager and other key advisers, with ad hoc reports and information supplied to the Board as required. The Board has a formal schedule of matters reserved for it and the agreement between the Company and its Manager sets out the matters over which the Manager has authority and limits beyond which Board approval must be sought.

The Manager has authority over the management of the investment portfolio, the organisation of custodial services, accounting, secretarial and administrative services, all of which are subject to Board oversight. The main issues reserved for the Board include:

- review of the Management Engagement Committee's recommendation on the appointment, evaluation, remuneration and removal of the Manager;
- the consideration and approval of future developments or changes to the investment policy, including risk and asset allocation;
- consideration of corporate strategy and corporate events that arise, including periodic Top Up Offers;
- application of the principles of the AIC Code, corporate governance and internal control;
- review of sub-committee recommendations, including the recommendation to shareholders for the appointment and remuneration of the Auditor;
- approving the Annual Report and Financial Statements, the Half-yearly Financial Report, the Interim Management Statements (which the Company will continue to publish), net asset value updates (where required), and the associated announcements;
- approval of the dividend policy and payments of dividends to shareholders;
- the performance of the Company, including monitoring of the discount of share price to the net asset value;
- share buy-back and treasury share policies;
- participation in dividend re-investment schemes and Top Up Offers;
- monitoring shareholder profile and considering shareholder communications; and
- matters of corporate governance.

It is the responsibility of the Board to present an Annual Report that is fair, balanced and understandable, and which provides the information necessary for shareholders to assess the position, performance, strategy and business model of the Company.

Committees' and Directors' performance evaluation

Performance of the Board and the Directors is assessed on the following bases:

- attendance at Board and Committee meetings;
- the contribution made by individual Directors at, and outside of, Board and Committee meetings; and
- completion of a detailed internal assessment process and annual performance evaluation conducted by the Chairman (or in the case of the Chairman's review, by the other Directors).

The evaluation process has consistently identified that the Board works well together and has the right balance of skills, experience, independence and knowledge for the effective governance of the Company. Diversity within the Board is achieved through the appointment of Directors with different sector backgrounds, skills and gender.

Directors are offered training, both at the time of joining the Board and on other occasions where required. The Directors attend external courses and industry events which provides further experience to help them fulfil their responsibilities. The Board also undertakes a proper and thorough evaluation of its Committees on an annual basis.

In light of the performance of the individual Directors and the structured performance evaluation, Robin Archibald, Margaret Payn, Mary Anne Cordeiro and Patrick Reeve are considered to be effective Directors who demonstrate strong commitment to the role. The Board believes it to be in the best interest of the Company to re-appoint these Directors at the forthcoming Annual General Meeting and has nominated them for re-election accordingly. For more details on the specific background, skills and experience of each Director, please see the Board of Directors section on page 25.

Remuneration Committee

The Remuneration Committee consists of all Directors except Patrick Reeve, with Mary Anne Cordeiro as Chairman. The Committee held one formal meeting during the year, which was attended by all the members of the Committee. The Committee also held a number of informal meetings to discuss remuneration for proceeding periods, in conjunction with considerations of the Nomination Committee on the future make-up of the Board and succession planning.

The terms of reference for the Remuneration Committee can be found on the Company's webpage on the Manager's website at www.albion.capital/funds/AATG under the Corporate Governance section.

Statement of corporate governance continued

Audit and Risk Committee

The Audit and Risk Committee consists of all Directors except Patrick Reeve, with Margaret Payn as Chairman. In accordance with the AIC Code, members of the Audit and Risk Committee have recent and relevant financial experience as well as experience relevant to the sector. Given the size of the Board and the complexity of the business, Robin Archibald is both Chairman of the Board and a member of the Audit and Risk Committee as his background, skills and experience are also relevant for the Committee's responsibilities. The Committee met twice during the year ended 31 December 2021; all members attended.

The independent Auditor, BDO LLP, attended the Audit and Risk Committee meeting at which the Annual Report and Financial Statements for the year ended 31 December 2021 were discussed. BDO LLP also met with the Audit and Risk Committee prior to the meeting without the presence of the Manager.

Written terms of reference have been constituted for the Audit and Risk Committee and can be found on the Company's webpage on the Manager's website at www.albion.capital/funds/AATG under the Corporate Governance section.

During the year under review, the Committee discharged its responsibilities including:

- formally reviewing the Annual Report and Financial Statements and the Half-yearly Financial Report with particular focus on the main areas requiring judgement and on critical accounting policies;
- reviewing the effectiveness of the internal controls system and examination of the Internal Controls Report produced by the Manager;
- meeting with the external Auditor and reviewing their findings;
- meeting with the Manager's internal auditor and reviewing their findings;
- reviewing the performance of the Manager and making recommendations regarding their re-appointment to the Board;
- highlighting the key risks and specific issues relating to the Financial Statements including the reasonableness of valuations, compliance with accounting standards and UK law, corporate governance and listing and disclosure rules as well as going concern and viability statements. These issues were addressed through detailed review, discussion and challenge by the Board of these matters, as well as by reference to underlying technical information to back up the discussions. Taking into account risk factors that impact on the Company both as reflected in the annual accounts and in a detailed risk matrix, both of which are reviewed periodically in detail, including in the context of emerging risks;

- advising the Board on whether the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy; and
- reporting to the Board on how it has discharged its responsibilities.

The Board, and particularly the Audit and Risk Committee, monitors closely developments in the provision of audit services and is aware that the costs of rendering audit services from most audit firms are increasing significantly, with more pressure on those firms who provide services to listed companies and for those companies operating in a regulated environment. The Board is satisfied from discussions with the current audit firm and from scrutiny of what is happening elsewhere, that BDO continues to provide the Company with an independent and expert review of its financial reporting from an audit firm with significant experience in the sector and on a competitive fee base for the work required in reporting on an extensive portfolio of unquoted investments. It is however anticipated that audit fees will further increase in succeeding years.

The Committee also examines going concern and viability statements, using financial projections provided by the Manager on the Company and by examining the liquidity in the Company's portfolio, including cash and realisable investments, the committed costs of the Company and where liquidity might be found if required. The Audit and Risk Committee also receives regular reports on compliance with VCT status, which is subject to various internal controls and external review when investment commitments are made.

Financial Statements

The Audit and Risk Committee has initial responsibility for reviewing the Financial Statements and reporting on any significant issues that arise in relation to the audit of the Financial Statements as outlined below. Such issues were discussed with the external Auditor prior to the completion of the audit of the Financial Statements. No major conflicts arose between the Audit and Risk Committee and the external Auditor in respect of their work during the period.

The key accounting and reporting issues considered by the Committee were:

The valuation of the Company's investments

Valuations of investments are prepared by the Manager. The Audit and Risk Committee reviewed the estimates and judgements made in relation to these investments and were satisfied that they were appropriate. The Audit and Risk Committee also discussed the controls in place over the valuation of investments. The Committee recommended investment valuations to the Board for approval.

Statement of corporate governance continued

Revenue recognition

The revenue generated from loan stock interest and dividend income has been considered by the Audit and Risk Committee as part of its review of the Financial Statements as well as a quarterly review of the management accounts prepared by the Manager. The Audit and Risk Committee has considered the controls in place over revenue recognition to ensure that amounts received are in line with expectation and budget.

Following rigorous reviews of the Annual Report and Financial Statements and consideration of the key areas of risk identified, the Audit and Risk Committee and Board has concluded that, as a whole, the Financial Statements are fair, balanced and understandable and that they provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Relationship with the External Auditor

The Audit and Risk Committee reviews the performance and continued suitability of the Company's external Auditor on an annual basis. They assess the external Auditor's independence, qualification, extent of relevant experience, effectiveness of audit procedures as well as the robustness of their quality assurance procedures. In advance of each audit, the Committee obtains confirmation from the external Auditor that they are independent. No non-audit services were provided during the financial year ended 31 December 2021.

As part of its work, the Audit and Risk Committee has undertaken a formal evaluation of the external Auditor against the following criteria:

- Qualification
- Expertise
- Resources
- Effectiveness
- Independence
- Leadership

In order to form a view of the effectiveness of the external audit process, the Committee took into account information from the Manager regarding the audit process, the formal documentation issued to the Audit and Risk Committee and the Board by the external Auditor regarding the external audit for the year ended 31 December 2021, and assessments made by individual Directors using their experiences elsewhere as required.

The core legislation mandates that the maximum period for which a firm can be appointed auditor of a public interest entity is 10 years. Member states can choose to make this period shorter, or they can choose to allow extensions: to 20 years if a competitive tender is held at the 10 year point, or to 24 years in the case of a joint audit appointment. Transition arrangements vary depending

on the length of time auditors have been incumbent. In 2017, the Audit and Risk Committee undertook a tendering exercise for the provision of audit services. As a result of this process, BDO LLP was retained as Auditor. BDO LLP first acted as Auditor for the year ended 31 December 2008 and this will be year 14 of their tenure. This year is the second year that Peter Smith has acted as audit engagement partner and rotation will take place before the year ended 31 December 2025.

The Audit and Risk Committee also has an annual meeting with the external Auditor, without the Manager present, at which pertinent questions are asked to help the Audit and Risk Committee determine if the Auditor's skills and approach to the annual audit and issues that arise during the course of the audit match all the relevant and appropriate criteria for the audit to have been an effective and objective review of the Company's year-end reporting.

Based on the assurance obtained, the Audit and Risk Committee recommended to the Board a resolution to re-appoint BDO LLP as Auditor at the forthcoming Annual General Meeting.

Nomination Committee

The Nomination Committee consists of all Directors except for Patrick Reeve, with Robin Archibald as Chairman.

The Nomination Committee reviews both the membership of the Board for the spread of skills, and individual board member's contributions in nominating individual board members for re-election at the Annual General Meeting, and looks at succession planning, with a view to make recommendations to the Board on changes to its composition. The Board's policy on the recruitment of new Directors is to attract a range of backgrounds, skills and experience and to ensure that appointments are made on the grounds of merit against clear and objective criteria and bear in mind the maintenance of gender and other diversity within the Board. The Board is also mindful of the importance of creating good working relationships within the Board and with external agents. The Nomination Committee reviews succession planning regularly which includes considering tenure of existing Directors and any potential skills gaps that might need to be addressed when board membership changes. As noted in the Directors' remuneration report on page 49, the Nomination Committee concluded that it was in the interests of the Company to have a small but engaged board, and it was agreed that, as far as practical, the Directors should have no more than a nine-year re-election tenure. As in previous years, the Nomination Committee conducted an appraisal of all the members of the Board and as a result was able to recommend that all the Directors be put forward for re-election at the Annual General Meeting.

Terms of reference for the Nomination Committee can be found on the Company's webpage on the Manager's website at

Statement of corporate governance continued

www.albion.capital/funds/AATG under the Corporate Governance section.

Management Engagement Committee

The Management Engagement Committee was formed during the year and consists of all Directors except Patrick Reeve, with Robin Archibald as Chairman. The Committee held one formal meeting during the year, which was attended by all the members of the Committee, and a number of informal meetings to discuss management fee proposals.

As noted in last year's accounts, the Board expected to review the basis of management fees payable to Albion. The Management Engagement Committee completed this review, which included obtaining external advice on what is being proposed and made its recommendations to the Board. The Board is pleased to put forward the proposal as detailed in the Circular accompanying this annual report, which is subject to shareholder approval at the forthcoming General Meeting on 26 May 2022.

The terms of reference for the Management Engagement Committee can be found on the Company's webpage on the Manager's website at www.albion.capital/funds/AATG under the Corporate Governance section.

Internal control

In accordance with the AIC Code, the Board has an established process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place throughout the year and continues to be subject to regular review by the Board in accordance with the FRC guidance "Risk Management, Internal Control and Related Financial and Business Reporting". The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. However, acknowledging that such a system is designed to manage, rather than eliminate, the risks of failure to achieve the Company's business objectives, such controls can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board, assisted by the Audit and Risk Committee, monitors all controls, including financial, operational and compliance controls, and risk management. The Audit and Risk Committee receives each year from the Manager a formal report, which details the steps taken to monitor the areas of risk, including those that are not directly the responsibility of the Manager, and which reports the details of any known internal control failures. Steps continue to be taken to embed the system of internal control and risk management into the operations and culture of the Company and its key suppliers, and to deal with areas of improvement which come to the Manager's and the Audit and Risk Committee's attention.

The Board, through the Audit and Risk Committee, has performed a specific assessment for the purpose of this Annual Report and

Financial Statements. This assessment considers all significant aspects of internal control arising during the year. The Audit and Risk Committee assists the Board in discharging its review responsibilities.

The main features of the internal control system with respect to financial reporting are:

- segregation of duties between the preparation of valuations and recording in accounting records;
- independent third party valuations of the majority of the asset-based investments within the portfolio are undertaken annually;
- reviews of valuations are carried out by the Valuations Committee and reviews of financial reports are carried out by the operations partner of Albion Capital Group LLP;
- bank reconciliations are carried out monthly by the Manager;
- all financial reports are reviewed by Albion Capital Group LLP's compliance department before publishing;
- the Board reviews financial information; and
- a separate Audit and Risk Committee of the Board reviews financial information due to be published.

During the year, as the Board has delegated the investment management and administration to Albion Capital Group LLP, the Board feels that it is not necessary to have its own internal audit function. Instead, it has access to Azets, which, as internal auditor for Albion Capital Group LLP from 2021, undertakes periodic examination of the business processes and controls environment at Albion Capital Group LLP, and ensures that any recommendations to implement improvements in controls are carried out. During the year, the Audit and Risk Committee and the Board reviewed internal audit reports prepared by the Manager's previous internal auditor, PKF Littlejohn LLP.

In addition to this, Ocorian Depositary (UK) Limited, the Company's external Depositary, provides cash monitoring, asset verification, and oversight services to the Company and reports to the Board on a quarterly basis.

The Board and the Audit and Risk Committee will continue to monitor its system of internal control in order to provide assurance that it operates as intended.

Conflicts of interest

Directors review and sign off the disclosure of conflicts of interest annually, with any changes reviewed and noted at the beginning of each quarterly Board meeting. A Director who has conflicts of interest has two independent Directors authorise those conflicts. Procedures to disclose and authorise conflicts of interest have been adhered to throughout the year.

Capital structure and Articles of Association

Details regarding the Company's capital structure, substantial interests and Directors' powers to buy and issue shares are detailed in full on pages 36 and 40 of the Directors' report. The Company is not party to any significant agreements that may take effect, alter or terminate upon a change of control of the Company following a takeover bid.

Any amendments to the Company's Articles of Association are by way of a special resolution subject to ratification by shareholders.

Relationships with shareholders and other stakeholders

The Company's Annual General Meeting ("AGM") is on 26 May 2022. The AGM typically includes a presentation from the Manager on the portfolio and on the Company, as well as answering questions that shareholders may have. The AGM will be held as a hybrid event this year.

Shareholders and financial advisers are able to obtain information on holdings and performance using the contact details provided on page 2.

The Company's share buy-back programme operates in the market through brokers. In order to sell shares, as they are quoted on the London Stock Exchange, investors should approach their own broker to undertake the sale. Banks may be able to assist shareholders with a referral to a broker within their banking group. More information on share buy-backs can be found in the Chairman's statement on page 8.

Statement of compliance

The Directors consider that the Company has complied throughout the year ended 31 December 2021 with all the relevant provisions set out in the AIC Code issued in 2019. By reporting against the AIC Code, the Board is meeting its obligations in relation to the 2018 UK Corporate Governance Code (and associated disclosure requirements under paragraph 9.8.6 of the Listing Rules). The Directors also consider that they are complying with their statutory responsibilities and other regulatory provisions which have a bearing on the Company.

For and on behalf of the Board

Robin Archibald

Chairman

13 April 2022

Directors' remuneration report

Introduction

This report is submitted in accordance with Section 420 of the Companies Act 2006 and describes how the Board has applied the principles relating to the Directors' remuneration.

An Ordinary resolution will be proposed at the Annual General Meeting of the Company to be held on 26 May 2022 for the approval of the Directors' remuneration report as set out below.

The current Remuneration Policy was approved by shareholders (95.64 per cent. of shareholders voted for the resolution, 4.36 per cent. against the resolution and of the total votes cast, 134,516, being 0.12 per cent. of total voting rights, were withheld) at the Annual General Meeting held on 3 June 2020, and it will remain in place for a three year period. It will next be put to shareholders at the 2023 AGM.

The Company's independent Auditor, BDO LLP, is required to give its opinion on certain information included in this report, as indicated below. The Auditor's opinion is included in the Independent Auditor's report.

Annual statement from the Chairman of the Remuneration Committee

The Remuneration Committee comprises all Directors, excluding Patrick Reeve, with Mary Anne Cordeiro as Chairman.

As part of its succession planning and review of individual board responsibilities, committee structure and overall make-up of the Board going forward, the Remuneration Committee conducted a full remuneration review during the year. It was concluded that it was in the interests of the Company to have a small but engaged board, with the requisite breadth of experience, to oversee the activities of the Company and to contribute to the Company's development through that experience. Having Patrick Reeve on the Board remains a benefit to the Company, given his extensive experience of the Company since its inception and the VCT sector. It was agreed that, as far as practical, the Directors should have no more than a nine-year tenure and that there should be greater recognition of senior board roles and responsibilities in how Directors are remunerated, which has not been so distinct in the past. Consequently, and by review of peer group VCTs and investment companies more generally, it was agreed to increase the Chairman's remuneration to £31,000 (from £27,500), the Audit Chairman's to £28,500 (from £25,500) and other non-executive Directors remuneration to £25,500 (from £23,500) from 1 July 2022, save for Patrick Reeve who continues to waive his fees. Furthermore, in the year commencing 1 January 2023, the base annual remuneration would move to £35,000 for the Chairman, £31,000 for the Audit Chairman and £27,000 for non-executive Directors. It is expected that, having rebased the remuneration in this way, it will be reviewed every three years thereafter, at the same time as considering and approving the Company's remuneration policy.

In applying these remuneration changes, the total fees payable to the Board during the period of succession are expected to remain broadly stable for the next three years. With fewer independent directors, each of these will have additional responsibilities in terms of chairing committees and contributing to Board business. The changes will remunerate roles of greater responsibility compared with a standard non-executive director role. It should also remove the need for any director to receive additional remuneration, which has been seen in the past; the independent directors will share additional work according to their defined responsibilities. Taken in context, the overall Directors' remuneration will fall as a proportion of overall net asset value (from 0.10% in 2021 to estimated 0.06% for 2022) when the changes have been made; this remains low relative to other investment companies' board costs. The last change in Director's remuneration was made in 2019.

Directors' remuneration policy

The Company's remuneration policy is that fees payable to non-executive Directors should reflect their expertise, responsibilities and time spent on Company matters. In determining the level of non-executive remuneration, market equivalents are considered in comparison to the overall activities and size of the Company. There are no performance related pay criteria applicable to non-executive Directors.

The maximum total level of non-executive Directors' remuneration is £150,000 per annum which is fixed by the Company's Articles of Association; amendment to this is by way of an ordinary resolution.

The AIC Code requires that all Directors submit themselves for re-election annually, therefore in accordance with the AIC Code, Robin Archibald, Margaret Payn, Mary Anne Cordeiro and Patrick Reeve will offer themselves for re-election at the forthcoming Annual General Meeting.

None of the Directors has a service contract with the Company, and as such there is no policy on termination payments. There is no notice period and no payments for loss of office were made during the year. On being appointed to the Board, Directors receive a letter from the Company setting out the terms of their appointment and their specific duties and responsibilities. The Company is managed by Albion Capital Group LLP and has no employees. The Board consists solely of non-executive Directors, who are considered key management personnel.

Shareholders' views in respect of Directors' remuneration are regarded highly and the Board encourages shareholders' to attend its Annual General Meeting in order to communicate their thoughts, which it takes into account where appropriate when formulating its remuneration policy and its application. At the last Annual General Meeting, 95.36 per cent. of shareholders voted for the resolution approving the Directors' remuneration report, 4.64 per cent. against the resolution and of the total votes cast,

Directors' remuneration report continued

101,081 (being 0.08 per cent. of total voting rights) were withheld, showing significant shareholder support.

Annual report on remuneration

The remuneration of individual Directors is determined by the Remuneration Committee within the framework set by the Board. The Committee meets at least once a year and met once during the year under review with full attendance from all of its members.

It is responsible for reviewing the remuneration of the Directors and the Company's remuneration policy to ensure that it reflects the duties, responsibilities and value of time spent by the Directors on the business of the Company and makes recommendations to the Board accordingly.

Directors' remuneration

The following items have been audited.

The following table shows an analysis of the remuneration of individual Directors, who were in office during the year, exclusive of National Insurance:

	31 December 2019	31 December 2020	31 December 2021	Percentage change 2020 to 2021 %
	£	£	£	%
Robin Archibald*	27,750	25,500	26,690	4.7
Margaret Payn	n/a	9,750	24,690	153.2
Mary Anne Cordeiro	22,750	23,500	23,500	–
Patrick Reeve	–	–	–	–
Dr. Neil Cross (retired 27 May 2021)	26,250	27,500	11,176	(59.4)
Modwenna Rees-Mogg (retired 20 September 2021)	22,750	23,500	16,932	(27.9)
	99,500	109,750	102,988	(6.2)

*Robin Archibald was paid an additional one off payment of £3,000 during the year ended 31 December 2019 in recognition of the significant amount of additional work he undertook in relation to the Albion VCTs' Prospectus Top Up Offers 2018/19 and other corporate work on behalf of the Board, particularly in a year of exceptional regulatory change.

There has been no increase in the base remuneration of each of the Directors' positions during the year. The changes from the prior year are due to the retirement of Neil Cross and Modwenna Rees-Mogg during the year, the appointment of Robin Archibald as Chairman and Margaret Payn's appointment as Audit Chairman during the year, as well as her appointment to the Board part way through the prior year.

Directors' remuneration for the year ending 31 December 2022, excluding any special payments, is expected to total around £80,750 (excluding National Insurance contributions).

The Company does not confer any share options, long term incentives or retirement benefits to any Director, nor does it make a contribution to any pension scheme on behalf of the Directors.

Each Director of the Company was remunerated personally through the Manager's payroll, which has been recharged to the Company. Directors were also reimbursed for authorised expenses totalling £814 (2020: £400) during the year.

In addition to Directors' remuneration, the Company paid an annual premium in respect of Directors' & Officers' Liability Insurance of £32,023 (2020: £24,100). The increase has been due to changes in the market for the provision of insurance and is in line with increases seen across the wider D&O market.

Directors' interests

The Directors who held office throughout the year, and their interests in the shares of the Company (together with those of their immediate family) are shown below:

	Shares held on 31 December 2021	Shares held on 31 December 2020
Robin Archibald	31,071	31,071
Margaret Payn	–	–
Mary Anne Cordeiro	7,108	6,778
Patrick Reeve	627,691	637,629
Dr. Neil Cross	n/a	177,790
Modwenna Rees-Mogg	n/a	3,962

After the year end, Robin Archibald and Margaret Payn subscribed for new shares under the Albion VCTs Prospectus Top Up Offers 2021/22. Robin Archibald was issued with 8,547 shares as part of the 25 February 2022 allotment and Margaret Payn was issued with 7,246 shares as part of the 11 April 2022 allotment.

There are no guidelines or requirements in respect of Directors' share holdings.

The following items have not been audited.

Albion Capital Group LLP, its partners and staff (including Patrick Reeve) held 1,215,644 shares in the Company as at 31 December 2021. After the year end, Albion Capital Group LLP, its partners and staff subscribed for new shares under the Albion VCTs Prospectus Top Up Offers 2021/22 and were issued with 193,878 shares as part of the allotments.

Performance graph

The graph that follows shows the Company's Ordinary share price total return against the FTSE All-Share Index total return, with dividends reinvested, since 1 January 2012. The Directors consider the FTSE All-Share Index to be the most appropriate indicative benchmark for the Company as it contains a large range of sectors within the UK economy similar to a generalist VCT. Investors should, however, be reminded that shares in VCTs generally trade at a discount to the actual net asset value of the Company.

Directors' remuneration report continued

There are no options, issued or exercisable, in the Company which would distort the graphical representation that follows.

Share price total return relative to FTSE All-Share Index total return (with dividends reinvested)



Methodology: The share price return to the shareholder, including original amount invested (rebased to 100) from 1 January 2012, assuming that dividends were re-invested at the share price of the Company at the time the shares were quoted ex-dividend. Transaction costs are not taken into account.

Directors' pay compared to distributions to shareholders

	2021 £'000	2020 £'000	Percentage change
Total dividend distribution to shareholders *	4,896	14,328	(66%)
Share buy-backs	1,906	1,473	29%
Total Directors fees	103	110	(6%)

*The prior year includes a Special Dividend of 9.00 pence per share, totalling £9,942,000.

For and on behalf of the Board

Robin Archibald

Director

13 April 2022

Independent Auditor's report to the Members of Albion Technology & General VCT PLC

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Albion Technology & General VCT PLC (the 'Company') for the year ended 31 December 2021 which comprise the income statement, the balance sheet, the statement of changes in equity, the statement of cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit and Risk Committee.

Independence

Following the recommendation of the Audit and Risk Committee, we were appointed by the Board of Directors to audit the financial statements for the year ended 31 December 2008 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 14 years, covering the years ended 31 December 2008 to 31 December 2021. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical

Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the VCT compliance reports during the year and as at year end and reviewing their calculations to check that the Company was meeting its requirements to retain VCT status;
- Reviewing and challenging the forecasted cash flows that support the Directors' assessment of going concern, taking into account the current levels of cash and considering the discretionary nature of the Company's significant cash outflows;
- Considering the impact of market volatility and uncertainty, including as a result of the impact of Russian aggression in Ukraine; and
- Calculating financial ratios to ascertain the financial health of the Company.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview		2021	2020
Key audit matters	Valuation of Unquoted Investments	✓	✓
Materiality	Company financial statements as a whole £1,810,000 (2020: £1,300,000) based on 2% of net assets adjusted to exclude for fundraising during the year (2020: 2% of gross investments)		

Independent Auditor's report to the Members of Albion Technology & General VCT PLC continued

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit addressed the key audit matter
<p>Valuation of investments (Notes 2 and 11 to the financial statements)</p> <p>There is a high level of estimation uncertainty involved in determining the unquoted investment valuations; consisting of both equity and loan stock instruments.</p> <p>The Investment Manager's fee is based on the value of the net assets of the fund, as shown in note 5.</p> <p>As the Investment Manager is responsible for valuing investments for the financial statements, there is a potential risk of overstatement of investment valuations.</p>	<p>For the unquoted portfolio, we performed the following:</p> <ul style="list-style-type: none"> – Considered whether the valuation methodology is the most appropriate in the circumstances under the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines. Where there has been a change in valuation methodology from prior year, we assessed whether the change was appropriate. – Considered the change in market multiples and discount applied from prior year and if these were supported by the performance of the underlying investment. – Ensured that the valuation was based on recent financial information and reviewed the arithmetic accuracy of the valuation. <p>Further, for a sample representing 73% of the portfolio, we performed the additional procedures:</p> <ul style="list-style-type: none"> • Re-performed the calculation of the investment • Verified and benchmarked key inputs and estimates to independent information from our own research valuations and against metrics from the most recent investments • Challenged the assumptions inherent to valuation of unquoted investments and assessment of impact of the estimation uncertainty concerning these assumptions and the disclosure of these uncertainties in the financial statements • Where a valuation has been performed by a third party management's expert, we have assessed the competence and capabilities of that expert, the quality of their work and their qualifications, as well as challenging the basis of inputs and assumptions used by the expert. We have also considered any updates for subsequent information to the valuation made by the investment manager and obtained appropriate evidence for those changes • Where appropriate, performing sensitivity analysis on the valuation calculations where there is sufficient evidence to suggest reasonable alternative inputs might exist. • For investments valued using net assets, cost (where the investment was recently acquired), the price of a recent investment, or an offer to acquire the investee company, we checked the cost, net assets or third party offer to supporting evidence, reviewed the calibration of fair value and considered the Investment Manager's determination of whether there were any reasons why the valuation and the valuation methodology was not appropriate at 31 December 2021. This is particularly pertinent in those circumstances where the impact of COVID-19 subsequent to the transaction data may call into question whether the price of recent investment remains reflective of fair value.

Independent Auditor's report to the Members of Albion Technology & General VCT PLC continued

Key Audit Matter	How the scope of our audit addressed the key audit matter
	<p>For a sample of loans held at fair value included above, we:</p> <ul style="list-style-type: none"> • Vouched security held to documentation • Considered the assumption that fair value is not significantly different to cost by challenging the assumption that there is no significant movement in the market interest rate since acquisition and considering the "unit of account" concept • Reviewed the treatment of accrued redemption premium/other fixed returns in line with the SORP <p><i>Key observations:</i> Based on the procedures performed we noted that the methodology and assumptions used by the Investment Manager were appropriate and the calculations were supported by the evidence obtained.</p>

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Company Financial statements	
	2021	2020
Materiality	£1,810,000	£1,300,000
Basis for determining materiality	2% of net assets adjusted to exclude fundraising during the year	2% of gross investments
Rationale for the benchmark applied	In setting materiality, we have had regard to the nature and disposition of the investment portfolio. Given that the VCT's portfolio is comprised of unquoted investments which would typically have a wider spread of reasonable alternative possible valuations, we have applied a percentage of 2% of adjusted net asset value. This was changed from the prior year benchmark of gross investment value to align to a standardised benchmark across the investment company sector. The benchmark used is lower than the net asset value to take into account cash that has been recently raised.	
Performance materiality	£1,350,000	£970,000
Basis for determining performance materiality	75% of materiality The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

Independent Auditor's report to the Members of Albion Technology & General VCT PLC continued

Lower threshold

Revenue return could influence users of the financial statements as it is a measure of the Company's performance of income generated from its investments after expenses. Thus, we have set a lower testing threshold for those items impacting revenue return of £135,000 which is based on 5% of gross expenditure (2020: £110,000).

Reporting threshold

We agreed with the Audit and Risk Committee that we would report to them all individual audit differences in excess of £36,000 (2020: £20,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	<ul style="list-style-type: none">• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties; and• The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate.
Other Code provisions	<ul style="list-style-type: none">• Directors' statement on fair, balanced and understandable;• Board's confirmation that it has carried out a robust assessment of the emerging and principal risks;• The section of the annual report that describes the review of effectiveness of risk management and internal control systems; and• The section describing the work of the Audit and Risk Committee.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Independent Auditor's report to the Members of Albion Technology & General VCT PLC continued

Strategic report and Directors' report	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none"> the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. <p>In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.</p>
Directors' remuneration	<p>In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.</p>
Matters on which we are required to report by exception	<p>We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:</p> <ul style="list-style-type: none"> adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or the Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or certain disclosures of Directors' remuneration specified by law are not made; or we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006, the FCA listing and DTR rules, the principles of the UK Corporate Governance Code, industry practice represented by the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("the SORP") issued in November 2014 and updated in February 2018 with consequential amendments and FRS 102. We also considered the Company's qualification as a VCT under UK tax legislation.

Independent Auditor's report to the Members of Albion Technology & General VCT PLC continued

We focused on laws and regulations that could give rise to a material misstatement in the Company financial statements. Our tests included:

- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management of any known, reported or indications of non-compliance with laws and regulations including fraud occurring within the Company and its operations; and
- review of minutes of board meetings throughout the period for any indications of non-compliance with laws and regulation and instances of fraud.

Our audit work focussed on the valuation of unquoted investments, where the risk of material misstatement due to fraud is the greatest as described in the Key Audit Matters section above. We also:

- Obtained independent evidence to support the ownership of investments
- Recalculated investment management fees in total; and
- Obtained independent confirmation of bank balances.

We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by management that represented a risk of material misstatement due to fraud.

The engagement team was deemed to collectively have the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Smith (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
London, UK
13 April 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Income statement

	Note	Year ended 31 December 2021			Year ended 31 December 2020		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	3	–	21,527	21,527	–	1,453	1,453
Investment income	4	1,077	–	1,077	604	–	604
Investment management fee*	5	(235)	(2,115)	(2,350)	(505)	(1,516)	(2,021)
Other expenses	6	(366)	–	(366)	(347)	–	(347)
Profit/(loss) on ordinary activities before tax		476	19,412	19,888	(248)	(63)	(311)
Tax charge on ordinary activities	8	–	–	–	–	–	–
Profit/(loss) and total comprehensive income attributable to shareholders		476	19,412	19,888	(248)	(63)	(311)
Basic and diluted profit/(loss) per share (pence)**	10	0.37	14.93	15.30	(0.22)	(0.06)	(0.28)

* For more information on the allocation of the split between revenue and capital please see the accounting policies on page 63.

** Adjusted for treasury shares.

The accompanying notes on pages 62 to 75 form an integral part of these Financial Statements.

The total column of this Income statement represents the profit and loss account of the Company. The supplementary revenue and capital columns have been prepared in accordance with The Association of Investment Companies' Statement of Recommended Practice.

Balance sheet

	Note	31 December 2021 £'000	31 December 2020 £'000
Fixed asset investments	11	90,535	65,152
Current assets			
Trade and other receivables	13	2,878	2,038
Cash and cash equivalents		14,361	11,451
Total assets		17,239	13,489
Payables: amounts falling due within one year			
Trade and other payables	14	(780)	(613)
Total assets less current liabilities		106,994	78,028
Equity attributable to equity holders			
Called-up share capital	15	1,536	1,307
Share premium		52,687	37,036
Capital redemption reserve		48	48
Unrealised capital reserve		33,469	13,595
Realised capital reserve		18,259	23,617
Other distributable reserve		995	2,425
Total equity shareholders' funds		106,994	78,028
Basic and diluted net asset value per share (pence)*	16	80.65	69.35

* Excluding treasury shares.

The accompanying notes on pages 62 to 75 form an integral part of these Financial Statements.

These Financial Statements were approved by the Board of Directors, and were authorised for issue on 13 April 2022 and were signed on its behalf by

Robin Archibald
Chairman

Company number: 04114310

Statement of changes in equity

	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Unrealised capital reserve £'000	Realised capital reserve* £'000	Other distributable reserve* £'000	Total £'000
As at 1 January 2021	1,307	37,036	48	13,595	23,617	2,425	78,028
Return/(loss) and total comprehensive income for the year	–	–	–	20,761	(1,349)	476	19,888
Transfer of previously unrealised gains on disposal of investments	–	–	–	(887)	887	–	–
Purchase of shares for treasury	–	–	–	–	–	(1,906)	(1,906)
Issue of equity	229	16,056	–	–	–	–	16,285
Cost of issue of equity	–	(405)	–	–	–	–	(405)
Dividends paid	–	–	–	–	(4,896)	–	(4,896)
As at 31 December 2021	1,536	52,687	48	33,469	18,259	995	106,994
As at 1 January 2020	1,296	34,949	28	13,708	23,567	18,474	92,022
Return/(loss) and total comprehensive income for the year	–	–	–	1,233	(1,296)	(248)	(311)
Transfer of previously unrealised gains on disposal of investments	–	–	–	(1,346)	1,346	–	–
Purchase of shares for cancellation	(20)	–	20	–	–	(1,473)	(1,473)
Issue of equity	31	2,138	–	–	–	–	2,169
Cost of issue of equity	–	(51)	–	–	–	–	(51)
Dividends paid	–	–	–	–	–	(14,328)	(14,328)
As at 31 December 2020	1,307	37,036	48	13,595	23,617	2,425	78,028

* Included within these reserves are amounts of £17,035,000 (2020: £26,042,000) which are considered distributable.

Statement of cash flows

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Cash flow from operating activities		
Loan stock income received	674	511
Dividend income received	15	108
Deposit interest received	1	58
Investment management fee paid	(2,166)	(2,062)
Other cash payments	(373)	(344)
Corporation tax paid	–	–
Net cash flow from operating activities	(1,849)	(1,729)
Cash flow from investing activities		
Purchase of current asset investments	–	(4)
Purchase of fixed asset investments	(8,229)	(9,158)
Disposal of current asset investments	–	1,616
Disposal of fixed asset investments	3,910	1,936
Net cash flow from investing activities	(4,319)	(5,610)
Cash flow from financing activities		
Issue of share capital	15,120	–
Cost of issue of equity	(37)	(47)
Dividends paid*	(4,099)	(12,158)
Purchase of own shares (including costs)	(1,906)	(1,473)
Net cash flow from financing activities	9,078	(13,678)
Increase/(decrease) in cash and cash equivalents	2,910	(21,017)
Cash and cash equivalents at start of period	11,451	32,468
Cash and cash equivalents at end of period	14,361	11,451

* The dividends paid shown in the cash flow are different to the dividends disclosed in note 9 as a result of the non-cash effect of the Dividend Reinvestment Scheme.

Notes to the Financial Statements

1. Basis of preparation

The Financial Statements have been prepared in accordance with applicable United Kingdom law and accounting standards, including Financial Reporting Standard 102 ("FRS 102"), and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP") issued by The Association of Investment Companies ("AIC"). The Financial Statements have been prepared on a going concern basis and further details can be found in the Directors' report on page 36.

The preparation of the Financial Statements requires management to make judgements and estimates that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The most critical estimates and judgements relate to the determination of carrying value of investments at fair value through profit and loss ("FVTPL") in accordance with FRS 102 sections 11 and 12. The Company values investments by following the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines as updated in 2018 and further detail on the valuation techniques used are outlined in note 2 below.

Company information can be found on page 2.

2. Accounting policies

Fixed and current asset investments

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed, and its performance evaluated on a fair value basis, in accordance with a documented investment policy, and information about the portfolio is provided internally on that basis to the Board.

In accordance with the requirements of FRS 102, those undertakings in which the Company holds more than 20 per cent. of the equity as part of an investment portfolio are not accounted for using the equity method. In these circumstances the investment is measured at Fair Value Through Profit and Loss ("FVTPL").

Upon initial recognition (using trade date accounting) investments, including loan stock, are classified by the Company as FVTPL and are included at their initial fair value, which is cost (excluding expenses incidental to the acquisition which are written off to the Income statement).

Subsequently, the investments are valued at 'fair value', which is measured as follows:

- Investments listed on recognised exchanges are valued at their bid prices at the end of the accounting period or otherwise at fair value based on published price quotations.
- Unquoted investments, where there is no active market, are valued using an appropriate valuation technique in accordance with the IPEV Guidelines. Indicators of fair value are derived using established methodologies including earnings multiples, revenue multiples, the level of third party

offers received, cost or prices of recent investment rounds, net assets and industry valuation benchmarks. Where the price of recent investment is used as a starting point for estimating fair value at subsequent measurement dates, this has been benchmarked using an appropriate valuation technique permitted by the IPEV guidelines.

- In situations where the cost or price of recent investment is used, consideration is given to the circumstances of the portfolio company since that date in determining fair value. This includes consideration of whether there is any evidence of deterioration or strong definable evidence of an increase in value. In the absence of these indicators, the investment in question is valued at the amount reported at the previous reporting date. Examples of events or changes that could indicate a diminution include:
 - the performance and/or prospects of the underlying business are significantly below the expectations on which the investment was based; or
 - a significant adverse change either in the portfolio company's business or in the technological, market, economic, legal or regulatory environment in which the business operates; or
 - market conditions have deteriorated, which may be indicated by a fall in the share prices of quoted businesses operating in the same or related sectors.

Investments are recognised as financial assets on legal completion of the investment contract and are de-recognised on legal completion of the sale of an investment.

Dividend income is not recognised as part of the fair value movement of an investment but is recognised separately as investment income through the other distributable reserve when a share becomes ex-dividend.

Current assets and payables

Receivables (including debtors due after more than one year), payables and cash are carried at amortised cost, in accordance with FRS 102. Debtors due after more than one year meet the definition of a financing transaction and are held at amortised cost, and interest will be recognised through capital over the credit period using the effective interest method. There are no financial liabilities other than payables.

Investment income

Equity income

Dividend income is included in revenue when the investment is quoted ex-dividend.

Unquoted loan stock and other preferred income

Fixed returns on non-equity shares and debt securities are recognised when the Company's right to receive payment and expected settlement is established. Where interest is rolled up and/or payable at redemption then it is recognised as income unless there is reasonable doubt as to its receipt.

Notes to the Financial Statements continued

Bank interest income

Interest income is recognised on an accruals basis using the rate of interest agreed with the bank.

Investment management fee, performance incentive fee and expenses

All expenses have been accounted for on an accruals basis. Expenses are charged through the other distributable reserve except the following which are charged through the realised capital reserve:

- 90 per cent. of management fees and 100 per cent. of performance incentive fees, if any, are allocated to the realised capital reserve. This changed from 75 per cent. for both management fees and performance incentive fees in the year ended 31 December 2020, to better align with the Board's expectation that over the long term the majority of the Company's investment returns will be in the form of capital gains. This is a change in accounting estimate and does not require prior year adjustment.
- expenses which are incidental to the purchase or disposal of an investment are charged through the realised capital reserve.

Taxation

Taxation is applied on a current basis in accordance with FRS 102. Current tax is tax payable (refundable) in respect of the taxable profit (tax loss) for the current period or past reporting periods using the tax rates and laws that have been enacted or substantively enacted at the financial reporting date. Taxation associated with capital expenses is applied in accordance with the SORP.

Deferred tax is provided in full on all timing differences at the reporting date. Timing differences are differences between taxable profits and total comprehensive income as stated in the Financial Statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the Financial Statements. As a VCT the Company has an exemption from tax on capital gains. The Company intends to continue meeting the conditions required to obtain approval as a VCT for the foreseeable future. The Company, therefore, should have no material deferred tax timing differences arising in respect of the revaluation or disposal of investments and the Company has not provided for any deferred tax.

Share capital and reserves

Called-up share capital

This accounts for the nominal value of the shares.

Share premium

This accounts for the difference between the price paid for the Company's shares and the nominal value of those shares, less issue costs.

Capital redemption reserve

This reserve accounts for amounts by which the issued share capital is diminished through the repurchase and cancellation of the Company's own shares.

Unrealised capital reserve

Increases and decreases in the valuation of investments held at the year end against cost are included in this reserve.

Realised capital reserve

The following are disclosed in this reserve:

- gains and losses compared to cost on the realisation of investments, or permanent diminutions in value (including gains recognised on the realisation of investments where consideration is deferred that are not distributable as a matter of law);
- finance income in respect of the unwinding of the discount on deferred consideration that is not distributable as a matter of law;
- expenses, together with the related taxation effect, charged in accordance with the above policies; and
- dividends paid to equity holders where paid out by capital.

Other distributable reserve

The special reserve, treasury share reserve and the revenue reserve were combined in 2012 to form a single reserve named "other distributable reserve".

This reserve accounts for movements from the revenue column of the Income statement, the payment of dividends, the buy-back of shares and other non-capital realised movements.

Going concern

The Board has assessed the Company's operation as a going concern. The Company has sufficient cash and liquid resources, its portfolio of investments is well diversified in terms of sector, and the major cash outflows of the Company (namely investments, buy-backs and dividends) are within the Company's control. Cash flow forecasts are discussed quarterly at Board level with regards to going concern. The cash flow forecasts have been updated and stress tested. Accordingly, after making diligent enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence over a period of at least twelve months from the date of approval of the Financial Statements. For this reason, the Directors have adopted the going concern basis in preparing the accounts. The Directors do not consider there to be any material uncertainty over going concern.

Dividends

Dividends by the Company are accounted for in the period in which the liability to make the payment has been established or approved at the Annual General Meeting.

Segmental reporting

The Directors are of the opinion that the Company is engaged in a single operating segment of business, being investment in smaller early stage companies principally based in the UK.

Notes to the Financial Statements continued

3. Gains/(losses) on investments

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Unrealised gains on fixed asset investments	20,761	1,233
Realised gains on fixed asset investments	448	801
Unwinding of discount on deferred consideration	318	–
Realised losses on current asset investments	–	(581)
	21,527	1,453

4. Investment income

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Loan stock interest	1,060	510
Dividend income	15	39
Bank deposit interest	2	55
	1,077	604

5. Investment management fees

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Investment management fee charged to revenue	235	505
Investment management fee charged to capital	2,115	1,516
	2,350	2,021

Further details of the Management Agreement under which the investment management fee is paid are given in the Strategic report on page 14.

During the year, services of a total value of £2,350,000 (2020: £2,021,000) were purchased by the Company from Albion Capital Group LLP in respect of management fees. At the financial year end, the amount due to Albion Capital Group LLP in respect of these services disclosed as accruals was £660,000 (2020: £477,000). The total annual running costs of the Company are capped at an amount equal to 2.75 per cent. of the Company's net assets, with any excess being met by Albion Capital Group LLP by way of a reduction in management fees. During the year, the management fee was reduced by £231,000 as a result of this cap (2020: £78,000).

During the year, the Company was not charged by Albion Capital Group LLP in respect of Patrick Reeve's services as a Director (2020: nil).

Albion Capital Group LLP, its partners and staff (including Patrick Reeve) held 1,215,644 Ordinary shares in the Company as at 31 December 2021. After the year end, Albion Capital Group LLP, its partners and staff subscribed for new shares under the Albion VCTs Prospectus Top Up Offers 2021/22 and were issued with 193,878 shares as part of the allotments.

Albion Capital Group LLP is, from time-to-time, eligible to receive arrangement fees and monitoring fees from portfolio companies. During the year ended 31 December 2021, fees of £207,000 attributable to the investments of the Company were received by Albion Capital Group LLP pursuant to these arrangements (2020: £237,000).

The Company has entered into an offer agreement relating to the Top Up Offers 2021/22 with the Company's Manager, Albion Capital Group LLP ("Albion"), pursuant to which Albion will receive a fee of 2.5 per cent. of the gross proceeds of the Offer and out of which Albion will pay the costs of the Offer, as detailed in the Prospectus.

Notes to the Financial Statements continued

6. Other expenses

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Directors' fees (including NIC)	111	119
Auditor's remuneration for statutory audit services (excluding VAT)	38	34
Tax services	18	19
Other administrative expenses	199	175
	366	347

7. Directors' fees

The amounts paid to and on behalf of the Directors during the year are as follows:

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Directors' fees	103	110
National insurance	8	9
	111	119

The Company's key management personnel are the non-executive Directors. Further information regarding Directors' remuneration can be found in the Directors' remuneration report on pages 49 to 51.

8. Tax on ordinary activities

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
UK corporation tax charge	-	-

Factors affecting the tax charge:

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Return/(loss) on ordinary activities before taxation	19,888	(311)
Tax charge on profit/(loss) at the average companies rate of 19 per cent. (2020: 19 per cent.)	3,779	(59)
Factors affecting the charge:		
Non-taxable gains	(4,090)	(276)
Income not taxable	(3)	(7)
Excess management expenses carried forward	314	342
	-	-

The tax charge for the year shown in the Income statement is lower than the average companies rate of corporation tax in the UK of 19 per cent. (2020: 19 per cent.). The differences are explained above.

Notes

- (i) Venture Capital Trusts are not subject to corporation tax on capital gains.
- (ii) Tax relief on expenses charged to capital has been determined by allocating tax relief to expenses by reference to the applicable corporation tax rate and allocating the relief between revenue and capital in accordance with the SORP.
- (iii) The Company has excess management expenses of £7,063,000 (2020: £5,407,000) that are available for offset against future profits. A deferred tax asset of £1,766,000 (2020: £1,027,000) has not been recognised in respect of these losses as they will be recoverable only to the extent that the Company has sufficient future taxable profits.

Notes to the Financial Statements continued

9. Dividends

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Special dividend of 9.00p per share paid on 30 October 2020	–	9,942
First interim dividend of 1.73p per share paid on 30 June 2021 (30 June 2020: 2.00p per share)	2,306	2,201
Second interim dividend of 1.95p per share paid on 31 December 2021 (31 December 2020: 1.95p per share)	2,590	2,185
	4,896	14,328

In addition to the dividends summarised above, the Board has declared a first dividend for the year ending 31 December 2022 of 2.02 pence per share. The dividend will be paid on 30 June 2022 to shareholders on the register on 6 June 2022. The total dividend will be approximately £3,266,000.

10. Basic and diluted return/(loss) per share

	Year ended 31 December 2021			Year ended 31 December 2020		
	Revenue	Capital	Total	Revenue	Capital	Total
Profit/(loss) attributable to equity shares (£'000)	476	19,412	19,888	(248)	(63)	(311)
Weighted average shares in issue (adjusted for treasury shares)		130,014,383			110,981,864	
Return/(loss) attributable per equity share (pence)	0.37	14.93	15.30	(0.22)	(0.06)	(0.28)

The weighted average number of shares is calculated after adjusting for treasury shares of 20,904,204 (2020: 18,196,470).

There are no convertible instruments, derivatives or contingent share agreements in issue, and therefore no dilution affecting the return/(loss) per share. The basic return/(loss) per share is therefore the same as the diluted return/(loss) per share.

11. Fixed asset investments

	31 December 2021 £'000	31 December 2020 £'000
Investments held at fair value through profit or loss		
Unquoted equity and preference shares	70,209	45,891
Quoted equity	936	–
Unquoted loan stock	19,390	19,261
	90,535	65,152
	31 December 2021 £'000	31 December 2020 £'000
Opening valuation	65,152	57,468
Purchases at cost	7,681	10,375
Disposal proceeds	(3,893)	(4,724)
Realised gains	448	801
Movement in loan stock accrued income	386	(1)
Unrealised gains	20,761	1,233
Closing valuation	90,535	65,152

Notes to the Financial Statements continued

11. Fixed asset investments (continued)

	31 December 2021 £'000	31 December 2020 £'000
Movement in loan stock accrued income		
Opening accumulated loan stock accrued income	87	88
Movement in loan stock accrued income	386	(1)
Closing accumulated loan stock accrued income	473	87
Movement in unrealised gains		
Opening accumulated unrealised gains	13,547	13,727
Transfer of previously unrealised gains to realised reserve on disposal of investments	(887)	(1,413)
Movement in unrealised gains	20,761	1,233
Closing accumulated unrealised gains	33,421	13,547
Historic cost basis		
Opening book cost	51,518	43,653
Purchases at cost	7,681	10,375
Sales at cost	(2,558)	(2,510)
Closing book cost	56,641	51,518

Purchases and disposals detailed above do not agree to the Statement of cash flows due to restructuring of investments, conversion of convertible loan stock and settlement of receivables and payables.

Fixed asset investments are valued at fair value in accordance with the IPEV guidelines as follows:

	31 December 2021 £'000	31 December 2020 £'000
Valuation methodology		
Cost and price of recent investment (reviewed for impairment or uplift)	41,065	30,244
Revenue multiple	20,019	12,507
Third party valuation – discounted cash flow	9,987	10,937
Discounted offer price	9,137	678
Third party valuation – earnings multiple	7,017	5,955
Net assets	1,797	2,869
Bid price	936	–
Earnings multiple	577	1,962
	90,535	65,152

When using the cost or price of a recent investment in the valuations, the Company looks to re-calibrate this price at each valuation point by reviewing progress within the investment, comparing against the initial investment thesis, assessing if there are any significant events or milestones that would indicate the value of the investment has changed and considering whether a market-based methodology (i.e. using multiples from comparable public companies) or a discounted cashflow forecast would be more appropriate.

The main inputs into the calibration exercise, and for the valuation models using multiples, are revenue, EBITDA and P/E multiples (based on the most recent revenue, EBITDA or earnings achieved and equivalent corresponding revenue, EBITDA or earnings multiples of comparable companies), quality of earnings assessments and comparability difference adjustments. Revenue multiples are often used, rather than EBITDA or earnings, due to the nature of the Company's investments, being in growth and technology companies which are not normally expected to achieve profitability or scale for a number of years. Where an investment has achieved scale and profitability the Company would normally then expect to switch to using an EBITDA or earnings multiple methodology.

Notes to the Financial Statements continued

11. Fixed asset investments (continued)

In the calibration exercise and in determining the valuation for the Company's equity instruments, comparable trading multiples are used. In accordance with the Company's policy, appropriate comparable companies based on industry, size, developmental stage, revenue generation and strategy are determined and a trading multiple for each comparable company identified is then calculated. The multiple is calculated by dividing the enterprise value of the comparable group by its revenue, EBITDA or earnings. The trading multiple is then adjusted for considerations such as illiquidity, marketability and other differences, advantages and disadvantages between the portfolio company and the comparable public companies based on company specific facts and circumstances.

Fair value investments had the following re-classifications between valuation methodologies:

Change in valuation methodology (2020 to 2021)	Valuation at	
	31 December 2021	Explanatory note
	£'000	
Cost and price of recent investment (reviewed for impairment or uplift) to discounted offer price	6,667	Third party offers received
Cost and price of recent investment (reviewed for impairment or uplift) to revenue multiple	4,403	More appropriate valuation methodology
Revenue multiple to discounted offer price	2,018	Third party offer received
Net assets to bid price	936	Company listed on AIM in period

The valuation will be the most appropriate valuation methodology for an investment within its market, with regard to the financial health of the investment and the IPEV Guidelines. The Directors believe that, within these parameters, there are no other more relevant methods of valuation which would be reasonable as at 31 December 2021.

FRS 102 and the SORP requires the Company to disclose the inputs to the valuation methods applied to its investments measured at FVTPL in a fair value hierarchy. The table below sets out fair value hierarchy definitions using FRS102 s.11.27.

Fair value hierarchy	Definition
Level 1	Unadjusted quoted prices in an active market
Level 2	Inputs to valuations are from observable sources and are directly or indirectly derived from prices
Level 3	Inputs to valuations not based on observable market data

Quoted investments are valued according to Level 1 valuation methods. Unquoted equity, preference shares and loan stock are all valued according to Level 3 valuation methods.

Investments held at fair value through profit or loss (Level 3) had the following movements:

	31 December 2021	31 December 2020
	£'000	£'000
Opening balance	65,152	57,333
Purchases at cost	7,681	10,510
Disposals proceeds	(3,893)	(4,724)
Movement in loan stock accrued income	386	(1)
Realised gains	448	801
Unrealised gains	20,129	1,233
Transfer to level 1	(304)	–
Closing balance	89,599	65,152

Notes to the Financial Statements continued

11. Fixed asset investments (continued)

The Directors are required to consider the impact of changing one or more of the inputs used as part of the valuation process to reasonable possible alternative assumptions. 71 per cent. of the portfolio of investments, consisting of equity and loan stock, is based on recent investment price, discounted offer price, net assets and cost, and as such the Board believes that changes to reasonable possible alternative input assumptions (by adjusting the earnings and revenue multiples) for the valuation of the remainder of the portfolio could lead to a significant change in the fair value of the portfolio. Therefore, for the remainder of the portfolio, the Board has adjusted the inputs for a number of the largest portfolio companies (by value) resulting in a total coverage of 81 per cent. of the portfolio of investments. The main inputs considered for each type of valuation are as follows:

Valuation technique	Portfolio company sector	Input	Base Case*	Change in input	Change in fair value of investments (£'000)	Change in NAV (pence per share)
Revenue multiple	Software and other technology	Revenue multiple	7.0x	+0.7x -0.7x	239 (239)	0.18 (0.18)
Revenue multiple	Software and other technology	Revenue multiple	6.0x	+0.6x -0.6x	302 (302)	0.23 (0.23)
Third party valuation – discounted cash flow	Renewable energy	Discount rate	5.5%	+0.25% -0.25%	(240) 264	(0.18) 0.20
Third party valuation – earnings multiple	Other (including education)	Earnings multiple	22.5x	+2.25x -2.25x	400 (400)	0.30 (0.30)

* As detailed in the accounting policies on page 62, the base case is based on market comparables, discounted where appropriate for marketability, in accordance with the IPEV guidelines.

The impact of these changes could result in an overall increase in the valuation of the equity investments by £1,205,000 (1.7 per cent.) or a decrease in the valuation of equity investments by £1,181,000 (1.7 per cent.).

12. Significant interests

The principal activity of the Company is to select and hold a portfolio of investments. Although the Company, through the Manager, will, in some cases, be represented on the Board of the portfolio company, it will not take a controlling interest or become involved in the management. The size and structure of the companies with unquoted securities may result in certain holdings in the portfolio representing a participating interest without there being any partnership, joint venture or management consortium agreement. The investments listed below are held as part of an investment portfolio and therefore, as permitted by FRS 102 section 14.4B, they are measured at FVTPL and not accounted for using the equity method.

The Company has interests of greater than 20 per cent. of the nominal value of any class of the allotted shares in the portfolio companies as at 31 December 2021 as described below:

Company	Registered postcode	Profit/(loss) before tax £'000	Net (liabilities) /assets £'000	Result for year ended	% class and share type	% total voting rights
MHS 1 Limited	EC1M 5QL, UK	(1,017)	(9,982)	31 August 2021	22.5% Ordinary	22.5%
memsstar Limited	EH3 9EP, UK	1,090	3,534	31 December 2020	67.3% A Ordinary	30.1%
Premier Leisure (Suffolk) Limited	EC1M 5QL, UK	n/a*	(1,506)	31 August 2020	25.8% Ordinary	25.8%
The Q Garden Company Limited	EC1M 5QL, UK	n/a*	(4,595)	31 August 2020	33.4% A Ordinary	33.4%

*The company files filleted accounts which does not disclose this information.

Notes to the Financial Statements continued

13. Current assets

	31 December 2021 £'000	31 December 2020 £'000
Trade and other receivables		
Prepayments and accrued income	25	25
Other receivables	546	1
Deferred consideration under one year	88	111
Deferred consideration over one year	2,219	1,901
	2,878	2,038

The deferred consideration over one year relates to the sale of G.Network Communications Limited in December 2020. These proceeds are receivable in January 2024, and have been discounted to present value at the prevailing market rate, including a provision for counterparty risk. This constitutes a financing transaction and has been accounted for using the policy disclosed in note 2.

The Directors consider that the carrying amount of receivables is not materially different to their fair value.

14. Payables: amounts falling due within one year

	31 December 2021 £'000	31 December 2020 £'000
Trade payables	7	33
Accruals and deferred income	773	580
	780	613

The Directors consider that the carrying amount of payables is not materially different to their fair value.

15. Called-up share capital

	£'000
Allotted, called-up and fully paid	
130,710,891 Ordinary shares of 1 penny each at 31 December 2020	1,307
22,852,406 Ordinary shares of 1 penny each issued during the year	229
153,563,297 Ordinary shares of 1 penny each at 31 December 2021	1,536
18,196,470 Ordinary shares of 1 penny each held in treasury at 31 December 2020	(182)
2,707,734 Ordinary shares of 1 penny each purchased for treasury during the year	(27)
20,904,204 Ordinary shares of 1 penny each held in treasury at 31 December 2021	(209)
Voting rights of 132,659,093 Ordinary shares of 1 penny each at 31 December 2021	1,327

The Company purchased 2,707,734 Ordinary shares to be held in treasury (2020: 2,031,283 to be cancelled) at a cost of £1,906,000 including stamp duty (2020: £1,473,000) during the year ended 31 December 2021. Total share buy backs in 2021 represents 1.8 per cent. (2020: 1.6 per cent.) of called-up share capital.

The Company holds a total of 20,904,204 shares (2020: 18,196,470) in treasury representing 13.6 per cent. (2020: 13.9 per cent.) of the issued Ordinary share capital at 31 December 2021.

Notes to the Financial Statements continued

15. Called-up share capital (continued)

Under the terms of the Dividend Reinvestment Scheme, the following new Ordinary shares of nominal value 1 penny each were allotted during the year:

Date of allotment	Number of shares allotted	Aggregate nominal value of shares (£'000)	Issue price (pence per share)	Net invested (£'000)	Opening market price on allotment date (pence per share)
30 June 2021	512,667	5	73.62	360	70.00
31 December 2021	528,039	5	79.21	400	76.00
	1,040,706			760	

Under the terms of the Albion VCTs Prospectus Top Up Offers 2020/21, the following new Ordinary shares, of nominal value 1 penny each, were allotted during the year:

Date of allotment	Number of shares allotted	Aggregate nominal value of shares (£'000)	Issue price (pence per share)	Net consideration received (£'000)	Opening market price on allotment date (pence per share)
26 February 2021	2,059,020	21	70.30	1,426	66.00
26 February 2021	520,699	5	70.70	361	66.00
26 February 2021	18,541,660	185	71.10	12,854	66.00
9 April 2021	175,959	2	70.50	122	66.00
9 April 2021	16,384	–	70.80	11	66.00
9 April 2021	497,978	5	71.20	346	66.00
	21,811,700			15,120	

16. Basic and diluted net asset value per share

	31 December 2021 (pence per share)	31 December 2020 (pence per share)
Basic and diluted net asset value per share	80.65	69.35

The basic and diluted net asset value per share at the year end is calculated in accordance with the Articles of Association and is based upon total shares in issue (less treasury shares) of 132,659,093 at 31 December 2021 (2020: 112,514,421).

17. Capital and financial instruments risk management

The Company's capital comprises Ordinary shares as described in note 15. The Company is permitted to buy back its own shares for cancellation or treasury purposes, and this is described in more detail on page 8 of the Chairman's statement.

The Company's financial instruments comprise equity and loan stock investments in quoted and unquoted companies, cash balances, receivables and payables which arise from its operations. The main purpose of these financial instruments is to generate cash flow and revenue and capital appreciation for the Company's operations. The Company has no gearing or other financial liabilities apart from short term payables. The Company does not use any derivatives for the management of its Balance sheet.

The principal financial risks arising from the Company's operations are:

- investment (or market) risk (which comprises investment price and cash flow interest rate risk);
- credit risk; and
- liquidity risk.

17. Capital and financial instruments risk management (continued)

The Board regularly reviews and agrees policies for managing each of these risks. There have been no changes in the nature of the risks that the Company has faced during the past year, and apart from where noted below, there have been no changes in the objectives, policies or processes for managing risks during the past year. The key risks are summarised below.

Investment risk

As a Venture Capital Trust, it is the Company's specific nature to evaluate and control the investment risk of its portfolio in quoted and unquoted investments, details of which are shown on pages 28 to 30. Investment risk is the exposure of the Company to the revaluation and devaluation of investments. The main driver of investment risk is the operational and financial performance of the portfolio company and the dynamics of market quoted comparators. The Manager receives management accounts from portfolio companies, and members of the investment management team often sit on the boards of unquoted portfolio companies; this enables the close identification, monitoring and management of investment risk.

The Manager and the Board formally review investment risk (which includes market price risk), both at the time of initial investment and at quarterly Board meetings.

The Board monitors the prices at which sales of investments are made to ensure that profits to the Company are maximised, and that valuations of investments retained within the portfolio appear sufficiently prudent and realistic compared to prices being achieved in the market for sales of quoted and unquoted investments.

The maximum investment risk as at the Balance sheet date is the value of the fixed asset investment portfolio which is £90,535,000 (2020: £65,152,000). Fixed asset investments form 85 per cent. of the net asset value as at 31 December 2021 (2020: 83 per cent.).

More details regarding the classification of fixed asset investments are shown in note 11.

Investment price risk

Investment price risk is the risk that the fair value of future investment cash flows will fluctuate due to factors specific to an investment instrument or to a market in similar instruments. As a Venture Capital Trust, the Company invests in accordance with the investment policy set out on page 3. The management of risk within the venture capital portfolio is addressed through careful investment selection, by diversification across different industry segments, by maintaining a wide spread of holdings in terms of financing stage and by limitation of the size of individual holdings. The Directors monitor the Manager's compliance with the investment policy, review and agree policies for managing this risk and monitor the overall level of risk on the investment portfolio on a regular basis.

Valuations are based on the most appropriate valuation methodology for an investment within its market, with regard to the financial health of the investment and the IPEV Guidelines. Details of the industries in which investments have been made are contained in the Portfolio of investments section on pages 28 to 30 and in the Strategic report.

As required under FRS 102 the Board is required to illustrate by way of a sensitivity analysis the extent to which the assets are exposed to market risk. The Board considers that the value of the fixed asset investment portfolio is sensitive to a change of 10 per cent. based on the current economic climate. The impact of a 10 per cent. change has been selected as this is considered reasonable given the current level of volatility observed. When considering the appropriate level of sensitivity to be applied, the Board has considered both historic performance and future expectations.

The sensitivity of a 10 per cent. increase or decrease in the valuation of the fixed asset investment portfolio (keeping all other variables constant) would increase or decrease the net asset value and return for the year by £9,054,000. Further sensitivity analysis on fixed asset investments is included in note 11.

Interest rate risk

The Company is exposed to fixed and floating rate interest rate risk on its financial assets. On the basis of the Company's analysis, it was estimated that a rise of 1% in all interest rates would have increased the profit before tax for the year by approximately £129,000 (2020: £232,000). Furthermore, it was considered that a fall of interest rates below current levels during the year would have been very unlikely.

Notes to the Financial Statements continued

17. Capital and financial instruments risk management (continued)

The weighted average effective interest rate applied to the Company's unquoted loan stock during the year was approximately 7.1 per cent. (2020: 3.2 per cent.). The weighted average period to maturity for the unquoted loan stock is approximately 3.4 years (2020: 3.9 years).

The Company's financial assets and liabilities, all denominated in pounds sterling, consist of the following:

	31 December 2021				31 December 2020			
	Fixed rate £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000	Fixed rate £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000
Unquoted equity	-	-	70,209	70,209	-	-	45,891	45,891
Quoted equity	-	-	936	936	-	-	-	-
Unquoted loan stock	18,700	-	690	19,390	18,297	-	964	19,261
Receivables*	-	-	2,853	2,853	-	-	2,013	2,013
Current liabilities	-	-	(780)	(780)	-	-	(613)	(613)
Cash	-	14,361	-	14,361	-	11,451	-	11,451
Total	18,700	14,361	73,908	106,969	18,297	11,451	48,255	78,003

*The receivables do not reconcile to the Balance sheet as prepayments are not included in the above table.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Company is exposed to credit risk through its receivables, investment in unquoted loan stock, and through the holding of cash on deposit with banks.

The Manager evaluates credit risk on loan stock prior to investment, and as part of its ongoing monitoring of investments. In doing this, it takes into account the extent and quality of any security held. For loan stock investments made prior to 6 April 2018, which account for 58.6 per cent. of loan stock value, typically loan stock instruments will have a fixed or floating charge, which may or may not be subordinated, over the assets of the portfolio company in order to mitigate the gross credit risk.

The Manager receives management accounts from portfolio companies, and members of the investment management team sit on the boards of unquoted portfolio companies; this enables the close identification, monitoring and management of investment specific credit risk.

The Manager and the Board formally review credit risk (including receivables) and other risks, both at the time of initial investment and at quarterly Board meetings.

The Company's total gross credit risk as at 31 December 2021 was limited to £19,390,000 (2020: £19,261,000) of unquoted loan stock instruments, £14,361,000 (2020: £11,451,000) cash deposits with banks and £2,878,000 (2020: £2,038,000) of other receivables.

At the Balance sheet date, the cash and cash equivalents held by the Company were held with Lloyds Bank plc, Scottish Widows Bank plc (part of Lloyds Banking Group), Barclays Bank plc, Société Générale S.A. and National Westminster Bank plc. Credit risk on cash transactions was mitigated by transacting with counterparties that are regulated entities subject to prudential supervision, with high credit ratings assigned by international credit-rating agencies.

The Company has an informal policy of limiting counterparty banking and floating rate note exposure to a maximum of 20 per cent. of net asset value for any one counterparty.

The credit profile of unquoted loan stock is described under liquidity risk below.

Notes to the Financial Statements continued

17. Capital and financial instruments risk management (continued)

Liquidity risk

Liquid assets are held as cash on current account, on deposit, in bonds or short term money market account. Under the terms of its Articles, the Company has the ability to borrow up to 10 per cent. of its adjusted capital and reserves of the latest published audited Balance sheet, which amounts to £10,373,000 as at 31 December 2021 (2020: £7,572,000).

The Company has no committed borrowing facilities as at 31 December 2021 (2020: £nil). The Company had cash balances of £14,361,000 (2020: £11,451,000). The main cash outflows are for new investments, share buy-backs and dividend payments, which are within the control of the Company. The Manager formally reviews the cash requirements of the Company on a monthly basis, and the Board on a quarterly basis as part of its review of management accounts and forecasts. All the Company's financial liabilities are short term in nature and total £780,000 as at 31 December 2021 (2020: £613,000).

The carrying value of loan stock investments analysed by expected maturity dates is as follows:

Redemption date	31 December 2021				31 December 2020			
	Fully performing £'000	Valued below cost £'000	Past due £'000	Total £'000	Fully performing £'000	Valued below cost £'000	Past due £'000	Total £'000
Less than one year	4,436	2,746	620	7,802	2,266	2,341	1,673	6,280
1-2 years	195	1	–	196	2,036	26	79	2,141
2-3 years	3,571	6	64	3,641	195	92	–	287
3-5 years	4,525	–	–	4,525	7,012	–	65	7,077
5+ years	2,871	–	355	3,226	3,097	–	379	3,476
Total	15,598	2,753	1,039	19,390	14,606	2,459	2,196	19,261

Loan stock can be past due as a result of interest or capital not being paid in accordance with contractual terms.

The cost of loan stock investments valued below cost is £3,743,000 (2020: £3,033,000).

The Company does not hold any assets as the result of the enforcement of security during the period and believes that the carrying values for both those valued below cost and past due assets are covered by the value of security held for these loan stock investments.

In view of the factors identified above, the Board considers that the Company is subject to low liquidity risk.

Fair values of financial assets and financial liabilities

All the Company's financial assets and liabilities as at 31 December 2021 are stated at fair value as determined by the Directors, with the exception of receivables (including debtors due after more than one year), payables and cash which are carried at amortised cost, in accordance with FRS 102. There are no financial liabilities other than payables. The Company's financial liabilities are all non-interest bearing. It is the Directors' opinion that the book value of the financial liabilities is not materially different to the fair value and all are payable within one year.

18. Commitments and contingencies

The Company had no financial commitments in respect of investments as at 31 December 2021 (2020: nil).

There were no contingent liabilities or guarantees given by the Company as at 31 December 2021 (2020: nil).

Notes to the Financial Statements continued

19. Post balance sheet events

Since 31 December 2021 the Company has had the following material post balance sheet events:

- Disposal of Credit Kudos Limited for proceeds of £4,697,000;
- Disposal of Phrasee Limited for proceeds of £2,046,000;
- Disposal of MyMeds&Me Limited for proceeds of £1,467,000;
- Investment of £953,000 in an existing portfolio company, Black Swan Data Limited;
- Investment of £877,000 in an existing portfolio company, TransFICC Limited;
- Investment of £849,000 in an existing portfolio company, Cantab Research Limited (T/A Speechmatics); and
- Investment of £546,000 in a new portfolio company, PerchPeek Limited.

Since 31 December 2021, the Company issued the following new Ordinary shares of nominal value 1 penny each under the Albion VCTs' Prospectus Top Up Offers 2021/22:

Date of allotment	Number of shares allotted	Aggregate nominal value of shares £'000	Issue price (pence per share)	Net consideration received £'000	Opening market price on allotment date (pence per share)
25 February 2022	1,308,032	13	81.90	1,055	77.00
25 February 2022	443,854	4	82.30	358	77.00
25 February 2022	12,172,712	122	82.80	9,828	77.00
31 March 2022	14,154,989	142	82.80	11,428	77.00
11 April 2022	170,608	2	81.90	138	77.00
11 April 2022	13,972	–	82.30	11	77.00
11 April 2022	737,806	7	82.80	596	77.00
	29,001,973	290		23,414	

20. Related party transactions

Other than transactions with the Manager as disclosed in note 5, the Directors' remuneration disclosed in the Directors' remuneration report on pages 49 to 51, and that disclosed above, there are no other related party transactions requiring disclosure.

Notice of Annual General Meeting

SHAREHOLDERS SHOULD TAKE NOTE THAT THIS WILL BE A HYBRID AGM AND FURTHER DETAILS WILL BE MADE AVAILABLE AT WWW.ALBION.CAPITAL/VCT-HUB/AGMS-EVENTS.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Albion Technology & General VCT PLC (the “Company”) will be held at the offices of Bird & Bird LLP, 12 New Fetter Lane, London EC4A 1JP on 26 May 2022 at 3pm for the following purposes of considering and, if thought fit, to pass the following resolutions, of which numbers 1 to 9 will be proposed as ordinary resolutions and numbers 10 to 12 as special resolutions.

Ordinary Business

1. To receive and adopt the Company’s accounts for the year ended 31 December 2021 together with the Strategic report and the reports of the Directors and Auditor.
2. To approve the Directors’ remuneration report for the year ended 31 December 2021.
3. To re-elect Robin Archibald as a Director of the Company.
4. To re-elect Margaret Payn as a Director of the Company.
5. To re-elect Mary Anne Cordeiro as a Director of the Company.
6. To re-elect Patrick Reeve as a Director of the Company.
7. To re-appoint BDO LLP as Auditor of the Company to hold office from conclusion of the meeting to the conclusion of the next meeting at which audited accounts are to be laid.
8. To authorise the Directors to agree the Auditor’s remuneration.

Special Business

9. Authority to allot shares

That the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “Act”) to allot shares in the Company up to an aggregate nominal amount of £365,131 (representing approximately 20 per cent. of the issued share capital as at the date of this Notice) provided that this authority shall expire 15 months from the date that this resolution is passed, or if earlier, at the conclusion of the next Annual General Meeting, but so that the Company may, before the expiry of such period, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the Directors may allot shares pursuant to such an offer or agreement as if the authority had not expired.

10. Authority for the disapplication of pre-emptive rights

That, subject to the authority and conditional on the passing of resolution number 9, the Directors be empowered, pursuant to section 570 and 573 of the Act, to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by resolution number 9 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561(1) of the Act did not apply to any such allotment or sale.

Under this power the Directors may impose any limits or restrictions and make any arrangements which they deem necessary or expedient to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or laws of, any territory or other matter, arising under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory or any other matter.

This power shall expire 15 months from the date that this resolution is passed or, if earlier, the conclusion of the next Annual General Meeting of the Company, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if this power had not expired.

11. Authority to purchase own shares

That, subject to and in accordance with the Company’s Articles of Association, the Company be generally and unconditionally authorised, pursuant to and in accordance with section 701 of the Act, to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary shares of 1 penny each in the capital of the Company (“Ordinary shares”), on such terms as the Directors think fit, provided always that:

- (a) the maximum aggregate number of Ordinary shares hereby authorised to be purchased is 27,366,534 shares or, if lower, such number of Ordinary shares representing 14.99 per cent. of the issued Ordinary share capital of the Company as at the date of the passing of this resolution;
- (b) the minimum price, exclusive of any expenses, which may be paid for an Ordinary share is 1 penny;

Notice of Annual General Meeting continued

- (c) the maximum price, exclusive of any expenses, which may be paid for an Ordinary share shall be an amount equal to the higher of (a) 105 per cent. of the average of the middle market quotations for the share, as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the date on which the share is purchased; and (b) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003;
- (d) the authority hereby conferred shall, unless previously revoked, varied or renewed, expire 15 months from the date that this resolution is passed or, if earlier, at the conclusion of the next Annual General Meeting; and
- (e) the Company may enter into a contract or contracts to purchase Ordinary shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

12. Cancellation of share premium and capital redemption reserve

That the amount standing to the credit of the Company's share premium account and capital redemption reserve as at 6pm on the day before the date of the Final Hearing be cancelled and reclassified as other distributable reserves.

By Order of the Board

Albion Capital Group LLP

Company Secretary

Registered office

1 Benjamin Street

London, EC1M 5QL

13 April 2022

Albion Technology & General VCT PLC is registered in England and Wales with number 04114310

Notice of Annual General Meeting continued

Notes

1. Members entitled to attend, speak and vote at the Annual General Meeting (“AGM”) may appoint a proxy or proxies (who need not be a member of the Company) to exercise these rights in their place at the AGM. A member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares. Proxies may only be appointed by:
 - completing and returning the Form of Proxy enclosed with this Notice to Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol BS99 6ZY; or
 - going to www.investorcentre.co.uk/eproxy and following the instructions provided there; or
 - by having an appropriate CREST message transmitted, if you are a user of the CREST system (including CREST personal members).

Return of the Form of Proxy will not preclude a member from attending the meeting and voting in person. A member may not use any electronic address provided in the Notice of this meeting to communicate with the Company for any purposes other than those expressly stated.

To be effective the Form of Proxy must be completed in accordance with the instructions and received by the Registrars of the Company by 3pm on 24 May 2022.

In accordance with good governance practice, the Company is offering shareholders use of an online service, offered by the Company’s registrar, Computershare Investor Services, at www.investorcentre.co.uk/eproxy. Shareholders can use this service to vote or appoint a proxy online. The same voting deadline of 3pm on 24 May 2022 applies as if you were using your Personalised Voting Form to vote, or appoint a proxy by post to vote for you. Shareholders who hold their shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company’s registrar not later than two business days before the start of the meeting. Instructions on how to vote through CREST can be found by accessing the following website: www.euroclear.com/CREST. Shareholders should not show this information to anyone unless they wish to give proxy instructions on their behalf.

2. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 (“the Act”) to enjoy information rights (a “Nominated Person”) may, under an agreement between him or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

The statement of rights of members in relation to the appointment of proxies in note 1 above does not apply to Nominated Persons. The rights described in that note can only be exercised by members of the Company.

3. To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), members must be registered in the register of members of the Company at 3pm on 24 May 2022 (or, in the event of any adjournment, on the date which is two business days before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this AGM and any adjournment(s) by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK and Ireland Limited’s specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer’s agent by 3pm on 24 May 2022. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK and Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member

Notice of Annual General Meeting continued

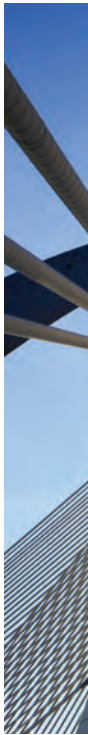
concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

5. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
6. A copy of this Notice, and other information regarding the meeting, as required by section 311A of the Act, is available from www.albion.capital/funds/AATG under the 'Fund reports' section.
7. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
8. Copies of contracts of service and letters of appointment between the Directors and the Company, together with the Register of Directors' Interests in the Ordinary shares of the Company, will be available for inspection at the Registered Office of the Company during normal business hours from the date of this Notice until the conclusion of the meeting, and at the place of the meeting for at least 15 minutes prior to the meeting until its conclusion. In addition, a copy of the Articles of Association will be available for inspection at the Company's registered office from the date of this Notice until the conclusion of the meeting, and at the place of the meeting for at least 15 minutes prior to the meeting until its conclusion.
9. Under section 527 of the Act members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstances connected with an Auditor of the Company ceasing to hold office since the previous meeting at which the annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with section 527 and 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.
10. Members satisfying the thresholds in Section 338 of the Companies Act 2006 may require the Company to give, to members of the Company entitled to receive notice of the AGM, notice of a resolution which those members intend to move (and which may properly be moved) at the AGM. A resolution may properly be moved at the AGM unless (i) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment of the Company's constitution or otherwise); (ii) it is defamatory of any person; or (iii) it is frivolous or vexatious. The business which may be dealt with at the AGM includes a resolution circulated pursuant to this right. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given, must be authenticated by the person(s) making it and must be received by the Company not later than 6 weeks before the date of the AGM.
11. Members satisfying the thresholds in Section 388A of the Companies Act 2006 may request the Company to include in the business to be dealt with at the AGM any matter (other than a proposed resolution) which may properly be included in the business at the AGM.

A matter may properly be included in the business at the AGM unless (i) it is defamatory of any person or (ii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than 6 weeks before the date of the AGM.
12. As at 12 April 2022 being the latest practicable date prior to the publication of this Notice, the Company's issued share capital consists of 182,565,270 Ordinary shares with a nominal value of 1 penny each. The Company also holds 20,904,204 Ordinary shares in treasury. Therefore, the total voting rights in the Company as at 12 April 2022 are 161,661,066.





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The Association of
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of Investment Companies



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