

Kings Arms Yard VCT PLC Interim Management Statement

Introduction

I am pleased to present Kings Arms Yard VCT PLC's interim management statement for the period from 1 July to 14 November 2011 as required by the UK Listing Authority's Disclosure and Transparency Rule 4.3.

Performance and dividends

The Company's unaudited net asset value (NAV), based on management accounts, as at 30 September 2011 was £34.6 million, including cash balances of £9.3 million (30 June 2011: NAV £17.7 million, cash balances of £3.4 million) or 16.5 pence per share (30 June 2011: 16.0 pence per share).

The increase in total net assets since 30 June 2011 (including cash balances) reflects the inclusion of all the assets and liabilities of Kings Arms Yard VCT 2 PLC following the Scheme of Arrangement dated 30 September 2011.

The current NAVs and comparative figures are calculated after accounting for the dividend of 0.67 pence per share (total cost: £739,000) which was paid on 24 June 2011 to shareholders on the register as at 27 May 2011.

The Company's net asset value has risen by 0.5 pence per share since 30 June 2011 due in part to an increase in the valuation of Academia Networks Limited and the offset of management fees and other expenses incurred.

Portfolio

The following investments have been made during the period from 1 July 2011 to 14 November 2011:

Name	£000's	
Alto Prodotto Wind Limited (<i>new investment</i>)	245	<i>Installs and operates commercial scale wind installations</i>
Atego Group Limited (<i>further investment</i>)	264	<i>Supplies aerospace and automotive engine design software</i>

Disposals

During the period from 1 July 2011 to 14 November 2011, Imagesound plc was sold via a Public Offer on 21 July 2011 for £2,195,000 in cash and Level Four Software Holdings Limited was sold on 9 November 2011 for £2,129,000 (comprising £1,905,000 in cash and £224,000 in shares). These sales compared to carrying values as at 30 June 2011 of £2,195,000 and £2,178,000 respectively.

The cash received for Level Four Software Holdings Limited is in addition to the cash as at 30 September 2011 reported above.

Top ten holdings as at 30 September 2011:

Investment	Carrying value £000's
UniServity Limited	3,946
Elateral Holdings Limited	3,336
Level Four Software Holdings Limited	2,178
Workshare Limited	1,990
Cluster Seven Limited	1,668
Haemostatix Limited	1,459
Oxford Immunotec Limited	1,305
Sift Limited	899
Vivacta Limited	870
Academia Networks Limited	824

Material Events and Transactions

During the period from 1 July 2011 to 14 November 2011, the Company issued 99,050,205 Ordinary shares (at an issue price of 16.5349p per share) on 30 September 2011 in connection with the Scheme of Arrangement whereby the Company acquired all the assets and liabilities of Kings Arms Yard VCT 2 PLC.

There have been no further significant events or transactions that the Board is aware of which would have a material impact on the financial position of the Company between 1 July 2011 to 14 November 2011.

Further information regarding historic and current financial performance and other useful shareholder information can be found on the Company's website under [www.albion-ventures.co.uk/Our Funds/Kings Arms Yard.html](http://www.albion-ventures.co.uk/Our_Funds/Kings_Arms_Yard.html)

Robin Field, Chairman

14 November 2011

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