

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 January to 16 May 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 31 March 2011 was £18.20 million (31 December 2010: £18.28 million) or 16.5 pence per share (31 December 2010: 16.6 pence per share).

The current NAVs and comparative figures are calculated before accounting for the dividend of 0.67 pence per share (total cost: £739,000) which will be paid on 24 June 2011 to shareholders on the register as at 27 May 2011, subject to agreement by the shareholders at the Annual General Meeting on 16 May 2011.

The Company's net asset value has fallen by 0.1 pence per share since 31 December 2010 due to management fees and other expenses incurred, partly offset by an increase in the valuation of the Company's quoted investments.

Portfolio

The following investments have been made during the period from 1 January 2011 to 16 May 2011:

Name	£000's	
Vivacta Limited (<i>further investment</i>)	181	<i>Medical diagnostics company</i>
Perpetuum Limited (<i>further investment</i>)	161	<i>Provider of vibration energy harvesting</i>

Disposals

During the period from 1 January 2011 to 16 May 2011, the following quoted shares have been sold:

Name	Cost - £000's	Carrying value at 31 December 2010 - £000's	Proceeds - £000's
MediGene AG	316	83	88
Allergy Therapeutics PLC	407	38	72

Top ten holdings as at 31 March 2011:

Investment	Carrying value £000's
Elaterral Holdings Limited	2,064
UniServity Limited	1,640
Imagesound plc	1,632
Level Four Software Limited	1,321
Cluster Seven Limited	965
Haemostatix Limited	870
Workshare Limited	618
Sift Limited	611
Vivacta Limited	596
Perpetuum Limited	544

Material Events and Transactions

As mentioned above, a dividend of 0.67 pence per share will be paid on 24 June 2011 to shareholders on the register as at 27 May 2011, subject to agreement by the shareholders at the Annual General Meeting on 16 May 2011.

The Company has re-introduced a Dividend Reinvestment Scheme to existing shareholders. Details of this Scheme can be found in the circular dated 18 April 2011 at [www.albion-ventures.co.uk/Our Funds/Kings Arms Yard.html](http://www.albion-ventures.co.uk/Our_Funds/Kings_Arms_Yard.html).

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 January 2011 and 16 May 2011.

Further information regarding historic and current financial performance and other useful shareholder information can be found on the Fund'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
16 May 2011

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