

BARONSMEAD

Baronsmead AIM VCT plc

Quarterly update

For the three month period to 30 April 2010.



Financial Headlines

- 0.6% increase in Net Asset Value (NAV) per ordinary share
- £0.5m gross proceeds subscribed by existing shareholders in the recent Top Up Offer

Investment Objective

Baronsmead AIM VCT plc is a tax efficient listed company which aims to achieve long-term investment returns for private investors, including tax-free dividends.

Performance Summary

	As at 30 April 2010	As at 31 January 2010	Movement (%)
Capital return			
Ordinary shares			
Total Net Assets	£20.3m	£19.7m	
Net asset value per share	73.22p	72.75p	0.6
Share price	64.50p	65.25p	(1.1)
Discount to NAV	11.9%	10.3%	
Total return			
	3 Month (%)	1 Year (%)	Since launch (%)
Ordinary shares			
Net asset value ¹	0.7	7.3	(8.4)
Share price ²	(1.2)	11.4	(22.0)
FTSE All-Share ³	8.8	36.6	8.8

¹ NAV total return = NAV + reinvested dividends; Source: ISIS EP LLP

² Share price total return = Mid to mid share price + reinvested dividends; Source: AIC

³ FTSE All-Share = FTSE All-Share Index + reinvested dividends; Source: AIC

These total returns are stated before the inclusion of VCT tax reliefs which are designed to mitigate the higher risks and costs associated with investing in smaller companies and the constraints of the VCT legislation. The tax reliefs given at the time of subscription have been 40% and later 30%, so any adjusted performance measure including this relief will vary depending on the date of subscription. There is the additional benefit of receiving VCT dividends tax free.

Investment Performance

The NAV per ordinary share at 30 April 2010 was 73.22p giving a positive total return of 0.7% for the quarter. The AIM portfolio increased in value by 1.6% during the quarter. This compares to the FTSE All-Share Total Return Index increase of 8.8% over the same period. Since launch NAV Total Return is -8.4% which compares with an increase of 8.8% for the FTSE All-Share.

Top Ten Investment Holdings

Position as at 30 April 2010	Position as at 31 January 2010	Company	Percentage of NAV as at 30 April 2010
1	1	Advanced Computer Software plc	6.9
2	2	Kiotech International plc	5.9
3	4	Green Compliance plc	4.9
4	5	Electric Word plc	4.5
5	3	Ffastfill plc	4.4
6	8	Adventis Group plc	4.1
7	7	Chime Communications plc	3.9
8	6	Brulines Holdings plc	3.7
9	9	Clarity Commerce Solutions plc	3.6
10	10	Crawshaw Group plc	2.8
Total			44.7

Analysis of Total Assets

	Percentage of total assets 30 April 2010	Percentage of total assets 31 January 2010
AIM, Listed & Collective Investments	79	79
Interest Bearing Securities	10	12
Cash	11	9
Total Cash Portfolio	21	21
Total Assets	100	100

Analysis of Investment Portfolio by Sector

(excluding cash and interest bearing securities)

	Percentage of total investments at 30 April 2010	Percentage of total investments at 31 January 2010
Business Services	24	25
Healthcare & Education	15	15
IT & Media	48	45
Financial Services	4	3
Consumer Markets	9	12
Total	100	100

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Investment Activity

During the quarter, a further £0.5m was invested in the Wood Street Microcap Investment Fund (WSM). As discussed in the Chairman's Statement of the most recent Annual Report, most of the Company's non-qualifying investments will be made indirectly through this fund which was set up for the benefit of all the Baronsmead VCTs. The Manager receives no additional fee for managing the Company's investments this way.

Two further AIM traded investments totalling £0.3m were completed in two existing portfolio companies.

Investments made

Company	Date	Cost (£'000)
Proactis Holdings plc	Feb 10	155
Jelf Group plc	Mar 10	148
Total Investments		303

Realisations

Two AIM investments were realised in full along with the non-qualifying portion of the Inverness Medical investment, which was acquired as a result of a part paper takeover of Essentially Group. The remaining portion of the Mattioli Woods investment was transferred in specie to the WSM which formed part of the £0.5m investment identified above.

Company	Date	Cost (£'000)	Proceeds (£'000)	Multiple (x)
Character Group plc	Feb 10	430	394	0.92
Mattioli Woods	Mar 10	91	78	0.86
INVU plc	Mar 10	440	11	0.03
Inverness Medical Inc	Apr 10	154	195	1.27
Total Realisations		1,115	678	

Fourth Annual General Meeting

Around 30 shareholders attended the Annual General Meeting of the Company on 21 April 2010 which included a number of presentations and a shareholder workshop. Following the Chairman's introduction and commentary on the portfolio and current economic climate by the Managers, Mr Rod Jones, the CEO of Proactis Holdings plc, made a presentation to the meeting. Proactis are providers of 'e-procurement' software to both the public and private sectors. Mr Jones advised that there were now over 4,000,000 users of Proactis software in over 70 countries worldwide and that current clients included; CB Richard Ellis, West Yorkshire Police, Lloyd's, Europcar, Virgin Active and Rabobank.

As explained within the Annual Report of the Company, Mr Peter Lawrence stepped down as Chairman and a Director at the close of the meeting. Mr Lawrence had been a Director of the Company since February 2006 and the Board expressed their gratitude for his services during this time. Upon Mr Lawrence's retirement, Mr John Davies was appointed as Chairman of the Company.

Baronsmead AIM VCT plc is managed by ISIS EP LLP (ISIS Equity Partners), which is Authorised and regulated by the Financial Services Authority (FSA). ISIS EP LLP manages the five Baronsmead VCTs.

All information sources are provided by ISIS EP LLP and all figures are as at 30 April 2010 unless otherwise stated. ISIS EP LLP does not give investment advice. Past performance is not necessarily a guide to future performance. Stock markets and currency movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount they originally invested. Where investments are made in unquoted securities or smaller companies, their potential volatility may increase the risk to the value of, and income from, the investment. Investors should take their own financial and tax advice before investing, based on their own individual circumstances. VCTs should be regarded as a long term investment and are only suitable for private investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result.

Events since 30 April 2010

Since the quarter end, markets generally have been weak reflecting concerns about sovereign debt, particularly that of Greece. The FTSE All-Share has fallen 5.9% to June 15 2010 and the NAV of the Company has fallen 4.84p or 6.6%. As yet it is too early to see signs of public sector cuts impacting on portfolio companies' operational performances.

Post the election, dealflow has improved. Three AIM traded investments totalling £0.3m were completed in two existing portfolio companies and one new investee. We have also conditionally committed a further £125k to Green Compliance and two new investees, Netcall £750k and bGlobal £302k.

Investments made

Company	Date	Cost (£'000)
Electric Word plc	May 10	19
Strategic Thought Group plc	May 10	60
Tasty plc	Jun 10	195
Total Investments		274

A partial realisation of around half the Advanced Computer Software holding was also completed.

Company	Date	Cost (£'000)	Proceeds (£'000)	Multiple (x)
Advanced Computer Software	May/Jun 10	300	634	2.11
Total Realisations		300	634	

Following the retirement of Peter Lawrence from the Board on 21 April 2010, the Directors have announced that Gillian Nott has accepted an invitation to join the Board as a non-executive Director with effect from 14 June 2010. Gill gained in-depth experience of private investors as chief executive of ProShare (1994-1999). Previously she was responsible for the private equity portfolio at BP and was on the board of the FSA for six years until December 2004. Currently Gill is a director of a number of companies including Witan Pacific Investment Trust plc, Martin Currie Portfolio Investment Trust plc, the Liverpool Friendly Society, BlackRock Smaller Companies Trust plc, Baronsmead VCT 2 plc and Baronsmead VCT 3 plc. Gill also holds the position of Deputy Chairman of the Association of Investment Companies.

Other than as discussed in this statement the Board is not aware of any significant events or transactions which have occurred between 30 April 2010 and the date of publication of this statement which would have a material impact on the financial position of the Company.

Further information

Further information regarding the Company, including net asset values published since the end of the period and quarterly factsheets, can be found at the Company's website www.baronsmeadaimvct.co.uk

Future Contact

For further information please contact:

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