

Annual Report and
Financial Statements
for the year
ended 30 June 2009

09

Crown Place VCT PLC

ALBION VENTURES

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Form of proxy (loose leaf)

Company Information

Company Number	3495287
Directors	Patrick Crosthwaite, Chairman Rachel Beagles Sir Andrew Cubie Vikram Lall Geoffrey Vero
Company secretary and registered office	Albion Ventures LLP 1 King's Arms Yard, London, EC2R 7AF
Manager	Albion Ventures LLP 1 King's Arms Yard, London, EC2R 7AF Tel: 020 7601 1850 Fax: 020 7601 1875 Website: www.albion-ventures.co.uk
Registrars	Capita Registrars Limited Northern House Woodsome Park Fenay Bridge Huddersfield, HD8 0LA
Custodian	Capita Trust Company Limited Phoenix House 7th Floor 18 King William Street London, EC4N 7HE
Auditors	PKF (UK) LLP Farringdon Place 20 Farringdon Road London, EC1M 3AP
Taxation adviser	PricewaterhouseCoopers LLP 1 Embankment Place, London, WC2N 6RH
Legal adviser	Berwin Leighton Paisner Adelaide House, London Bridge, London, EC4R 9HA

Crown Place VCT PLC is a member of the Association of Investment Companies.

Shareholder information	For help relating to dividend payments, shareholdings and share certificates please contact Capita Registrars Limited: Tel: 0871 664 0300 (calls cost 10p per minute plus network extras, lines are open 8:30 am – 5:30 pm Mon to Fri) Email: ssd@capitaregistrars.com Website: www.capitaregistrars.com For enquiries relating to the performance of the Fund please contact Albion Ventures LLP: Tel: 020 7601 1850 Email: info@albion-ventures.co.uk Website: www.albion-ventures.co.uk
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IFA information	Independent Financial Advisors with questions please contact Albion Ventures LLP: Tel: 08442 579 722 (calls cost 4p per minute plus network extras and may be recorded) Email: info@albion-ventures.co.uk Website: www.albion-ventures.co.uk
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Investment Objectives

The investment objective and policy of the Company is to achieve long term capital and income growth principally through investment in smaller unquoted companies in the United Kingdom. In pursuing this policy, the Manager aims to build a portfolio which concentrates on two complementary investment areas. The first are lower risk, often asset-based investments that can provide a strong income stream combined with protection of capital. These will be balanced by a smaller proportion of the portfolio being invested in higher risk companies with greater growth prospects.

Financial Calendar

Annual General Meeting	11 November 2009
Record date for first dividend	9 October 2009
Payment of first dividend	6 November 2009
Announcement of half-yearly results for the six months ended 31 December 2009	February 2010
Payment of second dividend subject to Board approval	April 2010

Financial Highlights

0.1p

Net asset value total return to shareholders since Albion Ventures LLP (previously Close Ventures Limited) was appointed manager**

(4.5p)

Total negative return to shareholders for the year ended 30 June 2009

2.5p

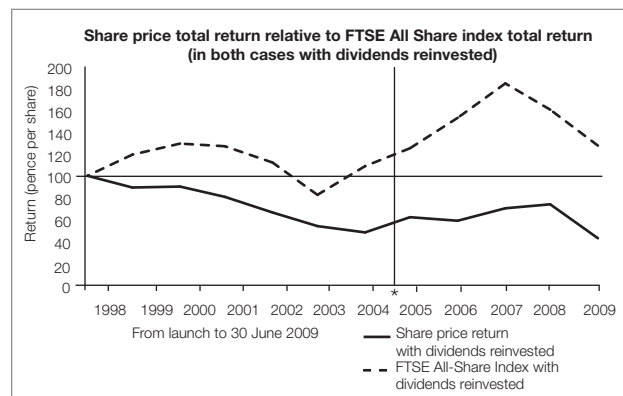
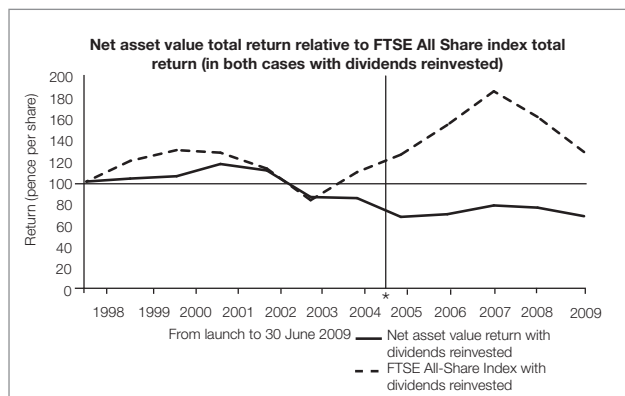
Total tax free dividend per share paid during the year ended 30 June 2009

34.2p

Net asset value per share as at 30 June 2009

1.25p

First tax free dividend per share for the year to 30 June 2010 (subject to HMRC approval)

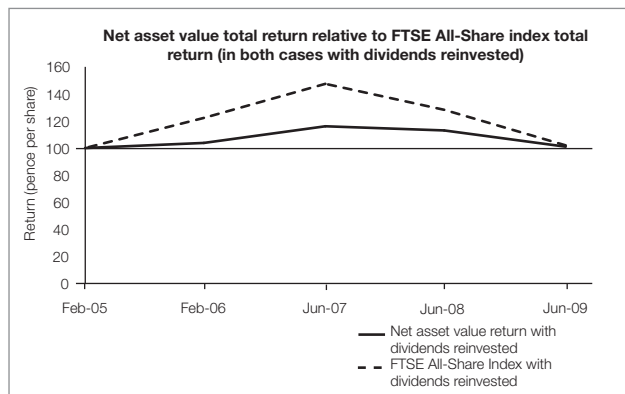


Source: Albion Ventures LLP

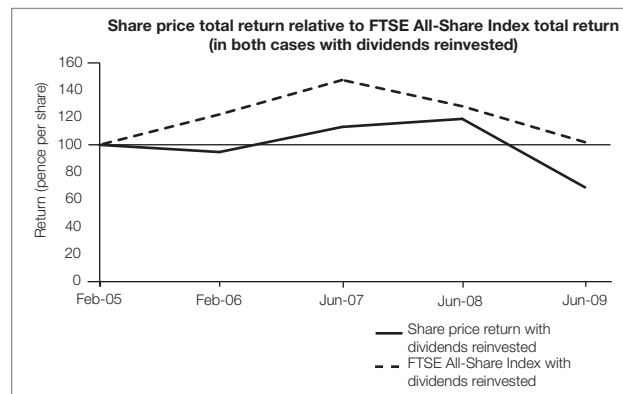
* Albion Ventures LLP became Manager on 6 April 2005

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

In the interests of full information, additional graphs showing the relative performance of Crown Place VCT PLC since 2005 (rebased at 100 pence), which was when Albion Ventures LLP* assumed management, are shown below.



Source: Albion Ventures LLP



Source: Albion Ventures LLP

** The business of Close Ventures Limited was acquired by Albion Ventures LLP from Close Brothers Group plc on 23 January 2009.

Financial Highlights (continued)

	30 June 2009 pence per share	30 June 2008 pence per share
Net asset value per share	34.2	41.1
Dividends paid	2.5	2.5
Revenue return per share	0.9	1.3
Capital return per share	(5.4)	(2.7)

Shareholder returns and shareholder value

	Proforma [®] Murray VCT PLC (pence per share)	Proforma [®] Murray VCT 2 PLC (pence per share)	Crown Place VCT PLC* (pence per share)
Shareholder return from launch to April 2005 (date that Albion Ventures was appointed investment manager):			
Total dividends paid to 6 April 2005 [®]	30.36	30.91	24.93
Decrease in net asset value	(69.90)	(64.50)	(56.60)
Total shareholder return to 6 April 2005	<u>(39.54)</u>	<u>(33.59)</u>	<u>(31.67)</u>
Shareholder return from April 2005 to 30 June 2009:			
Total dividends paid	6.91	8.06	9.30
Decrease in net asset value	(5.73)	(6.36)	(9.16)
Total shareholder return from April 2005 to 30 June 2009	<u>1.18</u>	<u>1.70</u>	<u>0.14</u>
Shareholder value since launch:			
Total dividends paid to 30 June 2009 [®]	37.27	38.97	34.23
Net asset value as at 30 June 2009	24.37	29.14	34.24
Total shareholder value as at 30 June 2009	<u>61.64</u>	<u>68.11</u>	<u>68.47</u>
Current dividend objective (pence per share)	<u>1.78</u>	<u>2.13</u>	<u>2.50</u>
Percentage dividend yield on net asset value	<u>7.3%</u>	<u>7.3%</u>	<u>7.3%</u>

Net asset value total return to shareholders since launch:

	30 June 2009 (pence per share)
Total dividends paid during the period from launch to 6 April 2005 (prior to change of manager)	24.93
Total dividends paid during the year ended 28 February 2006	1.00
Total dividends paid during the period ended 30 June 2007	3.30
Total dividends paid during the year ended 30 June 2008	2.50
Total dividends paid during the year ended 30 June 2009	2.50
Total dividends paid to 30 June 2009	34.23
Net asset value as at 30 June 2009	34.24
Total net asset value return as at 30 June 2009	68.47

Notes

(i) The proforma shareholder returns presented above are based on the dividends paid to shareholders before the merger and the pro-rata net asset value per share and pro-rata dividends per share paid to 30 June 2009 since the merger. This pro-forma is based upon the proportion of shares received by Murray VCT PLC (now renamed CP1 VCT PLC) and Murray VCT 2 PLC (now renamed CP2 VCT PLC) shareholders at the time of the merger with Crown Place VCT PLC on 13 January 2006.

(ii) Prior to 6 April 1999, venture capital trusts were able to add 20 per cent. to dividends and figures for the period up until 6 April 1999 are included at the gross equivalent rate actually paid to shareholders.

* Formerly Murray VCT 3 PLC

In addition to the dividends paid above, the Board has declared a first dividend for the year ending 30 June 2010, of 1.25 pence per Crown Place VCT PLC share (0.25 pence to be paid out of revenue profits and 1.00 pence out of realised capital gains) on 6 November 2009 to shareholders on the register as at 9 October 2009.

Chairman's Statement

Introduction

The financial results for the year to 30 June 2009 reflect the difficult economic environment in the UK during this period. The decline in market valuation multiples combined with a cautious view of the trading prospects of some of our investee companies have contributed to the reduction in the value of investments held by the Company.

The Company experienced a total negative return of 4.5 pence per share over the year. Net asset value declined to 34.2 pence per share compared with 41.1 pence per share as at the 30 June 2008, after the payment of 2.5 pence per share in dividends.

Results and Dividends

As at 30 June 2009, the net asset value was £24.8 million or 34.2 pence per share compared to £30.2 million or 41.1 pence per share as at 30 June 2008. The revenue return before taxation was £682,000, a sharp reduction on the previous year of £1.2 million, predominantly due to a lower return on cash resources and loan stock investments during the year.

The decline in net asset value with dividends reinvested was 10.6 per cent. during the year, compared to a decrease in the FTSE All-Share Index of 20.5 per cent. over the same period.

The VCT's policy is to pay regular and predictable dividends to investors out of revenue income and realised capital gains. During the year to 30 June 2009, the VCT maintained its dividend distribution of 2.5 pence per share.

The Board announces a first dividend for the current financial year of 1.25 pence per share (0.25 pence to be paid out of revenue profits and 1.00 pence out of realised capital gains) which will be paid on 6 November 2009 to shareholders on the register as at 9 October 2009.

Investment progress

A total of £2.0 million was invested in 4 new investee companies and in 15 existing investee companies during the year. Details are in the Manager's Report on page 8.

Some 60 per cent. of the write-downs on investments over the year relate to third party professional valuations of the property held by certain of our investee companies. Although the great majority of the underlying businesses remain profitable at the operating level, valuations have been reduced in line with the commercial property market.

The slowdown in consumer spending has adversely affected trading in, and income generated by, a number of businesses. Combined with historically very low market

interest rates on our cash deposits, this adversely affected the Company's income in 2009, which is sharply down on the previous year. Nevertheless, your Company's strategy of retaining substantial cash balances through the downturn has proved to be sound. Despite pressure on certain of our investee companies, the portfolio as a whole remains cash generative.

Recovery of historic VAT

Following a period of lobbying by the Association of Investment Companies, the welcome review of the position regarding the exemption of management fees from VAT by H.M. Revenue & Customs in July 2008 has meant that the Manager is able to reclaim historic VAT that it had previously charged to the Company. A net reclaim of historic VAT of £369,000 has been credited to the accounts in respect of the repayment. Further details regarding this claim, and its disclosure, are shown in note 5 of this Annual Report and Financial Statements. With effect from 1 October 2008, all management and administration fees are considered exempt from VAT.

Share premium account

Shareholders approved the cancellation of the Company's share premium account by way of special resolution at a General Meeting held on 1 September 2009. The share premium account amounting to £14.4m was subsequently cancelled on 16 September 2009 by order of the High Court and the Notice regarding the cancellation was registered at Companies House on 17 September 2009. The purpose of this cancellation is to increase the special reserve available for distribution as dividends, and which, amongst other purposes, can be used for making market purchases of Ordinary shares.

Risks and uncertainties

The continuing uncertain outlook for the UK economy continues to be the key risk for the Company both in terms of valuations and the amount of loan stock interest payable by investee companies.

A detailed analysis of the other risks and uncertainties facing the business are shown in the Directors' Report and Enhanced Business Review on pages 21 to 22 of this Annual Report.

Discount management and share buy-backs

It remains the Board's policy to buy back shares in the market, subject to the overall constraint that such purchases are in the VCT's interest, including the maintenance of sufficient resources for investment in existing and new investee companies and the continued payment of dividends to shareholders. Given the high level of volatility apparent in

Chairman's Statement continued

all markets, the discount to net asset value per share at which shares are bought back has widened from that which has applied historically.

Proposed change to the Company's Articles of Association

At the forthcoming Annual General Meeting, special resolutions will be proposed to adopt new Articles of Association in order to update the Company's existing Articles of Association (the "Current Articles") and to take account of the changes that have been brought into force by the Companies Act 2006. A summary of the principal changes that are proposed to be made to the Current Articles by resolution 11 is contained in the Directors' Report and Enhanced Business Review on page 26.

Change of Manager

The business of Close Ventures Limited was acquired by Albion Ventures LLP ("Albion Ventures") from Close Brothers Group plc ("Close") on 23 January 2009. Albion Ventures was formed by the executive directors of Close Ventures Limited; Close continue to have an investment in the business. The Company's management contract was novated from Close Ventures to Albion Ventures on exactly the same terms as the existing agreement. The investment approach of Albion Ventures and the investment policy of the Company are also unchanged, with a continuing emphasis on building up a broad portfolio of investee companies normally with no external bank borrowings and the maintenance of a regular dividend yield. Following the change of Manager, the Company Secretary is now Albion Ventures LLP.

Shareholder survey

The Manager recently performed a shareholder survey. Questionnaires were sent to all shareholders and a 22 per cent. response rate (by number of shareholders) was achieved. Of these shareholders, 66 per cent. were satisfied or very satisfied with the returns on the Company, 70 per cent. intended to hold their shares indefinitely, and dividend yield was ranked as the most common feature that investors were looking for in a Venture Capital Trust. The Board wishes to thank shareholders who took part in the survey and will bear in mind the findings. The full survey results are available to view on the Manager's website at www.albion-ventures.co.uk under the 'Our Funds' section.

Outlook and prospects

While we remain cautious on the outlook for the UK economy as a whole, we believe that the investment portfolio has been valued to take these concerns into account. The Company's policy of ensuring that it has a first charge wherever possible over investee companies' assets partly protects the

Company from the adverse effects of the sharp decline in the availability of bank finance. It remains our general policy that, wherever possible, investee companies should not have external bank borrowings.

Meanwhile, we are encouraged by the current trading of a number of our investee companies. The Company has substantial cash and liquid resources (and indeed at £7.8m, they currently account for 50 per cent. of the Company's stock market valuation) and these resources will enable the VCT to take advantage of the lower valuations now becoming apparent. Opportunities within our target sectors continue to arise at attractive valuations, including the healthcare sector which will be one of our core areas of concentration going forward.

While valuations and income may still come under further pressure in the short term, we anticipate that, over the longer term, the current reductions in valuation represent value deferred rather than value permanently lost.

Subject to the longer-term performance of the investment portfolio, the Board aims to maintain the current annualised dividend distribution of 2.5 pence per share going forward.

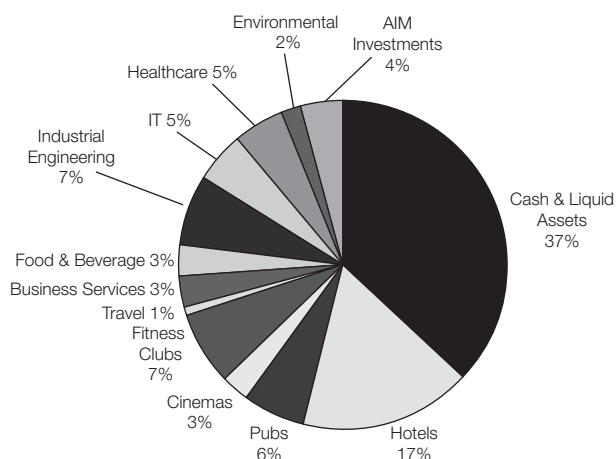
Patrick Crosthwaite
Chairman

28 September 2009

Manager's Report

An analysis of Crown Place VCT PLC's investment portfolio as at 30 June 2009 is shown below. Care has been taken to diversify the portfolio across a broad number of sectors, with those that are asset-based and consumer facing, such as pubs, health and fitness clubs and cinemas, being balanced by higher growth businesses in the business services, healthcare, IT and environmental sectors.

Split of investment portfolio by sector



Source: Albion Ventures LLP

New investments

During the year the VCT invested £949,000 in four new qualifying investments. These comprised £210,000 in Forth Photonics Limited, a diagnostic company specialising in the detection of cervical cancer; £357,000 in Prime Care Holdings Limited, a domiciliary care operator based on the South Coast; £305,000 in Bravo Inns II Limited, a freehold pub owner and operator and £77,000 in Mirada Medical Limited, a developer of medical imaging software. In addition, the Company invested a total of £1.0 million in 15 existing investee companies. Some of these were in our existing pub investments, where they took advantage of the low prices in the sector to purchase further units at attractive prices. Others were in the IT and medical technology sectors, and tended to be in promising businesses, but where growth had been slower than anticipated.

Portfolio review

The net asset value with dividends reinvested declined by 10.6 per cent. during the year. Some 60.3 per cent. of this fall reflected lower property values, with the balance reflecting the current difficult trading environment. This fall is compared to a decrease in the FTSE All-Share Index of 20.5 per cent. over the same period. Although investments in the leisure sector (comprising hotels, pubs and fitness clubs) form the greatest element of the provisions on the portfolio, it is

encouraging to note that almost all units are profitable at the operating level. In other areas, in particular IT services and medical technology, we are seeing encouraging profits. The main areas of decline were in some of the pub investments where market valuations have decreased; Kensington Health Clubs Limited, where despite continued growth in membership, the valuation was affected by the general downturn in the commercial property sector; The Crown Hotel Harrogate Limited, where although there has been substantially improved trading, a sharp devaluation was dictated by the general decline in the property sector; The Stanwell Hotel Limited, which is due to open following refurbishment next Spring, but whose value has fallen in line with the commercial property market; Chichester Holdings Limited, which, while still profitable, has seen a decline in trading and Vibrant Energy Assessors Limited, where our shareholding had to be restructured as a result of the decline in the housing sector, but whose performance is now more promising.

We are working closely with our portfolio companies as they take proactive measures to limit the impact of the downturn. It is our intention going forward to concentrate particularly on the healthcare and environmental sectors as we believe that these are likely to provide a greater degree of resilience during the current difficult environment.

Albion Ventures LLP
Manager

28 September 2009

The Board of Directors

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

Patrick Crosthwaite FSI (66), is the Chairman of the Company. From 1989 to 1999 he was managing director of Henderson Crosthwaite Limited, a private client portfolio management and broking business. Subsequently he served as a director of Carr Shepherds Crosthwaite (part of the Investec Group). He served as Chairman of Investec Bank's underwriting committee from 2000 until 2002 and was the director responsible for Investment Process and Research at Gerrard Limited from 2003 to 2004. Patrick Crosthwaite became a Director of the Company on 13 January 2006.

Sir Andrew Cubie CBE (63), is a consultant to Fyfe Ireland LLP solicitors, having been the senior partner until April 2003. He has extensive experience of corporate law and investment, particularly in the private company sector. He is a non-executive director of a number of companies including BLAS Limited, ESPC (UK) Limited, Kinloch Anderson Limited, CP1 VCT PLC and CP2 VCT PLC (which are wholly owned subsidiaries of Crown Place VCT PLC). He is the Chairman of the Northern Lighthouse Board and the senior member of the Management Board of H.M.I.E. in Scotland. He was Chairman of CBI Scotland from 1995 to 1997. He is Chairman of Quality Scotland Foundation and The Centre of Healthy Working Lives. He is the Chairman of the Committee of University Chairs for the UK. In 2001 he was awarded a CBE for services to business and education in Scotland and was knighted in 2009 for public service. Andrew Cubie became a Director of the Company on 20 January 1998.

Rachel Beagles MA (41), was Co-Head of the Pan-European Banks Equity Research and Sales Team and a Managing Director of Corporate and Investment Bank Group Division at Deutsche Bank AG until April 2003. She is a non-executive director of Schroder UK Mid and Small Cap Fund PLC and vice chair of Newlon Housing Trust. Rachel Beagles became a Director of the Company on 13 January 2006.

Vikram Lall CA CBE (62), was corporate finance director of Brewin Dolphin until December 2003. He is a non-executive director of a number of companies including ISIS Property Trust, CP1 VCT PLC and CP2 VCT PLC (which are wholly owned subsidiaries of Crown Place VCT PLC). He was Chairman of the Scottish Industrial Development Advisory Board from 2001 to 2007. In 2005 he was awarded the CBE for services to business in Scotland. Vikram Lall became a Director of the Company on 13 January 2006.

Geoffrey Vero FCA (62), has spent much of his career in venture capital, serving as a director of Causeway Capital Limited and ABN Amro Private Equity (UK) Limited which invested in small and medium sized unquoted businesses. He is non-executive Chairman of Albion Development VCT PLC (a venture capital trust managed by Albion Ventures LLP) and EPE Special Opportunities Plc, and a non-executive director of Numis Corporation Plc. Geoffrey Vero became a Director of the Company on 13 January 2006.

The Manager

Albion Ventures LLP, is authorised and regulated by the Financial Services Authority and is the Manager of Crown Place VCT PLC. In addition to Crown Place VCT PLC, it manages a further six venture capital trusts, and has currently total funds under management of approximately £200 million.

Albion Ventures LLP recently won 'VCT of the Year' at the Investor AllStars Venture Capital Awards, and has been nominated for 'VCT Manager of the Year' at the 2009 British Private Equity Awards.

The following are specifically responsible for the management and administration of the Venture Capital Trusts managed by Albion Ventures LLP, including Crown Place VCT PLC.

Patrick Reeve (49) MA ACA, qualified as a chartered accountant with Deloitte Haskins & Sells before joining Cazenove & Co where he spent three years in the corporate finance department. He joined Close Brothers Group plc in 1989, initially in the development capital subsidiary, where he was a director specialising in the financing of smaller unquoted companies. He joined the corporate finance division in 1991, where he was also a director. He established Albion Ventures LLP (formerly Close Ventures Limited) with the launch of Albion Venture Capital Trust PLC (formerly Close Brothers Venture Capital Trust PLC) in the spring of 1996. He is the Managing Partner of Albion Ventures LLP and is director of Albion Technology & General VCT PLC, Albion Protected VCT PLC, Albion Income & Growth VCT PLC and Albion Enterprise VCT PLC, all managed by Albion Ventures LLP, and Healthcare & Leisure Property Fund PLC, which is advised by Albion Ventures LLP.

Isabel Dolan (44) BSc (Hons) ACA MBA, is Operations Partner of Albion Ventures LLP having previously been Finance Director for a number of unquoted companies. From 1993 to 1997 she was Head of Recoveries at the Specialised Lending Services Department of the Royal Bank of Scotland plc and from 1997 to 2001 she was at 3i plc, latterly as a portfolio director. She joined Albion Ventures LLP (formerly Close Ventures Limited) in 2005.

Dr Andrew Elder (38) MA FRCS. After qualifying as a surgeon he practised for six years, specialising in neurosurgery before joining the Boston Consulting Group as a consultant in 2001, specialising in healthcare strategy. He joined Albion Ventures LLP (formerly Close Ventures Limited) in 2005.

Will Fraser-Allen (38) BA (Hons) ACA, Deputy Managing Partner of Albion Ventures LLP, qualified as a chartered accountant with Cooper Lancaster Brewers in 1996 before

specialising in corporate finance and investigation. He joined Albion Ventures LLP (formerly Close Ventures Limited) in 2001.

Emil Gigov (39) BA (Hons) ACA, qualified as a chartered accountant with KPMG in 1997 and subsequently worked in KPMG's corporate finance division working on the media, marketing and leisure sectors. He joined Albion Ventures LLP (formerly Close Ventures Limited) in 2000.

David Gudgin (37) BSc (Hons) ACMA, after working for ICL from 1993 to 1999 where he qualified as an accountant, he joined 3i plc as an investment manager based in London and Amsterdam. In 2002 he joined Foursome Investments, the venture capital arm of the Englehorn family, responsible for investing an evergreen fund of US\$80 million, before joining Albion Ventures LLP (formerly Close Ventures Limited) in 2005.

Michael Kaplan (33) BA MBA. After graduating from the University of Washington in 1999 with a BA in International Finance, he joined Marakon Associates as an Analyst. In 2000, he became the Chief Financial Officer of Widevine Technologies, a security software company based in Seattle. After graduating with an MBA from INSEAD, in 2004 he joined the Boston Consulting Group focusing on the retail and financial services industries. He joined Albion Ventures LLP (formerly Close Ventures Limited) in 2007.

Ed Lascelles (33) BA (Hons), joined the corporate broking department of Charterhouse Securities in 1998 focusing on primary and secondary equity fundraisings. He then moved to the corporate finance department of ING Barings in 2000, retaining his focus on smaller UK companies. He joined Albion Ventures LLP (formerly Close Ventures Limited) in 2004.

Henry Stanford (44) MA ACA, qualified as a chartered accountant with Arthur Andersen before joining the corporate finance division of Close Brothers Group plc in 1992. He transferred to Albion Ventures LLP (formerly Close Ventures Limited) in 1998.

Robert Whitby-Smith (34) BA (Hons), ACA, qualified as a chartered accountant with KPMG in their corporate finance division. From 2000 to early 2005 he worked in the UK corporate finance departments of Credit Suisse First Boston and subsequently ING Barings, where he was a vice president. He joined Albion Ventures LLP (formerly Close Ventures Limited) in 2005.

Marco Yu (31) MPhil MA MRICS, qualified as a chartered surveyor in 2004. From 2002 to 2005, he worked at Bouygues (UK), developing cost management systems for PFI schemes, before moving to EC Harris in 2005, where he advised senior lenders on large capital projects. He joined Albion Ventures LLP (formerly Close Ventures Limited) in 2007.

Portfolio of Investments

The following is a summary of non-current asset investments with a carrying/fair value as at 30 June 2009:

Investment name	Nature of business	% voting rights	At 30 June 2009			At 30 June 2008		Change in carrying/fair value for the year** £'000
			% voting rights of AVL* managed companies	Investment to date at cost £'000	Total carrying/fair value £'000	Investment to date at cost £'000	Total carrying/fair value £'000	
Unquoted investments								
The Crown Hotel Harrogate Limited	Owner and operator of the Crown Hotel, Harrogate	15.0	50.0	2,976	2,085	2,976	2,463	(378)
ELE Advanced Technologies Limited	Manufacturer of precision engineering components for the industrial gas turbine, aerospace and automotive markets	48.3	48.3	1,050	1,759	1,050	891	868
The Stanwell Hotel Limited	Owner and operator of the Stanwell Hotel at Heathrow Airport	13.2	50.0	1,400	1,137	1,400	1,400	(263)
Kensington Health Clubs Limited	Owner and operator of a health and fitness club in West London	8.1	50.0	1,789	1,035	1,750	1,715	(719)
Kew Green VCT (Stansted) Limited	Owner and operator of the 'Express by Holiday Inn' at Stansted Airport	2.0	50.0	1,000	946	1,000	1,078	(132)
House of Dorchester Limited	Chocolate manufacturer	23.3	23.3	490	689	490	880	(191)
The Charnwood Pub Company (Hotels) Limited	Owner and operator of freehold pubs and hotels	14.5	50.0	1,008	533	945	723	(253)
Blackbay Limited	Provider of mobile data solutions for the logistics and field service sectors	3.9	32.9	423	531	451	522	36
Tower Bridge Health Clubs Limited	Owner and operator of a health and fitness club in central London	9.5	50.0	591	511	591	663	(152)
Chichester Holdings Limited	Drinks distributor to the travel sector	9.1	50.0	600	442	600	696	(254)
CS (Brixton) Limited	Cinema owner and operator	9.6	50.0	375	430	375	412	18
Helveta Limited	Provider of software solutions, traceability and inventory analysis to the timber industry	4.7	28.6	450	368	285	232	(29)
Prime Care Holdings Limited	Provider of domiciliary care services	7.5	42.2	357	368	-	-	-
Dexela Limited	Developer of medical imaging technology for the early detection of breast cancer	3.9	34.8	295	300	110	115	-
Lowcosttravelgroup Limited	Online travel business	5.0	26.0	455	290	330	353	(188)
Bravo Inns II Limited	Owner and operator of freehold pubs	3.6	50.0	305	289	-	-	-
Xceleron Limited	Provider of a range of drug development services to the life-science industries	3.3	45.1	309	216	250	188	(31)

Portfolio of Investments continued

Investment name	Nature of business	% voting rights	At 30 June 2009			At 30 June 2008		Change in carrying/fair value for the year** £'000
			% voting rights of AVL* managed companies	Investment to date at cost £'000	Total carrying/fair value £'000	Investment to date at cost £'000	Total carrying/fair value £'000	
Unquoted investments (continued)								
Forth Photonics Limited	Developer, manufacturer and seller of medical devices for the detection of epithelial cancers	1.7	12.2	210	210	–	–	–
The Dunedin Pub Company VCT Limited	Owner and operator of freehold pubs	7.8	50.0	398	199	390	380	(189)
Mi-Pay Limited	Provider of mobile payment services	3.0	38.5	241	188	140	140	(53)
RFI Global Services Limited	Provider of conformance testing to the cellular, wireless and smart card industries	4.2	27.0	347	186	310	186	(37)
The Charnwood Pub Company Limited	Owner and operator of freehold pubs	3.1	50.0	235	186	235	179	7
Welland Inns VCT (Hotels) Limited	Owner and operator of one freehold hotel in Buckden, Cambridgeshire	9.0	50.0	330	184	304	230	(72)
GB Pub Company VCT Limited	Owner and operator of freehold pubs	9.0	50.0	401	182	373	268	(114)
Welland Inns VCT Limited	Owner and operator of freehold pubs	3.3	50.0	373	174	340	285	(144)
Rostima Limited	Provider of workforce management solutions software	4.9	35.0	363	171	279	213	(126)
The Weybridge Club Limited	Owner and operator of a freehold health and fitness club in Weybridge, Surrey	1.2	50.0	190	162	190	193	(31)
Opta Sports Data Limited	Compiler of sports performance data	1.4	14.0	150	161	150	154	7
CS (Exeter) Limited	Cinema owner and operator	9.6	50.0	145	143	145	112	31
Bravo Inns Limited	Owner and operator of freehold pubs	2.6	50.0	230	123	230	169	(46)
Novello Pub Limited	Freehold pub owner and operator	9.1	50.0	258	120	258	157	(37)
Premier Leisure (Suffolk) Limited	Freehold cinema owner	5.2	45.0	420	111	420	280	(169)
Point 35 Microstructures Limited	Refurbisher of semiconductor fabrication equipment	1.7	28.1	130	88	130	105	(17)
Mirada Medical Limited	Developer of medical imaging software	6.9	45.0	77	77	–	–	–
Oxsensis Limited	Developer and producer of industrial sensors used in super-high temperature environments	1.6	22.3	145	73	145	145	(72)
Process Systems Enterprise Limited	Provider of process systems modeling solutions	0.8	11.9	100	59	100	100	(41)

Portfolio of Investments continued

Investment name	Nature of business	% voting rights	At 30 June 2009			At 30 June 2008		Change in carrying/fair value for the year** £'000
			% voting rights of AVL* managed companies	Investment to date at cost £'000	Total carrying/fair value £'000	Investment to date at cost £'000	Total carrying/fair value £'000	
Unquoted investments (continued)								
Booth Dispensers Limited	Manufacturer of vending machine components	22.8	22.8	227	52	227	204	(152)
Vibrant Energy Assessors Limited	Surveyor of energy performance in buildings	3.4	25.6	267	51	180	180	(216)
Red-M Group Limited	Service and software provider	1.8	10.7	295	49	211	36	(71)
CS (Norwich) Limited	Cinema owner and operator	3.8	50.0	60	42	60	62	(20)
Evolutions Television Limited	Provider of TV post production services	0.3	49.9	61	22	50	51	(40)
River Bourne Health Club Limited	Owner and operator of a health and fitness club in Chertsey, Surrey	5.5	50.0	110	21	110	121	(100)
Palm Tree Technology PLC	Software company	0.6	2.1	102	15	102	111	(96)
Driver Hire Investment Limited	Supplier of temporary drivers	1.0	1.0	436	9	436	106	(97)
Investments exited in the period				–	–	3,034	598	–
Other investments valued at nil				20,174	14,987	21,152	17,096	(3,563)
				1,637	–	1,637	–	–
				21,811	14,987	22,789	17,096	(3,563)

Portfolio of Investments continued

Investment name	Nature of business	% voting rights	% voting rights of AVL* managed companies	At 30 June 2009		At 30 June 2008		Change in carrying/ fair value for the year** £'000
				Investment to date at cost £'000	Total carrying/ fair value £'000	Investment to date at cost £'000	Total carrying/ fair value £'000	
AIM quoted investments								
Avanti Communications Group plc	Supplier of satellite communications	0.8	0.8	538	625	538	628	(3)
Cello Group plc	Market researcher, brand advertising and direct marketing	0.7	0.7	336	115	336	246	(131)
Augean PLC	Waste management	0.5	0.5	590	142	590	231	(89)
Avanti Screenmedia Group plc	Supplier of retail television services	0.6	0.6	81	3	81	3	-
				1,545	885	1,545	1,108	(223)
Total qualifying non-current asset investments				23,356	15,872	24,334	18,204	(3,786)
Non-qualifying AIM quoted investments				11	6	11	7	(1)
Total non-current asset investments				23,367	15,878	24,345	18,211	(3,787)

Current asset investments	At 30 June 2009		At 30 June 2008		Change in carrying/ fair value for the year** £'000
	Investment to date at cost £'000	Total carrying/ fair value £'000	Investment to date at cost £'000	Total carrying/ fair value £'000	
Nationwide Building Society floating rate note 7 July 2009	2,718	2,718	2,718	2,686	32

* Albion Ventures LLP

** As adjusted for additions and disposals between the two accounting periods

Portfolio Companies

The top ten qualifying investments by total aggregate value of equity and loan stock are as follows (unquoted loan stock held by investments is classified as loans and receivables in accordance with IAS 39 and FRS 26, and are carried at amortised cost using the effective interest rate):

The Crown Hotel Harrogate Limited

The company owns and operates the historic 110 bedroom Crown Hotel in Harrogate, Yorkshire. Trading has improved considerably following refurbishment.



Latest audited results – year to 31 March 2008

As a medium sized company, The Crown Hotel Harrogate Limited is exempt from filing full accounts.

	£'000
Turnover	2,343
Loss before interest	(464)
Net liabilities	(926)
Basis of valuation:	Net asset value supported by third party valuation
Website:	www.crownhotelharrogate.com

Investment information

	£'000
Income recognised in the year	75
Cost	2,976
Equity valuation	–
Loan stock valuation	2,085
Voting rights	15.0%

Other funds managed by Albion Ventures LLP have invested in this company and have a combined equity holding of 50.0 per cent.

ELE Advanced Technologies Limited

The company manufactures precision engineering components for the industrial gas turbine, aerospace and automotive markets, in Lancashire and Slovakia.



Latest audited results – period to 2 May 2008

As a medium sized company, ELE Advanced Technologies Limited is exempt from filing full accounts.

	£'000
Turnover	8,867
Loss before interest	(812)
Net assets	2,765
Basis of valuation:	Adjusted earnings multiple
Website:	www.eleat.co.uk

Investment information

	£'000
Income recognised in the year	–
Cost	1,050
Equity valuation	1,759
Voting rights	48.3%

No other funds managed by Albion Ventures LLP have invested in this company.

Portfolio Companies continued

The Stanwell Hotel Limited



The company acquired the 19 bedroom Stanwell Hotel near Heathrow in August 2007. Planning consent has been obtained to extend the hotel to 54 bedrooms. The hotel is currently closed for redevelopment and is expected to open in Spring 2010.

Latest audited results – year to 31 August 2008

As a small company, The Stanwell Hotel Limited is exempt from filing full accounts.

	£'000
Net assets	1,302
Basis of valuation:	Net asset value supported by third party valuation
Website:	www.thestanwellhotelheathrow.com

Investment information

	£'000
Income recognised in the year	57
Cost	1,400
Equity valuation	199
Loan stock valuation	938
Voting rights	13.2%

Other funds managed by Albion Ventures LLP have invested in this company and have a combined equity holding of 50.0 per cent.

Kensington Health Clubs Limited



This company has developed a 29,000 square foot health and fitness club on a 999 year lease in West London which opened in December 2007. The most recent membership numbers are approximately 2,519 members.

Latest audited results – period to 30 September 2008

As a small company, Kensington Health Clubs Limited is exempt from filing full accounts.

	£'000
Net assets	1,311
Basis of valuation:	Net asset value supported by third party valuation
Website:	www.thirtysevendegrees.co.uk/olympia

Investment information

	£'000
Income recognised in the year	(23)
Cost	1,789
Equity valuation	–
Loan stock valuation	1,035
Voting rights	8.1%

Other funds managed by Albion Ventures LLP have invested in this company and have a combined equity holding of 50.0 per cent.

Kew Green VCT (Stansted) Limited



The company was established to develop and operate a limited service hotel under the “Express by Holiday Inn” brand at Stansted airport on a 125 year lease. The hotel opened in January 2005 with 183 bedrooms and a 71 bedroom extension opened in July 2007, taking the hotel to 254 bedrooms.

Latest audited results – year to 31 August 2008

	£'000
Turnover	5,672
Profit before interest	1,300
Net assets	3,431
Basis of valuation:	Net asset value supported by third party valuation
Website:	www.expressstanstedairport.co.uk

Investment information

	£'000
Income recognised in the year	73
Cost	1,000
Equity valuation	246
Loan stock valuation	700
Voting rights	2.0%

Other funds managed by Albion Ventures LLP have invested in this company and have a combined equity holding of 50.0 per cent.

Portfolio Companies continued

House of Dorchester Limited

The company is a chocolate manufacturer.



Latest audited results – year to 31 December 2008

	£'000
Turnover	5,311
Profit before interest	454
Net assets	1,009
Basis of valuation:	Earnings multiple
Website:	www.hodchoc.com

Investment information

	£'000
Income recognised in the year	(20)
Cost	490
Equity valuation	302
Loan stock valuation	387
Voting rights	23.3%

No other funds managed by Albion Ventures LLP have invested in this company.

Avanti Communications Group plc

The company is a supplier of satellite communication services and is quoted on AIM.

Latest audited results – year to 30 June 2008

	£'000
Turnover	5,921
Loss before interest	(1,858)
Net assets	32,735
Basis of valuation:	Bid price
Website:	www.avantiplc.com

Investment information

	£'000
Income recognised in the year	–
Cost	538
Equity valuation	625
Voting rights	0.8%

No other funds managed by Albion Ventures LLP have invested in this company.

The Charnwood Pub Company (Hotels) Limited

The company owns and operates three freehold pubs in Rotherham, Stockport and Leominster.

Latest audited results – year to 31 October 2008

As a small company, The Charnwood Pub Company (Hotels) Limited is exempt from filing full accounts.

	£'000
Net liabilities	(77)
Basis of valuation:	Net asset value supported by third party valuation

Investment information

	£'000
Income recognised in the year	(12)
Cost	1,008
Equity valuation	–
Loan stock valuation	533
Voting rights	14.5%

Other funds managed by Albion Ventures LLP have invested in this company and have a combined equity holding of 50.0 per cent.

Portfolio Companies continued

Blackbay Limited



The company provides enterprise mobility solutions for the logistics and field service sectors.

Latest audited results – year to 31 December 2008

As a small company, Blackbay Limited is exempt from filing full accounts.

	£'000
Net liabilities	(558)
Basis of valuation:	Earnings multiple
Website:	www.blackbay.com

Investment information

	£'000
Income recognised in the year	59
Cost	423
Equity valuation	178
Loan stock valuation	353
Voting rights	3.9%

Other funds managed by Albion Ventures LLP have invested in this company and have a combined equity holding of 32.9 per cent.

Tower Bridge Health Clubs Limited



The company has developed and operates a health and fitness club in the More London development in central London. The most recent membership numbers are approximately 2,966 members.

Latest audited results – period to 30 September 2008

As a small company, Tower Bridge Health Clubs Limited is exempt from filing full accounts.

	£'000
Net liabilities	(178)
Basis of valuation:	Net asset value supported by third party valuation
Website:	www.thirtysevendegrees.co.uk

Investment information

	£'000
Income recognised in the year	59
Cost	591
Equity valuation	105
Loan stock valuation	406
Voting rights	9.5%

Other funds managed by Albion Ventures LLP have invested in this company and have a combined equity holding of 50.0 per cent.

Net assets of investee companies where a recent third party valuation has taken place, may have a higher valuation in Crown Place VCT PLC accounts than in their own. These are where the investee company does not have a policy of revaluing their fixed assets.

The information used to value investee companies includes unaudited information subsequent to the detail provided above.

Directors' Report and Enhanced Business Review

The Directors submit their Annual Report and the audited Financial Statements on the affairs of Crown Place VCT PLC (the "Company"), including the consolidated financial statements, for the year ended 30 June 2009.

Principal activity and status

The principal activity of the Company is that of a Venture Capital Trust. It was approved by H.M. Revenue & Customs (HMRC) as a venture capital trust, previously in accordance with Section 842AA of the Income and Corporation Taxes Act 1988, and now Part 6 of the Income Taxes 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. Approval for the year ended 30 June 2009 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.

The Company is no longer an investment company as defined in Section 833 of the Companies Act 2006. The Company revoked its investment trust status on 4 June 1999 in order for the Company to pay dividends from realised capital profits. The Company is listed on the London Stock Exchange.

Under current tax legislation, shares in the Company provide tax-free capital growth and income distribution, in addition to the tax relief some investors would have obtained when they invested at the time of the initial fundraising.

Capital structure

Details of the authorised and issued share capital, including the movements in the Company's issued share capital during the year are shown in note 15.

The Company's share capital comprises Ordinary shares. The shares are designed for individuals who are predominantly professionally advised private investors seeking, over the long term, investment exposure to a diversified portfolio of mainly unquoted investments spread over a number of sectors, which produce a regular and predictable source of income combined with the prospect of longer term capital growth. Ordinary shares represent 100 per cent. of the total share capital and voting rights. Each Ordinary share is currently entitled to one vote. The Directors are not aware of any restrictions on the transfer of shares or on voting rights.

The Company currently operates a Dividend Reinvestment Scheme, details of which can be found on www.albion-ventures.co.uk under the 'Our Funds' section. During the year, the Company issued 84,090 new Ordinary

shares under the Dividend Reinvestment Scheme, details of which can be found in note 15.

Investment policy

The Company's investment policy and maximum exposures policy is designed to meet the requirements of investors who seek to protect the capital value of their investment whilst still providing an attractive level of return. In pursuing this policy, the Manager aims to build a portfolio which concentrates on two complementary investment areas. The first are lower risk, often asset-based, investments that can provide a strong income stream combined with protection of capital. These investments will be balanced by a smaller proportion by value of the portfolio invested in higher risk companies with greater growth prospects.

The following investment restrictions were described in the Company prospectus.

- No holding of the Company in any other company will represent more than 15 per cent. by value of the Company's portfolio; and
- Not more than 20 per cent. of the total assets in the Company's portfolio will be invested in the securities of companies which are property companies, defined as companies primarily engaged in property activities which include:
 - (a) the holding of properties and development of properties for letting and retention as investments; or
 - (b) the purchase and development of properties for subsequent sale; or
 - (c) the purchase of land for development of properties for retention as investments.

Venture Capital Trust status

In addition to the investment policy described above, the HMRC rules drive the Company's investment allocation and risk diversification policies. In order to maintain status under Venture Capital Trust legislation, the following tests must be met:

- (1) The Company's income must be derived wholly or mainly from shares and securities;
- (2) At least 70 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 30 per cent. by HMRC value of its total qualifying holdings must have been represented throughout the year by holdings of 'eligible shares';

Directors' Report and Enhanced Business Review continued

- (4) At no time during the year must the Company's holdings in any one company (other than another VCT) have exceeded 15 per cent. by HMRC value of its investments;
- (5) The Company must not have retained greater than 15 per cent. of its income earned in the year from shares and securities;
- (6) 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 investee company; and
- (7) The Company's shares, throughout the year must have been listed in the Official List of the London Stock Exchange.

These tests drive a spread of investment risk through disallowing holdings of more than 15 per cent. in one investee company. The tests have been carried out and independently reviewed for the year ended 30 June 2009. The Company has complied with all tests and continues to do so.

'Qualifying holdings', for Crown Place VCT PLC include shares or securities (including loans with a five year or greater maturity period) in companies which operate a 'qualifying trade' wholly or mainly in the United Kingdom. 'Qualifying trade' excludes, amongst other sectors, dealing in property or shares and securities, insurance, banking, and agriculture.

Investee company gross assets must not exceed £15 million immediately prior to the investment and £16 million immediately thereafter and there is an annual investment limit of £1 million in each company.

In the case of investments made since the change of Manager in 2005, investee companies would not normally have any external borrowing with a charge ranking ahead of the VCT. Up to two thirds of qualifying assets by cost will comprise loan stock secured with a first charge on the investee company's assets.

Gearing

As defined by the Articles of Association, the Company's maximum exposure in relation to gearing is restricted to the amount of the adjusted share capital and reserves of the latest published audited consolidated balance sheet. As at 30 June 2009, the Company's maximum permitted exposure would have been £23,883,000 (2008: £29,257,000) and its actual short term and long term gearing at this date was £nil (2008: £nil). The Directors do not currently have any intention to utilise long term gearing.

Current portfolio sector allocation

The pie chart on page 8 of the Manager's Report graphically represents the split of the portfolio valuation by industrial or commercial sector as at 30 June 2009. Details of the principal investments made by the Company are shown in the Portfolio of Investments on page 11.

Operational arrangements

The Company has delegated the investment management of the portfolio to Albion Ventures LLP, which is authorised and regulated by the Financial Services Authority. Albion Ventures LLP also provides company secretarial and other accounting and administrative support to the Company. Further details regarding the terms of engagement of the Manager are shown on page 23.

Review of business and future changes

A detailed review of the Company's business during the year and future prospects is contained in the Chairman's Statement on page 6 and Manager's Report on page 8. Details of related party transactions are shown in note 22.

The Directors do not foresee any major changes in the activity undertaken by the Company in the current year. Details of significant events which have occurred since the end of the financial year are listed in note 20.

The subsidiary undertakings affecting the profits and net assets of the Group in the year are listed in note 12 to the financial statements.

Results and dividends

	£'000
Consolidated revenue profit for the year ended 30 June 2009	682
Revenue dividend of 0.9p per share paid on 8 August 2008	(661)
Revenue dividend of 0.25p per share paid on 17 April 2009	(181)
	<u>(160)</u>
Transferred to revenue reserve	(160)
Consolidated capital loss for the year ended 30 June 2009	(3,946)
Capital dividend of 0.35p per share paid on 8 August 2008	(257)
Capital dividend of 1p per share paid on 17 April 2009	(724)
	<u>(4,927)</u>
Transferred to capital reserves	(4,927)
Consolidated net assets as at 30 June 2009	24,788
Consolidated net asset value per share as at 30 June 2009	<u>34.2p</u>

The Company paid dividends of 2.5 pence per share (2008: 2.5 pence) during the year ended 30 June 2009.

Directors' Report and Enhanced Business Review continued

As described in the Chairman's Statement, the Board has declared a first dividend for the year ending 30 June 2010 of 1.25 pence per share, payable on 6 November 2009 to shareholders on the register as at 9 October 2009.

As shown in the Group's Income Statement on page 36 of the financial statements, the investment income has decreased to £988,000 (2008: £1,714,000). This is as a result of lower interest earned on liquid assets during the year and a low yield on some loan stock investments which have been in the turnaround phase during the year. As a result, revenue return to equity holders has also decreased to £682,000 (2008: £957,000).

Capital return for the year was a loss of £3,946,000, (2008: loss of £2,016,000), primarily as a result of the unrealised losses made during the year on investments and the investment management fees charged to capital.

The total return per share was a loss of 4.5 pence per share (2008: loss of 1.4 pence per share).

The Consolidated Balance Sheet on page 37 of the financial statements shows that the net asset value per share has decreased over the last year to 34.2 pence per share (2008: 41.1 pence per share). The fall in net asset value per share can be attributed to the payments of dividends in the year in addition to the reasons stated above.

Cash flow for the business has been negative for the year, reflecting the dividends paid, purchases of shares for cancellation and the purchase of qualifying investments, offsetting cash generated by dividend income and interest earned on fixed and current assets.

Key Performance Indicators

The graph on page 4 shows Crown Place VCT PLC's net asset value total return against the FTSE All-Share Index total return, in both instances with dividends reinvested. Details on the performance of the net asset value and return per share for the year are detailed above.

Albion Ventures LLP (formerly Close Ventures Limited) assumed management of the Company and its subsidiaries in April 2005 and since then, the Group has generated an annualised tax free dividend yield to 30 June 2009 of 2.5 pence per share (2008: 2.5 pence per share).

The total expense ratio for the year to 30 June 2009 excluding the effect of the recognition of recoverable VAT due on historic management fees was 3.0 per cent. (2008: 3.2 per cent.). The total expense ratio for the year to 30 June 2009 was 1.5 per cent. (2008: 3.2 per cent.), taking

into account the one off recognition of recoverable VAT due on historic management fees.

Share buy-backs

The Company operates a policy of buying back shares either for cancellation or for holding in Treasury. Given the high level of volatility and the adverse movements apparent in all markets, the discount to net asset value per share at which shares are bought back will widen from that applied historically. Details regarding the current policy can be found on page 6 of the Chairman's Statement. During the year, the Company purchased 1,091,300 shares (2008: 3,256,044 shares) for cancellation at a cost of £321,000 (including stamp duty) (2008: £1,265,000).

In the Directors' view, there are no other non-financial performance indicators materially relevant to the business.

Principal risks and uncertainties

In addition to the current economic risks outlined in the Chairman's Statement, the Board considers that the Company faces the following major risks and uncertainties:

1. *Investment risk*

This is the risk of investment in poor quality assets which reduce the capital and income returns to shareholders, and negatively impacts on the Company's reputation. By nature, smaller unquoted businesses, such as those that qualify for venture capital trust purposes are more fragile than larger, long established businesses.

To reduce this risk, the Board places reliance upon the skills and expertise of the Manager and their strong track record for investing in this segment of the market. The Company's policy is to lower investment risk by investing part of the portfolio in asset-based businesses and taking a first charge over the relevant assets. In addition, the Manager operates a formal and structured investment process, which includes an Investment Committee, comprising investment professionals from the Manager and external investment professionals. The Manager also invites comments from all non-executive Directors of funds managed by Albion Ventures LLP on investments discussed at the Investment Committee meetings. Investments are actively and regularly monitored by the Manager (investment managers normally sit on investee company boards) and the Board receives detailed reports on each investment as part of the Manager's report at quarterly board meetings.

Directors' Report and Enhanced Business Review continued

2. *Venture Capital Trust approval risk*

The Company's current approval as a venture capital trust allows investors to take advantage of tax reliefs on initial investment and ongoing tax free capital gains and dividend income. Failure to meet the qualifying requirements could result in investors losing the tax relief on initial investment and loss of tax relief on any tax free income or capital gains received. In addition, failure to meet the qualifying requirements could result in a loss of listing of the shares.

To reduce this risk, the Board has appointed the Manager, who has a team with significant experience in venture capital trust management, and is used to operating within the requirements of the venture capital trust legislation. In addition, to provide further formal reassurance, the Board has appointed PricewaterhouseCoopers LLP as its taxation advisors. PricewaterhouseCoopers LLP report quarterly to the Board to independently confirm compliance with the venture capital trust legislation, to highlight areas of risk and to inform on changes in legislation.

3. *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.

Board members and the Manager have experience of operating at senior levels within quoted businesses. In addition, the Board and the Manager receive regular updates on new regulation from the auditors, lawyers and other professional bodies.

4. *Internal control risk*

Failures in key controls, within the Board or within the Manager's business, could put assets of the Company at risk or result in reduced or inaccurate information being passed to the Board or to shareholders.

The Audit and Risk Committee has met with the Manager's new internal auditors, Littlejohn LLP, since the year end, and will meet with them at least once a year in future, receiving a report regarding the last formal internal audit performed on the Manager, and providing the opportunity for the Audit and Risk Committee to ask specific and detailed questions. In the past year the Board has met with the Head of

Internal Audit of Close Brothers Group plc on a similar basis. The Manager has a comprehensive business continuity plan in place in the event that operational continuity is threatened. Further details regarding the Board's management and review of the Company's internal controls through the implementation of the Turnbull guidance are detailed on page 31.

Measures are in place to mitigate information risk in order to ensure the integrity, availability and confidentiality of information used within the business.

5. *Reliance upon third parties risk*

The Company is reliant upon the services of Albion Ventures LLP for the provision of investment management and administrative functions. There are provisions within the Management Agreement for the change of Manager under certain circumstances (for more detail, see the Management Agreement paragraph on page 23). In addition, the Manager has demonstrated to the Board that there is no undue reliance placed upon any one individual within Albion Ventures LLP.

6. *Financial risks*

By its nature, as a venture capital trust, the Company is exposed to investment risk (which comprises investment price risk and cash flow interest rate risk), credit risk and liquidity risk. The Company's policies for managing these risks and its financial instruments are outlined in full in note 19 to the financial statements.

All of the Company's income and expenditure is denominated in sterling and hence the Company has no foreign currency risk. The Company is financed through equity and does not have any borrowings. The Company does not use derivative financial instruments.

Environment

The management and administration of Crown Place VCT PLC is undertaken by the Manager. Albion Ventures 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 and reducing energy consumption as will be shown in the financial statements of Albion Ventures LLP.

Employees

The Company is managed by Albion Ventures LLP and hence has no employees other than its Directors.

Directors' Report and Enhanced Business Review continued

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) as at 30 June 2009 were:

	Shares held as at 30 June 2009	Shares held as at 30 June 2008
Patrick Crosthwaite	16,000	6,000
Rachel Beagles	45,000	27,962
Sir Andrew Cubie	13,688	13,217
Vikram Lall	72,743	22,743
Geoffrey Vero	6,000	6,000

There have been no changes in the holdings of the Directors between 30 June 2009 and the date of this report.

No Director has a service contract with the Company.

All Directors are members of the Audit & Risk Committee, save for Patrick Crosthwaite. Geoffrey Vero is Chairman.

No options over the share capital, long term incentive or retirement benefits of the Company have been granted to Directors personally, nor does the Company make a contribution to any pension scheme on behalf of the Directors.

Directors' indemnity

Each Director has entered into a Deed of Indemnity with the Company pursuant to which, the Company agrees, subject to the provisions of the Companies Act 2006 and the limitations set out in each deed, to indemnify each Director against any liability arising out of any claim made against him in relation to the performance of his duties as a Director of the Company. A copy of each Deed of Indemnity entered into by the Company for each Director is available at the Registered Office of the Company.

Re-election of Directors

Directors' retirement and re-election is subject to the Articles of Association and the Combined Code on Corporate Governance. At the forthcoming Annual General Meeting, Patrick Crosthwaite and Rachel Beagles will retire and offer themselves for re-election. In addition, Andrew Cubie, having served as a Director for longer than nine years, will retire and offer himself for re-election.

Management agreement

The Company and Close Ventures Limited entered into a Management Agreement dated 8 July 2005. This agreement was novated to Albion Ventures LLP on 23 January 2009. The Management Agreement can be terminated by either

party on 12 months' notice. Under this agreement, the Manager also provides secretarial and administrative services to the Company. The Management Agreement is subject to earlier termination in the event of certain breaches or on the insolvency of either party.

Under the terms of the Management Agreement, the Manager is paid an annual fee equal to 1.75 per cent of the net asset value of the Company plus £50,000 fee per annum for administrative and secretarial services. The fee is payable quarterly in arrears.

The Manager is also entitled to an arrangement fee, payable by each investee company in which the Company invests, in the region of two per cent. on each investment made.

Management performance incentive

In order 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.

The target level requires that the growth of the aggregate of the Net Asset Value per share and dividends paid by the Company or declared by the Board and approved by the shareholders during the relevant period (both revenue and capital), compared with the previous accounting date, exceeds the average base rate of the Royal Bank of Scotland plc plus two per cent. If the target return is not achieved in a period, the cumulative shortfall is carried forward to the next accounting period and has to be made up before an incentive fee becomes payable.

If the target return is achieved, the Manager is entitled to twenty per cent of the excess return.

There has been a performance fee of £71,000 accrued in these accounts in respect of the refund of prior years', historic VAT. This sum has been offset in the VAT recoverable line within the Income Statement.

Evaluation of the Manager

The Board, through the Audit and Risk Committee has evaluated the remuneration and performance of the Manager based on the returns generated by the Company, the maintenance of the 70 per cent. investment requirement for Venture Capital Trust status, the long term prospects of the current investments, a review of the Management Agreement and the services provided therein, and by benchmarking the performance and remuneration of the Manager to other service providers. 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.

Directors' Report and Enhanced Business Review continued

Valuation of investments

As described in note 10 of the financial statements, the unquoted equity investments held by the Company are valued at fair value through profit or loss in accordance with the International Private Equity and Venture Capital Valuation Guidelines. These Guidelines set out recommendations, intended to represent current best practice on the valuation of venture capital investments. Unquoted investments are valued on the basis of forward looking estimates and judgements about the business itself, its market and the environment in which it operates, together with the state of the mergers and acquisitions market, stock market conditions and other factors. In making these judgements the valuation takes into account all known material facts up to the date of approval of the financial statements by the Board. Unquoted loan stock is valued at amortised cost.

Investments quoted on recognised exchanges such as AIM are valued at the closing bid price.

Investment and co-investment

The Company co-invests with other venture capital trusts and funds managed and advised by Albion Ventures LLP. Allocation of investments is on the basis of an allocation agreement which is based, inter alia, on the ratio of funds available for investment.

Auditors

The current auditors, PKF (UK) LLP have indicated their willingness to continue as auditors to Crown Place VCT PLC. A resolution to re-appoint PKF (UK) LLP as auditors will be proposed at the forthcoming Annual General Meeting.

Substantial interests and shareholder profile

As at 30 June 2009 and the date of this report, the Company is aware that Giltspur Nominees Limited had a beneficial interest of 3.88 per cent. (2008: 3.70 per cent.) of the issued Ordinary share capital of the Company.

The shareholder profile of the fund as at 28 September 2009 is as follows:

Number of shares held	% shareholders	% share capital
1 – 10,000	53.7	12.1
10,001 – 50,000	38.3	37.3
50,001 – 100,000	5.8	18.2
100,001 – 500,000	1.9	15.4
500,001 – 1,000,000	0.1	2.6
1,000,001 – 5,000,000	0.1	5.3
5,000,001 – 10,000,000	0.1	9.1

The Board welcomes the views of shareholders, and has actively sought shareholder opinion in the year. Further information on the shareholder survey is contained within the Chairman's Statement on page 7.

Statement of Directors' responsibilities for the preparation of Group and Company financial statements

The Directors are responsible for preparing the Directors' report, the Directors' remuneration report and the financial statements in accordance with applicable law and regulations. They are also responsible for ensuring that the annual report includes information required by the Listing Rules of the Financial Services Authority.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (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 the Group and of the profit or loss of the Group 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 estimates that are reasonable and prudent;
- state whether the Group financial statements have been prepared in accordance with IFRSs as adopted by the European Union;
- state, with regard to the parent company financial statements, whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

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 the Group and enable them to ensure that the Group financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation and the parent company financial statements comply with the Companies Act 2006. They are also

Directors' Report and Enhanced Business Review continued

responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

The Directors confirm, to the best of their knowledge:

- that the Group financial statements, which have been prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and
- that the management report included within the Directors' Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The names of all the Directors are stated on page 9.

Disclosure of information to auditors

In the case of each of the persons who are Directors of the Company 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 auditors are unaware; and
- each of the Directors has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This disclosure is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Supplier payment policy

The Company's policy is to pay all supplier invoices within 30 days of the invoice date, or as otherwise agreed. The creditor days as at 30 June 2009 are 20 days (2008: 19). There were no overdue trade creditors at 30 June 2009 (2008: nil).

Annual General Meeting

The Annual General Meeting will be held at The Worshipful Company of Coopers, Coopers Hall, 13 Devonshire Square, London, EC2M 4TH at 12 noon on 11 November 2009. The notice of the Annual General Meeting is at the end of this document.

The proxy form enclosed with this Annual Report and Financial Statements permits shareholders to disclose votes 'for', 'against', 'withheld' and 'discretionary'. 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.

The summary of proxies lodged at the Annual General Meeting will be published at www.albion-ventures.co.uk within the 'Our Funds' section by clicking on Crown Place VCT PLC.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting for which shareholder approval is required in order to comply either with the Companies Act or the Listing Rules of the Financial Services Authority.

Power to allot shares

Ordinary resolution number 8 will request the authority to allot up to an aggregate nominal amount of £723,967 representing approximately 10 per cent. of the issued Ordinary share capital of the Company (excluding shares held in treasury) as at the date of this report.

The Directors do not currently have any intention to allot shares, with the exception of the Dividend Reinvestment Scheme and of reissuing treasury shares where it is in the Company's interest to do so, and at a price in excess of that paid for the treasury shares. The Company currently holds 7,260,410 Ordinary shares in treasury representing 10.0 per cent. of the total Ordinary share capital in issue (excluding shares held in treasury) as at 30 June 2009.

This resolution replaces the authority given to the Directors at the Annual General Meeting in 2008. The authority sought at the forthcoming Annual General Meeting will expire on 11 May 2011.

Dis-application of pre-emption rights

Special resolution number 9 will request authority for 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 up to £361,983 of nominal capital representing 5 per cent. of the issued Ordinary share capital (excluding treasury shares)

Directors' Report and Enhanced Business Review continued

of the Company as at 28 September 2009. The authority sought at the Annual General Meeting will expire on 11 May 2011. Members should note that this resolution also relates to treasury shares.

Purchase of own shares

The Company is seeking authority to purchase approximately 14.99 per cent. of the Company's issued Ordinary share capital (excluding treasury shares) at, or between, the minimum and maximum prices specified in resolution 10.

The authority sought at the annual general meeting will expire 18 months from the date this resolution is passed or at the conclusion of the next annual general meeting of the Company, whichever is the earlier.

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.

This resolution would renew the 2008 authority, which was in similar terms. During the financial year under review, the Company purchased 1,091,300 Ordinary shares of 10 pence each to be cancelled, at an aggregate consideration of £321,000 including stamp duty, representing 1.5 per cent. of the issued share capital (excluding treasury shares) of the Company as at 30 June 2009. The Company holds a total of 7,260,410 shares in Treasury, representing 10 per cent. of the Ordinary shares in issue as at 30 June 2008.

No Treasury shares purchased by the Company have been re-issued.

Treasury shares

Under the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (the "Regulations"), shares purchased by the Company out of distributable profits can be held as treasury shares, which may then be cancelled or sold for cash. The authority sought by this special resolution number 10 is intended to apply equally to shares to be held by the Company as treasury shares in accordance with the Regulations. These powers are intended to permit Directors to sell treasury shares at a price not less than that at which they were purchased.

Changes to the Company's Articles of Association

At the Annual General Meeting, resolution number 11, as a special resolution, will be proposed to adopt new Articles of Association (the "New Articles") in order to update the Company's existing Articles of Association (the "Current Articles") and to implement changes that have been brought into force by the Companies Act 2006 (the "Act").

The principal changes introduced in the New Articles are set out below. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the Act have not been noted below. A copy of the New Articles showing all the changes to the Current Articles will be available for inspection at the Company's registered office during normal business hours from the date of the Notice of the Annual General Meeting, until the conclusion of the Annual General Meeting, and at the place of the Annual General Meeting for at least 15 minutes prior to the Annual General Meeting, until its conclusion.

Approach

Provisions in the Current Articles which replicate provisions contained in the Act are in the main to be removed in the New Articles. This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company's constitution. Examples of such provisions include the period of notice required to convene general meetings. The main changes made to reflect this approach are detailed below.

In addition, the opportunity has also been taken to bring clearer language into the New Articles and in some areas to conform the language of the New Articles and to update the Current Articles to reflect market practice. The main changes made to reflect market practice are also detailed below.

Form of resolution

The Current Articles contain a provision that, where for any purpose an ordinary resolution is required, a special or extraordinary resolution is also effective and that, where an extraordinary resolution is required, a special resolution is also effective. This provision has been removed as the concept of extraordinary resolutions has not been retained under the Act.

Convening general meetings

The New Articles reflect the fact that the concept of extraordinary general meetings has been abolished in the Act and all meetings (other than an annual general meeting) are referred to as general meetings.

Proxies and votes of members

Under the Act proxies are entitled to vote on a show of hands whereas under the Current Articles proxies are only permitted to vote on a poll. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the member. The time limits for the appointment of a proxy have been altered by the Act so that the articles cannot provide that they should be received more than 48 hours before the meeting, excluding days that

Directors' Report and Enhanced Business Review continued

are not working days. The New Articles reflect these new rules, as appropriate.

Electronic and web communications

Provisions of the Act which came into force in January 2007 enable companies to communicate with members by electronic and/or website communications. A company will be allowed to send documents to a member in electronic form (subject to consent of the members) and by a website. Before the Company can communicate with a member by means of website communication, the relevant member must be asked individually by the Company to agree that the Company may send or supply documents or information to him or her by means of a website, and the Company must either have received a positive response or have no response within the period of 28 days beginning with the date on which the request was sent. The Company will notify the member (either by post, or by other permitted means) when a relevant document or information is placed on the website and a member retains the right to request a hard copy version of the document or information. The New Articles allow communications to members in electronic form and, permit the Company to take advantage of the new provisions relating to website communications. These provisions have been brought right up to date to reflect the relevant provisions of the Act. The Company has no intention of communicating with its shareholders solely via electronic or website communications for the foreseeable future.

Directors' indemnities and funding of defence proceedings

The Act has in some areas widened the scope of the powers of a company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. The existing exemption allowing a company to provide money for the purpose of funding a director's defence in court proceedings now expressly covers regulatory proceedings and applies to associated companies. The New Articles now fully reflect these provisions of the Act.

The Company's objects

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is usually drafted to give a wide scope.

The Act significantly reduces the constitutional significance of a company's memorandum. The Act provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the Act, the objects clause and all other

provisions currently contained in a company's memorandum, for existing companies from 1 October 2009, are deemed to be contained in a company's articles of association but the company can remove these provisions by special resolution.

Further the Act states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing a resolution to remove its objects clause together with all other provisions of its memorandum which, by virtue of the Act, are to be treated as forming part of the company's articles of association as of 1 October 2009. Resolution 11(a) confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the current statement in the Company's memorandum of association regarding limited liability, the New Articles should also contain an express statement regarding the limited liability of the members.

Authorised share capital and unissued shares

The Act abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Act, save in respect of employee share schemes.

Change of name

Currently a company can only change its name by special resolution. The Act permits the articles to specify another method of changing the company's name e.g. by board resolution. To take advantage of this provision, the New Articles enable the Directors to pass a resolution to change the Company's name.

Authorise directors to determine conditions and manner of redemption for redeemable shares

Currently if a company wishes to issue redeemable shares, the terms and manner of redemption must be set out in the articles. The Act introduces a new power permitting the Directors to determine the terms, conditions and manner of redemption, provided they are authorised by the articles to do so. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the Directors would need members' authorisation to issue new shares in the usual way.

Remove provisions on sub-division, consolidation, purchase of own shares and reduction of share capital

Under the current law in force, a company requires specific enabling provisions in its articles to purchase its own shares,

Directors' Report and Enhanced Business Review continued

to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves as well as member authority to undertake the relevant action. The Current Articles include these enabling provisions. Under the Act a company will only require member authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly, the relevant enabling provisions have been removed in the New Articles.

Seals

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the Directors may approve.

Vacation of office by directors

The Current Articles specify the circumstances in which a director must vacate office. The New Articles update these provisions to reflect the approach taken on mental and physical incapacity in the model articles for public companies produced by the Department for Business, Innovation and Skills.

Voting by proxies on a show of hands

The Companies (Shareholders' Rights) Regulations 2009 (the "Shareholders' Rights Regulations") have amended the Act so that it now provides that each proxy appointed by a member has one vote on a show of hands unless the proxy is appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution. The New Articles reflect these changes.

Voting record date

Under the Act, as amended by the Shareholders' Rights Regulations, the Company must determine the right of members to vote at a general meeting by reference to the register not more than 48 hours before the time for the holding of the meeting, not taking account of days which are not working days. The New Articles reflect this requirement.

Adjournments for lack of quorum

Under the Act, as amended by the Shareholders' Rights Regulations, general meetings of a traded company adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The New Articles reflect this requirement.

Voting by corporate representatives

The Shareholders' Rights Regulations have amended the Act in order to enable multiple representatives appointed by the same corporate member to vote in different ways on a show of hands and a poll. The New Articles remove provisions in the Current Articles dealing with voting by corporate representatives on the basis that these are dealt with in the Act.

Chairman's casting vote

The New Articles remove the provision giving the chairman a casting vote in the event of an equality of votes as this is no longer permitted under the Act.

Notice of general meetings

The Shareholders' Rights Regulations amend the Act to require the Company to give 21 clear days' notice of general meetings unless the Company offers members an electronic voting facility and a special resolution reducing the period of notice to not less than 14 days has been passed. AGMs must be held on 21 clear days' notice. The New Articles remove provisions in the Current Articles dealing with notice of general meetings on the basis that this is dealt with in the Act.

Recommendation

The Board believes that the passing of the resolutions above are in the best interest of the Company and its shareholders as a whole and accordingly, unanimously recommends that you vote in favour of these resolutions. The Directors intend to vote in favour of the special business resolutions in respect of their own holdings of Ordinary shares.

By Order of the Board

Albion Ventures LLP

Company Secretary
1 King's Arms Yard
London
EC2R 7AF

28 September 2009

Statement of Corporate Governance

Background

The Financial Services Authority requires all listed companies to disclose how they have applied the principles and complied with the provisions of the Combined Code issued by the Financial Reporting Council ("FRC") in July 2003 ("the Code") and updated in June 2006 and June 2008.

The Board of Crown Place VCT PLC has also considered the principles and recommendations of the AIC Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in Section 1 of the Combined Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to Crown Place VCT PLC.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the Combined Code), will provide better information to shareholders than reporting under the Code alone.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of Section 1 of the Combined Code, except as set out below.

Application of the Principles of the Code

The Board attaches importance to matters set out in the Code and applies its principles. However, as a venture capital trust company, most of the Company's day-to-day responsibilities are delegated to third parties and the Directors are all non-executive. Thus, not all the provisions of the Code are directly applicable to the Company.

Board of Directors

The Board consists solely of non-executive directors. Patrick Crosthwaite is the Chairman. The Board appointed Andrew Cubie as the senior non-executive Director subsequent to the year end.

Geoffrey Vero, is non-executive Chairman of Albion Development VCT PLC, a venture capital trust managed by Albion Ventures LLP.

Under the Listing Rules, with effect from October 2010 the Company will be required to have an independent Chairman and a majority of independent Directors where, to be independent, a Director cannot serve on the Board of more than one company managed by the Manager. The Board satisfies these conditions, and has a majority of independent Directors.

Andrew Cubie has been a Director of the Company for more than nine years and, in accordance with the recommendations of the AIC Code, is subject to annual re-election. The Board does not consider that a Director's length of service reduces his ability to act independently of the Manager.

Since all Directors are non-executive and day-to-day management responsibilities are sub-contracted to the Manager, the Company does not have a Chief Executive Officer.

The Directors have a range of business and financial skills which are relevant to the Company; these are described in the Board of Directors section on page 9. 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 direct 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. In accordance with the Combined Code, the Company has in place Directors' & Officers' Liability Insurance.

The Board met five times during the year ended 30 June 2009 as part of its regular programme of Board meetings. One of these meetings took place without the Manager present. All of the Directors attended each meeting. In addition, sub-committees of the Board comprising Patrick Crosthwaite, Rachel Beagles, Vikram Lall and Geoffrey Vero met three times during the year to allot shares issued under the Dividend Reinvestment Scheme, authorise conflicts of interest and to agree the novation of the Management Agreement to Albion Ventures LLP (which had been agreed in principle at full Board Meetings previously).

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 and ad hoc reports and information are 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,

Statement of Corporate Governance continued

accounting, secretarial and administrative services. The main issues reserved for the Board include:

- the consideration and approval of future developments or changes to the investment policy, including risk and asset allocation;
- consideration of corporate strategy;
- application of the principles of the Combined Code, corporate governance and internal control;
- review of sub-committee recommendations, including the recommendation to shareholders for the appointment and remuneration of auditors;
- approval of the appropriate dividend to be paid to shareholders;
- the appointment, evaluation, removal and remuneration of the Manager;
- the performance of the Company, including monitoring of the discount of the net asset value and the share price;
- share buy-back and treasury share policy; and
- monitoring shareholder profile and considering shareholder communications.

Committees' and Directors' performance evaluation

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

- 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 Chairman of the Audit and Risk Committee).

The Board believes that it has the right balance of independence, skills, experience and knowledge for the effective governance of the Company. The Board considers any skills gaps in existence and takes action to remedy this where necessary.

Directors are offered training, both at the time of joining the Board and on other occasions where required. The Board also undertakes a proper and thorough evaluation of its committees on an annual basis.

In light of the structured performance evaluation, the performance of Patrick Crosthwaite, Rachel Beagles and Andrew Cubie, all of whom are subject to re-election at the forthcoming Annual General Meeting, is considered by the remainder of the Board to be effective and reflects their strong commitment to the role, and on this basis they are recommended for re-appointment.

Remuneration committee

Since the Company has no executive directors, the detailed Directors' Remuneration disclosure requirements set out in Listing Rules 12.43A (a), 12.43A (b) and 12.43A (c) as they relate to Combined Code Provisions B.1 to B.2, B1.1 to B1.6, and B2.1 to B2.4 are not relevant. However, subsequent to the year end, a Remuneration Committee was formed and Patrick Crosthwaite is the Chairman.

Audit and Risk Committee

The Audit and Risk Committee consists of all Directors excluding Patrick Crosthwaite. Geoffery Vero is Chairman. In accordance with the Code, the members of the Audit and Risk Committee have recent and relevant financial experience. The Committee met twice during the year ended 30 June 2009; all members attended.

Written terms of reference have been constituted for the Audit and Risk Committee, these are as follows:

- providing an overview of the Company's accounting policies and financial reporting;
- considering and reviewing the effectiveness of the Company's internal controls and risk management systems;
- monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance and reviewing significant financial reporting judgements contained in them;
- meeting the Company's external auditors annually, making recommendations to the Board in relation to the appointment, and reappointment of the external auditors and approving their remuneration and terms of engagement
- monitoring and reviewing the external auditor's independence and objectivity and the effectiveness of the audit process;
- developing and implementing a policy for the supply of non-audit services by the external auditors;
- meeting external auditors at least once a year without the presence of the Manager;
- meeting with the internal auditors of the Manager when appropriate;
- ensuring that all Directors of the Company, and staff of companies who provide services to the Company feel able to raise matters of serious concern with the Chairman of the Audit and Risk Committee and that these issues, where raised, are subject to proportionate and independent investigation, and appropriate action;

Statement of Corporate Governance continued

- reporting to the Board, identifying any matters in respect of which action or improvement is needed and recommending appropriate steps to be taken; and
- undertaking the duties of the Engagement Committee, and therefore reviewing the performance of the Manager and all matters arising under the Management Agreement.

During, and following the year under review, the Committee discharged the responsibilities described above. Its activities included:

- formally reviewing the Annual Report and Financial Statements, the Half-yearly Financial Report, the Interim Management Statements and the associated announcements, 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 Head of Internal Audit of Close Brothers Group plc;
- meeting with Littlejohn LLP, the recently appointed Internal Auditors of Albion Ventures LLP;
- meeting with the external auditors and reviewing their findings; and
- reviewing the performance of the Manager and making recommendations regarding their re-appointment to the Board.

Nomination Committee

The Nomination Committee consists of all Directors. Given the size of the Board, this facilitates more effective and efficient communication. Patrick Crosthwaite is Chairman of the Committee. The terms of reference of the Nomination Committee are to evaluate the balance of skills, experience and time commitment of the current Board members and make recommendations to the Board as and when a particular appointment arises. The Nomination Committee did not meet during the year ended 30 June 2009, however, it met after the year end and agreed that Patrick Crosthwaite, Rachel Beagles and Andrew Cubie should be recommended to shareholders for re-election at the forthcoming AGM.

It is the policy of the Company, as detailed in the Articles of Association, for one third of the Board of Directors to be re-elected each year in rotation. In accordance with the recommendations of the AIC Code, Directors who have served the Company for longer than nine years are subject to annual re-election. The terms and conditions of Directors' appointment are available for inspection at the Annual General Meeting.

Internal Control

In accordance with principle C.2 of the Combined 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 Internal Control Guidance for Directors in the Combined Code published in September 1999 and updated in 2005 (the "Turnbull guidance"). The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage, rather than eliminate the risks of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board's monitoring covers all controls, including financial, operational and compliance controls, and risk management. The Board 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 are, and 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 Board's attention.

The Board 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, implemented throughout the year are:

- segregation of duties between the preparation of valuations and inputting into the accounting records;
- independent valuations of the asset-backed investments within the portfolio are undertaken annually;
- reviews of valuations are carried out by the Managing Partner and reviews of financial reports are carried out by the Operations Partner of Albion Ventures LLP;
- bank and stock reconciliations are carried out monthly by the Manager in accordance with the FSA requirements;
- a review by Albion Ventures LLP Compliance department is carried out for all published financial reports;

Statement of Corporate Governance continued

- the Board reviews financial information; and
- a separate Audit and Risk Committee of the Board reviews published financial information.

During the year, as the Board has delegated the investment management and administration to Albion Ventures LLP (formerly Close Ventures Limited), the Board feels that it is not necessary to have its own internal audit function. Instead, the Board had access to the internal audit department of Close Brothers Group plc, which undertook periodic examination of the business processes and controls environment at Close Ventures Limited, and ensured that any recommendations to implement improvements in controls were carried out. During the year, Albion Ventures LLP appointed Littlejohn LLP as its internal auditor. Littlejohn LLP has, and will continue to report formally to the Board on an annual basis. The Board will continue to monitor its system of internal control in order to provide assurance that it operates as intended.

Going concern

The Board's assessment of liquidity risk and details of the Companies policies for managing its capital and financial risks are shown in note 19. The Company's business activities, together with details of its performance are shown in the Directors' Report and Enhanced Business Review. The Company has significant cash and liquid resources for the foreseeable future. The 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. Accordingly, after making reasonable enquiries the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing the accounts.

Conflicts of interest

Directors disclose conflicts of interest annually with any changes announced at the beginning of Board meetings. A Director who has potential conflicts of interest has two independent Directors authorise and acknowledge those conflicts. Procedures to disclose and authorise conflicts of interest have been adhered to throughout the year.

Relationships with shareholders

The Company's Annual General Meeting on 11 November 2009 will be used as an opportunity to communicate with investors. The Board, including the Chairman of the Audit and Risk Committee, will be available to answer questions at the Annual General Meeting. At the Annual General Meeting, the level of proxies lodged on each resolution, the balance for and against the resolution, and the number of votes withheld,

are announced after the resolution has been voted on by a show of hands.

The Annual General Meeting will also include a presentation from the Manager on the portfolio and on the Company, and a presentation from an investee company.

Shareholders are able to access the latest information on the Company via the Albion Ventures LLP website www.albion-ventures.co.uk under the "Our Funds" section.

Any enquiries relating to shareholdings and share certificates or changes to personal details can be directed to Capita Registrars Limited:

Tel: 0871 664 0300

Calls cost 10p per minute plus network extras (lines are open 8.30am-5.30pm, Mon-Fri)

Email: ssd@capitaregistrars.com

Specific enquiries relating to the performance of the Fund should be directed to Albion Ventures LLP:

Tel: 0844 257 9722

Calls cost 4p per minute plus network extras and may be recorded

Email: info@albion-ventures.co.uk

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 a broker to undertake the sale. Banks may be able to assist shareholders with a referral to a broker within their banking group.

Statement of compliance

With the exception of the requirements to have a Remuneration Committee and the appointment of a senior non-executive director, the Directors consider that the Company has complied throughout the year ended 30 June 2009 with all the relevant provisions set out in Section 1 of the Code, and with the AIC Code of Corporate Governance. Since the year end, a Remuneration Committee has been formed and a senior non-executive director has been appointed. The Company continues to comply with the Code as at the date of this report.

Directors' Remuneration Report

Introduction

This report is submitted in accordance with Section 420 of the Companies Act 2006. The report also meets the relevant rules of the Listing Rules of the Financial Services Authority and describes how the Board has applied the principles relating to the Director's remuneration. As required by the Act, a resolution to approve the report will be proposed at the Annual General Meeting.

UNAUDITED INFORMATION

Remuneration Committee

Since the Company consists solely of non-executive Directors, a Remuneration Committee was not considered necessary during the year ended 30 June 2009. However, a Remuneration Committee was formed after the year end, and consists of all the Directors of Crown Place VCT PLC, with Patrick Crosthwaite as Chairman.

Directors' remuneration policy

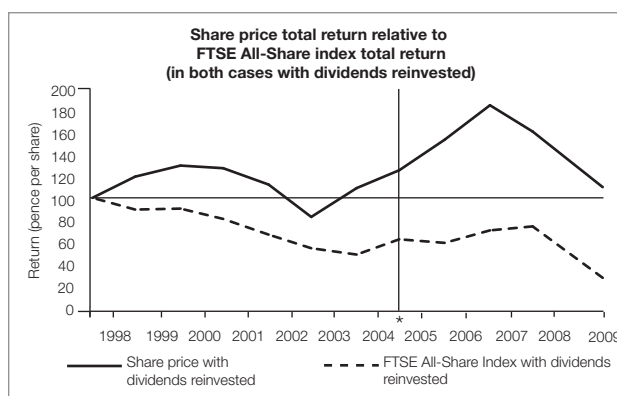
The Company's policy is that fees payable to non-executive Directors should reflect their expertise, responsibilities and time spent on Company matters. In determining the level of non-executive remuneration, market equivalents are considered in comparison to the overall activities and size of the Company.

The maximum aggregate level of non-executive Directors' remuneration is £100,000 per annum which is fixed by the Company's Articles of Association, amendment to which is by way of an ordinary resolution subject to ratification by shareholders.

Performance graph

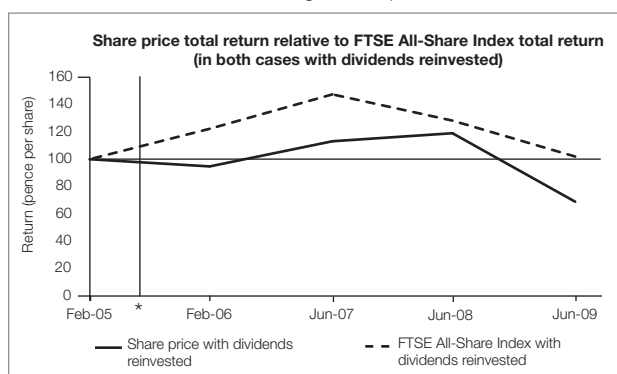
The graph below shows Crown Place VCT PLC's share price total return against the FTSE All-Share Index total return, in both instances with dividends reinvested. The Directors consider this to be the most appropriate benchmark in the absence of a Venture Capital Trust Index. Investors should however be reminded that shares in VCTs generally trade at a discount to the actual net asset value of the Company.

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



Source: Albion Ventures LLP

* Albion Ventures LLP became manager on 6 April 2005.



* Albion Ventures LLP became manager on 6 April 2005.

Methodology: The share price return to the shareholder, including original amount invested (rebased to 100) from launch, 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.

Service contracts

None of the Directors has a service contract with the Company.

The Company's Articles of Association provide for the resignation and, if approved, re-election of the Directors every three years at the Annual General Meeting. At the forthcoming Annual General Meeting Patrick Crosthwaite, Rachel Beagles and Andrew Cubie will retire and be proposed for re-election.

Directors' Remuneration Report continued

AUDITED INFORMATION

Directors' remuneration

The following items have been audited.

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

	Year ended 30 June 2009		
	Fees £'000	Expenses £'000	Total £'000
Patrick Crosthwaite	19	-	19
Rachel Beagles	16	-	16
Sir Andrew Cubie	16	1	17
Vikram Lall	16	1	17
Geoffrey Vero	16	-	16
	<hr/> 83	<hr/> 2	<hr/> 85

	Year ended 30 June 2008		
	Fees £'000	Expenses £'000	Total £'000
Patrick Crosthwaite	19	-	19
Rachel Beagles	16	-	16
Sir Andrew Cubie	16	1	17
Vikram Lall	16	1	17
Geoffrey Vero	16	-	16
	<hr/> 83	<hr/> 2	<hr/> 85

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, recharged to the Company.

In addition to Directors' remuneration, the Group paid annual premiums in respect of Directors' & Officers' Liability Insurance of £17,850.

By Order of the Board

Albion Ventures LLP

Company Secretary
1 King's Arms Yard
London, EC2R 7AF

28 September 2009

Independent Auditors' Report to the Members of Crown Place VCT PLC

We have audited the financial statements of Crown Place VCT PLC for the year ended 30 June 2009 which comprise the Consolidated Income Statement, the Consolidated and Parent Company Balance Sheets, the Consolidated Statement of Changes in Equity, the Parent Company Reconciliation of Movements in Shareholders' Funds, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in the preparation of the Consolidated financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial accounting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with sections 495, 496 and 497 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 auditors' 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.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Parent Company's affairs as at 30 June 2009 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules source book issued by the Financial Services Authority (information about internal control and risk management systems in relation to financial reporting processes and about share capital structures) is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent 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.

Under the Listing Rules we are required to review:

- the Directors' Statement, set out on page 32, in relation to going concern; and
- the part of the Statement of Corporate Governance relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Rosemary Clarke

(Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditors
London

28 September 2009

Consolidated Income Statement

	Note	Year ended 30 June 2009			Year ended 30 June 2008		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses on investments	2	–	(3,869)	(3,869)	–	(1,818)	(1,818)
Investment income and deposit interest	3	988	–	988	1,714	–	1,714
Investment management fees	4	(118)	(354)	(472)	(167)	(502)	(669)
Recovery of VAT	5	92	277	369	–	–	–
Other expenses	6	(280)	–	(280)	(307)	–	(307)
Profit/(loss) before taxation		682	(3,946)	(3,264)	1,240	(2,320)	(1,080)
Taxation	7	–	–	–	(283)	304	21
Profit/(loss) for the year		682	(3,946)	(3,264)	957	(2,016)	(1,059)
Basic and diluted return/(loss) per Ordinary share (pence)*	9	0.9	(5.4)	(4.5)	1.3	(2.7)	(1.4)

* (excluding treasury shares)

The accompanying notes on pages 42 to 56 form an integral part of these financial statements.

The total column of this statement represents the Group's Income Statement, prepared in accordance with International Financial Reporting Standards ('IFRS'). The supplementary revenue and capital columns are prepared under guidance published by the Association of Investment Companies.

The consolidated Income Statements for the year ended 30 June 2009 and the year ended 30 June 2008 include the results of the subsidiaries CP1 VCT PLC and CP2 VCT PLC.

All revenue and capital items in the above statement derive from continuing operations.

Consolidated Balance Sheet

	Note	30 June 2009 £'000	30 June 2008 £'000
Non-current assets			
Investments	10	15,878	18,211
Current assets			
Trade and other receivables	13	55	308
Current asset investments	13	2,718	2,686
Current tax asset	13	–	53
Cash and cash equivalents	17	6,472	9,237
		<u>9,245</u>	<u>12,284</u>
Total assets		25,123	30,495
Current liabilities			
Trade and other payables	14	(335)	(321)
Net assets		<u>24,788</u>	<u>30,174</u>
Equity attributable to equityholders			
Ordinary share capital	15	7,965	8,066
Share premium		14,438	14,422
Capital redemption reserve		902	793
Special reserve		32,099	32,421
Own shares held		(2,849)	(2,849)
Realised capital reserve		(21,163)	(17,206)
Unrealised capital reserve		(7,616)	(6,645)
Revenue reserve		1,012	1,172
Total equity shareholders' funds		<u>24,788</u>	<u>30,174</u>
Basic and diluted net asset value per share (pence)*	16	<u>34.2</u>	<u>41.1</u>

* (excluding treasury shares)

The consolidated Balance Sheets as at 30 June 2009 and 30 June 2008 include the balance sheets of the subsidiaries CP1 VCT PLC and CP2 VCT PLC.

The accompanying notes on pages 42 to 56 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors, and authorised for issue on 28 September 2009 and were signed on its behalf by

Patrick Crosthwaite
Chairman

Company Balance Sheet

	Note	30 June 2009 £'000	30 June 2008 £'000
Fixed assets			
Fixed asset investments	10	15,878	18,211
Investment in subsidiary undertakings	12	15,149	15,059
		31,027	33,270
Current assets			
Trade and other debtors	13	55	302
Current asset investments	13	2,718	2,686
Current tax asset	13	–	53
Cash at bank and in hand	17	6,255	6,548
		9,028	9,589
Total assets			
		40,055	42,859
Creditors: amounts falling due within one year			
	14	(15,267)	(12,685)
Net assets			
		24,788	30,174
Capital and reserves			
Ordinary share capital	15	7,965	8,066
Share premium		14,438	14,422
Capital redemption reserve		902	793
Special reserve		32,099	32,421
Own shares held		(2,849)	(2,849)
Realised capital reserve		(21,216)	(17,206)
Unrealised capital reserve		(7,525)	(6,645)
Revenue reserve		974	1,172
Shareholders' funds			
		24,788	30,174
Basic and diluted net asset value per share (pence)*			
	16	34.2	41.1

* (excluding treasury shares)

The Company Balance Sheet has been prepared in accordance with UK GAAP.

The accompanying notes on pages 42 to 56 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors, and authorised for issue on 28 September 2009 and were signed on its behalf by

Patrick Crosthwaite
Chairman

Consolidated Statement of Changes in Equity

	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve* £'000	Own shares held* £'000	Realised capital reserve* £'000	Unrealised capital reserve* £'000	Revenue reserve* £'000	Total £'000
As at 1 July 2008	8,066	14,422	793	32,421	(2,849)	(17,206)	(6,645)	1,172	30,174
Issue of equity (net of costs)	8	16	–	–	–	–	–	–	24
Purchase of own shares for cancellation (including costs)	(109)	–	109	(321)	–	–	–	–	(321)
Net realised losses on investments	–	–	–	–	–	(2,898)	–	–	(2,898)
Unrealised losses on investments	–	–	–	–	–	–	(971)	–	(971)
Management and performance fees charged to capital (net of tax)	–	–	–	–	–	(354)	–	–	(354)
Recovery of VAT capitalised	–	–	–	–	–	277	–	–	277
Revenue profit for the year	–	–	–	–	–	–	–	682	682
Dividends paid in year	–	–	–	–	–	(981)	–	(842)	(1,823)
As at 30 June 2009	7,965	14,438	902	32,099	(2,849)	(21,163)	(7,616)	1,012	24,788
As at 1 July 2007	8,392	14,422	468	33,686	(2,849)	(11,193)	(9,558)	1,006	34,374
Purchase of own shares for cancellation (including costs)	(326)	–	326	(1,265)	–	–	–	–	(1,265)
Net realised losses on investments	–	–	–	–	–	(4,731)	–	–	(4,731)
Unrealised gains on investments	–	–	–	–	–	–	2,913	–	2,913
Management and performance fees charged to capital (net of tax)	–	–	–	–	–	(197)	–	–	(197)
Revenue profit for the year	–	–	–	–	–	–	–	957	957
Dividends paid in year	–	–	–	–	–	(1,085)	–	(791)	(1,876)
As at 30 June 2008	8,066	14,422	793	32,421	(2,849)	(17,206)	(6,645)	1,172	30,174

* Included within these reserves is an amount of £1,483,000 (2008: £6,893,000) which is considered distributable. The Special reserve has been treated as distributable in determining the amounts available for distribution.

Company Reconciliation of Movements in Shareholders' Funds

	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve* £'000	Own shares held* £'000	Realised capital reserve* £'000	Unrealised capital reserve* £'000	Revenue reserve* £'000	Total £'000
As at 1 July 2008	8,066	14,422	793	32,421	(2,849)	(17,206)	(6,645)	1,172	30,174
Issue of equity (net of costs)	8	16	–	–	–	–	–	–	24
Purchase of own shares for cancellation (including costs)	(109)	–	109	(321)	–	–	–	–	(321)
Net realised losses on investments	–	–	–	–	–	(2,898)	–	–	(2,898)
Unrealised losses on investments	–	–	–	–	–	–	(880)	–	(880)
Management and performance fees charged to capital (net of tax)	–	–	–	–	–	(354)	–	–	(354)
Recovery of VAT capitalised	–	–	–	–	–	224	–	–	224
Revenue profit for the year	–	–	–	–	–	–	–	644	644
Dividends paid in year	–	–	–	–	–	(981)	–	(842)	(1,823)
As at 30 June 2009	7,965	14,438	902	32,099	(2,849)	(21,216)	(7,525)	974	24,788
As at 1 July 2007	8,392	14,422	468	33,686	(2,849)	(11,193)	(9,558)	1,006	34,374
Purchase of own shares for cancellation (including costs)	(326)	–	(326)	(1,265)	–	–	–	–	(1,265)
Net realised losses on investments	–	–	–	–	–	(4,731)	–	–	(4,731)
Unrealised gains on investments	–	–	–	–	–	–	2,913	–	2,913
Management and performance fees charged to capital (net of tax)	–	–	–	–	–	(197)	–	–	(197)
Revenue profit for the year	–	–	–	–	–	–	–	957	957
Dividends paid in year	–	–	–	–	–	(1,085)	–	(791)	(1,876)
As at 30 June 2008	8,066	14,422	793	32,421	(2,849)	(17,206)	(6,645)	1,172	30,174

* Included within these reserves is an amount of £1,483,000 (2008: £6,893,000) which is considered distributable. The Special reserve has been treated as distributable in determining the amounts available for distribution.

Consolidated Cash Flow Statement

		Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
	Note		
Operating activities			
Investment income received		1,231	1,858
Deposit interest received		200	396
Administration fees paid		(52)	(59)
Investment management fees paid		(518)	(900)
Recovery of VAT		457	–
Other cash payments		(257)	(212)
Cash generated from operations		1,061	1,083
Tax recovered/(paid)		52	(52)
Net cash flows from operating activities	18	1,113	1,031
Cash flows from investing activities			
Purchase of non-current asset investments		(1,770)	(3,434)
Disposal of non-current asset investments		55	9,122
Purchase of current asset investments		(3,835)	(2,718)
Disposal of current asset investments		3,835	–
Net cash flows from investing activities		(1,715)	2,970
Cash flows from financing activities			
Issue of Ordinary shares (net of costs)		24	–
Equity dividends paid		(1,823)	(1,876)
Purchase of Ordinary shares for cancellation		(364)	(1,255)
Net cash flows used in financing activities		(2,163)	(3,131)
(Decrease)/increase in cash and cash equivalents		(2,765)	870
Cash and cash equivalents at the start of the year		9,237	8,367
Cash and cash equivalents at the end of the year	17	6,472	9,237

Notes to the Financial Statements

1. Accounting policies

The following policies refer to the Group and the Company except where noted. References to International Financial Reporting Standards ('IFRS') relate to the Group financial statements and Financial Reporting Standards ('FRS') relate to the the Company financial statements.

Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention, modified to include the revaluation of investments in accordance with International Financial Reporting Standards ('IFRS') adopted for use in the European Union (and therefore comply with the Article 4 of the EU IAS regulation), in the case of the Group, and in accordance with Financial Reporting Standards ('FRS') in the case of the Company.

Both the Group and the Company financial statements also apply the Statement of Recommended Practice: "Financial Statements of Investment Companies" ('SORP') issued by the Association of Investment Companies ("AIC") in January 2009, in so far as this does not conflict with IFRS. Crown Place VCT PLC has decided to adopt the principles of the January 2009 SORP earlier than the mandatory date. The financial statements have been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS and FRS. These financial statements are presented in Sterling to the nearest thousand. Accounting policies have been applied consistently in current and prior periods.

At the date of authorisation of these financial statements, the following International Accounting Standards and interpretations were in issue but not yet effective:

- **IAS 1 Presentation of Financial Statements (revised)** (effective for annual periods beginning on or after 1 January 2009)
- **IFRS 8 Operating Segments** (effective for annual periods beginning on or after 1 January 2009)
- **IAS 23 (amendment) Borrowing Costs** (effective for annual periods beginning on or after 1 January 2009)
- **IFRIC 12 Service Concession Arrangements** (effective for annual periods beginning on or after 1 January 2009)
- **IAS 27 Consolidated and Separate Financial Statements** (effective for annual periods beginning on or after 1 July 2009)
- **IFRS 2 (amendment) Share-based Payments** (effective for annual periods beginning on or after 1 January 2009)
- **IFRS 3 Revised Business Combinations** (effective for annual periods beginning on or after 1 July 2009)
- **IAS 32 & IAS 1 (amendments) Puttable Financial Instruments and Obligations arising on Liquidation** (effective for annual periods beginning on or after 1 January 2009)

- **IAS 32 (amendment) Financial Instruments: Presentation** (effective for annual periods beginning on or after 1 January 2009)
- **IAS 27 and IFRS 1 (amendment) Cost of Investment in Subsidiary** (effective for annual periods beginning on or after 1 January 2009)
- **IFRIC 16 Hedges of Net Investment in Foreign Operation** (effective for annual periods beginning on or after 1 October 2008)
- **IFRIC 15 Agreements for the Construction of Real Estate** (effective for annual periods beginning on or after 1 January 2009)
- **IAS 39 (amendment) Financial Instruments: Recognition and Measurement** (effective for annual periods beginning on or after 1 January 2009)
- **IFRS 7 (amendment) Financial Instruments (Disclosures)** (effective for annual periods beginning on or after 1 July 2009)
- **IFRIC 17 Distributions of non-cash assets to owners** (effective date for annual periods beginning on or after 1 July 2009)
- **IFRIC 18 Transfers of assets from customers** (effective date for annual periods beginning on or after 1 July 2009)

The above International Accounting Standards and interpretations have not been applied in this annual report and financial statements and are not expected to have any material impact on the financial statements although some changes will be required to the format of the Financial Statements and disclosures.

Basis of consolidation

The Group consolidated financial statements incorporate the financial statements of the Company for the year ended 30 June 2009 and the entities controlled by the Company (its subsidiaries), for the same period. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

As permitted by Section 408 of the Companies Act 2006, the Company has not presented its own profit and loss account. The amount of the Company's loss before tax for the period dealt with in the accounts of the Group is £3,264,000 (2008: loss £1,076,000).

Segmental reporting

The Directors are of the opinion that the Group and the Company are engaged in a single segment of business, being investment business. The Group invests in smaller companies principally based in the UK.

Notes to the Financial Statements continued

1. Accounting policies (continued)

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method in the Group financial statements. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the subsidiaries, plus any costs directly attributable to the business combination. The subsidiary's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 "Business Combinations" are recognised at their fair value at the acquisition date.

Estimates

The preparation of the Group and Company's financial statements requires estimates, assumptions and judgements to be made, which affect the reported results and balances. Actual outcomes may differ from these estimates, with a consequential impact on the results of future periods. These estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are those used to determine the fair value of investments at fair value through the profit or loss.

The valuation of investments at fair value through the profit or loss is determined by using valuation techniques. The Group and the Company use judgements to select a variety of methods and makes assumptions that are mainly based on market conditions at each balance sheet date.

Fixed and current asset investments

Quoted and unquoted equity investments

In accordance with IAS 39 'Financial Instruments: Recognition and Measurement', and FRS 26 'Financial Instruments: Recognition and Measurement', quoted and unquoted equity investments are designated as fair value through profit or loss ("FVTPL"). Investments listed on recognised exchanges are valued at the closing bid prices at the end of the accounting period. Unquoted investments' fair value is determined by the Directors in accordance with the International Private Equity and Venture Capital Valuation Guidelines (IPEVCV guidelines).

Fair value movements on equity investments and gains and losses arising on the disposal of investments are reflected in the capital column of the Income Statement in accordance with the AIC SORP. Realised gains or losses on the sale of investments will be reflected in the Realised capital reserve, and unrealised gains or losses arising from the revaluation of investments will be reflected in the Unrealised capital reserve.

Warrants, convertibles and unquoted equity derived instruments

Warrants, convertibles and unquoted equity derived instruments are only valued if their exercise or contractual conversion terms would allow them to be exercised or converted as at the balance sheet date, and if there is additional value to the Company in exercising or converting as at the balance sheet date. Otherwise these instruments are held at nil value. The valuation techniques used are those used for the underlying equity investment.

Unquoted loan stock

Unquoted loan stock is classified as loans and receivables in accordance with IAS 39 and FRS 26 and carried at amortised cost using the Effective Interest Rate method ("EIR") less impairment. Movements in the amortised cost relating to interest income are reflected in the revenue column of the Income Statement, and hence are reflected in the Revenue reserve, and movements in respect of capital provisions are reflected in the capital column of the Income Statement and are reflected in the Realised capital reserve following sale, or in the Unrealised capital reserve on revaluation.

Loan stocks which are not impaired or past due are considered fully performing in terms of contractual interest and capital repayments and the Board does not consider that there is a current likelihood of a shortfall on security cover for these assets. For unquoted loan stock, the amount of the impairment is the difference between the asset's cost and the present value of estimated future cash flows, discounted at the effective interest rate.

Floating rate notes

In accordance with IAS 39 and FRS 26, floating rate notes are designated as FVTPL. Floating rate notes are valued at market bid price at the balance sheet date. Floating rate notes are classified as current asset investments as they are investments held for the short term.

It is not the Group or the Company's policy to exercise control or significant influence over investee companies. Therefore in accordance with the exemptions under IAS 28 "Investments in associates" and FRS 9 "Associates and joint ventures", those undertakings in which the Group or Company holds more than 20 per cent. of the equity are not regarded as associated undertakings.

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.

Investment income

Quoted and unquoted equity income

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

Unquoted loan stock income

Fixed returns on non-equity shares and debt securities are recognised on a time apportionment basis using an effective interest rate over the life of the financial instrument. Income which is not capable of being received within a reasonable period of time is reflected in the capital value of the investment.

Bank interest income

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

Floating rate note income

Floating rate note income is recognised on an accruals basis using the interest rate applicable to the floating rate note at that time.

Notes to the Financial Statements continued

1. Accounting policies (continued)

Taxation

Taxation is applied on a current basis in accordance with IAS 12 and FRS 16 "Income taxes". Taxation associated with capital expenses is applied in accordance with the SORP. Deferred taxation is provided in full on temporary differences in accordance with IAS 12 and timing differences in accordance with FRS 16, that result in an obligation at the balance sheet date to pay more tax or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Temporary differences arise from differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which unused tax losses and credits can be utilised.

Dividends

In accordance with IAS 10 and FRS 21 "Events after the balance sheet date", dividends are accounted for in the period in which the dividend has been paid, or approved by shareholders.

Issue costs

Issue costs associated with the allotment of share capital have been deducted from the share premium account.

Investment management fees, performance incentive fees and other expenses

All expenses have been accounted for on an accruals basis. Expenses are charged through the Revenue column of the Income Statement, except for management fees and performance incentive fees which are allocated in part to the capital column of the Income Statement, to the extent that these relate to an enhancement in the value of the investments and in line with the Board's expectation that over the long term 75 per cent. of the Group's investment returns will be in the form of capital gains.

Receivables and payables/debtors and creditors

- Receivables are non-interest bearing and are short term in nature and are accordingly stated at amortised cost, as reduced by appropriate allowances for estimated irrecoverable amounts. The Directors consider that the carrying amount of receivables/debtors is not materially different to their fair value.
- Payables are non-interest bearing and are stated at amortised cost. The Directors consider that the carrying amount of payables/creditors is not materially different to their fair value.

Realised capital reserves

The following are disclosed in this reserve:

- gains and losses compared to cost on the realisation of investments;
- expenses, together with the related taxation effect, charged in accordance with the above policies; and
- dividends paid to equity holders.

Unrealised capital reserves

Increases and decreases in the valuation of investments against cost are disclosed in this reserve.

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.

Own shares held reserve

This reserve accounts for amounts by which the Company's distributable reserves are diminished through the repurchase of the Company's own shares for treasury purposes.

Special reserve

The cancellation of the share premium account has created a special reserve that can be used to fund market purchases and subsequent cancellation of own shares, to cover gross realised losses, and for other distributable purposes.

Notes to the Financial Statements continued

2. Losses on investments

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Unrealised losses on non-current asset investments held at fair value through profit or loss account	(3,363)	(3,716)
Net unrealised losses transferred to realised losses in the year	2,909	5,515
Unrealised (losses)/gains on non-current asset investments held at amortised cost	(549)	1,145
Unrealised (losses)/gains on non-current asset investments	(1,003)	2,944
Unrealised gains/(losses) on current asset investments held at fair value	32	(31)
Unrealised (losses)/gains sub total	(971)	2,913
Realised gains on non-current asset investments held at fair value through profit or loss account	11	784
Net realised losses transferred from unrealised losses in the year	(2,909)	(5,515)
Realised losses sub total	(2,898)	(4,731)
	(3,869)	(1,818)

Investments valued on amortised cost basis are unquoted loan stock investments as described in note 10.

3. Investment income and deposit interest

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Income recognised on investments held at fair value through profit and loss		
UK dividend income	80	69
Management fees received from equity investments	2	3
Floating rate note interest	116	144
Bank deposit interest	135	441
	333	657
Income recognised on investments held at amortised cost		
Return on loan stock investments	490	1,057
Euro commercial paper interest	165	-
	988	1,714

Interest income earned on impaired investments at 30 June 2009 amounted to £77,000 (2008: £4,000).

4. Investment management fees

	Year ended 30 June 2009			Year ended 30 June 2008		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	118	354	472	167	502	669

Further details of the Management Agreement under which the investment management fee is paid are given in the Directors' Report and Enhanced Business Review on page 23. Additional management and performance fees (£17,000 and £71,000 respectively) have been recognised as a result of the recovery of historic VAT and have been set off against the VAT recovery amount in the Income Statement.

Notes to the Financial Statements continued

5. Recovery of VAT

HMRC issued a business briefing on 24 July 2008 which permitted the recovery of historic VAT that had been charged on management fees, and which made these fees exempt from VAT with effect from 1 October 2008.

The Manager, Albion Ventures LLP has made a claim for the historic VAT that Crown Place VCT PLC has been charged. A net sum of £369,000 has been recognised as a separate item in the Income Statement, allocated between revenue and capital return in the same proportion as that which the original VAT has been charged.

6. Loss before taxation is stated after charging:

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Directors' remuneration	83	83
National insurance and/or VAT on Directors' remuneration	7	8
Auditor's remuneration:		
– audit	25	18
– the auditing of accounts of subsidiaries of the Company pursuant to legislation	6	6
Other expenses	159	192
	<u>280</u>	<u>307</u>

The audit fee for the year ended 30 June 2008 includes a credit of £7,000 in respect of the prior year.

Further information regarding Directors' remuneration can be found in the Directors' Remuneration Report on page 33.

7. Taxation

	Year ended 30 June 2009			Year ended 30 June 2008		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
UK corporation tax (charge)/credit	–	–	–	(283)	304	21

The effective rate for the year to 30 June 2009 is 28 per cent. The tax charge for the year shown in the Income Statement is lower than the standard rate of corporation tax of 28 per cent. (2008: 29.5 per cent.). The differences are explained below:

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Loss on ordinary activities before taxation	<u>(3,264)</u>	<u>(1,080)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax (28 per cent.)	(914)	(319)
Effect of losses on capital assets not subject to taxation	1,083	536
Effect of income not subject to taxation	(22)	(20)
Utilisation of tax losses	(147)	(197)
Release of over accrual in prior year	–	(21)
	<u>–</u>	<u>(21)</u>

No provision for deferred tax has been made in the current or prior accounting period. The Company and Group have not recognised a deferred tax asset of £1,490,000 (2008: £1,120,000) in respect of unutilised management expenses as it is not considered sufficiently probable that there will be taxable profits against which to utilise these expenses in the foreseeable future. The Group has not recognised a further deferred tax asset of £3,603,000 (2008: £4,120,000) in respect of unutilised management expenses and deficits arising from non-trading relationships which would only be used if its subsidiaries made significant profits.

Notes to the Financial Statements continued

8. Dividends

	Year ended 30 June 2009			Year ended 30 June 2008		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
First dividend paid on 28 December 2007 (1.25 pence per share)	-	-	-	604	340	944
Second dividend paid on 25 April 2008 (1.25 pence per share)	-	-	-	187	745	932
First dividend paid on 8 August 2008 (1.25 pence per share)	661	257	918	-	-	-
Second dividend paid on 17 April 2009 (1.25 pence per share)	181	724	905	-	-	-
	842	981	1,823	791	1,085	1,876

In addition to the dividends paid above, the Board has declared a first dividend for the year ending 30 June 2010, of 1.25 pence per Crown Place VCT PLC share (0.25 pence to be paid out of revenue profits and 1.00 pence out of realised capital gains) to be paid on 6 November 2009 to shareholders on the register as at 9 October 2009. The total amount of this dividend is expected to be approximately £905,000.

9. Basic and diluted return per share

	Year ended 30 June 2009			Year ended 30 June 2008		
	Revenue	Capital	Total	Revenue	Capital	Total
Return attributable to equity shares (£'000)	682	(3,946)	(3,264)	957	(2,016)	(1,059)
Return attributable per Ordinary share (pence) (basic and diluted)	0.9	(5.4)	(4.5)	1.3	(2.7)	(1.4)

The return per share has been calculated on 72,858,300 shares (2008: 75,364,144), being the weighted average number of shares in issue for the year, excluding treasury shares of 7,260,410 (2008: 7,260,410).

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

10. Fixed asset investments

	30 June 2009 £'000	30 June 2008 £'000
Group & Company		
Qualifying unquoted equity and preference shares	4,826	6,094
Qualifying quoted equity	885	1,108
Qualifying equity derived instruments	98	98
Qualifying unquoted loan stock	10,054	10,798
Non-qualifying equity	6	7
Non-qualifying unquoted loan stock	9	106
Total investments	15,878	18,211

Notes to the Financial Statements continued

10. Fixed asset investments (continued)

	Qualifying unquoted equity and preference shares £'000	Qualifying quoted equity £'000	Qualifying equity derived instru- ments £'000	Qualifying unquoted loan stock £'000	Non- qualifying quoted equity £'000	Non- qualifying unquoted loan stock £'000	Total £'000
Group & Company							
Opening valuation as at 1 July 2008	6,094	1,108	98	10,798	7	106	18,211
Purchases at cost	1,111	–	–	865	–	–	1,976
Disposal proceeds	(10)	–	–	(46)	–	–	(56)
Realised losses	(2,138)	–	–	(760)	–	–	(2,898)
Movement in loan stock capitalised accrued income	–	–	–	83	–	–	83
Movement in loan stock accrued income	–	–	–	(352)	–	–	(352)
Unrealised losses	(231)	(223)	–	(534)	(1)	(97)	(1,086)
Closing valuation as at 30 June 2009	4,826	885	98	10,054	6	9	15,878
Movement in loan stock accrued income							
Opening accumulated movement in loan stock accrued income	–	–	–	480	–	–	480
Movement in loan stock accrued income	–	–	–	(352)	–	–	(352)
Closing accumulated movement in loan stock accrued income	–	–	–	128	–	–	128
Movement in unrealised losses							
Opening accumulated unrealised losses	(4,720)	(436)	–	(1,128)	(4)	(325)	(6,613)
Movement in loan stock capitalised accrued income	–	–	–	83	–	–	83
Movement in unrealised losses	(231)	(223)	–	(534)	(1)	(97)	(1,086)
Closing accumulated unrealised losses	(4,951)	(659)	–	(1,579)	(5)	(422)	(7,616)
Historic cost basis							
Opening book cost	10,813	1,545	98	11,447	11	431	24,345
Purchases at cost	1,111	–	–	865	–	–	1,976
Sales at cost	(2,147)	–	–	(807)	–	–	(2,954)
Closing book cost	9,777	1,545	98	11,505	11	431	23,367

Equity and preference share investments held at fair value through profit or loss total £5,815,000 (2008: £7,307,000). Investments held at amortised cost total £10,063,000 (2008: £10,904,000).

There has been no re-designation of fixed asset investments during the year.

The following disposals, repayments and permanent diminutions in value took place during the year:

Name of Company	Net proceeds from sale £'000	Cost £'000	Opening carrying value as at 1 July 2008 £'000
Blackbay Limited	27	27	27
Forward Media Limited (in liquidation)	–	500	–
GB Pub Company Limited	19	18	19
Palgrave Brown Holdings Limited (in administration)	–	77	–
Sanastro plc (in liquidation)	–	832	–
Tuscan Energy Group Limited	–	850	–
Wisdom I.T. Holdings Limited (in liquidation)	–	650	–
	46	2,954	46

Fixed asset investment class valuation methodologies

Quoted equity investments (both qualifying and non-qualifying) are valued at market bid price as at the balance sheet date.

Notes to the Financial Statements continued

10. Fixed asset investments (continued)

Unquoted loan stock investments are valued on an amortised cost basis. Loan stocks with a fixed interest rate total £9,677,000 (2008: £10,520,000). Loan stocks with a floating rate of interest total £386,000 (2008: £384,000).

The Directors believe that the carrying value of loan stock (valued using amortised cost) is not materially different to fair value.

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

Unquoted equity investments and warrants and convertibles are valued in accordance with the IPEVCV guidelines as follows;

Investment methodology	30 June 2009 £'000	30 June 2008 £'000
Cost (reviewed for impairment)	500	1,215
Net asset value supported by third party valuation	920	1,825
Recent investment price	993	423
Earnings multiple	2,511	2,367
Revenue multiple	–	362
	4,924	6,192

The unquoted equity instruments had the following movements between investment methodologies between 30 June 2008 and 30 June 2009:

Change in investment methodology (2008 to 2009)	Carrying value as at 30 June 2009 £'000	Explanatory note
Cost (reviewed for impairment) to recent investment price	375	Investment held at cost for the first year
Cost (reviewed for impairment) to earnings multiple	34	Investment held at cost for the first year
Revenue multiple to earnings multiple	179	Company became profitable in the year
Earnings multiple to net asset value supported by third party valuation	52	Companies no longer profitable
Cost (reviewed for impairment) to net asset value supported by third party valuation	199	Investment held at cost for the first year

In the absence of a more appropriate valuation methodology, investments held for less than 12 months are valued at cost reviewed for impairment. Thereafter, the valuation will move to the most appropriate valuation methodology for an investment within its market, with regard to the financial health of the investment and the IPEVCV Guidelines. The Directors believe that, within these parameters, there are no other possible methods of valuation which would be reasonable as at 30 June 2009.

Notes to the Financial Statements continued

11. Significant interests

The principal activity of the Company is to select and hold a portfolio of investments in unquoted securities. Although the Company, through the Manager, will, in some cases, be represented on the board of the investee 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 Company has interests of greater than 20 per cent. of the nominal value of any class of the allotted shares in the investee companies as at 30 June 2009 as described below:

Company	Country of incorporation	Principal activity	% class and share type	% total voting rights
Booth Dispensers Limited	Great Britain	Manufacturer of vending machine components and beer pump coolers	100.0% A Ordinary	22.8%
ELE Advanced Technologies Limited	Great Britain	Manufacturer of precision engineering components for the industrial gas turbine, aerospace and automotive markets	74.4% B Ordinary	48.3%
House of Dorchester Limited	Great Britain	Chocolate manufacturer	33.2% B Ordinary	23.3%
Tuscan Energy Group Limited*	Great Britain	In administration	42.5% C Ordinary	None
GW 665 Limited*	Great Britain	No trading activity	37.0% B Ordinary	37.0%

* Carried at nil value as at 30 June 2009.

As permitted by IAS 28 and FRS 9, the investments listed above are held as part of an investment portfolio, and their value to the Company is as part of a portfolio of investments. Therefore these investments are not considered to be associated undertakings.

12. Investments in subsidiary undertakings

	30 June 2009		
	CP1 VCT PLC £'000	CP2 VCT PLC £'000	Total £'000
Carrying value as at 1 July 2008	6,585	8,474	15,059
Movement in subsidiary net assets	51	39	90
	<u>6,636</u>	<u>8,513</u>	<u>15,149</u>
	30 June 2008		
	CP1 VCT PLC £'000	CP2 VCT PLC £'000	Total £'000
Carrying value as at 1 July 2007	6,769	11,209	17,978
Movement in subsidiary net assets	(184)	(2,735)	(2,919)
	<u>6,585</u>	<u>8,474</u>	<u>15,059</u>

The subsidiary companies currently hold cash and intercompany balances.

Both CP1 VCT PLC and CP2 VCT PLC are wholly owned by Crown Place VCT PLC as follows:

	30 June 2009	
	CP1 VCT PLC	CP2 VCT PLC
Nominal value of shares held	£6,382,746	£8,219,350
Percentage of authorised share capital in issue	57.8%	59.8%
Percentage of total voting rights held	100%	100%

Notes to the Financial Statements continued

13. Current assets include the following:

	30 June 2009		30 June 2008	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade and other receivables/debtors	55	55	308	302
Current tax asset	-	-	53	53
Nationwide Building Society floating rate note 7 July 2009	2,718	2,718	2,686	2,686

The investment in the Nationwide Building Society floating rate note represents money held for investment. The floating rate note can be converted to cash within three working days. This sum is regarded as money held pending investment and is treated as liquid resources in the cash flow statement. This floating rate note matured on 7 July 2009 at its full face value of £2,720,000.

14. Trade and other payables/creditors

	30 June 2009		30 June 2008	
	Group £'000	Company £'000	Group £'000	Company £'000
Amounts falling due within one year:				
Amounts due to subsidiary undertakings	-	14,968	-	12,390
Other payables	39	39	51	51
Accruals	296	260	270	244
	335	15,267	321	12,685

15. Called up share capital

	30 June 2009 £'000	30 June 2008 £'000
Authorised		
140,000,000 Ordinary shares of 10p each (2008: 140,000,000)	14,000	14,000
Allotted, called up and fully paid		
79,657,180 Ordinary shares of 10p each (2008: 80,664,390)	7,965	8,066
Allotted, called up and fully paid excluding Treasury shares		
72,396,770 Ordinary shares of 10p each (2008: 73,403,980)	7,240	7,340

The Company repurchased for cancellation 1,091,300 (2008: 3,256,044) Ordinary shares during the year at a total cost of £321,000 (2008: £1,265,000) representing 1.4 per cent. of the shares in issue (excluding treasury shares) as at 1 July 2008. The shares purchased for cancellation were funded from the Special reserve. The total number of shares held in treasury as at 30 June 2009 was 7,260,410 (2008: 7,260,410).

Under the terms of the Dividend Reinvestment Scheme Circular dated 26 February 2009, the following Ordinary shares of nominal value 10 pence were allotted during the year:

Allotment date	Number of shares allotted	Aggregate nominal value of shares £'000	Issue price per share pence per share	Consideration received £'000	Opening
					market price per share on allotment pence per share
17 April 2009	84,090	8	35.04	29	22.50

Notes to the Financial Statements continued

16. Basic and diluted net asset value per Ordinary share

The Group and Company net asset value attributable to the Ordinary shares at the year end was as follows:

	30 June 2009	30 June 2008
Net asset value per share attributable (pence)	<u>34.2</u>	<u>41.1</u>

The 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 72,396,770 shares (2008: 73,403,980) as at 30 June 2009.

There are no convertible instruments, derivatives or contingent share agreements in issue. The Company's policy is to sell treasury shares at a price greater than the purchase price hence the net asset value per share on a diluted basis would be equal to or greater than the basic net asset value per share, depending on the actual price achieved for selling the treasury shares.

17. Cash and cash equivalents/cash at bank and in hand

	30 June 2009		30 June 2008	
	Group £'000	Company £'000	Group £'000	Company £'000
Cash at bank	<u>6,472</u>	<u>6,255</u>	<u>9,237</u>	<u>6,548</u>

18. Reconciliation of revenue return on ordinary activities before taxation to net cash inflow from operating activities

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Revenue return before tax	682	1,240
Capitalised expenses	(354)	(502)
Recovery of VAT charged to capital	277	–
Decrease in accrued amortised loan stock interest	352	648
Decrease/(increase) in receivables	139	(114)
Increase/(decrease) in payables	17	(241)
Net cash inflow from operating activities	<u>1,113</u>	<u>1,031</u>

19. Capital and financial instruments risk management

The following policies are with reference to both the Company and the Group except where the 'Company' is used below.

The Group's maximum permitted gearing is £23,883,000 (2008: £29,257,000) and as at 30 June 2009, the Group's gearing was nil (2008: nil). The Group's policy on gearing is described in more detail on page 20 of the Directors' Report and Enhanced Business Review.

The Group'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 21 of the Directors' Report and Enhanced Business Review.

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

The principal risks arising from the Group's operations are:

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

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 Group 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 as follows:

Notes to the Financial Statements continued

19. Capital and financial instruments risk management (continued)

Investment risk

As a venture capital trust, it is the Group's specific nature to evaluate and control the investment risk of its portfolio in unquoted and in quoted companies, details of which are shown on page 11. Investment risk is the exposure of the Group to the revaluation and devaluation of investments. The main driver of investment risk is the operational and financial performance of the investee companies and the dynamics of market quoted comparators. The Manager receives management accounts from investee companies, and members of the investment management team often sit on the boards of unquoted investee 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 Group 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 unquoted investments.

The maximum investment risk as at the balance sheet date is the value of the non-current and current asset investment portfolio which is £18,596,000 (2008: £20,897,000). Non-current and current asset investments form 75 per cent. of the net asset value as at 30 June 2009 (2008: 69 per cent.).

More details regarding the classification of non-current and current asset investments are shown in notes 10 and 13.

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. To mitigate the investment price risk for the Group as a whole, the strategy of the Group is to invest in a broad spread of industries with approximately two-thirds of the unquoted investments comprising debt securities, which, owing to the structure of their yield and the fact that they are usually secured, have a lower level of price volatility than equity. Details of the industries in which investments have been made are contained in the Portfolio of Investments section on page 11 and in the Manager's Report.

In accordance with the IPEVCV Guidelines, in the absence of a more appropriate methodology, investments held for less than 12 months are valued at cost. Thereafter, the valuation will move to the most appropriate valuation methodology for an investment within its market, with regard to the financial health of the investment and the IPEVCV Guidelines. The Directors believe that, within these parameters, there are no reasonable possible alternative methods of valuation of the investments as at 30 June 2009.

As required under IFRS 7 and FRS 29, the Board is required to illustrate by way of a sensitivity analysis, the degree of exposure to market risk. The Board considers that the value of the non-current and current asset investment portfolio is sensitive to a 10 per cent. change 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 both on a historical basis and future expectations.

The sensitivity of a 10 per cent. increase or decrease in the valuation of the non-current and current asset investments (keeping all other variables constant) would increase or decrease the net asset value and return for the year by £1,860,000 (2008: £2,090,000).

Cash flow interest rate risk

It is the Group's policy to accept a degree of interest rate risk on its financial assets through the effect of interest rate changes. On the basis of the Group's analysis, it is estimated that a fall of one percentage point in all interest rates would have reduced profits before tax for the year by approximately £85,000 (2008: £137,000).

The weighted average interest rate applied to the Group's fixed rate assets during the year was approximately 4.5 per cent. (2008: 7.7 per cent.). The weighted average period to maturity for the fixed rate assets is approximately 2.2 years (2008: 3.2 years).

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 Group. The Group is exposed to credit risk through its debtors, investment in unquoted loan stock, and through the holding of floating rate notes and cash on deposit with banks.

The Manager evaluates credit risk on loan stock, floating rate note instruments and other similar instruments 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. Typically loan stock instruments have a first fixed charge or a fixed and floating charge over the assets of the investee company in order to mitigate the gross credit risk. The Manager receives management accounts from investee companies, and members of the investment management team often sit on the boards of unquoted investee companies; this enables the close identification, monitoring and management of investment-specific credit risk.

Bank deposits and floating rate notes are held with banks which have a Moody's credit rating of at least 'A'. The Group 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.

Notes to the Financial Statements continued

19. Capital and financial instruments risk management (continued)

Credit risk (continued)

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 Group's total gross credit risk at 30 June 2009 was limited to £10,063,000 (2008: £10,904,000) of unquoted loan stock instruments, £6,472,000 (2008: £9,237,000) cash deposits with banks and £2,718,000 (2008: £2,686,000) floating rate notes.

As at the balance sheet date, the cash held by the Group is held with the Royal Bank of Scotland plc, Lloyds Banking Group plc and HSBC plc. Credit risk on floating rate note and cash transactions is mitigated by transacting with counterparties that are regulated entities subject to prudential supervision, with high credit ratings assigned by international credit-rating agencies. The Nationwide Building Society floating rate note matured and was repaid in full on 7 July 2009.

Liquidity risk

Liquid assets are held as cash on current account, cash on deposit or short term money market account and as floating rate notes. Under the terms of its Articles, the Group has the ability to borrow up to the amount of its adjusted capital and reserves of the latest published audited consolidated balance sheet, which amounts to £23,883,000 (2008: £29,451,000) as at 30 June 2009.

The Group had no committed borrowing facilities as at 30 June 2009 (2008: nil) and had cash balances of £6,472,000 (2008: £9,237,000) (Company £6,255,000; 2008: £6,548,000) together with £2,718,000 (2008: £2,686,000) invested in floating rate notes, which are considered to be readily realisable within the timescales required to make cash available for investment. The main cash outflows are for new investments, dividends and share buy backs, which are within the control of the Group. The Manager formally reviews the cash requirements of the Group on a monthly basis, and the Board on a quarterly basis, as part of its review of management accounts and forecasts.

All of the Group's financial liabilities are short term in nature and total £335,000 (2008: £321,000) for the year to 30 June 2009 (Company: 30 June 2009; £15,267,000; 30 June 2008: £12,685,000). An amount of £14,968,000 (2008: £12,390,000) which is included within the Company creditor relates to intercompany balances and is not considered to carry liquidity risk.

In view of this, the Board considers that the Group is subject to low liquidity risk.

The carrying value of loan stock investments held at amortised cost at 30 June 2009 is analysed by the expected maturity dates as follows:

Redemption date	Fully performing loan stock £'000	Renegotiated loan stock £'000	Past due loan stock ⁽ⁱ⁾ £'000	Impaired loan stock £'000	Total £'000
Less than one year	246	–	–	196	442
1-2 years	1,123	343	–	2,274	3,740
2-3 years	1,414	143	83	1,558	3,198
3-5 years	639	1,000	210	825	2,674
More than 5 years	–	–	–	9	9
	<u>3,422</u>	<u>1,486</u>	<u>293</u>	<u>4,862</u>	<u>10,063</u>

The carrying value of loan stock investments held at amortised cost at 30 June 2008 is analysed by the expected maturity dates as follows:

Redemption date	Fully performing loan stock £'000	Renegotiated loan stock £'000	Past due loan stock ⁽ⁱ⁾ £'000	Impaired loan stock £'000	Total £'000
Less than one year	–	590	–	–	590
1-2 years	–	183	–	106	289
2-3 years	1,392	3,017	–	145	4,554
3-5 years	2,695	1,513	1,215	48	5,471
	<u>4,087</u>	<u>5,303</u>	<u>1,215</u>	<u>299</u>	<u>10,904</u>

(i) Interest (not capital) is overdue.

Notes to the Financial Statements continued

19. Capital and financial instruments risk management (continued)

Credit risk (continued)

The cost, impairment and carrying value of impaired loan stocks held at amortised cost at 30 June 2009 and 30 June 2008 are as follows:

	30 June 2009			30 June 2008		
	Cost £'000	Impairment £'000	Carrying value £'000	Cost £'000	Impairment £'000	Carrying value £'000
Impaired loan stock	6,947	(2,085)	4,862	1,753	(1,454)	299

Impaired loan stock instruments have a first fixed charge or a fixed and floating charge over the assets of the investee company and the Board estimate that the security value approximates to the carrying value.

Loan stock with a carrying value of £293,000 owed loan stock interest of £3,000 as at 30 June 2009 which was four months overdue. The interest owed as at 30 June 2008 was repaid in 2009 and is no longer outstanding.

Fair values of financial assets and financial liabilities

All the Group's financial assets and liabilities as at 30 June 2009 are stated at fair value as determined by the Directors, with the exception of loans and receivables included within investments, which are carried at amortised cost, in accordance with IAS 39. In the opinion of the Directors, the amortised cost of loan stock is not materially different to the fair value of the loan stock. There are no financial liabilities other than short term trade and other payables. See note 1 of the financial statements for accounting policies. The Group'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, and that the Group is subject to low financial risk as a result of having nil gearing and positive cash balances.

The Group's financial assets and liabilities as at 30 June 2009, all denominated in pounds sterling, consist of the following:

	30 June 2009				30 June 2008			
	Fixed rate £'000	Floating rate £'000	Non- interest £'000	Total £'000	Fixed rate £'000	Floating rate £'000	Non- interest £'000	Total £'000
Floating rate notes	-	2,718	-	2,718	-	2,686	-	2,686
Unquoted loan stock	9,677	386	-	10,063	10,520	384	-	10,904
Unquoted equity	-	-	4,924	4,924	-	-	6,192	6,192
Quoted equity	-	-	891	891	-	-	1,115	1,115
Receivables	-	-	55	55	-	-	361	361
Current liabilities	-	-	(335)	(335)	-	-	(321)	(321)
Cash	-	6,472	-	6,472	5,000	4,237	-	9,237
Net assets	9,677	9,576	5,535	24,788	15,520	7,307	7,347	30,174

The Company's financial assets and liabilities as at 30 June 2009, all denominated in pounds sterling, consist of the following:

	30 June 2009				30 June 2008			
	Fixed rate £'000	Floating rate £'000	Non- interest £'000	Total £'000	Fixed rate £'000	Floating rate £'000	Non- interest £'000	Total £'000
Floating rate notes	-	2,718	-	2,718	-	2,686	-	2,686
Unquoted loan stock	9,677	386	-	10,063	10,520	384	-	10,904
Unquoted equity	-	-	20,073	20,073	-	-	21,251	21,251
Quoted equity	-	-	891	891	-	-	1,115	1,115
Receivables	-	-	55	55	-	-	355	355
Current liabilities	(14,968)	-	(299)	(15,267)	(12,390)	-	(295)	(12,685)
Cash	-	6,255	-	6,255	5,000	1,548	-	6,548
Net assets	(5,291)	9,359	20,720	24,788	3,130	4,618	22,426	30,174

Notes to the Financial Statements continued

20. Post balance sheet events

Since 30 June 2009 the Company has completed the following significant transactions:

- Maturity of £2,720,000 Nationwide Building Society floating rate note on 7 July 2009
- Purchase of £2,350,000 Wells Fargo & Company floating rate note on 14 July 2009
- The Company has cancelled its share premium account by way of special resolution at a General Meeting held on 1 September 2009. The share premium account amounting to £14,437,830 was cancelled on 16 September 2009 by order of the High Court and the Notice regarding the cancellation was registered at Companies House on 17 September 2009.
- July 2009: Investment in Geronimo Inns VCT I Limited of £720,000
- July 2009: Investment in Geronimo Inns VCT II Limited of £720,000
- August 2009: Investment in Bravo Inns II Limited of £100,000
- On 22 September 2009, a re-organisation of the funds pub interests occurred, whereby Novello Pub Limited, Welland Inns VCT Limited, Welland Inns (Hotels) Limited, The Charnwood Pub Company (Hotels) Limited and Pelican Inn Limited were acquired by The Charnwood Pub Company Limited which now owns 13 pubs.

21. Contingencies, guarantees and financial commitments

There are no contingencies, guarantees or financial commitments of the Group or Company as at 30 June 2009 (2008: nil). Under the terms of the Transfer Agreement dated 16 January 2006, Crown Place VCT PLC has indemnified its subsidiaries, CP1 VCT PLC and CP2 VCT PLC in respect of all costs, claims and liabilities in exchange for the transfer of assets.

22. Related party transactions

The Manager, Albion Ventures LLP, could be considered to be a related party by virtue of the fact that it is party to a Management Agreement from the Company (details disclosed on page 23 of this report). During the year, services of a total value of £522,000 (2008: £728,000) were purchased by the Company from Albion Ventures LLP; this includes £472,000 investment management fee and £50,000 administration fee. At the financial year end, the amount due to Albion Ventures LLP disclosed as accruals and deferred income was £208,000 (2008: £169,000).

Albion Ventures LLP has reclaimed VAT from HMRC as described in note 5. A sum of £369,000 has been recognised in the Income Statement for the year reflecting a gross receipt of £457,000, less a creditor for £88,000 in respect of related historic management and performance fees to be paid to Albion Ventures LLP.

Buy-backs of shares during the year were transacted through Winterflood Securities Limited, a subsidiary of Close Brothers Group plc, which up to 23 January 2009 was the parent company of Albion Ventures LLP (formerly Close Ventures Limited). A total of 1,091,300 shares were purchased for cancellation (2008: 3,256,044) at an average price of 29.4 pence per share. There are no other related party transactions or balances requiring disclosure.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Crown Place VCT PLC (the "Company") will be held at 12 noon on 11 November 2009 at The Worshipful Company of Coopers, Coopers Hall, 13 Devonshire Square, London, EC2M 4TH for the following purposes:

To consider and, if thought fit, to pass the following resolutions, of which numbers 1 to 8 will be proposed as ordinary resolutions and numbers 9 to 11 as special resolutions.

Ordinary Business

1. To receive and adopt the accounts and the reports of the Directors and Auditors for the year ended 30 June 2009.
2. To re-appoint PKF (UK) LLP as Auditors of the Company to hold office from the conclusion of the meeting to the conclusion of the next meeting at which the accounts are laid.
3. To authorise the Directors to agree the Auditors' remuneration.
4. To approve the Directors' Remuneration Report for the year ended 30 June 2009.
5. To re-elect Patrick Crosthwaite as a Director of the Company.
6. To re-elect Rachel Beagles as a Director of the Company.
7. To re-elect Andrew Cubie as a Director of the Company.

Special Business

8. That, in substitution for any existing authorities granted pursuant to section 80 of the Companies Act 1985, 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 a maximum aggregate nominal amount of £723,967, such authority shall expire on 11 May 2011 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 after the expiry of such period and the Directors may allot shares pursuant to such an offer or agreement as if the authority had not expired.
9. That, subject to and conditional on the passing of resolution number 8, in substitution for any existing authorities granted pursuant to section 95 of the Companies Act 1985, the Directors be empowered, pursuant to section 570 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 8 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
 - (a) in connection with an offer of such securities by way of rights issue;
 - (b) in connection with any Dividend Reinvestment Scheme introduced and operated by the Company; and
 - (c) otherwise than pursuant to paragraphs (a) to (c) above, up to an aggregate nominal amount of £361,983,

and shall expire at the conclusion of the next annual general meeting, 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 the power had not expired.

In this resolution, "rights issue" means an offer of equity securities open for acceptance for a period fixed by the Directors to holders on the register on a fixed record date in proportion as nearly as may be to their respective holdings, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with any fractional entitlements or legal or practical difficulties under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(2)(b) of the Act as if in the first paragraph of the resolution the words "pursuant to the authority conferred by resolution number 8" were omitted.

Notice of Annual General Meeting continued

10. That, the Company be generally and unconditionally authorised to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary shares of 10 pence each in the capital of the Company (“Ordinary shares”), on such terms as the Directors think fit, and where such shares are held as treasury shares, the Company may use them for the purposes set out in section 727 of the Act, provided that:
- (a) the maximum number of Ordinary shares hereby authorised to be purchased is 11,940,611 Ordinary shares, an amount equal to 14.99 per cent. of the Ordinary shares in issue;
 - (b) the minimum price, exclusive of any expenses, which may be paid for an Ordinary share is 10 pence;
 - (c) the maximum price, exclusive of any expenses, which may be paid for each Ordinary share is an amount equal to the higher of (a) 105 per cent. of the average of the middle market quotations for an Ordinary share, as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the day on which the Ordinary 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 or varied, expire at the end of the next Annual General Meeting, or eighteen months from the date of the passing of the resolution, whichever is earlier; and
 - (e) the Company may make 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.

Under the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (the “Regulations”), Ordinary shares purchased by the Company out of distributable profits can be held as treasury shares, which may then be cancelled or sold for cash. The authority sought by this special resolution number 10 is intended to apply equally to shares to be held by the Company as treasury shares in accordance with the Regulations. These powers are intended to permit Directors to sell treasury shares at a price not less than that at which they were purchased.

11. That with immediate effect:

- (a) the articles of association of the Company be amended by deleting all the provisions of the Company's memorandum of association which, by virtue of section 28 of the Companies Act 2006, are to be treated as provisions of the Company's articles of association; and
- (b) the articles of association of the Company contained in the document produced to the meeting (and signed by the Chairman for the purposes of identification) be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company.

BY ORDER OF THE BOARD

Albion Ventures LLP Limited

Company Secretary

Registered Office

1 King's Arms Yard, London EC2R 7AF

28 September 2009

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 meeting. 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 Capita Registrars at Proxy Department, PO Box 25, The Registry, 34 Beckenham Road, Beckenham BR3 4TU.

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 12 noon on 9 November 2009.

- 2 Any person to whom this Notice is sent who is a person nominated under section 146 of 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 12 noon on 9 November 2009 (or, in the event of any adjournment, on the date which is two 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 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.
- 5 Copies of contracts of service and letters of appointment between the Directors and 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.
- 6 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 sections 527 or 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.
- 7 A copy of this Notice, and other information regarding the meeting, as required by section 311A of the Act, is available from www.albion-ventures.co.uk, Our Funds, Crown Place VCT PLC.
- 8 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.
- 9 As at 28 September 2009 (being the latest practicable date prior to the publication of this Notice), the Company's issued share capital consists of 79,657,180 Ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 28 September 2009 are 79,657,180.

