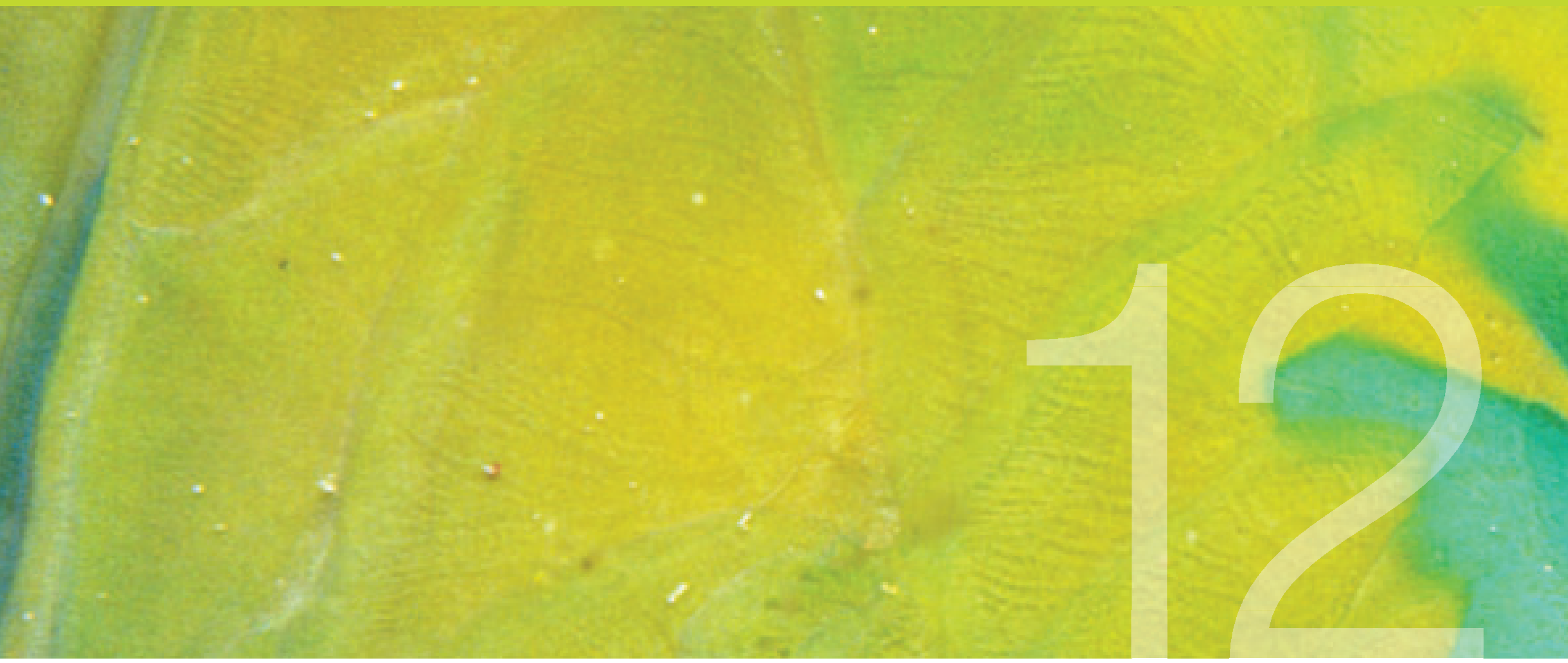
Annual Report and
Financial Statements
for the year
ended 30 June 2012



Crown Place VCT PLC

ALBION VENTURES

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Company information

Company Number	03495287
Directors	Patrick Crosthwaite, Chairman Rachel Beagles Karen Brade Richard Huntingford
Manager, company secretary and registered office	Albion Ventures LLP 1 King's Arms Yard London, EC2R 7AF
Registrars	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol, BS99 6ZZ
Auditor	PKF (UK) LLP Farringdon Place 20 Farringdon Road London, EC1M 3AP
Taxation adviser	PricewaterhouseCoopers LLP 1 Embankment Place London, WC2N 6RH
Legal adviser	Bird & Bird LLP 15 Fetter Lane London, EC4A 1JP

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

Shareholder enquiries

For help relating to dividend payments, shareholdings and share certificates please contact Computershare Investor Services PLC:
Tel: 0870 873 5857 (UK national rate call, lines are open 8:30 am – 5:30 pm; Mon-Fri, calls may be recorded)
Website: www.investorcentre.co.uk

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

Shareholders can also contact the Chairman directly on pcrosthwaite@albion-ventures.co.uk

Financial advisor enquiries

For enquiries relating to the performance of the Fund and information for financial advisors please contact Albion Ventures LLP:
Tel: 020 7601 1850 (lines are open 9:00 am – 5:30 pm; Mon-Fri, calls may be recorded)
Email: info@albion-ventures.co.uk
Website: www.albion-ventures.co.uk

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

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 more mature or asset-based investments that can provide a strong income stream combined with a degree of capital protection. These will be balanced by a lesser proportion of the portfolio being invested in higher risk companies with greater growth prospects.

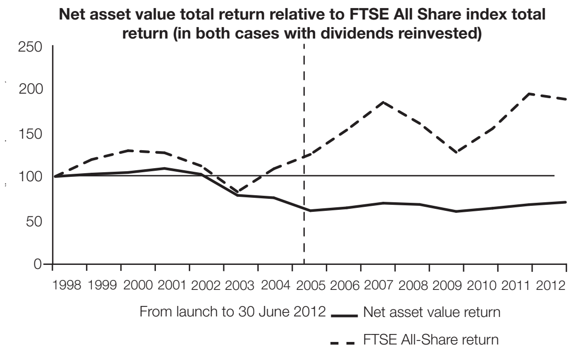
*The ‘Company’ is Crown Place VCT PLC. The ‘Group’ is the Company together with its subsidiaries CP1 VCT PLC and CP2 VCT PLC.

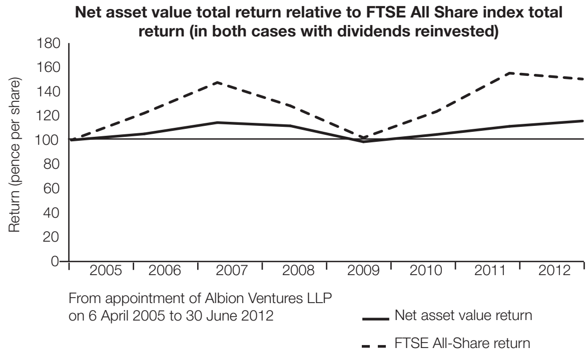
Financial calendar

Annual General Meeting	13 November 2012
Record date for first dividend	2 November 2012
Payment of first dividend	30 November 2012
Announcement of half-yearly results for the six months ended 31 December 2012	February 2013
Payment of second dividend (subject to Board approval)	March 2013

Financial highlights

1.41p	Total return to shareholders for the year ended 30 June 2012
2.50p	Total tax free dividends per share paid during the year ended 30 June 2012
8.8%	Tax free yield on share price (dividend per annum/share price as at 30 June 2012)
32.60p	Net asset value per share as at 30 June 2012
2.0%	Net asset value total return for the year (with dividends reinvested)
1.4%	Share price total return for the year (with dividends reinvested)





Source: Albion Ventures LLP

* Albion Ventures LLP (formerly Close Ventures Limited) became Manager on 6 April 2005

The performance of Crown Place VCT PLC since inception (rebased to 100)

Source: Albion Ventures LLP

The performance of Crown Place VCT PLC since 2005 (rebased to 100), which was when Albion Ventures LLP* assumed management, is shown above.

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

Financial highlights continued

	30 June 2012 pence per share	30 June 2011 pence per share
Net asset value per share	32.60	33.65
Dividends paid	2.50	2.50
Revenue return per share	0.80	1.11
Capital return per share	0.61	1.04

Shareholder returns and shareholder value

	Proforma(i) Murray VCT PLC pence per share	Proforma(i) 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(ii)	30.36	30.91	24.93
Decrease in net asset value	(69.90)	(64.50)	(56.60)
Total shareholder return to 6 April 2005	(39.54)	(33.59)	(31.67)
Shareholder return from April 2005 to 30 June 2012:			
Total dividends paid	12.25	14.44	16.80
Decrease in net asset value	(6.90)	(7.76)	(10.80)
Total shareholder return from April 2005 to 30 June 2012	5.35	6.68	6.00
Shareholder return since launch:			
Total dividends paid to 30 June 2012(ii)	42.61	45.35	41.73
Net asset value as at 30 June 2012	23.20	27.74	32.60
Total shareholder return as at 30 June 2012	65.81	73.09	74.33
Current annual dividend objective	1.78	2.13	2.50
Dividend yield on net asset value	7.7%	7.7%	7.7%

Net asset value total return to shareholders since launch:

	30 June 2012 (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 during the year ended 30 June 2010	2.50
Total dividends paid during the year ended 30 June 2011	2.50
Total dividends paid during the year ended 30 June 2012	2.50
Total dividends paid to 30 June 2012	**41.73**
Net asset value as at 30 June 2012	**32.60**
Total net asset value return as at 30 June 2012	**74.33**

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 2012 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 2013, of 1.25 pence per Crown Place VCT PLC share payable on 30 November 2012 to shareholders on the register as at 2 November 2012.

Chairman's statement

Introduction

I have pleasure in presenting the results for the year ended 30 June 2012. The Group achieved a positive total return of 1.40 pence per share, building on the positive returns achieved in the previous two years. The Company maintained its regular dividend of 2.50 pence per share, which represents a tax free yield of 8.8 per cent. based on the share price as at 30 June 2012.

Results and dividends

As at 30 June 2012, the net asset value was £26.0 million or 32.60 pence per share compared to £25.7 million or 33.65 pence per share at 30 June 2011. The revenue return before taxation was £616,000 compared to £812,000 in the previous year which had benefited from a one-off dividend payment of £286,000 from one portfolio company. Therefore, the underlying income generated by the investment portfolio was stable. The results include a £357,000 one-off repayment in respect of historic VAT received from the previous manager, Murray Johnstone Limited. This is described in more detail in note 5. During the year to 30 June 2012, the Company maintained its dividend of 2.50 pence per share for the fifth consecutive year. The first dividend for the current financial year of 1.25 pence per share will be paid on 30 November 2012 to shareholders on the register as at 2 November 2012.

Investment performance and progress

The economic conditions during the year remained difficult and business confidence declined. This impacted on the mergers and acquisitions market and restricted the Company's ability to realise investments at attractive values. The Company generated total disposal proceeds of £592,000 mostly from the repayment of loan stock by portfolio companies. Further detail on the realisations is given on page 13. During the year, your Company invested a total of £3.3 million in three new portfolio companies and eighteen existing portfolio companies. The new investments include £371,000 in Alto Prodotto Wind Limited, a wind power generation company; £360,000 in Hilson Moran Holdings Limited (of which £41,000 loan stock was repaid in the year), a multi-disciplinary engineering consultancy; and £65,000 in Greenenerco Limited, another wind power generation company. Many of the follow-on investments were made to support the continued expansion of the renewable energy portfolio companies, where the Manager continues to see attractive investment opportunities.

Overall, the value of the unquoted investment portfolio held by the Company at the year end increased by £595,000 during the year, while that of the AIM portfolio decreased by £66,000. Good progress was made by Lowcosttravelgroup Limited, Radnor House School (Holdings) Limited, Oakland Care Centre Limited and CS (Brixton) Limited. Together the value of these four investments increased by £1.5 million. Against this, difficult trading conditions continued to impact two of the hotels in the portfolio – The Stanwell Hotel and the Crown Hotel Harrogate. Prime Care (Holdings) Limited continues to be affected by public sector spending cuts while Helveta, Dysis and AMS Sciences were affected by delays in securing commercial contracts. Valuation movements within the investment portfolio are discussed further in the Manager's report.

Risks and uncertainties

The lack of growth in the UK economy, the continuing debt crisis in the Eurozone and the growing imbalances elsewhere in the world are likely to continue to impact on business and investment sentiment. Against this background, we remain cautious in our outlook. Nevertheless, we believe that many of the sectors in which our portfolio companies operate are resilient, and that the new portfolio companies which we support are positioned to grow despite these broader uncertainties. In addition, it remains our general policy that portfolio companies should have no external bank borrowings, thereby reducing the financial risks within portfolio companies.

Other risks and uncertainties are detailed in note 19 of the Financial Statements. Details of post balance sheet events and related party transactions are set out in notes 20 and 22 of the Financial Statements.

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 Company's interest, including the maintenance of sufficient resources for investment in existing and new portfolio companies and the continued payment of dividends for shareholders. It is the Board's intention for such buy-backs to be in the region of a 10 to 15 per cent. discount to net asset value, so far as market conditions and liquidity permit. During the year the Company cancelled 71,000 shares from treasury and purchased a further 1,646,500 shares for treasury at a total cost of £468,000.

Change of registrar

As part of our commitment to improve communications with shareholders, our share registrar has changed to Computershare Investor Services PLC. Shareholders can access holdings and valuation information regarding any of their shares held by Computershare by registering on Computershare's website. The Computershare Investor Centre can be found at www.investorcentre.co.uk. At our request, the registrar has introduced annual shareholder

Chairman's statement continued

statements to give shareholders better visibility on the performance of their investments.

Albion VCTs Linked Top Up Offers

During the year, the Company raised a total of £1.49 million as part of the £10.5 million Albion VCTs Linked Top Up Offers by seven of the VCTs managed by Albion Ventures. The proceeds of the Offers have been used to provide further resources to the Albion VCTs at a time when a number of attractive new investment opportunities are being seen. Further top-up offers are planned for later this year and details are expected to be sent to shareholders in October.

Dividend reinvestment scheme

During the year the Company raised £92,000 under the terms of the dividend reinvestment scheme. Through the scheme shareholders may elect to reinvest the whole of the dividend received by subscribing for new shares in the Company. Under current tax rules, individual shareholders reinvesting their dividends will be eligible for the income and capital gains tax advantages available to investors subscribing to new shares in venture capital trusts and will be able to increase their shareholding in the Company simply and without incurring dealing costs or stamp duty. Full details of the scheme and the application form are available on the Manager's website www.albion-ventures.co.uk and through the Computershare link as above.

Board changes

As part of the planned programme to refresh the Board, as previously advised to shareholders, Vikram Lall retired as a Director of the Company on 15 May 2012. The Board wishes to thank Vikram for his significant input and valuable contribution to the Board and to the Company and its predecessor companies over many years.

Following a formal and extensive selection process which included the use of a recruitment search firm, Richard Huntingford was appointed to the Board on the same date. Richard Huntingford's biography is shown on page 9. Richard's broad commercial experience will bring a valuable added perspective to the Board.

Outlook and prospects

As already mentioned, the outlook for the UK and the global economies remains uncertain. Nevertheless, a number of our companies operate in sectors that should prove to be more resilient over the medium term in the event of continued economic upheaval. These include the healthcare and environmental sectors, which are an increasing area for investment by your VCT. In addition, the great majority of investments are structured to be cash generative and to provide further support for your Company's dividend policy.

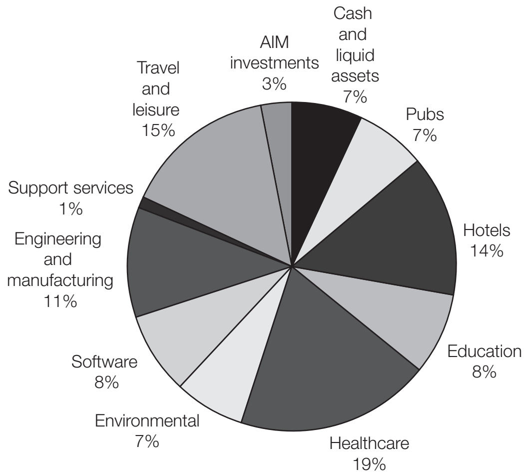
Patrick Crosthwaite
Chairman
4 October 2012

Manager's report

Investment portfolio

An analysis by sector of Crown Place VCT's investment portfolio as at 30 June 2012 is shown below. The portfolio remains well diversified and as at the year end comprised 51 investments. There were 26 unquoted asset-backed investments accounting for 59 per cent. of the investment value of the Company, 22 unquoted growth investments accounting for 31 per cent. of the investment value of the Company and three AIM quoted investments, accounting for 3 per cent. of the investment value of the Company, with the balance held as cash and liquid assets. During the year the Company continued to increase its exposure to the less cyclical sectors of healthcare, education and environmental, which now account for approximately a third of the portfolio value. The value of investments in the hotel and pubs sectors, which are heavily dependent on consumer spending, reduced from 23 per cent. to 21 per cent. of the portfolio value. The software sector increased from 6 per cent. to 8 per cent. of portfolio value as the Company continued to provide support for some of the earlier stage software companies in the portfolio.

Split of investment portfolio by sector



Source: Albion Ventures LLP

New investments

The Company invested a total of £796,000 in three new portfolio companies during the year. Approximately half of this was invested in two wind power generation companies, while the third investment was to back the management buy-out of Hilson Moran, a well established and profitable multi-disciplinary engineering consultancy business. Further funding of £777,000 was provided to the existing renewable energy companies in the portfolio to allow them to develop new projects. The final tranche of £570,000 was invested in Oakland Care Centre Limited, our care home in North East London, and £236,000 as planned for Nelson House Hospital Limited. Both of these facilities have now opened and are operating well. In addition, some £897,000 was invested in nine existing portfolio companies to support growth.

Portfolio review

The second largest investment by value, Radnor House School, is performing ahead of plan and is now profitable before interest. Oakland Care Centre, which opened in November 2011, is also performing well and is cash generative. The cinema investments are trading ahead of budget and this has been reflected in their increased third party professional valuations. Bravo Inns and Charnwood Pub Company are showing good progress, which allowed Charnwood Pub Company to repay some of the outstanding loan stock during the year. The renewable energy investments are performing in line with their investment plans and are expected to be strongly cash generative when mature. In the growth portfolio, Lowcosttravelgroup continues to grow, while Process Systems Enterprise, Opta Sports Data and Mirada demonstrate good growth prospects. Against this, progress continues to be slow at the Stanwell Hotel which resulted in a further reduction in its third party professional valuation, while The Crown Hotel Harrogate has seen pressure on margins and thus lower profitability despite improved occupancy rates. Weaker than expected performance also continues to impact the valuation of Helveta, AMS Sciences, Mi-Pay and Prime Care and we are working closely with the management teams of these companies to improve their results.

The pipeline for new investments remains strong, with continued focus on cash generative investments. The Manager intends to increase the environmental and healthcare segments as a proportion of the total portfolio. Much of the former will be in renewable energy projects, which provide long-term inflation-protected income streams, while the latter area will concentrate on medical technology for new devices and processes in fast growing international markets.

Albion Ventures LLP
Manager
4 October 2012

The Board of Directors

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

Patrick Crosthwaite FSI, 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 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.

Rachel Beagles MA, was Co-Head of the Pan-European Banks Equity Research and Sales Team and a managing director of Corporate and Investment Banking Group Division at Deutsche Bank AG until April 2003. She is a non-executive director of Schroder UK Mid Cap Fund PLC, Securities Trust of Scotland plc and Eastern European Trust plc. Rachel Beagles became a Director of the Company on 13 January 2006 and Chairman of the Audit and Risk Committee on 27 September 2010.

Karen Brade, has over 20 years of experience in project finance and private equity. Karen began her career at Citibank where she worked on various multi-national project finance transactions. From 1994 to 2004 she was at the Commonwealth Development Corporation (now known as Actis), a leading emerging markets private equity firm, where she held a variety of positions in equity and debt investing, portfolio management, fund raising and investor development. Since 2005 she has been an adviser to hedge funds, family offices and private equity houses. Karen Brade became a Director of the Company on 8 October 2010.

Richard Huntingford FCA, is a Chartered Accountant who qualified in 1979. He subsequently spent 12 years at KPMG where he advised a wide range of clients, followed by 20 years in the media industry. Richard founded Chrysalis Radio in 1994 as a start-up venture and went on to develop Chrysalis Group plc from its record label origins into a broadly based media group before presiding over a realisation programme that delivered significant value for Chrysalis shareholders. He also served as a NED of Virgin Mobile in 2005 to 2006 and as Chairman of Boomerang Plus plc from 2008 to 2012. He is currently chairman of UTV Media PLC and a non-executive director of Creston plc. Richard Huntingford became a Director of the Company on 15 May 2012.

All Directors are members of the Audit and Risk Committee, the Remuneration Committee and the Nomination Committee.

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 £230 million. Albion was awarded Investor of the Year at the Independent Healthcare Awards 2011.

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 MA, ACA, qualified as a chartered accountant before joining Cazenove & Co where he spent three years in the corporate finance department. He joined Close Brothers Group plc in 1989, working in both the development capital and corporate finance divisions before establishing Albion Ventures LLP (formerly Close Ventures Limited) in 1996. He is the managing partner of Albion Ventures LLP and is director of Albion Income & Growth VCT PLC, Albion Enterprise VCT PLC and Albion Technology & General VCT PLC, all managed by Albion Ventures LLP. He is also a director of UCL Business PLC, the technology transfer arm of University College London, and is on the Council of the BVCA.

Will Fraser-Allen, BA (Hons), ACA, qualified as a chartered accountant with Cooper Lancaster Brewers in 1996 and then joined their corporate finance team providing corporate finance advice to small and medium sized businesses. He joined Albion Ventures in 2001 since when he has focused on leisure and healthcare investing. Will became deputy managing partner of Albion Ventures in 2009. Will has a BA in History from Southampton University.

Isabel Dolan, BSc (Hons), ACA, MBA, qualified as a chartered accountant with Moore Stephens. From 1993 to 1997 she was head of recoveries at the Specialised Lending Services 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 in 2005, having previously been finance director for a number of unquoted companies. Isabel became operations partner at Albion Ventures in 2009. She has a BSc in Biochemistry with Pharmacology from Southampton University and an MBA from London Business School.

Dr Andrew Elder, MA, FRCS, joined Albion Ventures in 2005 and became a partner in 2009. He initially practised as a surgeon for six years, specialising in neurosurgery, before joining the Boston Consulting Group (BCG) as a consultant in 2001. Whilst at BCG he specialised in healthcare strategy, gaining experience with many large, global clients across the full spectrum of healthcare including biotechnology, pharmaceuticals, service and care providers, software and telecommunications. He has an MA plus Bachelors of Medicine and Surgery from Cambridge University and is a Fellow of the Royal College of Surgeons (England).

Emil Gigov, BA (Hons), ACA, graduated from the European Business School, London, with a BA (Hons) Degree in European Business Administration in 1994. He then joined KPMG in their financial services division and qualified as a chartered accountant in 1997. Following this he transferred to KPMG Corporate Finance where he specialised in the leisure, media and marketing services sectors acting on acquisitions, disposals and fundraising mandates. He joined Albion Ventures in 2000 and has since made and exited investments in a number of industry sectors, including healthcare, education, technology, leisure and engineering. Emil became a partner in Albion Ventures in 2009.

David Gudgin, BSc (Hons), ACMA, qualified as a management accountant with ICL before spending 3 years at the BBC. In 1999 he joined 3i plc as an investor in European technology based in London and Amsterdam. In 2002 he moved to Foursome Investments (now Frog Capital) as the lead investor of an environmental technology and a later stage development capital fund. David joined Albion Ventures in 2005 and became a partner in Albion Ventures in 2009. David has a BSc in Economics from Warwick University.

Michael Kaplan, BA, MBA. Prior to joining Albion Ventures in 2007, Michael was a project leader with the Boston Consulting Group (BCG) where he focused on the retail and financial services sectors. More recently, Michael was part of BCG's growing Private Equity practice – which provides strategic due diligence to some of the world's biggest PE funds. Prior to his time with BCG, Michael was the Chief Financial Officer for Widevine Technologies, a security software company based in Seattle. Michael has a BA from the University of Washington and an MBA from INSEAD. He became a partner in Albion Ventures in 2010.

Ed Lascelles, BA (Hons), joined Albion Ventures in 2004. Ed began by advising quoted UK companies on IPOs, takeovers and other corporate transactions, first with Charterhouse Securities and then ING Barings. Companies ranged in value from £10 million to £1 billion, across the healthcare and technology sectors among others. After moving to Albion Ventures in 2004, Ed started investing in the technology, healthcare, financial and business services sectors. Ed became partner in 2009 and is responsible for a number of Albion's technology investments. He graduated from University College London with a first class degree in Philosophy.

Dr Christoph Ruedig, MA, MBA, joined Albion Ventures as an investment manager in October 2011 and primarily focuses on Albion's healthcare investments, alongside Andrew Elder. He initially practiced as a radiologist, before spending 3 years at Bain & Company. In 2006 he joined 3i plc working for their Healthcare Venture Capital arm leading investments in biotechnology, pharmaceuticals and medical technology. Most recently he has worked for General Electric UK, where he was responsible for mergers and acquisitions in the medical technology and healthcare IT sectors. He holds a degree in medicine from Ludwig-Maximilians University, Munich and an MBA from INSEAD.

Henry Stanford, MA, ACA, qualified as a chartered accountant with Arthur Andersen before joining the corporate finance department of Close Brothers Group in 1992, becoming an assistant director in 1996. He moved to Albion Ventures in 1998. Henry became a partner in Albion Ventures in 2009. He holds an MA degree in Classics from Oxford University.

Robert Whitby-Smith, BA (Hons), MSI, ACA. After graduating in History at Reading University, Robert qualified as a chartered accountant at KPMG and subsequently worked in corporate finance at Credit Suisse First Boston and ING Barings. Since joining in 2005, Robert has assisted in the workout of three VCT portfolios (Murray VCT PLC, Murray VCT 2 PLC and Murray VCT 3 PLC now renamed Crown Place VCT PLC) formerly managed by Aberdeen Murray Johnson, and is responsible for investments in the leisure, manufacturing and technology sectors. Robert became a partner in Albion Ventures in 2009.

Marco Yu, MPhil, MA, MRICS, spent two and a half years 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 in 2007 and became an investment manager in Albion Ventures in 2009. Marco graduated from Cambridge University with a first class degree in economics and is a Chartered Surveyor.

Portfolio of investments

The following is a summary of non-current asset investments with a value as at 30 June 2012:

			At 30 June 2012			At 30 June 2011		
Investment name	**Nature of business**	**% voting rights**	**% voting rights of AVL* managed companies**	**Cost £'000**	**Value £'000**	Cost £'000	Value £'000	Change in value for the year** £'000
Qualifying unquoted asset-based investments								
Radnor House School (Holdings) Limited	Independent school for children ages 7-18	9.0	**50.0**	**1,564**	**2,036**	1,564	1,614	422
The Crown Hotel Harrogate Limited	Owner and operator of the Crown Hotel, Harrogate	15.0	**50.0**	**2,976**	**2,023**	2,976	2,179	(156)
Oakland Care Centre Limited	Owner and operator of care home for residents suffering from dementia	18.4	**50.0**	**1,600**	**2,012**	1,030	1,056	386
Kensington Health Clubs Limited	Owner and operator of a health and fitness club in West London	7.8	**50.0**	**1,789**	**1,216**	1,789	1,247	(31)
Kew Green VCT (Stansted) Limited	Owner and operator of the 'Holiday Inn Express' at Stansted Airport	2.0	**50.0**	**985**	**917**	1,000	954	(22)
The Charnwood Pub Company Limited	Owner and operator of freehold pubs	6.9	**50.0**	**2,093**	**916**	2,204	1,029	(40)
The Stanwell Hotel Limited	Owner and operator of the Stanwell Hotel at Heathrow Airport	10.8	**50.0**	**1,531**	**757**	1,454	1,053	(373)
Orchard Portman Hospital Limited	Owner and operator of a psychiatric hospital in Taunton	11.3	**50.0**	**745**	**734**	711	713	(13)
CS (Brixton) Limited	Cinema owner and operator	9.6	**50.0**	**411**	**729**	411	596	133
Tower Bridge Health Clubs Limited	Owner and operator of a health and fitness club in central London	9.5	**50.0**	**529**	**661**	577	649	60
Bravo Inns II Limited	Owner and operator of freehold pubs	3.8	**50.0**	**550**	**553**	505	483	25
The Street by Street Solar Programme Limited	PV installations	4.4	**50.0**	**443**	**447**	83	83	4
TEG Biogas (Perth) Limited	Anaerobic digestion	6.1	**50.0**	**364**	**403**	352	354	37
Nelson House Hospital Limited	Owner and operator of a psychiatric hospital in Gosport	4.0	**50.0**	**375**	**392**	139	139	17
Alto Prodotto Wind Limited	Wind power generator	4.1	**50.0**	**371**	**371**	–	–	–
Regenerco Renewable Energy Limited	PV Installations	1.8	**50.0**	**326**	**326**	21	21	–
The Weybridge Club Limited	Owner and operator of a freehold health and fitness club in Weybridge, Surrey	1.2	**50.0**	**190**	**147**	190	148	(1)
Bravo Inns Limited	Owner and operator of freehold pubs	2.6	**50.0**	**230**	**145**	230	140	5
CS (Exeter) Limited	Cinema owner and operator	9.6	**50.0**	**157**	**140**	157	114	26
AVESI Limited	Wind power operator	3.8	**50.0**	**117**	**117**	17	17	–
Taunton Hospital Limited	Owner and operator of a psychiatric hospital in Taunton	1.6	**50.0**	**100**	**97**	100	100	(3)
Premier Leisure (Suffolk) Limited	Freehold cinema owner	5.7	**50.0**	**420**	**95**	420	101	(6)
The Dunedin Pub Company VCT Limited	Owner and operator of freehold pubs	7.8	**50.0**	**83**	**77**	87	82	(1)
CS (Norwich) Limited	Cinema owner and operator	3.8	**50.0**	**60**	**76**	60	63	13
Greenenerco Limited	Wind power operator	1.9	**50.0**	**65**	**65**	–	–	–
GB Pub Company VCT Limited	Owner and operator of freehold pubs	9.0	**50.0**	**321**	**27**	364	97	(54)
Total qualifying unquoted asset-based investments				**18,395**	**15,479**	16,441	13,032	428

Portfolio of investments continued

			At 30 June 2012			At 30 June 2011		
Investment name	**Nature of business**	**% voting rights**	**% voting rights of AVL* managed companies**	**Cost £'000**	**Value £'000**	Cost £'000	Value £'000	Change in value for the year** £'000
Qualifying unquoted growth investments								
ELE Advanced Technologies Limited	Manufacturer of precision engineering components	48.3	**48.3**	**1,050**	**2,196**	1,050	2,263	(67)
Lowcosttravelgroup Limited	Online travel business	5.0	**26.0**	**455**	**964**	455	423	541
Blackbay Limited	Provider of mobile data solutions	4.1	**34.9**	**454**	**622**	458	590	36
Helveta Limited	Provider of traceability software solutions	5.0	**33.4**	**842**	**520**	488	444	(278)
Masters Pharmaceuticals Limited	International distributions of specialist pharmaceuticals	2.4	**16.9**	**474**	**455**	474	465	(10)
House of Dorchester Limited	Chocolate manufacturer	23.3	**23.3**	**199**	**406**	327	446	88
Mirada Medical Limited	Developer of medical imaging software	7.7	**50.0**	**179**	**396**	179	347	49
Mi-Pay Limited	Provider of mobile payment services	3.9	**49.9**	**526**	**371**	387	328	(96)
Hilson Moran Holdings Limited	Multi-disciplinary engineering consultancy	4.5	**50.0**	**319**	**346**	–	–	27
Prime Care Holdings Limited	Provider of domiciliary care services	8.7	**49.9**	**517**	**287**	517	461	(174)
Rostima Holdings Limited	Provider of workforce management solutions software	5.5	**39.3**	**129**	**264**	108	169	74
Opta Sports Data Limited	Compiler of sports performance data	1.4	**14.2**	**176**	**218**	176	159	59
Process Systems Enterprise Limited	Provider of process systems modeling solutions	1.2	**18.1**	**124**	**198**	100	124	50
DySIS Medical Limited	Medical devices for the detection of epithelial cancers	2.7	**19.0**	**423**	**186**	350	283	(170)
AMS Sciences Limited (formerly Xceleron Limited)	Drug development services to the life-science industries	3.7	**49.6**	**110**	**170**	382	235	47
Memsstar Limited	Refurbisher of semiconductor fabrication equipment	1.9	**28.1**	**130**	**132**	130	149	(17)
Palm Tree Technology PLC	Software company	0.2	**0.7**	**102**	**123**	102	61	62
Chichester Holdings Limited	Drinks distributor to the travel sector	9.1	**50.0**	**600**	**121**	600	96	25
Oxsensis Limited	Developer and producer of high temperature sensors	1.4	**20.6**	**213**	**76**	192	109	(54)
Abcodia Limited	Services for validation and discovery of serum biomarkers	1.3	**21.4**	**45**	**45**	45	45	–
Uctal Limited	TV production company	24.2	**24.2**	**1,494**	**25**	1,494	50	(25)
Evolutions Television Limited	Provider of TV post production services	n/a	**n/a**	**1**	**1**	26	3	–
				8,562	**8,122**	8,040	7,250	167
Other investments valued at nil				**129**	**–**	129	–	–
Total qualifying unquoted growth investments				**8,691**	**8,122**	8,169	7,250	167
Total qualifying unquoted investments				**27,086**	**23,601**	24,610	20,282	595

Portfolio of investments continued

			At 30 June 2012			At 30 June 2011		
Investment name	**Nature of business**	**% voting rights**	**% voting rights of AVL* managed companies**	**Cost £'000**	**Value £'000**	Cost £'000	Value £'000	Change in value for the year** £'000
Qualifying AIM quoted investments								
Avanti Communications Group plc	Supplier of satellite communications	0.2	**0.2**	**371**	**573**	371	661	(88)
Augean PLC	Waste management	0.4	**0.4**	**590**	**124**	590	102	22
Insetco plc	Investor in businesses that specialise in financial products	–	**–**	**81**	**–**	81	–	–
Total qualifying AIM quoted investments				**1,042**	**697**	1,042	763	(66)
Total qualifying investments				**28,128**	**24,298**	25,652	21,045	529
Non-qualifying unquoted investments				**29**	**28**	43	33	(1)
Non-qualifying AIM quoted investments				**7**	**7**	8	8	–
Total non-qualifying investments				**36**	**35**	51	41	(1)
Total non-current asset investments				**28,164**	**24,333**	25,703	21,086	528
Realised loss in current year								(77)
Movement in loan stock accrued interest								(33)
Transfer of unrealised gains to current asset investments								120
Total gains on investments as per consolidated statement of comprehensive income								**538**

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

The comparative cost and valuations for 30 June 2011 do not agree to the Annual Report and Financial Statements for the year ended 30 June 2011 as the above list does not include brought forward investments that were fully disposed of in the year.

Realisations during the year ended 30 June 2012 **Company**	**Cost £'000**	**Opening carrying value £'000**	**Disposal proceeds £'000**	**Total realised gain/(loss) £'000**	**Gain/(loss) on opening value £'000**
Evolutions Group Limited	42	33	38	(4)	5
Evolutions Television Limited	27	3	7	(20)	4
Green Energy Property Services Limited	38	19	35	(3)	16
Lowcosttravelgroup Limited	–	–	3	3	3
Radnor House School (Holdings) Limited	–	–	37	37	37
Red-M Wireless Limited	85	19	–	(85)	(19)
Uctal Limited	–	–	28	28	28
Xceleron Limited (restructuring)	350	190	–	(350)	(190)
Loan stock only repayments	444	379	444	–	65
Total	**986**	**643**	**592**	**(394)**	**(51)**

Portfolio companies

The top ten qualifying investments by total aggregate value of equity and loan stock are as follows:

ELE Advanced Technologies Limited

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

Audited results: year to 29 April 2011	£'000	**Investment information**	£'000
Turnover	9,912	Income recognised in the year	–
Profit before interest	1,124	Total cost	1,050
Profit before tax	1,072	Total equity valuation	2,196
Net assets	4,707	Total loan stock valuation	–
Basis of valuation:	Earnings multiple	Voting rights	48.3%
Website:	www.eleat.co.uk		

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

Radnor House School (Holdings) Limited

Radnor House is a co-educational independent day school in Twickenham, which opened in September 2011. It is located in historic buildings on the banks of the River Thames in South West London. In its first Ofsted inspection the school was graded Outstanding in all categories, placing it in the top 0.5% of all schools in the UK inspected by Ofsted.

Audited results: period to 31 August 2011	£'000	**Investment information**	£'000
Turnover	29	Income recognised in the year	38
Loss before interest	(1,426)	Total cost	1,564
Loss before tax	(1,645)	Total equity valuation	683
Net assets	638	Total loan stock valuation	1,353
Basis of valuation:	Net asset value supported by third party valuation	Voting rights	9.0%
Website:	www.radnorhouse.org		

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

The Crown Hotel Harrogate Limited

The company acquired the historic 114 bedroom Crown Hotel in Harrogate, Yorkshire in November 2005. A refurbishment has been carried out and the hotel is once again recognised as one of the leading hotels in Harrogate.

Audited results: year to 31 March 2011	£'000	**Investment information**	£'000
Turnover	2,697	Income recognised in the year	112
EBITDA	555	Total cost	2,976
Profit before interest	94	Total equity valuation	–
Loss before tax	(795)	Total loan stock valuation	2,023
Net liabilities	(3,886)	Voting rights	15.0%
Basis of valuation:	Net asset value supported by third party valuation		
Website:	www.crownhotelharrogate.com		

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

Oakland Care Centre Limited

The company owns and operates a 46 bed freehold residential care facility in Chingford, Greater London.

Audited results: period to 30 September 2011	£'000	**Investment information**	£'000
Turnover	–	Income recognised in the year	67
Loss before interest	(127)	Total cost	1,600
Loss before taxation	(126)	Total equity valuation	830
Net assets	1,164	Total loan stock valuation	1,182
Basis of valuation:	Net asset value supported by third party valuation	Voting rights	18.4%
Website	www.bayfieldcourt.co.uk		

Funds managed and advised by Albion Ventures LLP have invested in this company and their combined equity holding in the company is 50.0 per cent..

Kensington Health Clubs Limited

The 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.

Audited results: year to 30 September 2011	£'000	**Investment information**	£'000
Turnover	2,073	Income recognised in the year	99
EBITDA	679	Total cost	1,789
Loss before tax	(817)	Total equity valuation	35
Net assets	322	Total loan stock valuation	1,181
Basis of valuation:	Net asset value supported by third party valuation	Voting rights	7.8%
Website:	www.thirtysevendegrees.co.uk/olympia		

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

Portfolio companies continued

Lowcosttravelgroup Limited

Lowcosttravelgroup Limited is an online travel business specialising in dynamic packages to the Mediterranean and the Balearic Islands.

Audited results: year to 31 October 2011	£'000	**Investment information**	£'000
Turnover	53,811	Income recognised in the year	7
Profit before interest	994	Total cost	455
Profit before tax	977	Total equity valuation	779
Net assets	7,942	Total loan stock valuation	185
Basis of valuation:	Earnings multiple	Voting rights	5.0%
Website:	www.lowcostholidays.com		

Funds managed by Albion Ventures LLP have invested in this company and have a combined equity holding of 26.0 per cent..

Kew Green VCT (Stansted) Limited

The company developed and operates a limited service hotel under the "Holiday Inn Express" brand at Stansted Airport on a 125 year lease. The hotel opened in January 2005 with 183 bedrooms. A 71 bedroom extension opened in July 2007, taking the hotel to 254 bedrooms.

Audited results: year to 31 August 2011	£'000	**Investment information**	£'000
Turnover	5,016	Income recognised in the year	71
Profit before interest	1,292	Total cost	985
Profit before tax	705	Total equity valuation	238
Net assets	4,261	Total loan stock valuation	679
Basis of valuation:	Net asset value supported by third party valuation	Voting rights	2.0%
Website:	www.expressstanstedairport.co.uk		

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

The Charnwood Pub Company Limited

The company owns and operates 10 freehold public houses in central England. The pubs have had a refurbishment programme and have also received a strengthening of management.

Audited results: year to 31 March 2011	£'000	**Investment information**	£'000
Turnover	3,980	Income recognised in the year	55
EBITDA	417	Total cost	2,093
Loss before tax	(534)	Total equity valuation	–
Net liabilities	(1,142)	Total loan stock valuation	916
Basis of valuation:	Net asset value supported by third party valuation	Voting rights	6.9%
Website:	www.charnwoodpubco.co.uk		

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

The Stanwell Hotel Limited

The company acquired the 19 bedroom Stanwell Hall Hotel near Heathrow in August 2007. Planning consent was subsequently obtained to extend and remodel the hotel and it recommenced trading as The Stanwell with 52 bedrooms in May 2010.

Audited results: year to 31 August 2011	£'000	**Investment information**	£'000
Turnover	1,032	Income recognised in the year	–
EBITDA	(41)	Total cost	1,531
Loss before tax	(2,790)	Total equity valuation	–
Net liabilities	(2,731)	Total loan stock valuation	757
Basis of valuation:	Net asset value supported by third party valuation	Voting rights	10.8%
Website:	www.thestanwell.com		

Funds managed and advised by Albion Ventures LLP have invested in this company and their combined equity holding is 50.0 per cent..

Orchard Portman Hospital Limited

The company owns and operates a psychiatric hospital in Taunton, Somerset.

Audited results: period to 30 April 2011	£'000	**Investment information**	£'000
Turnover	–	Income recognised in the year	22
EBITDA	(161)	Total cost	745
Loss before tax	(234)	Total equity valuation	230
Net assets	664	Total loan stock valuation	504
Basis of valuation:	Net asset value supported by third party valuation	Voting rights	11.3%
Website:	www.orchardportman.com		

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

Directors' report

The Directors submit their Annual Report and the audited Financial Statements of Crown Place VCT PLC (the "Company"), including the consolidated Financial Statements, for the year ended 30 June 2012.

BUSINESS REVIEW

Principal activity and status

The principal activity of the Company and Group is that of a Venture Capital Trust. It has been approved by H.M. Revenue & Customs ("HMRC") as a venture capital trust in accordance with Part 6 of the Income Tax Act 2007 and in the opinion of the Directors, the Company and Group has conducted its affairs so as to enable it to continue to obtain such approval. Approval for the year ended 30 June 2012 is subject to review in the unlikely event there be any subsequent enquiry under corporation tax self assessment.

The Company is not a close company for taxation purposes and its shares are 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 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 is comprised entirely of Ordinary shares, which represent 100 per cent. of the total share capital and voting rights. All shares (except for treasury shares which have no rights to a dividend and no voting rights) rank pari passu for dividend and voting purposes. 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 304,939 new Ordinary shares under the Dividend Reinvestment Scheme.

During the year the Company issued a total of 4,691,960 Ordinary shares under the Albion VCTs Linked Top Up Offer launched in November 2011. The proceeds of the Offer will be used to provide further resources to the Company at a time when a number of attractive new investment opportunities are being seen. The Offer closed on 31 May 2012.

Details of all share allotments can be found in note 15.

Substantial interests and shareholder profile

As at 30 June 2012 and the date of this report, the Company is aware that Giltspur Nominees Limited (on behalf of clients) had an interest of 3.9 per cent. (2011: 4.2 per cent.) of the voting rights. There have been no disclosures in accordance with Disclosure and Transparency Rule 5 made to the Company during the year ended 30 June 2012 and to the date of this report.

The shareholder profile of the fund as at 30 June 2012 is as follows (excluding treasury shares):

Number of shares held	% shareholders	% share capital
1 – 10,000	54.1	13.4
10,001 – 50,000	37.8	39.6
50,001 – 100,000	6.0	20.2
100,001 – 500,000	1.9	16.7
500,001 – 10,000,000	0.2	10.1

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 issued in November 2005.

- No holding of the Company in any other company will represent more than 15 per cent. by cost at the time of investment, 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.

Directors' report continued

The Company currently holds three AIM investments which it will realise over time. The Company does not currently intend to make new investments in AIM quoted shares.

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 its 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';

(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 portfolio company and all investments funded through cash raised after April 2010 must comprise at least 70 per cent. equity; 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 portfolio company. The tests have been carried out and independently reviewed for the year ended 30 June 2012. 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 shares and securities, insurance, banking and agriculture.

Portfolio company gross assets must not exceed £15 million immediately prior to the investment and £16 million immediately thereafter. The maximum each company can receive from State Aided risk capital schemes is £5 million in any twelve month period.

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 2012, the Company's maximum permitted exposure was £24,956,000 (2011: £24,708,000) and its actual short term and long term gearing at this date was £nil (2011: £nil). The Directors do not currently have any intention to utilise long term gearing.

Current portfolio sector allocation
Details of the principal investments made by the Company are shown in the Portfolio of investments on pages 11 to 13.

Review of business and future changes
A detailed review of the Group'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 significant events which have occurred since the end of the financial year are listed in note 20. Details of related party transactions are shown in note 22.

Your Board, in conjunction with the Boards of five other VCTs managed by Albion Ventures, is planning to launch a top up offer of new Ordinary shares in October 2012. Details will be sent to shareholders at the time of launch. The proceeds will be used to provide further resources at a time when a number of attractive investment opportunities are being seen.

The Directors do not foresee any major changes in the activity undertaken by the Group in the current year.

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

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 Group. Further details regarding the terms of engagement of the Manager are shown on page 21.

Directors' report continued

Results and dividends

	£'000
Consolidated revenue profit for the year ended 30 June 2012	616
Revenue dividend of 1.25p per share paid on 30 November 2011	(953)
Revenue dividend of 1.25p per share paid on 31 March 2012	(957)
Unclaimed dividends returned to the Company	7
Transferred from revenue reserve	(1,287)
Consolidated capital profit for the year ended 30 June 2012	467
Transferred to capital reserves	467
Consolidated net assets as at 30 June 2012	25,950
Consolidated net asset per share as at 30 June 2012	**32.60p**

The Company paid dividends of 2.50 pence per share (2011: 2.50 pence per share) during the year ended 30 June 2012.

As described in the Chairman's statement, the Board has declared a first dividend for the year ending 30 June 2013 of 1.25 pence per share. This dividend will be paid on 30 November 2012 to shareholders on the register as at 2 November 2012.

As shown in the Group's statement of comprehensive income on page 31 of the Financial Statements, the investment income has decreased to £895,000 (2011: £1,157,000). This is primarily as a result of a dividend of £286,000 being received from one portfolio company in the prior year that did not pay a dividend in the current year. This reduction in income, partially offset by the recovery of VAT, has also decreased revenue return to equity holders to £616,000 (2011: £812,000).

The capital return for the year was a profit of £467,000, (2011: £762,000), as a result of the recovery of VAT from the previous manager, and realised and unrealised gains on investments made during the year, offset by management fees charged to capital.

The total return per share was 1.41 pence per share (2011: 2.15 pence per share).

The Consolidated balance sheet on page 32 of the Financial Statements shows that the net asset value per share has decreased slightly over the last year to 32.60 pence per share (2011: 33.65 pence per share). The fall in net asset value per share can be attributed to the payments of dividends, partly offset by profit for the year as noted above.

The consolidated cash flow for the business has been negative for the year, reflecting the purchase of qualifying investments, dividends paid and the purchase of shares for cancellation, partially offset by cash generated from operations, the disposal of investments and the issue of new share capital.

Share buybacks

The Company operates a policy of buying back shares either for cancellation or for holding in treasury. Details regarding the current policy can be found on page 6 of the Chairman's statement.

Key performance indicators

The Directors believe that the following key performance indicators are the most important for the business.

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 average annualised tax-free dividend to 30 June 2012 of 2.50 pence per share (2011: average annualised dividend 2.40 pence per share). It is the Company's current policy to pay an annual tax-free dividend of 2.50 pence per share.

The ongoing charges ratio for the year excluding the costs associated with, and the rebate of, VAT was 2.8 per cent. (2011: 2.6 per cent.).

The running yield on the portfolio (gross income divided by net asset value) for the year to 30 June 2012 was 3.5 per cent. (2011: 4.5 per cent.).

The Company continues to comply with HMRC rules in order to maintain its status under Venture Capital Trust legislation as highlighted on page 17.

Principal risks and uncertainties

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

1. *Economic risk*

   Changes in economic conditions, including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events

Directors' report continued

and other factors could substantially and adversely affect the Company's prospects in a number of ways.

To reduce this risk, in addition to investing equity in portfolio companies, the Company often invests in secured loan stock and has a policy of not permitting any external bank borrowings within portfolio companies. Additionally, the Manager has been rebalancing the sector exposure of the portfolio with a view to reducing reliance on consumer led sectors.

2. *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.

The success of investments in certain sectors is also subject to regulatory risk, such as those affecting companies involved in UK renewable energy.

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. In addition, the Manager operates a formal and structured investment process, which includes an Investment Committee, comprising investment professionals from the Manager and at least one external investment professional. The Manager also invites, and takes account of, comments from all non-executive Directors of the Company on investments discussed at the Investment Committee meetings. Investments are actively and regularly monitored by the Manager (investment managers normally sit on portfolio company boards) and the Board receives detailed reports on each investment as part of the Manager's report at quarterly board meetings. It is the policy of the Company for portfolio companies to not normally have external borrowings.

The Board and the Manager closely monitor regulatory changes within the sectors invested in.

3. *Valuation risk*

The Company's investment valuation method is reliant on the accuracy and completeness of information that is issued by portfolio companies. In particular, the Directors may not be aware of or take into account certain events or circumstances which occur after the information issued by such companies is reported.

As described in note 1 of the Financial Statements, the unquoted equity investments, convertible loan stock and debt issued at a discount held by the Company are designated at fair value through profit or loss and valued 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. These 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. The sensitivity of these assumptions is commented on further in notes 10 and 19. All other unquoted loan stock is measured at amortised cost.

4. *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 advisers. 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.

5. *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 the most senior levels within quoted businesses. In addition, the Board and the Manager receive regular updates on new regulation from its auditor, lawyers and other professional bodies.

6. *Internal control risk*

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

The Audit and Risk Committee meets with the Manager's internal auditors, Littlejohn LLP when required, 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. During the past year the Chairman of the Audit and Risk Committee has met with the internal audit partner of Littlejohn LLP to discuss the most recent internal audit report completed on the Manager. 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 Group's internal controls through the implementation of the Turnbull guidance are detailed on page 26.

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

7. *Reliance upon third parties risk*

The Group and the Company are 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 21). In addition, the Manager has demonstrated to the Board that there is no undue reliance placed upon any one individual within Albion Ventures LLP.

8. *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 Group's income and expenditure is denominated in sterling and hence the Group has no foreign currency risk. The Group is financed through equity and does not have any borrowings. The Group does not use derivative financial instruments for speculative purposes.

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 introducing electronic delivery of accounts and information to shareholders, as well as recycling and reducing energy consumption as shown in the Financial Statements of Albion Ventures LLP.

Employees

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

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 2012 were:

	Shares held as at 30 June 2012	Shares held as at 30 June 2011
Patrick Crosthwaite	16,000	16,000
Rachel Beagles	90,091	66,808
Karen Brade	4,889	4,525
Richard Huntingford (appointed 15 May 2012)	–	–
Vikram Lall (retired 15 May 2012)	n/a	72,743

There have been no changes in the holdings of the Directors between 30 June 2012 and the date of this report.

Partners and staff of Albion Ventures LLP (the Manager) currently hold 311,895 shares.

No Director has a service contract with the Group.

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

Directors' report continued

details regarding the Directors' remuneration are shown on page 28.

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 or her in relation to the performance of his or her 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 UK Corporate Governance Code. At the forthcoming Annual General Meeting, Rachel Beagles will retire and offer herself for re-election. Richard Huntingford, having been appointed since the last Annual General Meeting, will offer himself for election.

Management agreement
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. Total normal running costs, including the management fee, are limited to 3.5 per cent. of the net asset value.

The Manager is entitled to an arrangement fee, payable by each portfolio company in which the Company invests, in the region of two per cent. on each investment made, and also entitled to non-executive director fees when placing an investment executive from Albion Ventures LLP on the portfolio company Board.

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 is no performance fee due to the Manager for the year ended 30 June 2012 (2011: nil).

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 VCT managers. 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.

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.

Auditor
In 2007 the Audit and Risk Committee undertook a tendering exercise for provision of audit services. As a result of this process, PKF (UK) LLP were appointed as auditor with effect from 2008. The Audit and Risk Committee annually reviews and evaluates the standard and quality of service provided by the auditor, as well as value for money in the provision of these services. A resolution to re-appoint PKF (UK) LLP as auditor will be proposed at the forthcoming Annual General Meeting.

Supplier payment policy
The Group'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 2012 are 37 days (2011: 27). There were no overdue trade creditors at 30 June 2012 (2011: nil).

Annual General Meeting
The Annual General Meeting will be held at The City of London Club, 19 Old Broad Street, London, EC2N 1DS at

11:00 am on 13 November 2012. 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' and 'withheld'. A 'vote withheld' is not a vote in law and will not be counted in the proportion of the votes for and against the resolution.

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 7 will request the authority to allot up to an aggregate nominal amount of £884,351 representing approximately 10 per cent. of the issued Ordinary share capital of the Company as at the date of this report.

The Directors do not currently have any intention to allot shares, apart from the Dividend Reinvestment Scheme, any Top Up offer as described on page 7 of the Chairman's statement and reissuing treasury shares where it is in the Company's interest to do so.

This resolution replaces the authority given to the Directors at the Annual General Meeting in 2011. The authority sought at the forthcoming Annual General Meeting will expire 18 months from the date that this resolution is passed or at the conclusion of the next Annual General Meeting of the Company, whichever is earlier.

Dis-application of pre-emption rights

Special resolution number 8 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.

This resolution replaces the authority given to the Directors at the Annual General Meeting in 2011. 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 earlier. Members should note that this resolution also relates to treasury shares.

Purchase of own shares

Special resolution number 9 will request the authority to purchase approximately 14.99 per cent. of the Company's issued Ordinary share capital at, or between, the minimum and maximum prices specified in resolution 10. Shares bought back under this authority may be cancelled and up to 10 per cent. can be held in treasury.

The Board believes that it is helpful for the Company to continue to have the flexibility to buy its own shares and this resolution seeks authority from shareholders to do so.

This resolution would renew the 2011 authority, which was in similar terms. During the financial year under review, the Company purchased 1,646,500 Ordinary shares of 10 pence each for treasury, for an aggregate consideration of £468,000 including stamp duty, representing 2.0 per cent. of the issued share capital of the Company as at 30 June 2011. The Company also cancelled 71,000 shares from treasury.

This resolution replaces the authority given to the Directors at the Annual General Meeting in 2011. 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. Members should note that this resolution also relates to treasury shares.

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 these resolutions is intended to apply equally to shares to be held by the Company as treasury shares in accordance with the Regulations.

Special resolution number 10 will request the authority to permit Directors to sell treasury shares at the higher of the prevailing current share price and the price bought in at.

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, as the Directors intend to do in respect of their own beneficial shareholdings of 110,980 shares.

Statement of Directors' responsibilities

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 accounting 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 UK 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, to disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also 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 Chairman's statement, Manager's report and Directors' report include 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 and functions of all the Directors are stated on page 9.

Disclosure of information to the auditor

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 auditor is unaware; and
- each of the Directors has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

By Order of the Board

Albion Ventures LLP
Company Secretary
1 King's Arms Yard
London
EC2R 7AF
4 October 2012

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 UK Corporate Governance Code ("the Code") issued by the Financial Reporting Council ("FRC") in May 2010.

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 UK Corporate Governance 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 UK Corporate Governance 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 UK Corporate Governance 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. As the Board comprises wholly independent non-executive Directors, it is not considered necessary to appoint a senior independent Director.

Vikram Lall retired from the Board on 15 May 2012. Richard Huntingford was elected to the Board on 15 May 2012.

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 UK Corporate Governance Code, the Company has in place Directors' and Officers' Liability Insurance.

The Directors have considered diversity in relation to the composition of the Board and have concluded that its membership is diverse in relation to gender, experience and balance of skills.

The Board met four times during the year ended 30 June 2012 as part of its regular programme of Board meetings. In addition, and in accordance with best practice, a further meeting took place without the Manager present. All of the Directors attended each meeting. A sub-committee comprising at least two Directors met during the year to allot shares issued under the Dividend Reinvestment Scheme and the Albion VCTs Linked Top Up Offers 2011/2012. A sub-committee of the Board also met during the year to approve the terms and contents of the offer documents under the Albion VCTs Linked Top Up Offers 2011/2012.

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, 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 UK Corporate Governance Code, corporate governance and internal control;
- review of sub-committee recommendations, including the recommendation to shareholders for the appointment and remuneration of the auditor;
- approval of the appropriate dividend to be paid to shareholders;
- the appointment, evaluation, removal and remuneration of the Manager;

Statement of corporate governance continued

- 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 Rachel Beagles).

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 these 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, Richard Huntingford and Rachel Beagles, who are subject to election or re-election at the forthcoming Annual General Meeting, are considered by the remainder of the Board to be effective and show their strong commitment to the role and they are recommended for appointment or re-appointment.

Remuneration Committee
Since the Company has no executive directors, the Directors' Remuneration disclosure requirements set out in the Listing Rules are not considered relevant.

Audit and Risk Committee
The Audit and Risk Committee consists of all Directors and Rachel Beagles is the Chairman. The Board considers that Rachel Beagles' analytical background at Deutsche Bank AG and her audit committee experience on other quoted companies to be appropriate and to provide the necessary skills required for this role. 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 2012; 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;
- reviewing the Company's financial controls;
- 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 auditor annually, evaluating the performance of the external auditor and making recommendations to the Board in relation to the appointment, reappointment and removal of the external auditor 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 auditor;
- meeting the external auditor at least once a year without the presence of the Manager;
- monitoring and reviewing the effectiveness of the Manager's internal audit function;
- ensuring that all Directors of the Company, and staff of companies which 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;
- 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 external auditor and reviewing their findings; and

Statement of corporate governance continued

- reviewing the performance of the Manager and making recommendations regarding their re-appointment to the Board.

The Committee reviews the performance and continued suitability of the Company's external auditor on an annual basis. They assess the external auditor's independence, qualification, extent of relevant experience, effectiveness of audit procedures as well as the robustness of their quality assurance procedures. In advance of each audit, the Committee obtains confirmation from the external auditor that they are independent and of the level of non-audit fees earned by them and their affiliates. There were no non-audit fees charged to the Company during the year.

As part of its annual review procedures, the Committee has obtained sufficient assurance from their own evaluation and the audit feedback documentation to recommend to the Board that PKF (UK) LLP is reappointed and that a resolution to this effect be proposed at the forthcoming Annual General Meeting.

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 Committee met during the year ended 30 June 2012 to discuss Board succession for the vacancy created by Vikram Lall's retirement. The Committee used the services of Trust Associates Limited to recommend a shortlist of appropriately qualified people and, following a detailed interviewing and referencing process, the Nomination Committee recommended the appointment of Richard Huntingford as a Director.

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 the UK Corporate Governance 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 UK Corporate Governance 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, through the Audit and Risk Committee, has performed a specific assessment for the purpose of this Annual Report and Financial Statements. This assessment considers all significant aspects of internal control arising during the year. The Audit and Risk Committee assists the Board in discharging its review responsibilities.

The main features of the internal control system with respect to financial reporting, implemented throughout the year are;

- segregation of duties between the preparation of valuations and recording into the accounting records;
- independent third party 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 FSA requirements;
- all published financial reports are reviewed by Albion Ventures LLP Compliance department;
- the Board reviews financial information; and
- a separate Audit and Risk Committee of the Board reviews published financial information.

As the Board has delegated the investment management and administration to Albion Ventures LLP, the Board feels that it is not necessary to have its own internal audit function. Instead, the Board had access to Littlejohn LLP, which, as internal auditor for Albion Ventures LLP undertakes periodic examination of the business processes and controls environment at Albion Ventures LLP, and ensures that any recommendations to implement improvements in controls are carried out. During the year, the Board reviewed internal audit reports prepared by Littlejohn LLP. The Board will

Statement of corporate governance continued

continue to monitor its system of internal control in order to provide assurance that it operates as intended.

Going concern

In accordance with the "Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009" issued by the Financial Reporting Council, the Board has assessed the Company's operation as a going concern. The Company has adequate 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 diligent 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.

The Board's assessment of liquidity risk and details of the Company's policies for managing its capital and financial risks are shown in note 19. The Company's business activities, together with details of its performance are shown in the Directors' report.

Conflicts of interest

Directors review the disclosure of conflicts of interest annually, with changes reviewed and noted at the beginning of each Board meeting. 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.

Capital structure and Articles of Association

Details regarding the Company's capital structure, substantial interests and Directors' powers to buy and issue shares are detailed in full on pages 16 and 22 of the Directors' report. The Company is not party to any significant agreements that may take effect, alter or terminate upon a change of control of the Company following a takeover bid. Any amendments to the Company's Articles of Association are by way of a special resolution subject to ratification by shareholders.

Relationships with shareholders

The Company's Annual General Meeting on 13 November 2012 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 a portfolio company.

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

Any enquiries relating to shareholdings, share certificates or changes to personal details can be directed to Computershare Investor Services PLC:

Tel: 0870 873 5857 (UK National Rate call, lines are open 8.30am – 5.30pm; Mon–Fri; calls may be recorded)
Website: www.investorcentre.co.uk

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

Shareholders can also contact the Chairman directly on pcrosthwaite@albion-ventures.co.uk

For enquiries relating to the performance of the Fund, and for financial advisors' information please contact Albion Ventures LLP:

Tel: 020 7601 1850 (lines are open 9.00 am – 5.30 pm, Mon–Fri; calls may be recorded)
E-mail: info@albion-ventures.co.uk
Website: www.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 not having a senior independent director and a chief executive officer, the Directors consider that the Company has complied throughout the year ended 30 June 2012 with all the relevant provisions set out in Section 1 of the Code, and with the AIC Code of Corporate Governance. The Company continues to comply with the Code as at the date of this report.

By Order of the Board

Patrick Crosthwaite
Chairman
4 October 2012

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 Directors' remuneration. As required by the Act, a resolution to approve the report will be proposed at the Annual General Meeting.

UNAUDITED INFORMATION

Remuneration Committee

The Remuneration Committee comprises all of the Directors, with Patrick Crosthwaite as Chairman. There was one meeting during the year at which the Committee reviewed the salaries paid to Directors in the context of salaries paid to other Directors of venture capital trusts, the number of Directors on the Board and the workload undertaken by Directors. The Committee's recommendation to the Board was that Directors' salaries should remain at the level of the previous year.

Directors' remuneration policy

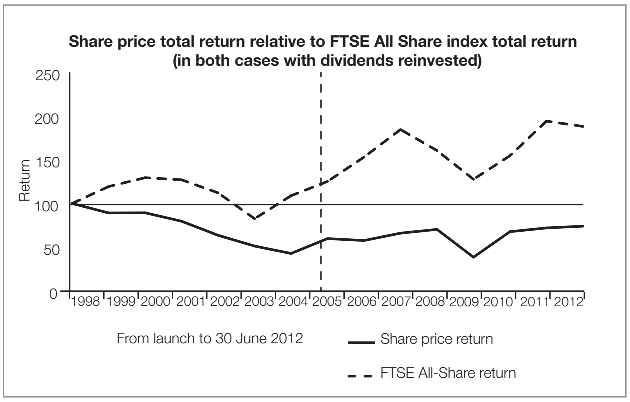
The Company's policy is that fees payable to Directors should reflect their expertise, responsibilities and time spent on Company matters. In determining the level of Directors' remuneration, market equivalents are considered in comparison to the overall activities and size of the Company.

The maximum aggregate level of 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.

The vertical dotted line indicates the date when the current Manager took over.



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

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 Richard Huntingford and Rachel Beagles will retire and be proposed for election or re-election.

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 during the year, exclusive of National Insurance:

	Year ended 30 June 2012		
	Fees £'000	Expenses £'000	Total £'000
Patrick Crosthwaite	21,000	–	21,000
Rachel Beagles	19,000	–	19,000
Karen Brade	17,500	–	17,500
Richard Huntingford (appointed 15 May 2012)	2,333	–	2,333
Vikram Lall (retired 15 May 2012)	16,000	2,300	18,300
	75,833	2,300	78,133

Directors' remuneration report continued

	Year ended 30 June 2011		
	Fees	Expenses	Total
	£'000	£'000	£'000
Patrick Crosthwaite	19,000	–	19,000
Rachel Beagles	17,000	–	17,000
Karen Brade	12,000	–	12,000
Vikram Lall	17,000	1,000	18,000
Andrew Cubie (retired 9 November 2010)	6,000	–	6,000
Geoffrey Vero (retired 27 September 2010)	4,000	–	4,000
	75,000	1,000	76,000

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 an annual premium in respect of Directors' and Officers' Liability Insurance of £13,595 (2011: £15,105).

By Order of the Board

Albion Ventures LLP
Company Secretary
1 King's Arms Yard
London
EC2R 7AF
4 October 2012

Independent Auditor's 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 2012 which comprise the Consolidated statement of comprehensive income, the Consolidated and Company balance sheets, the Consolidated statement of changes in equity, the 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 Group 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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on 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 of the Financial Statements

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 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. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 and of the Group's profit 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 Statement of corporate governance set out on pages 24 to 27 of the Annual Report in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook 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; or
- a corporate governance statement has not been prepared by the Company;

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 27, 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 UK Corporate Governance Code specified for our review; and
- certain elements of the report to the shareholders by the Board on Directors' remuneration.

Rhodri Whitlock (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor
London, UK
4 October 2012

Consolidated statement of comprehensive income

		Year ended 30 June 2012			Year ended 30 June 2011		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	2	**–**	**538**	**538**	–	1,089	1,089
Investment income and deposit interest	3	**895**	**–**	**895**	1,157	–	1,157
Investment management fees	4	**(110)**	**(332)**	**(442)**	(109)	(327)	(436)
Recovery of VAT	5	**96**	**261**	**357**	–	–	–
Other expenses	6	**(265)**	**–**	**(265)**	(236)	–	(236)
Profit before taxation		**616**	**467**	**1,083**	812	762	1,574
Taxation	7	**–**	**–**	**–**	–	–	–
Profit and total comprehensive income for the year		**616**	**467**	**1,083**	812	762	1,574
Basic and diluted return per Ordinary share (pence)*	9	**0.80**	**0.61**	**1.41**	1.11	1.04	2.15

* *excluding treasury shares*

The accompanying notes on pages 37 to 52 form an integral part of these Financial Statements.

The total column of this statement represents the Group's statement of comprehensive income, 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.

All revenue and capital items in the above statement derive from continuing operations and are wholly attributable to the owners of the parent Company.

Consolidated balance sheet

	Note	30 June 2012 £'000	30 June 2011 £'000
Non-current assets			
Investments	10	**24,333**	21,172
Non-current assets			
Trade and other receivables greater than one year	13	**–**	80
Current assets			
Trade and other receivables less than one year	13	**74**	102
Current asset investments	13	**92**	–
Cash and cash equivalents	17	**1,741**	4,550
		1,907	4,652
Total assets		**26,240**	25,904
Current liabilities			
Trade and other payables	14	**(290)**	(243)
Net assets		**25,950**	25,661
Equity attributable to equityholders			
Ordinary share capital	15	**8,844**	8,350
Share premium		**2,335**	1,259
Capital redemption reserve		**1,065**	1,058
Unrealised capital reserve		**(3,755)**	(4,712)
Realised capital reserve		**1,970**	2,460
Other distributable reserves		**15,491**	17,246
Total equity shareholders' funds		**25,950**	25,661
Basic and diluted net asset value per share (pence)*	16	**32.60**	33.65

* *excluding treasury shares*

The accompanying notes on pages 37 to 52 form an integral part of these Financial Statements.

These Financial Statements were approved by the Board of Directors, and authorised for issue on 4 October 2012 and were signed on its behalf by

Patrick Crosthwaite
Chairman

Company number: 03495287

Company balance sheet

	Note	30 June 2012 £'000	30 June 2011 £'000
Fixed assets			
Fixed asset investments	10	**24,333**	21,172
Investment in subsidiary undertakings	12	**15,560**	16,444
		39,893	37,616
Non-current assets			
Trade and other debtors greater than one year	13	**–**	80
Current assets			
Trade and other debtors less than one year	13	**74**	102
Current asset investments	13	**92**	–
Cash and cash equivalents	17	**1,684**	4,257
		1,850	4,359
Total assets		**41,743**	42,055
Creditors: amounts falling due within one year	14	**(15,793)**	(16,394)
Net assets		**25,950**	25,661
Capital and reserves			
Ordinary share capital	15	**8,844**	8,350
Share premium		**2,335**	1,259
Capital redemption reserve		**1,065**	1,058
Unrealised capital reserve		**(3,252)**	(3,325)
Realised capital reserve		**1,761**	2,407
Other distributable reserves		**15,197**	15,912
Shareholders' funds		**25,950**	25,661
Basic and diluted net asset value per share (pence)*	16	**32.60**	33.65

* *excluding treasury shares*

The Company balance sheet has been prepared in accordance with UK GAAP.

The accompanying notes on pages 37 to 52 form an integral part of these Financial Statements.

These Financial Statements were approved by the Board of Directors, and authorised for issue on 4 October 2012 and were signed on its behalf by

Patrick Crosthwaite
Chairman

Company number: 03495287

Consolidated statement of changes in equity

	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Unrealised capital reserve* £'000	Realised capital reserve* £'000	Other distributable reserves* £'000	Total £'000
As at 1 July 2011	8,350	1,259	1,058	(4,712)	2,460	17,246	25,661
Profit and total comprehensive income	–	–	–	615	(148)	616	1,083
Transfer of previously unrealised capital losses on sale of investments	–	–	–	342	(342)	–	–
Dividends paid	–	–	–	–	–	(1,903)	(1,903)
Cancellation of treasury shares	(7)	–	7	–	–	–	–
Purchase of own shares for treasury (including costs)	–	–	–	–	–	(468)	(468)
Issue of equity (net of costs)	501	1,076	–	–	–	–	1,577
As at 30 June 2012	**8,844**	**2,335**	**1,065**	**(3,755)**	**1,970**	**15,491**	**25,950**
As at 1 July 2010	7,918	32	972	(5,966)	(23,165)	44,622	24,413
Profit and total comprehensive income for the year	–	–	–	218	544	812	1,574
Transfer of previously unrealised losses on sale of investments	–	–	–	1,036	(1,036)	–	–
Dividends paid in year	–	–	–	–	–	(1,819)	(1,819)
Purchase of own shares for cancellation (including costs)	(86)	–	86	–	–	(252)	(252)
Issue of equity (net of costs)	518	1,227	–	–	–	–	1,745
Transfer from special reserve to realised capital reserve	–	–	–	–	26,117	(26,117)	–
As at 30 June 2011	8,350	1,259	1,058	(4,712)	2,460	17,246	25,661

* Included within these reserves is an amount of £13,706,000 (2011: £14,994,000) which is considered distributable.

The special reserve, treasury shares reserve and the revenue reserve have been combined in the Consolidated balance sheet to form a single reserve named other distributable reserves for both the current and prior year. The Directors consider the presentation of a single reserve to enhance the clarity of financial reporting. More details regarding treasury shares can be found in note 15.

Company reconciliation of movements in shareholders' funds

	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Unrealised capital reserve* £'000	Realised capital reserve* £'000	Other distributable reserves* £'000	Total £'000
As at 1 July 2011	8,350	1,259	1,058	(3,325)	2,407	15,912	25,661
Return for the year	–	–	–	615	(304)	1,656	1,967
Revaluation of investment in subsidiaries	–	–	–	(884)	–	–	(884)
Transfer of previously unrealised losses on sale of investments	–	–	–	342	(342)	–	–
Dividends paid in year	–	–	–	–	–	(1,903)	(1,903)
Cancellation of treasury shares	(7)	–	7	–	–	–	–
Purchase of own shares for treasury (including costs)	–	–	–	–	–	(468)	(468)
Issue of equity (net of costs)	501	1,076	–	–	–	–	1,577
As at 30 June 2012	**8,844**	**2,335**	**1,065**	**(3,252)**	**1,761**	**15,197**	**25,950**
As at 1 July 2010	7,918	32	972	(6,011)	(23,218)	44,720	24,413
Return for the year	–	–	–	220	544	(620)	144
Revaluation of investment in subsidiaries	–	–	–	1,430	–	–	1,430
Transfer of previously unrealised losses on sale of investments	–	–	–	1,036	(1,036)	–	–
Dividends paid in year	–	–	–	–	–	(1,819)	(1,819)
Purchase of own shares for cancellation (including costs)	(86)	–	86	–	–	(252)	(252)
Issue of equity (net of costs)	518	1,227	–	–	–	–	1,745
Transfer from special reserve to realised capital reserve	–	–	–	–	26,117	(26,117)	–
As at 30 June 2011	8,350	1,259	1,058	(3,325)	2,407	15,912	25,661

* Included within these reserves is an amount of £13,706,000 (2011: £14,994,000) which is considered distributable.

The special reserve, treasury shares reserve and the revenue reserve have been combined in the Company balance sheet to form a single reserve named other distributable reserves for both the current and prior year. The Directors consider the presentation of a single reserve to enhance the clarity of financial reporting. More details regarding treasury shares can be found in note 15.

Consolidated cash flow statement

	Note	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
Operating activities			
Investment income received		**832**	945
Deposit interest received		**34**	56
Dividend income received		–	287
Recovery of VAT		**357**	–
Investment management fees paid		**(439)**	(431)
Other cash payments		**(278)**	(256)
Cash generated from operations		**506**	601
Tax recovered		–	–
Net cash flows from operating activities	18	**506**	601
Cash flows from investing activities			
Purchase of non-current asset investments		**(3,258)**	(4,126)
Disposal of non-current asset investments		**699**	2,898
Net cash flows from investing activities		**(2,559)**	(1,228)
Cash flows from financing activities			
Issue of share capital (net of issue costs)		**1,485**	1,671
Equity dividends paid (net of costs of dividend reinvestment scheme and unclaimed dividends returned)		**(1,812)**	(1,743)
Purchase of own shares for treasury		**(429)**	–
Purchase of Ordinary shares for cancellation		–	(264)
Net cash flows used in financing activities		**(756)**	(336)
Decrease in cash and cash equivalents		**(2,809)**	(963)
Cash and cash equivalents at the start of the year		**4,550**	5,513
Cash and cash equivalents at the end of the year	**17**	**1,741**	4,550

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 UK GAAP relate to the Company Financial Statements.

Basis of accounting

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') adopted for use in the European Union (and therefore comply with Article 4 of the EU IAS regulation), in the case of the Group, and in accordance with UK GAAP 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 and Venture Capital Trusts" ('SORP') issued by the Association of Investment Companies ("AIC") in January 2009, in so far as this does not conflict with IFRS. The Financial Statements have been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS and UK GAAP. These Financial Statements are presented in Sterling to the nearest thousand. Accounting policies have been applied consistently in current and prior periods.

At the balance sheet date, the following International Accounting Standards and interpretations were in issue but not yet effective:

- **IFRS 7 Financial instruments: Disclosure** (effective for annual periods beginning on or after 1 January 2013)
- **IAS 12 Income Taxes** (effective for annual periods beginning on or after 1 January 2013)
- **IFRS 9 Financial instruments: Recognition and measurement** (effective for annual periods beginning on or after 1 January 2015)
- **IFRS 10 Consolidated Financial Statements** (effective for annual periods beginning on or after 1 January 2013)
- **IFRS 11 Joint Arrangements** (effective for annual periods beginning on or after 1 January 2013)
- **IFRS 12 Disclosure of Interest in Other Entities** (effective for annual periods beginning on or after 1 January 2013)
- **IFRS 13 Fair Value Measurement** (effective for annual periods beginning on or after 1 January 2013)
- **IAS 27, 28 Separate Financial Statements, Investments in associates** (effective for annual periods beginning on or after 1 January 2013)
- **IAS 19 Employee benefits** (effective for annual periods beginning on or after 1 January 2013)
- **IAS 1 Presentation of financial statements** (effective for annual periods beginning on or after 1 July 2012)
- **IAS 32 Presentation** (effective for annual periods beginning on or after 1 January 2014)
- **IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine** (effective for annual periods beginning on or after 1 January 2013)

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 may 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 2012 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 profit before tax for the year dealt with in the accounts of the Group is £1,967,000 (2011: £144,000).

Segmental reporting

The Directors are of the opinion that the Group and the Company are engaged in a single operating segment of business, being investment in equity and debt. The Group and the Company report to the Board which acts as the chief operating decision maker. The Group invests in smaller companies principally based in the UK.

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.

Notes to the Financial Statements continued

1. Accounting policies

Estimates

The preparation of the Group's 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. Those 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 held at fair value through profit or loss or measured in assessing any impairment of loan stocks 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.

Investment in subsidiaries

Investments in subsidiaries are revalued at the balance sheet date based on the underlying net assets of the subsidiary undertakings. Revaluation movements are recognised in the unrealised reserve.

Non-current asset investments

Quoted and unquoted equity investments, debt issued at a discount, and convertible bonds

In accordance with IAS 39 'Financial Instruments: Recognition and Measurement', and FRS 26 'Financial Instruments: Recognition and Measurement', quoted and unquoted equity, debt issued at a discount and convertible bonds 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 investments and gains and losses arising on the disposal of investments are reflected in the capital column of the Statement of comprehensive income 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 and unquoted equity derived instruments

Warrants and unquoted equity derived instruments are only valued 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 (excluding debt issued at a discount and convertible bonds) is classified as loans and receivables as permitted by IAS 39 and FRS 26 and measured at amortised cost using the effective interest rate method less impairment. Movements in the amortised cost relating to interest income are reflected in the revenue column of the Statement of comprehensive income, and hence are reflected in the revenue reserve, and movements in respect of capital provisions are reflected in the capital column of the Statement of comprehensive income and are reflected in the realised capital reserve following sale, or in the unrealised capital reserve for impairments arising from revaluations of the fair value of the security.

For all unquoted loan stock, fully performing, renegotiated, past due or impaired, the Board considers that the fair value is equal to or greater than the security value of 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 original effective interest rate. The future cash flows are estimated based on the fair value of the security held less estimated selling costs.

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

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

Loan stock accrued interest is recognised in the Balance sheet as part of the carrying value of the loans and receivables at the end of each reporting period.

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 as part of an investment portfolio are not accounted for using the equity method.

Current asset investments

Contractual future contingent receipts on the disposal of fixed asset investments are designated at fair value through profit and loss and are subsequently measured at fair value.

Notes to the Financial Statements continued

1. Accounting policies continued

Investment income

Quoted and unquoted equity income

Dividend income is included in revenue when the investment is quoted 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.

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 Statement of comprehensive income, except for management fees and performance incentive fees which are allocated in part to the capital column of the Statement of comprehensive income, to the extent that these relate to the maintenance or 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.

Issue costs

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

Taxation

Taxation is applied on a current basis in accordance with IAS 12 "Income taxes" and FRS 16 "Current tax". Taxation associated with capital expenses is applied in accordance with the SORP. Deferred taxation is provided in full on temporary differences and timing differences, 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 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. Deferred tax assets and liabilities are not discounted.

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.

Reserves

Share premium reserve

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

Unrealised capital reserve

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

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.

Realised capital reserve

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.

Notes to the Financial Statements continued

2. Gains on investments

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
Unrealised gains/(losses) on investments held at fair value through profit or loss	**948**	(10)
Unrealised (increases)/reversals of impairments on investments held at amortised cost	**(333)**	228
Unrealised gains on investments	**615**	218
Realised (losses)/gains on investments held at fair value through profit or loss	**(174)**	587
Realised gains on investments held at amortised cost	**123**	284
	(51)	871
Realised (losses) on current asset investments held at fair value through profit or loss	**(26)**	–
Realised (losses)/gains on investments	**(77)**	871
	538	1,089

Investments measured at amortised cost are unquoted loan stock investments as described in note 10.

3. Investment income and deposit interest

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
Income recognised on investments held at fair value through profit or loss		
UK dividend income	**–**	287
Interest on convertible bonds and debt issued at a discount	**60**	18
	60	305
Income recognised on investments held at amortised cost		
Return on loan stock investments	**804**	795
Bank deposit interest	**31**	57
	835	852
	895	1,157

Interest income earned on impaired investments at 30 June 2012 amounted to £185,000 (2011: £47,000). These investments are all held at amortised cost.

4. Investment management fees

	Year ended 30 June 2012			Year ended 30 June 2011		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
Investment management fee	**110**	**332**	**442**	109	327	436

Further details of the management agreement under which the investment management fee is paid are given in the Directors' report on page 21.

Notes to the Financial Statements continued

5. Recovery of VAT

The Company has received a repayment in respect of historic VAT from the previous manager, Murray Johnstone Limited. A sum of £357,000 (2011: nil) has been recognised as a separate item in the Consolidated statement of comprehensive income, allocated between revenue and capital in the same proportion as the original VAT was charged.

6. Profit before taxation is stated after charging:

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
Directors' remuneration	**76**	75
National insurance on Directors' remuneration	**6**	7
Auditor's remuneration:		
– audit of Financial Statements (excluding VAT)	**24**	23
– the auditing of accounts of associates of the Company pursuant to legislation (excluding VAT)	**5**	5
Other expenses	**154**	126
	265	236

Further information regarding Directors' remuneration can be found in the audited section of the Directors' remuneration report on page 28.

7. Taxation

	Year ended 30 June 2012			Year ended 30 June 2011		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
UK corporation tax (charge)/credit	**–**	**–**	**–**	–	–	–

The tax charge for the year shown in the Statement of comprehensive income is lower than the standard rate of corporation tax of 26 per cent. to 31 March 2012 and 24 per cent. from 1 April 2012 (average rate of 25.5 per cent.; 2011: average rate of 27.5 per cent.). The differences are explained below:

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
Profit on ordinary activities before taxation	**1,083**	1,574
Profit on ordinary activities multiplied by the standard rate of corporation tax (26 per cent. to 31 March 2012: 24 per cent. from 1 April 2012)	**(276)**	(428)
Effect of capital gains not subject to taxation	**137**	300
Effect of income not subject to taxation	**–**	79
Utilisation of tax losses	**139**	49
	–	–

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 £2,434,000 (2011: £2,216,000) in respect of unutilised management expenses and non-trading deficits 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 £1,712,000 (2011: £2,415,000) 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 2012 £'000	Year ended 30 June 2011 £'000
First dividend paid on 30 November 2011 (1.25 pence per share)	**953**	899
Second dividend paid on 31 March 2012 (1.25 pence per share)	**957**	920
Unclaimed dividends	**(7)**	–
	1,903	1,819

In addition to the dividends paid above, the Board has declared a first dividend for the year ending 30 June 2013, of 1.25 pence per Crown Place VCT PLC share. This will be paid on 30 November 2012 to shareholders on the register as at 2 November 2012. The total dividend will be approximately £995,000.

During the year, unclaimed dividends older than twelve years amounting to £7,000 (2011: nil) were returned to the Company in accordance with the terms of the Articles of Association.

9. Basic and diluted return per share

	Year ended 30 June 2012			Year ended 30 June 2011		
	Revenue	**Capital**	**Total**	Revenue	Capital	Total
Return attributable to equity shares (£'000)	**616**	**467**	**1,083**	812	762	1,574
Weighted average shares (excluding treasury shares)		**77,081,979**			73,413,178	
Return attributable per Ordinary share (pence) (basic and diluted)	**0.80**	**0.61**	**1.41**	1.11	1.04	2.15

The return per share has been calculated excluding treasury shares of 8,835,910 (2011: 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. Non-current asset investments

	30 June 2012 £'000	30 June 2011 £'000
Group and Company		
Investments held at fair value through profit or loss		
Unquoted equity and preference shares	**8,711**	7,141
Quoted equity	**704**	771
Discounted debt and convertible loan stock	**2,140**	839
	11,555	8,751
Investments held at amortised cost		
Unquoted loan stock	**12,778**	12,421
	24,333	21,172

Notes to the Financial Statements continued

10. Non-current asset investments continued

	30 June 2012 £'000
Opening valuation as at 1 July 2011	21,172
Purchases at cost	3,276
Disposal proceeds	(592)
Realised losses	(51)
Movement in loan stock accrued income	33
Transfer of unrealised gains to current asset investments	(120)
Unrealised gains	615
Closing valuation as at 30 June 2012	**24,333**
Movement in loan stock accrued income	
Opening movement in loan stock accrued income	49
Movement in loan stock accrued income	33
Closing movement in loan stock accrued income	**82**
Movement in unrealised losses	
Opening accumulated unrealised losses	(4,751)
Movement in unrealised gains	615
Transfer of unrealised gains to current asset investments	(120)
Transfer of previously unrealised losses to realised reserves on disposal	342
Closing accumulated unrealised losses	**(3,914)**
Historic cost basis	
Opening book cost	25,874
Purchases at cost	3,276
Sales at cost	(986)
Closing book cost	**28,164**

	30 June 2011 £'000
Opening valuation as at 1 July 2010	19,092
Purchases at cost	4,916
Disposal proceeds	(3,758)
Realised gains	871
Movement in loan stock accrued income	(167)
Unrealised gains	218
Closing valuation as at 30 June 2011	21,172
Movement in loan stock accrued income	
Opening movement in loan stock accrued income	216
Movement in loan stock accrued income	(167)
Closing movement in loan stock accrued income	49
Movement in unrealised losses	
Opening accumulated unrealised losses	(6,004)
Movement in unrealised gains	218
Transfer of previously unrealised losses to realised reserves on disposal	1,036
Closing accumulated unrealised losses	(4,751)
Historic cost basis	
Opening book cost	24,880
Purchases at cost	4,916
Sales at cost	(3,922)
Closing book cost	25,874

Transfer of unrealised gains to current asset investments represents the fair value of contingent future receipts on disposal of fixed asset investments recognised as current asset investments (see note 13).

Notes to the Financial Statements continued

10. Non-current asset investments continued

The Directors believe that the carrying value of loan stock measured at 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.

Additions and disposal proceeds included in the cash flow statement differ from the amounts shown in the note above, due to deferred consideration and settlement creditors and the restructuring of investments.

A schedule of disposals during the year is shown on page 13.

IFRS 7 'Financial Instruments: Disclosures' requires the Company to disclose the valuation methods applied to its investments measured at fair value through profit or loss in a fair value hierarchy according to the following definitions:

Fair value hierarchy	Definition of valuation method
Level 1	Unadjusted quoted (bid) prices applied
Level 2	Inputs to valuation are from observable sources and are directly or indirectly derived from prices
Level 3	Inputs to valuations are not based on observable market data

Quoted AIM investments are valued according to Level 1 valuation methods. Unquoted equity, preference shares, convertible loan stock and debt issued at a discount are all valued according to Level 3 valuation methods.

The Company's investments measured at fair value through profit or loss (level 3) had the following movements in the year to 30 June 2012:

	30 June 2012			30 June 2011		
	Equity £'000	**Discounted debt and convertible loan stock £'000**	**Total £'000**	Equity £'000	Discounted debt and convertible loan stock £'000	Total £'000
Opening balance	**7,141**	**839**	**7,980**	6,998	–	6,998
Additions	**1,096**	**1,145**	**2,241**	1,023	275	1,298
Disposal proceeds	**(27)**	**–**	**(27)**	(1,381)	–	(1,381)
Realised gains/(losses)	**33**	**(207)**	**(174)**	545	–	545
Representation of convertible debt	**–**	**–**	**–**	–	338	338
Unrealised gains/(losses)	**588**	**360**	**948**	(44)	226	182
Transfer of unrealised gains to current asset investments	**(120)**	**–**	**(120)**	–	–	–
Accrued loan stock interest	**–**	**3**	**3**	–	–	–
Closing balance	**8,711**	**2,140**	**10,851**	7,141	839	7,980

Unquoted investments held at fair value through profit or loss are valued in accordance with the IPEVCV guidelines as follows:

Investment valuation methodology	**30 June 2012 £'000**	30 June 2011 £'000
Cost (reviewed for impairment)	**1,786**	1,341
Net asset value supported by third party or desktop valuation	**2,904**	1,127
Recent investment price	**76**	697
Earnings multiple	**3,918**	3,427
Revenue Multiple	**2,167**	1,388
	10,851	7,980

Full valuations are prepared by independent RICS qualified surveyors in full compliance with the RICS Red Book. Desk top reviews are carried out by similarly RICS qualified surveyors by updating previously prepared full valuations for current trading and market indices.

Notes to the Financial Statements continued

10. Non-current asset investments continued

IFRS 7 requires the Directors to consider the impact of changing one or more of the inputs used as part of the valuation process to reasonable possible alternative assumptions. After due consideration and noting that the valuation methodology applied to 44 per cent. of the Level 3 investments (by valuation) is based on third party independent evidence, recent investment price and cost, the Directors believe that changes to reasonable possible alternative input assumptions for the valuation of the remainder of the portfolio could lead to a significant change in the fair value of the portfolio. The impact of these changes could result in an increase in the valuation of the equity investments by £736,000 or a decrease in the valuation of equity investments by £682,000.

The unquoted equity instruments had the following movements between investment methodologies between 30 June 2011 and 30 June 2012:

Change in investment valuation methodology (2011 to 2012)	Value as at 30 June 2012 £'000	Explanatory note
Price of recent investment to earnings multiple	136	Industry benchmarks available
Cost (reviewed for impairment) to net asset value supported by third party valuation	1,649	Third party valuation took place in the year
Earnings multiple to revenue multiple	284	Temporary trading losses

The valuation method used will be 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 2012.

11. Significant interests

The principal activity of the Group 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 portfolio company, it will not take a controlling interest or become involved in the management of a portfolio company. 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 portfolio companies as at 30 June 2012 as described below:

Company	Country of incorporation	Principal activity	% class and share type	% total voting rights
ELE Advanced Technologies Limited	Great Britain	Manufacturer of precision engineering components for the industrial gas turbine, aerospace and automotive markets	74.3% B Ordinary	48.3%
House of Dorchester Limited	Great Britain	Chocolate manufacturer	33.0% B Ordinary	23.3%
Tuscan Energy Group Limited*	Great Britain	In administration	42.5% C Ordinary	1.5%
Uctal Limited	Great Britain	TV production company	56.7% B Ordinary/A Preference and B Preference	24.2%

* Carried at nil value as at 30 June 2012.

The investments listed above are held as part of an investment portfolio and therefore, as permitted by IAS 28 and FRS 9, they are measured at fair value and not accounted for using the equity method.

Notes to the Financial Statements continued

12. Investments in subsidiary undertakings

	CP1 VCT PLC	CP2 VCT PLC (30 June 2012)	Total
	£'000	**£'000**	**£'000**
Carrying value as at 1 July 2011	**7,222**	**9,222**	**16,444**
Movement in subsidiary net assets	**(402)**	**(482)**	**(884)**
Carrying value as at 30 June 2012	**6,820**	**8,740**	**15,560**

	CP1 VCT PLC	CP2 VCT PLC (30 June 2011)	Total
	£'000	£'000	£'000
Carrying value as at 1 July 2010	6,572	8,441	15,013
Movement in subsidiary net assets	650	781	1,431
Carrying value as at 30 June 2011	7,222	9,222	16,444

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 2012	
	CP1 VCT PLC	**CP2 VCT PLC**
Nominal value of shares held	**£6,382,746**	**£8,219,350**
Percentage of total voting rights held	**100%**	**100%**

	30 June 2011	
	CP1 VCT PLC	CP2 VCT PLC
Nominal value of shares held	£6,382,746	£8,219,350
Percentage of total voting rights held	100%	100%

13. Trade and other receivables/debtors and current asset investments

	30 June 2012		30 June 2011	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Trade and other receivables/debtors less than one year	**74**	**74**	102	102
Trade and other receivables/debtors greater than one year	**–**	**–**	80	80
	74	**74**	182	182

	30 June 2012		30 June 2011	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Contingent future receipts on disposal of fixed asset investments	**92**	**92**	–	–

The fair value hierarchy applied to contingent future receipts on disposal of fixed asset investments is Level 3.

14. Trade and other payables/creditors

	30 June 2012		30 June 2011	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Amounts falling due within one year:				
Amounts due to subsidiary undertakings	**–**	**15,504**	–	16,166
Other payables	**104**	**104**	53	53
Accruals	**186**	**185**	190	175
	290	**15,793**	243	16,394

Interest is chargeable on intercompany balances at a rate of 12 per cent. per annum. Intercompany balances are payable on demand.

Notes to the Financial Statements continued

15. Called up share capital

	30 June 2012 £'000	30 June 2011 £'000
Allotted, called up and fully paid		
88,435,076 Ordinary shares of 10p each (2011: 83,509,177)	**8,844**	8,350
Allotted, called up and fully paid excluding treasury shares		
79,599,166 Ordinary shares of 10p each (2011: 76,248,767)		

The Company cancelled 71,000 (2011: 861,875) Ordinary shares from treasury during the year at a total cost of £27,000 (2011: £252,000) representing 0.1 per cent. of the shares in issue as at 30 June 2012. The shares purchased for cancellation were funded from the revenue reserve.

The Company purchased 1,646,500 Ordinary shares for treasury (2011: nil) during the year at a total cost of £468,000 (2011: nil).

The total number of shares held in treasury as at 30 June 2012 was 8,835,910 (2011: 7,260,410) representing 10.0 per cent. of the shares in issue as at 30 June 2012.

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	Net consideration received £'000	Opening mid market price per share on allotment pence per share
30 November 2011	145,641	15	31.7	46	30.00
30 March 2012	159,298	16	31.6	46	28.50
	304,939	31		92	

Under the terms of the Albion VCTs Linked Top Up Offers (which closed on 31 May 2012), the following Ordinary shares of nominal value 10 pence were issued during the year:

Allotment date	Number of shares allotted	Aggregate nominal value of shares £'000	Issue price per share pence per share	Net consideration received £'000	Opening mid market price per share on allotment pence per share
10 January 2012	1,191,601	119	33.5	378	27.50
20 March 2012	1,297,117	130	33.4	410	28.50
5 April 2012	1,987,138	199	33.4	627	28.50
31 May 2012	216,104	22	34.5	70	28.50
	4,691,960	470		1,485	

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 2012	30 June 2011
Net asset value per share attributable (pence)	**32.60**	33.65

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 79,599,166 shares (2011: 76,248,767) as at 30 June 2012.

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. Analysis of changes in cash during the year

	30 June 2012		30 June 2011	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Opening cash balances	**4,550**	**4,257**	5,513	5,400
Net cash flow	**(2,809)**	**(2,573)**	(963)	(1,143)
Closing cash balances	**1,741**	**1,684**	4,550	4,257

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

	Year ended	Year ended
	30 June 2012	30 June 2011
	£'000	£'000
Revenue return before tax	**616**	812
Capitalised expenses	**(332)**	(327)
Recovery of VAT charged to capital	**261**	–
(Increase)/decrease in accrued amortised loan stock interest	**(33)**	132
Decrease/(increase) in receivables	**3**	(3)
(Decrease) in payables	**(9)**	(13)
Net cash flow from operating activities	**506**	601

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 £24,956,000 (2011: £24,708,000) and as at 30 June 2012, the Group's gearing was nil (2011: nil). The Group's policy on gearing is described in more detail on page 17 of the Directors' report.

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 22 of the Directors' report.

The Group's financial instruments comprise equity and loan stock investments in unquoted companies, equity in AIM quoted companies, cash balances, 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 pages 11 to 13. 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 portfolio companies and the dynamics of market quoted comparators. The Manager receives management accounts from portfolio companies, and members of the investment management team often sit on the boards of unquoted portfolio companies; this enables the close identification, monitoring and management of investment risk.

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

The Board monitors the prices at which sales of investments are made to ensure that profits to the 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 £24,425,000 (2011: £21,172,000). Non-current and current asset investments form 94 per cent. of the net asset value as at 30 June 2012 (2011: 83 per cent.).

More details regarding the classification of non-current investments are shown in note 10.

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 pages 11 to 13 and in the Manager's report.

The valuation method used will be the most appropriate valuation methodology for an investment within its market, with regard to the financial health of the investment and the IPEVCV Guidelines.

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. (2011: 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 £2,442,500 (2011: £2,117,200).

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 rise of half a percentage point in all interest rates would be immaterial due to the level of fixed rate loan stock held within the portfolio. On the basis of the Company's analysis, it is considered that further falls in interest rates would not have a significant impact.

The weighted average interest rate applied to the Group's fixed rate assets during the year was approximately 6.3 per cent. (2011: 5.6 per cent.). The weighted average period to maturity for the fixed rate assets is approximately 2.9 years (2011: 2.5 years).

Notes to the Financial Statements continued

19. Capital and financial instruments risk management continued

Cash flow interest rate risk continued

The Group's financial assets and liabilities as at 30 June 2012, all denominated in pounds sterling, consist of the following:

	30 June 2012				30 June 2011			
	Fixed rate £'000	**Floating rate £'000**	**Non-interest £'000**	**Total £'000**	Fixed rate £'000	Floating rate £'000	Non-interest £'000	Total £'000
Unquoted loan stock (including convertible loan stock and discounted bonds)	**14,203**	**121**	**594**	**14,918**	13,260	–	–	13,260
Equity	**–**	**–**	**9,415**	**9,415**	–	–	7,912	7,912
Receivables*	**–**	**–**	**54**	**54**	–	–	182	182
Current asset investments	**–**	**–**	**92**	**92**	–	–	–	–
Payables	**–**	**–**	**(290)**	**(290)**	–	–	(243)	(243)
Cash	**–**	**1,741**	**–**	**1,741**	–	4,550	–	4,550
Net assets	**14,203**	**1,862**	**9,865**	**25,930**	13,260	4,550	7,851	25,661

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

The Company's financial assets and liabilities as at 30 June 2012, all denominated in pounds sterling, consist of the following:

	30 June 2012				30 June 2011			
	Fixed rate £'000	**Floating rate £'000**	**Non-interest £'000**	**Total £'000**	Fixed rate £'000	Floating rate £'000	Non-interest £'000	Total £'000
Unquoted loan stock (including convertible loan stock and discounted bonds)	**14,203**	**121**	**594**	**14,918**	13,260	–	–	13,260
Equity	**–**	**–**	**24,975**	**24,975**	–	–	24,356	24,356
Debtors*	**–**	**–**	**54**	**54**	–	–	182	182
Current asset investments	**–**	**–**	**92**	**92**	–	–	–	–
Current liabilities	**(15,504)**	**–**	**(289)**	**(15,793)**	(16,166)	–	(228)	(16,394)
Cash	**–**	**1,684**	**–**	**1,684**	–	4,257	–	4,257
Net assets	**(1,301)**	**1,805**	**25,426**	**25,930**	(2,906)	4,257	24,310	25,661

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

Credit risk

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

The Manager evaluates credit risk on loan stock 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 portfolio company in order to mitigate the gross credit risk. The Manager receives management accounts from portfolio companies, and members of the investment management team often sit on the boards of unquoted portfolio companies; this enables the close identification, monitoring and management of investment-specific credit risk.

Bank deposits 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 exposure to a maximum of 20 per cent. of net asset value for any one counterparty.

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 2012 was limited to £14,918,000 (2011: £13,260,000) of unquoted loan stock instruments (all are secured on the assets of the portfolio company) and £1,741,000 (2011: £4,550,000) of cash deposits with banks.

Notes to the Financial Statements continued

19. Capital and financial instruments risk management continued

Credit risk continued

As at the balance sheet date, the cash held by the Group is held with the Royal Bank of Scotland plc, Lloyds TSB Bank Plc, Scottish Widows Bank plc (part of Lloyds Banking Group) and Barclays Bank plc. Credit risk on 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 credit profile of unquoted loan stock is described under liquidity risk shown below.

The cost, impairment and carrying value of impaired loan stocks at 30 June 2012 and 30 June 2011 are as follows:

	30 June 2012			30 June 2011		
	Cost £'000	**Impairment £'000**	**Carrying value £'000**	Cost £'000	Impairment £'000	Carrying value £'000
Impaired loan stock	**6,694**	**(2,142)**	**4,552**	3,040	(1,403)	1,637

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

Liquidity risk

Liquid assets are held as cash on current account and cash on deposit or short term money market account. 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 £24,956,000 (2011: £24,708,000) as at 30 June 2012.

The Group has no committed borrowing facilities as at 30 June 2012 (2011: nil) and had cash balances of £1,741,000 (2011: £4,550,000) (Company £1,684,000; 2011: £4,257,000). 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 £290,000 (2011: £243,000) for the year to 30 June 2012 (Company: 30 June 2012; £15,793,000; 30 June 2011: £16,394,000). An amount of £15,504,000 (2011: £16,166,000) which is included within the Company's creditors, relates to intercompany balances and is not considered to carry liquidity risk.

The carrying value of loan stock investments at 30 June 2012, analysed by expected maturity dates is as follows:

Redemption date	**Fully performing loan stock £'000**	**Past due loan stock £'000**	**Impaired loan stock £'000**	**Total £'000**
Less than one year	**1,171**	**1,673**	**2,023**	**4,867**
1-2 years	**814**	**143**	**656**	**1,613**
2-3 years	**340**	**191**	**1,005**	**1,536**
3-5 years	**2,527**	**2,181**	**868**	**5,576**
More than 5 years	**467**	**859**	**–**	**1,326**
	5,319	**5,047**	**4,552**	**14,918**

The carrying value of loan stock investments at 30 June 2011, analysed by expected maturity dates is as follows:

Redemption date	Fully performing loan stock £'000	Past due loan stock £'000	Impaired loan stock £'000	Total £'000
Less than one year	535	813	360	1,708
1-2 years	881	3,805	–	4,686
2-3 years	735	705	179	1,619
3-5 years	3,590	439	1,098	5,127
More than 5 years	–	120	–	120
	5,741	5,882	1,637	13,260

Notes to the Financial Statements continued

19. Capital and financial instruments risk management continued

Liquidity risk continued

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

The average annual interest yield on the total cost of past due loan stocks is 6 per cent..

Loan stock with a carrying value of £4,764,000 had loan stock interest past due of less than 12 months. Within this, loan stock with a carrying value of £145,000 had capital past due by less than 12 months. Interest on this loan stock was received at a rate of 5.97 per cent. in accordance with renegotiated terms.

Loan stock with a carrying value of £283,000 had loan stock interest past due greater than 12 months but less than 18 months. Within this, loan stock with a carrying value of £123,000 had capital past due by greater than 12 months but less than 2 years.

In view of the availability of adequate cash balances and the repayment profile of loan stock investments, the Board considers that the Group is subject to low liquidity risk.

Fair values of financial assets and financial liabilities

All the Group's financial assets and liabilities as at 30 June 2012 are stated at fair value as determined by the Directors, with the exception of loans and receivables included within investments, cash, receivables and payables, which are measured at amortised cost, as permitted by 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. 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.

20. Post balance sheet events

Since 30 June 2012 the Company has completed the following material transactions:

- Investment of £8,000 in Rostima Holdings Limited completed in July 2012
- Investment of £12,000 in Nelson House Hospital Limited completed in August 2012
- Investment of £48,000 in AMS Sciences Limited completed in August 2012 and September 2012
- Repayment of £43,000 loan stock by Tower Bridge Health Clubs Limited in July and August 2012
- Repayment of £30,000 loan stock by Kew Green VCT (Stansted) Limited in July and August 2012
- Repayment of £67,000 loan stock by the Charnwood Pub Company Limited in July and September 2012
- Proceeds of £202,000 from the sale of shares in Avanti Communications Group plc in July 2012
- Receipt of deferred consideration of £142,000 from the sale of Dexela Limited

21. Contingencies and guarantees

There were no contingencies or commitments for, or guarantees by, the Group or Company as at 30 June 2012 (2011: nil).

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 with the Company (details disclosed on page 21 of this report). During the year, services of a total value of £492,000 (2011: £486,000) were purchased by the Company from Albion Ventures LLP; this includes £442,000 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 £135,000 (2011: £124,000).

Albion Ventures LLP holds 1,256 Ordinary shares as a result of fractional entitlements arising on the merger of Crown Place VCT PLC, CP1 VCT PLC and CP2 VCT PLC on 13 January 2006.

During the year the Company raised new funds through the Albion VCTs Linked Top Up Offers as detailed in note 15. The total cost of the issue of these shares was 5.5 per cent. of the sums subscribed. Of these costs, an amount of £8,200 was paid to the Manager, Albion Ventures LLP in respect of receiving agent services. There were no sums outstanding in respect of receiving agent services at the year end.

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 11:00 am on 13 November 2012 at The City of London Club, 19 Old Broad Street, London, EC2N 1DS for the following purposes:

To consider and, if thought fit, to pass the following resolutions, of which numbers 1 to 7 will be proposed as ordinary resolutions and numbers 8 to 10 as special resolutions.

Ordinary business

1. To receive and adopt the accounts and the reports of the Directors and auditor for the year ended 30 June 2012.

2. To re-appoint PKF (UK) LLP as auditor 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 auditor's remuneration.

4. To approve the Directors' remuneration report for the year ended 30 June 2012.

5. To re-elect Rachel Beagles as a Director of the Company.

6. To elect Richard Huntingford as a Director of the Company.

Special business

7. 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 £884,351 (which comprises 10 per cent. of the Ordinary share capital) such authority to expire on 13 May 2015, 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; and all unexercised authorities previously granted to the Directors to allot relevant securities be, and are hereby, revoked.

8. That subject to and conditional on the passing of resolution number 7, 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 7 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, open offer;

   (b) in connection with any Dividend Reinvestment Scheme introduced and operated by the Company; and

   (c) otherwise than pursuant to the sub-paragraphs above, in respect of the Ordinary shares, to an aggregate nominal amount of £884,351 (equal to 10 per cent. of the Ordinary share capital);

   and shall expire 18 months from the date of this resolution, or at the conclusion of the next Annual General Meeting, whichever is earlier, 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 requirement 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 7" were omitted.

9. That, subject to and in accordance with the Company's Articles of Association, the Company be generally and unconditionally authorised to make one or more market purchases (within the meaning of Section 693(4) of the Act) of Ordinary shares of 10p 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 aggregate number of shares authorised to be purchased is 13,256,417 Ordinary shares (representing approximately 14.99 per cent of the issued Ordinary shares as at the date of this Notice);

   (b) the minimum price, exclusive of any expenses, which may be paid for an Ordinary share is 10p;

   (c) the maximum price, exclusive of any expenses that 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 as derived from the London Stock Exchange Daily Official List, for a share over 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 conclusion of the next Annual General Meeting of the Company or eighteen months from the date of the passing of this 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 Ordinary shares in pursuance of any such contract or contracts.

   Under the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003, 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 9 is intended to apply equally to shares to be held by the Company as treasury shares in accordance with the Regulations.

10. That the Directors be empowered to sell treasury shares at the higher of the prevailing current share price and the price at which they were bought in.

BY ORDER OF THE BOARD

Albion Ventures LLP
Company Secretary
Registered Office
1 King's Arms Yard, London EC2R 7AF
4 October 2012

Notice of Annual General Meeting continued

Notes

1. Members entitled to attend, speak and vote at the General Meeting ("GM") 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 Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ;
   - going to www.computershare.co.uk and following the instructions provided there; or
   - by having an appropriate CREST message transmitted, if you are a user of the CREST system (including CREST personal members).

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

   To be effective the Form of Proxy must be completed in accordance with the instructions and received by the Registrars of the Company by 11:00 am on 11 November 2012.

2. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 ('the Act') to enjoy information rights (a "Nominated Person") may, under an agreement between him or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the GM. 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 GM (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 11:00 am on 11 November 2012 (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. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this GM and any adjournment(s) by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent by 11:00 am on 11 November 2012. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

   CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK and Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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

5. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

6. A copy of this Notice, and other information regarding the meeting, as required by section 311A of the Act, is available from www.albion-ventures.co.uk, Our Funds, Crown Place VCT PLC.

7. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

8. As at 4 October 2012 (being the latest practicable date prior to the publication of this Notice), the Company's issued share capital consists of 88,435,076 Ordinary shares. The Company holds 8,835,910 shares in treasury. Therefore, the total voting rights in the Company as at 4 October 2012 are 79,599,166.

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