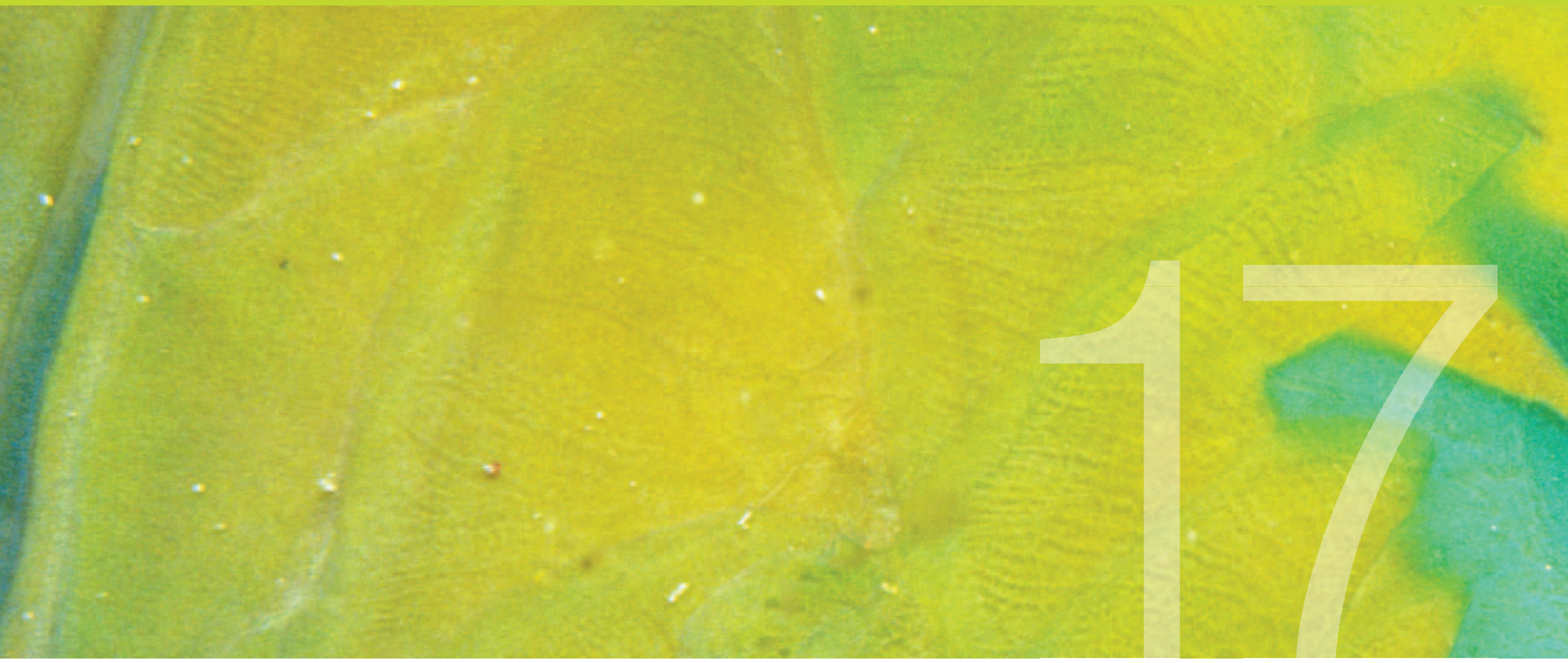
Annual Report and
Financial Statements
for the year
ended 30 June 2017



Crown Place VCT PLC

ALBION CAPITAL

Contents

Company information

Company number	03495287
Directors	Richard Huntingford, Chairman James Agnew Karen Brade Penny Freer
Country of incorporation	United Kingdom
Legal form	Public Limited Company
Manager, company secretary, AIFM and registered office of Crown Place VCT PLC and CP1 VCT PLC	Albion Capital Group LLP King's Arms Yard London, EC2R 7AF
Registrar	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol, BS99 6ZZ
Auditor	BDO LLP 55 Baker Street London, W1U 7EU
Taxation adviser	Philip Hare & Associates LLP 4 Staple Inn London, WC1V 7QH
Legal adviser	Bird & Bird LLP 15 Fetter Lane London, EC4A 1JP

Crown Place VCT PLC is a member of The Association of Investment Companies (www.theaic.co.uk).

Shareholder enquiries

For help relating to dividend payments, shareholdings and share certificates please contact Computershare Investor Services PLC:
Tel: 0370 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 crownchair@albion.capital

Financial adviser enquiries

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

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

Investment objective

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 both on more mature or asset-based investments and higher risk companies with greater growth prospects.

In this way, risk is spread by investing in a number of different businesses within venture capital trust qualifying industry sectors using a mixture of securities. The maximum amount which the Company will invest in a single company is 15 per cent. of the Company's assets at cost, thus ensuring a spread of investment risk. The value of an individual investment may increase over time as a result of trading progress and it is possible that it may grow in value to a point where it represents a significantly higher proportion of total assets prior to a realisation opportunity being available.

Under its Articles of Association, the Company's maximum exposure in relation to gearing is restricted to the amount of its adjusted share capital and reserves.

*The 'Company' is Crown Place VCT PLC. The 'Group' is the Company together with its subsidiary CP1 VCT PLC.

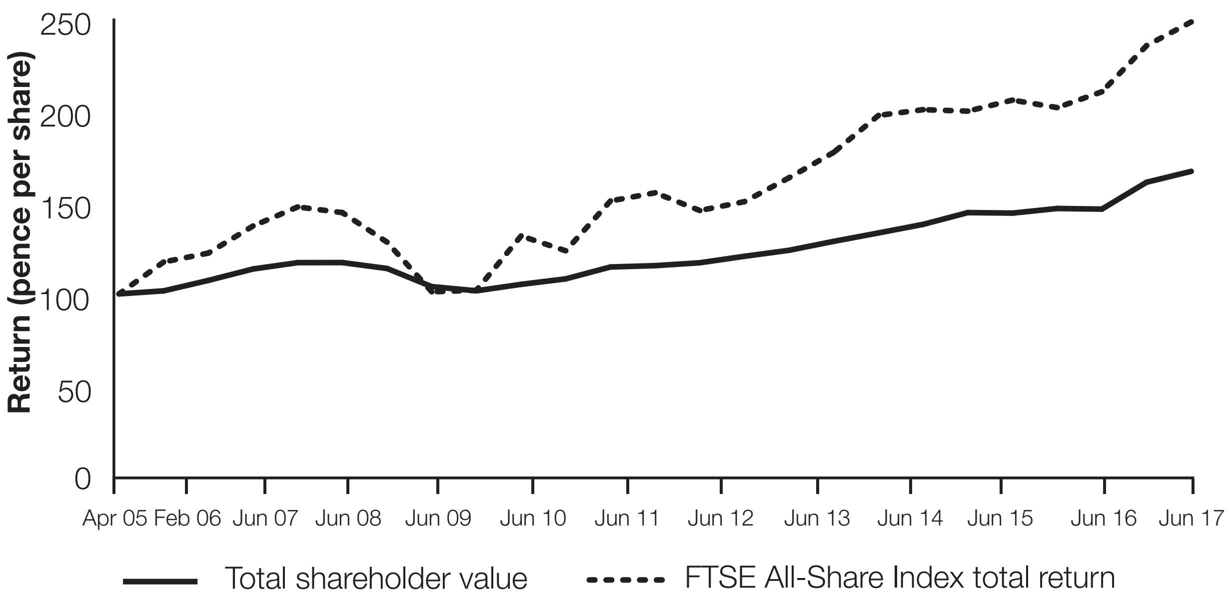
Financial calendar

Record date for first dividend	3 November 2017
Annual General Meeting	11.00 am on 8 November 2017
Payment of first dividend	30 November 2017
Announcement of half-yearly results for the six months ended 31 December 2017	February 2018
Payment of second dividend (subject to Board approval)	29 March 2018

Financial highlights

31.0p	Net asset value per share as at 30 June 2017
4.0p	Total return per share to shareholders for the year ended 30 June 2017
14.0%	Increase in total return on opening net asset value
2.0p	Total tax-free dividends per share paid during the year ended 30 June 2017
6.9%	Tax-free dividend yield on share price (total dividends paid in the year/share price as at 30 June 2017)

Total shareholder value* relative to FTSE All-Share Index total return



Source: Albion Capital Group LLP

* Total shareholder value is net asset value plus cumulative dividends paid since the appointment of Albion Capital Group LLP on 6 April 2005.

Methodology: The return to the shareholder, including original amount invested (rebased to 100) from when Albion Capital Group LLP became Manager on 6 April 2005, 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 2017 pence per share		30 June 2016 pence per share	
Opening net asset value		**28.94**		30.97
Revenue return	***0.41***		*0.59*	
Capital return/(loss)	***3.63***		*(0.18)*	
Total return		**4.04**		0.41
Dividends paid		**(2.00)**		(2.50)
Impact from buy-backs and issue of share capital		**–**		0.06
Closing net asset value		**30.98**		28.94

Shareholder return and shareholder value	**Crown Place VCT PLC* pence per share**
Shareholder return from launch to April 2005 (date that Albion Capital was appointed investment manager):	
Total dividends paid to 6 April 2005 (i)	24.93
Decrease in net asset value	(56.60)
Total shareholder return to 6 April 2005	(31.67)
Shareholder return from April 2005 to 30 June 2017:	
Total dividends paid	28.80
Decrease in net asset value	(12.42)
Total shareholder return from April 2005 to 30 June 2017	16.38
Shareholder value since launch:	
Total dividends paid to 30 June 2017 (i)	53.73
Net asset value as at 30 June 2017	30.98
Total shareholder value as at 30 June 2017	84.71
Current annual dividend objective	2.00
Dividend yield on net asset value as at 30 June 2017	6.5%

Notes

(i) 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*

The above financial summary is for the Company, Crown Place VCT PLC only. Details of the financial performance of CP1 VCT PLC (previously Murray VCT PLC) and CP2 VCT PLC (previously Murray VCT 2 PLC), which were merged into the Company, can be found on page 67.

Total shareholder value since launch:	**30 June 2017 (pence per share)**
Total dividends paid during:	
the period from launch to 6 April 2005 (prior to change of manager)	24.93
the year ended 28 February 2006	1.00
the period ended 30 June 2007	3.30
the year ended 30 June 2008	2.50
the year ended 30 June 2009	2.50
the year ended 30 June 2010	2.50
the year ended 30 June 2011	2.50
the year ended 30 June 2012	2.50
the year ended 30 June 2013	2.50
the year ended 30 June 2014	2.50
the year ended 30 June 2015	2.50
the year ended 30 June 2016	2.50
the year ended 30 June 2017	2.00
Total dividends paid to 30 June 2017	**53.73**
Net asset value as at 30 June 2017	**30.98**
Total shareholder value as at 30 June 2017	**84.71**

In addition to the dividends paid above, the Board has declared a first dividend for the year ending 30 June 2018, of 1 penny per Crown Place VCT PLC share, payable on 30 November 2017 to shareholders on the register on 3 November 2017.

Chairman's statement

Introduction
Crown Place VCT PLC achieved a total return of 4.04 pence per share (14.0 per cent. on opening NAV) for the year ended 30 June 2017, extending its track record of delivering a positive return to shareholders. The asset based portfolio performed particularly well, with a number of growth investments also contributing to the overall uplift in returns. The Company also saw significant interest from investors, with the Top Up Offer raising the full subscription amount of £6.0 million, ahead of its planned closing date.

Results and dividends
As at 30 June 2017, the net asset value was £45.6 million or 30.98 pence per share compared to £37.4 million or 28.94 pence per share at 30 June 2016. The ongoing charges ratio for the year reduced to 2.4 per cent. (2016: 2.5 per cent.).

During the year, the Company's realised and unrealised capital gains amounted to £5,435,000 compared to £238,000 in the previous year. Notable increases in valuations include Radnor House School, which has continued to trade strongly; Shinfield Lodge Care, Active Lives Care and Ryefield Court Care, the three luxury care homes near Reading, Oxford and Hillingdon, which are making good progress to maturity; Chonais River Hydro, which benefitted from increased valuations for infrastructure assets; and Proveca, a developer of paediatric drugs, which gained its first regulatory approval and saw strong interest from external investors. These uplifts were further supplemented by the successful exit of Exco InTouch, the digital health business, which was sold for around three times original cost, and the sales of Blackbay and Masters Pharmaceuticals, both at valuations above their costs.

These positive developments in the investment portfolio were partially offset by reductions in valuations in DySIS Medical, Cisiv and Abcodia and in respect of the Company's quoted investment, Mi-Pay Group. Further details of the Company's financial performance are given in the Strategic report on page 8.

The Company paid dividends totalling 2.0 pence per share during the financial year, representing a dividend yield on NAV of 6.5 per cent. (2016: 6.9 per cent.). The Board is proposing a first dividend for the year to 30 June 2018 of 1 penny per share, payable on 30 November 2017 to shareholders on the register on 3 November 2017. Shareholders will recall that it was announced last year that the dividend had not been covered by the total return for a number of years. This year's strong result covers the dividend twice over, though the Board will require further substantial increases in NAV, before it can reconsider increasing the dividend.

The Company's balance sheet was strengthened in the year by a successful Prospectus Top-Up Offer which raised £6.0 million (£5.8 million, net of costs). The Company intends to deploy these funds into new investment opportunities.

Investment performance
We had four principal exits in 2017: Exco InTouch, AMS Sciences, Masters Pharmaceuticals and Blackbay, which in total, returned disposal proceeds of £1.9 million. The sale of Exco InTouch achieved a return, including interest, of 2.8 times cost; AMS Sciences delivered 1.6 times our holding value but at an overall loss, with further sums due by way of deferred consideration; Masters Pharmaceuticals achieved a return, including interest, of 1.6 times cost; and Blackbay achieved a return, including interest, of 2.3 times cost. Overall, the Company achieved disposal proceeds, including repayments of loan stock by portfolio companies, of £2.4 million compared to £2.9 million in the previous year. Subsequent to the year end, The Crown Hotel Harrogate was sold. The Company's expected share of net proceeds is approximately £2.0 million, compared to our holding value at 30 June 2017 of £1.9 million. Further information on realisations can be found on page 20.

During the year, a strong investment pipeline allowed new investments totalling £1.7 million to be made namely; £550,000 in MPP Global Solutions, which provides a cloud based subscription platform for publishers; £400,000 in Convertr Media, a company that specialises in digital lead generation software; £220,000 in Secured by Design, an international automotive consultancy; £190,000 in Quantexa, which offers a predicative analytics platform with a focus on cyber security for enterprises; £186,000 in G.Network Communications, which provides fibre optic broadband in Central London; £108,000 in Oviva, a digital health consultancy; and £80,000 in Locum's Nest, which has developed a digital platform to allow the NHS to manage their requirements for locum doctors more efficiently. In addition, a total of £1.2 million was invested in existing portfolio companies, including a combined £420,000 in Active Lives Care, Ryefield Court Care and Shinfield Lodge Care as the care homes opened up for business; £240,000 in Proveca, which develops paediatric drugs; and £233,000 in DySIS Medical, which develops medical devices for the detection of cancer.

Companies in the portfolio that performed particularly well during the year included Radnor House School, where the Twickenham school is operating at close to full capacity and the Sevenoaks school saw a significant increase in the student roll, as the turnaround programme started to deliver results; the three care homes, Active Lives Care, Ryefield Court Care and Shinfield Lodge Care have seen strong valuation uplifts, as they progress to maturity; Proveca, which develops paediatric drugs, after it gained its first regulatory approval; and Egress Software Technologies, whose encrypted email and document collaboration services achieved significant revenue growth. The renewable energy investments continue to perform to plan and provide a good yield to the Company despite falling global energy prices, with Chonais River Hydro delivering a particularly strong valuation uplift during the year.

Chairman's statement (continued)

The largest negative valuation movements over the year were mainly in the growth portfolio and included DySIS Medical and Abcodia, both of which required further finance during the year as they continue to develop their businesses. There was also a decline in the value of Cisiv and the share price of the AIM quoted Mi-Pay Group fell during the year.

Risks and uncertainties
The outlook for the UK and global economies continues to be the key risk affecting the Company. The withdrawal of the UK from the European Union is likely to have an impact on the Company and its investments, although it is difficult to quantify it at this time. Overall investment risk, however, is mitigated through a variety of processes, including our policies of first ensuring that the Company has a first charge over portfolio companies' assets wherever possible, and second of aiming to achieve balance in the portfolio through the inclusion of sectors that are less exposed to the business consumer cycles. In addition, the current consultation entitled "Financing growth in innovative firms" may result in changes to VCT legislation in the next Budget, which may limit the category of business in which the Company currently invests.

A detailed review of risk management is set out on pages 13 and 14 of the Strategic report.

Albion VCTs Top Up Offers
In November 2016, the Company announced the launch of the Albion VCTs Prospectus Top Up Offers 2016/2017 and was pleased to announce on 22 February 2017 that it had reached its £6 million limit under its Offer which was fully subscribed and closed, as shown in note 14. The proceeds of the Offer will be used to provide further resources at a time when a number of attractive new investment opportunities are being seen.

On 6 September 2017 the Company announced the publication of a prospectus in relation to an offer for subscription for new Ordinary shares. The Company is aiming to raise circa £6 million out of a target of £32 million in aggregate that the Albion VCTs are seeking to raise. A Securities Note, which forms part of the Prospectus, was sent out to shareholders the week commencing 18 September 2017.

Dividend re-investment scheme
During the year, the Company raised £429,000 from the dividend re-investment 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, shareholders re-investing their dividends will be eligible for the income and capital gains tax advantages available to investors subscribing for new shares in venture capital trusts and will be able to increase their shareholding in the Company, without incurring dealing costs or stamp duty. Full details of the scheme and the application form are available on the Manager's website at: www.albion.capital/funds/CRWN.

Outlook
We are pleased with the progress made during the course of the year across the portfolio, with the asset based portfolio delivering strong returns and many growth investments making good progress. The Company made a number of new investments within the growth portfolio which have excellent prospects and give us confidence that our portfolio will continue to deliver value in the future.

Richard Huntingford
Chairman
26 September 2017

Strategic report

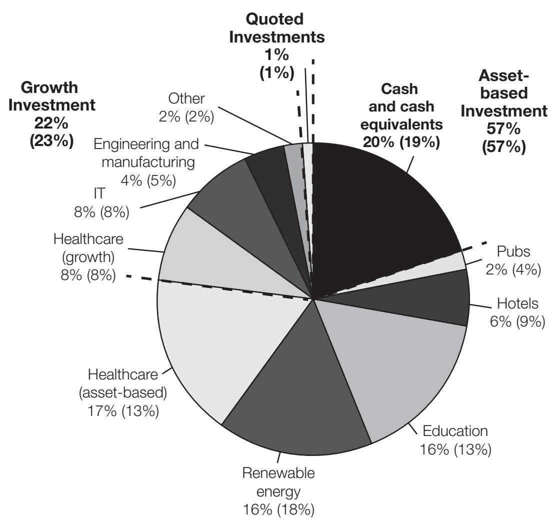
Investment objective and policy
The investment objective and policy of the Company is to achieve long term capital and income growth principally through investment in smaller unquoted companies in the United Kingdom.

The Company's investment portfolio is structured to provide a balance between income and capital growth for the longer term through a diversified, balanced approach to investment. The asset-based portfolio is designed to provide stability and income whilst maintaining the potential for capital growth, whilst the growth portfolio is intended to provide diversified exposure through its portfolio of investments in predominately unquoted UK companies. In neither category do portfolio companies normally have any external borrowing with a charge ranking ahead of the Company.

Business model
The Company operates as a Venture Capital Trust. This means that the Company has no employees other than its Directors and has outsourced the management of all its operations to Albion Capital Group LLP, including secretarial and administrative services. Further details of the Management agreement can be found on page 12 of this report.

Current and future portfolio sector allocation
The pie chart below shows the split of the portfolio valuation by industrial or commercial sector as at 30 June 2017. The portfolio remains well diversified and as at the year end comprised 59 investments. There were 25 unquoted asset-based investments accounting for 57 per cent. of the net asset value of the Company; 30 unquoted growth investments accounting for 22 per cent. of the net asset value of the Company; and 4 quoted investments, accounting for 1 per cent. of the net asset value of the Company. 20 per cent. of the Company's net asset value was represented by cash and cash equivalents.

Investment portfolio by sector



Comparatives for 30 June 2016 are in brackets
Source: Albion Capital Group LLP

The sector analysis of the Company's investment portfolio shows that healthcare (both asset-based and growth) now accounts for 25 per cent. of the portfolio, compared to 21 per cent. at the end of the previous financial year, following third party revaluations in the Company's three care homes.

There has been continued investment in the asset-based sector of the portfolio, and the strong valuation uplifts from Radnor House and our three care homes have helped to maintain portfolio share for asset-based investments. In addition, there have been six new investments made in the growth sector during the year as we continue to seek out opportunities to deliver value to shareholders, as listed in the Chairman's statement.

Results and dividends

	£'000
Consolidated revenue return for the year ended 30 June 2017	561
Consolidated capital return for the year ended 30 June 2017	4,904
Dividend of 1 penny per share paid on 30 November 2016	(1,282)
Dividend of 1 penny per share paid on 31 March 2017	(1,405)
Transferred to reserves	**2,778**
Net assets as at 30 June 2017	45,581
Net asset value as at 30 June 2017 (pence per share)	30.98

The Company paid dividends totalling 2.00 pence per share during the year ended 30 June 2017 (2016: 2.50 pence per share). The dividend objective of the Board is to provide Shareholders with a strong, predictable dividend flow. The Company will target an annual dividend of 2.00 pence per share for the year ending 30 June 2018, and has declared a first dividend for the year ending 30 June 2018 of 1 penny per share. This dividend will be paid on 30 November 2017 to shareholders on the register on 3 November 2017.

As shown in the Consolidated statement of comprehensive income on page 42, the capital gain for the year was £4,904,000 (2016: loss of £210,000), as a result of the disposals of Exco InTouch, Blackbay and Masters Pharmaceuticals and the unrealised capital uplifts on the three care homes, Radnor House School (Holdings) and Proveca. Against this, investment income has decreased to £1,032,000 (2016: £1,114,000), with revenue return decreasing by £115,000 to £561,000 (2016: £676,000). The total return for the year was 4.04 pence per share (2016: 0.41 pence per share).

Strategic report (continued)

The Consolidated balance sheet on page 43, shows that the net asset value has increased over the year to 30.98 pence per share (2016: 28.94 pence per share), due to the total return for the year of 4.04 pence per share offset by the payment of the dividend of 2.00 pence per share during the year.

The consolidated cash flow for the business has been a net inflow of £2,369,000 for the year (2016: £2,890,000), reflecting net cash inflows from operations, disposal proceeds and the issue of Ordinary shares under the Top Up Offer, offset by dividends paid, new investments in the year and the buy-back of shares.

Review of the business

A review of the Company's business during the year is set out in the Chairman's statement on page 6.

The Directors do not foresee any major changes in the activity undertaken by the Company in the current year and have outlined their thoughts on the direction of the portfolio on page 8. The Company continues with its objective to invest in unquoted companies throughout the United Kingdom with a view to providing both capital growth and a reliable dividend income to shareholders over the longer term.

Details of significant events which have occurred since the end of the financial year are listed in note 18. Details of transactions with the Manager are shown in note 4. The subsidiary undertakings affecting the profits and net assets of the Group in the year are listed in note 11.

Update on CP1 VCT PLC and CP2 VCT PLC

CP1 VCT PLC is a wholly-owned subsidiary of the Company. CP1 VCT PLC transferred its business to Crown Place VCT PLC and ceased trading with effect from the date of merger on 12 January 2006. Since then, CP1 VCT PLC has had no further business other than to hold cash and intercompany balances. CP1 VCT PLC had significant tax losses which have been utilised by the Company through group relief. Following a review in May 2017, the Board concluded that it was in the best interests of the Company to appoint PKF Geoffrey Martin & Co Limited as liquidators and commence the process of members' voluntary liquidation for CP1 VCT PLC. This is expected to be completed by June 2018.

As mentioned in the Half-yearly Financial Report, CP2 VCT PLC held its final meeting on 8 December 2016 and consequently was dissolved on 21 March 2017.

VCT regulation

The investment policy is designed to ensure that the Company continues to qualify and is approved as a VCT by HMRC. In order to maintain its status under Venture Capital Trust legislation, a VCT must comply on a continuing basis with the provisions of Section 274 of the Income Tax Act 2007, details of which are provided in the Directors' report on page 24.

To comply with EU State aid obligations, rules were introduced under the Finance Act (No.2) 2015 and Finance Act 2016, which include:

- Restrictions over the age of investments;
- A prohibition on management buyouts or the purchase of existing businesses;
- An overall lifetime investment cap of £12 million from tax-advantaged funds into any portfolio company (£20 million for a "knowledge intensive" company); and
- A VCT can only make qualifying investments or certain specified non-qualifying investments such as money market securities and short term deposits.

The relevant tests to measure compliance have been carried out and independently reviewed for the year ended 30 June 2017. These showed that the Company has complied with all tests and continues to do so.

The current HM Treasury consultation entitled "Financing growth in innovative firms" may result in changes to VCT legislation in the next Budget, which may limit the categories of business in which the Company currently invests.

Future prospects

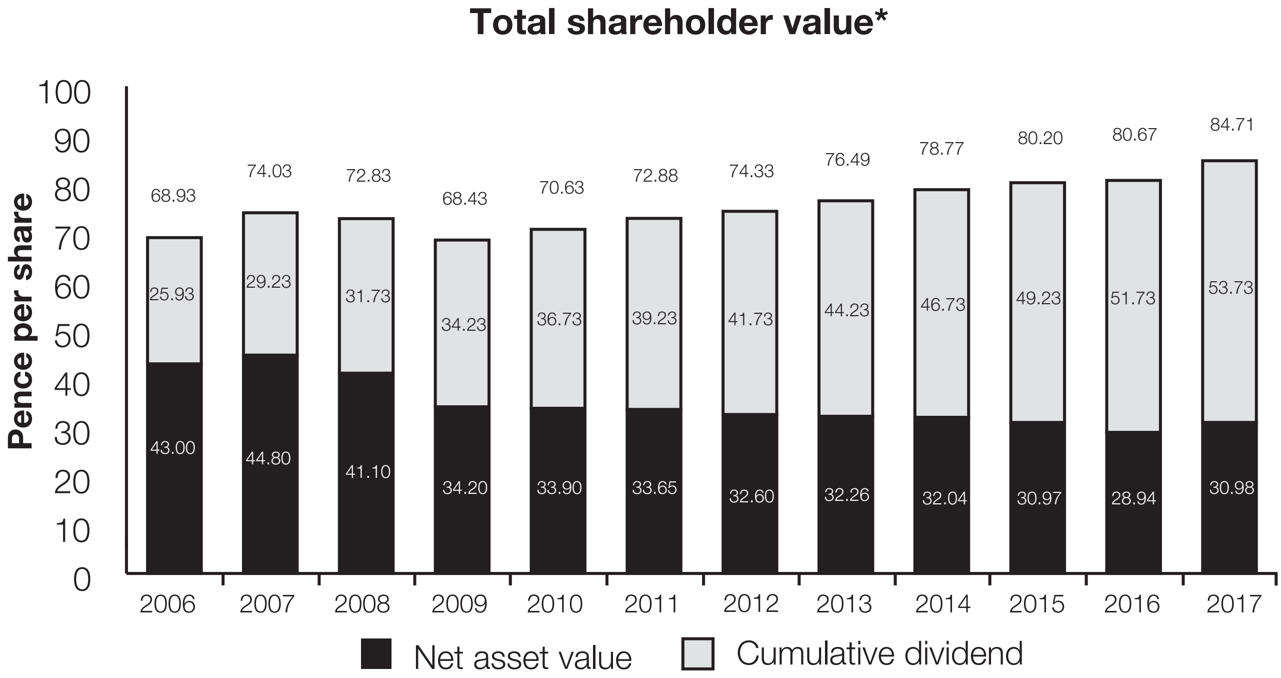
The key drivers for returns within the portfolio are those sectors that reflect longer-term global growth trends. These include the importance of healthcare in an ageing population; sustainable energy against a background of climate change; education and skills in an increasingly competitive job market; and the developing use of information technology and automation in an environment of universal information. The portfolio is well positioned to take advantage of these changes.

Key performance indicators

The Directors believe that the following key performance indicators, which are typical for VCTs and used in its own assessment of the Company, will provide shareholders with sufficient information to assess how effectively the Company has been applying its investment policy to meet its objectives. The Directors are satisfied that the results shown in the following key performance indicators, taken overall, give a good indication that the Company is achieving its investment objective and policy. These are:

Strategic report (continued)

1. *Increase in total shareholder value*



* Total shareholder value is net asset value plus cumulative dividends

Source: Albion Capital Group LLP

Total shareholder value increased by 4.04 pence per share to 84.71 pence per share (2016: 80.67) for the year ended 30 June 2017.

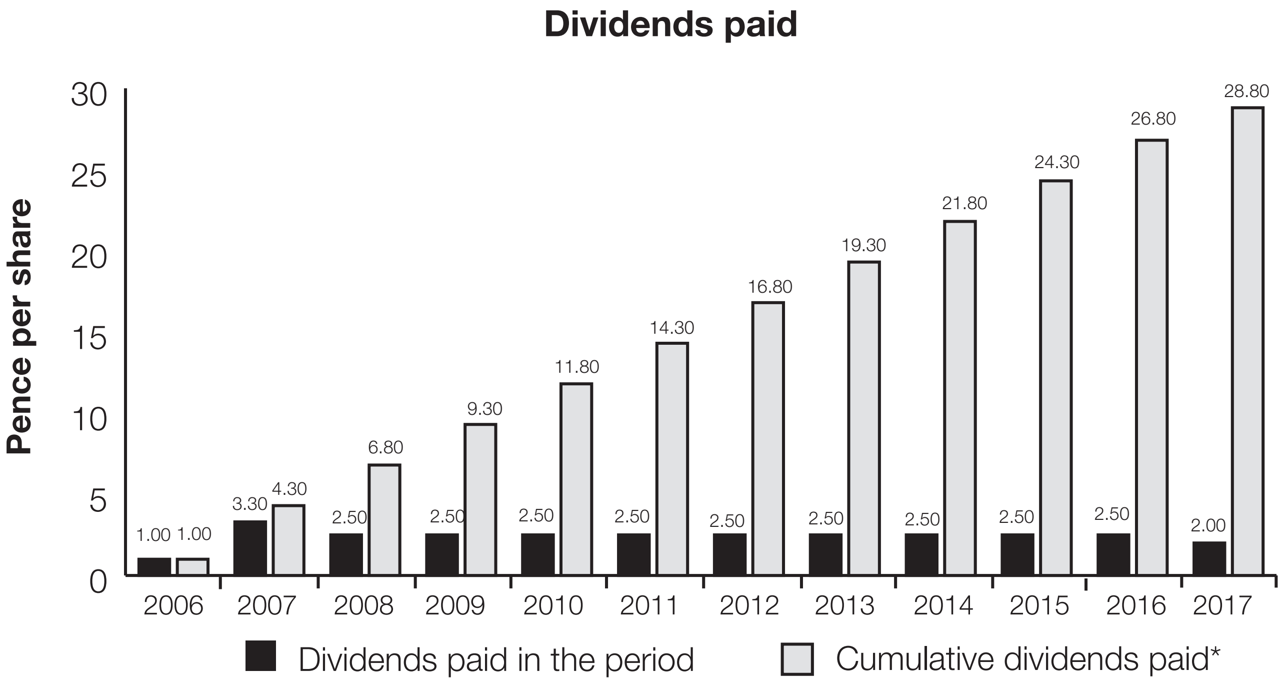
2. *Shareholder return in the year†*

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
3.8%	11.9%	(2.7%)	(10.6%)	6.3%	6.6%	4.3%	6.6%	7.1%	4.5%	1.5%	14.0%

Source: Albion Capital Group LLP
† Methodology: Shareholder return is calculated by the movement in total shareholder value for the year divided by the opening net asset value.

Annual total return to shareholders has remained positive for the eighth consecutive year and for the year ended 30 June 2017 was 14.0 per cent.

3. Dividend distributions



*Since Albion Capital Group LLP was appointed Manager in April 2005.
Source: Albion Capital Group LLP

Dividends paid in respect of the year ended 30 June 2017 were 2.00 pence per share, in line with the objective announced in the 2016 Annual Report and Financial Statements (2016: 2.50 pence per share). Cumulative dividends paid since launch (on 18 January 1998) amount to 53.73 pence per share.

4. Ongoing charges

The ongoing charges ratio for the year to 30 June 2017 marginally reduced to 2.4 per cent. (2016: 2.5 per cent.). The ongoing charges ratio has been calculated using The Association of Investment Companies' (AIC) recommended methodology. This figure shows shareholders the total recurring annual running expenses (including investment management fees charged to capital reserve) as a percentage of the average net assets attributable to shareholders. The Directors expect the ongoing charges ratio for the year ahead to be approximately 2.4 per cent.

5. Running yield

The running yield on the portfolio (gross income divided by the average net asset value) for the year to 30 June 2017 was 2.5 per cent. (2016: 3.2 per cent.), following the election by a small number of portfolio companies to capitalise their interest payable.

Strategic report (continued)

Gearing
As defined by the Articles of Association, the Company's maximum exposure in relation to gearing is restricted to the amount of its adjusted share capital and reserves. The Directors do not currently have any intention to utilise long term gearing.

Operational arrangements
The Group has delegated the investment management of the portfolio to Albion Capital Group LLP, which is authorised and regulated by the Financial Conduct Authority. Albion Capital Group LLP also provides company secretarial and other accounting and administrative support to the Group.

Management agreement
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. Total normal running costs, including the management fee, are limited to 3.0 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 2.0 per cent. on each investment made, and is also entitled to monitoring fees when placing an investment executive from Albion Capital Group LLP on the portfolio company board.

Further details of fees paid to the Manager can be found in note 4.

The management agreement can be terminated by either party on 12 months' notice and is subject to earlier termination in the event of certain breaches or on the insolvency of either party.

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 2.0 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.

There was no management performance incentive fee payable during the year (2016: nil). As at 30 June 2017 the cumulative shortfall of the target return was 5.72 pence per share (2016: 8.40 pence per share) and this amount needs to be made up in the next accounting period before an incentive fee becomes payable.

Evaluation of the Manager
The Board has evaluated the performance of the Manager based on the returns generated by the Company, the continuing achievement of the 70 per cent. investment requirement for venture capital trust status, the long term prospects of current investments, a review of the Management agreement and the services provided therein and benchmarking the performance of the Manager to other service providers. The Board believes that it is in the interest of shareholders as a whole, and of the Company, to continue the appointment of the Manager for the forthcoming year.

Alternative Investment Fund Managers Directive ("AIFMD")
The Board has appointed Albion Capital Group LLP as the Company's AIFM as required by the AIFMD.

Share buy-backs
It remains the Board's primary objective to maintain sufficient resources for investment in existing and new portfolio companies and for the continued payment of dividends to shareholders. Thereafter, it is 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 and it is the Board's intention for such buy-backs to be in the region of a 5 per cent. discount to net asset value, so far as market conditions and liquidity permit.

Further details of shares bought back during the year ended 30 June 2017 can be found in note 14 of the Financial Statements.

Social and community issues, employees and human rights
The Board recognises the requirement under section 414C of the Companies Act 2006 (the "Act") to detail information about social and community issues, employees and human rights; including any policies it has in relation to these matters and effectiveness of these policies. As an externally managed investment company with no employees, the Company has no policies in these matters and as such these requirements do not apply.

Further policies and statements
The Company has adopted a number of further policies and statements relating to:

- Environment
- Global greenhouse gas emissions
- Anti-bribery
- Diversity

and these are set out in the Directors' report on pages 24 and 25.

Risk management

The Board carries out a regular review of the risk environment in which the Company operates. In addition to the risks and uncertainties outlined in the Chairman's statement, the principal risks and uncertainties of the Company, as identified by the Board, and how they are managed are as follows:

Risk	Possible consequence	Risk management
Investment and performance risk	The risk of investment in poor quality assets, which could reduce the capital and income returns to shareholders, and could negatively impact on the Company's current and future valuations. By nature, smaller unquoted businesses, such as those that qualify for venture capital trust purposes, are more fragile than larger, long established businesses.	To reduce this risk, the Board places reliance upon the skills and expertise of the Manager and its track record over many years of making successful investments in this segment of the market. In addition, the Manager operates a formal and structured investment appraisal and review 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 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), including the level of diversification in the portfolio, and the Board receives detailed reports on each investment as part of the Manager's report at quarterly Board meetings.
Valuation risk	The Company's investment valuation methodology 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 are commented on further in notes 9 and 16. All other unquoted loan stock is measured at amortised cost. The values of a number of investments are also underpinned by independent third party professional valuations.
VCT approval risk	The Company must comply with section 274 of the Income Tax Act 2007 which enables its investors to take advantage of tax relief on their investment and on future returns. Breach of any of the rules enabling the Company to hold VCT status could result in the loss of that status.	To reduce this risk, the Board has appointed the Manager, which has a team with significant experience in venture capital trust management, used to operating within the requirements of the venture capital trust legislation. In addition, to provide further formal reassurance, the Board has appointed Philip Hare & Associates LLP as its taxation adviser, who 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. Each investment in a new portfolio company is also pre-cleared with H.M. Revenue & Customs.

Strategic report (continued)

Risk	Possible consequence	Risk management
Regulatory and compliance risk	The Company is listed on The London Stock Exchange and is required to comply with the rules of the UK Listing Authority, as well as with the Companies Act, Accounting Standards and other legislation. Failure to comply with these regulations could result in a delisting of the Company's shares, or other penalties under the Companies Act or from financial reporting oversight bodies.	Board members and the Manager have experience of operating at senior levels within or advising quoted companies. In addition, the Board and the Manager receive regular updates on new regulation from its auditor, lawyers and other professional bodies. The Company is subject to compliance checks through the Manager's Compliance Officer. The Manager reports monthly to its Board on any issues arising from compliance or regulation. These controls are also reviewed as part of the quarterly Board meetings, and also as part of the review work undertaken by the Manager's Compliance Officer. The report on controls is also evaluated by the internal auditor.
Operational and internal control risk	The Company relies on a number of third parties, in particular the Manager, for the provision of investment management and administrative functions. Failures in key systems and controls within the Manager's business could put assets of the Company at risk or result in reduced or inaccurate information being passed to the Board or to shareholders.	The Company and its operations are subject to a series of rigorous internal controls and review procedures exercised throughout the year. The Audit and Risk Committee reviews the Internal Audit Reports prepared by the Manager's internal auditor, PKF Littlejohn LLP. On an annual basis, the Audit and Risk Committee chairman meets with the internal audit partner to provide an opportunity to ask specific detailed questions in order to satisfy itself that the Manager has strong systems and controls in place including those in relation to business continuity. In addition, the Board regularly reviews the performance of the Manager, to ensure they continue to have the necessary expertise and resources to deliver the Company's investment objective and policies. The Manager regularly reviews the performance of its key service providers and reports its results to the Board. The Manager and other service providers have also demonstrated to the Board that there is no undue reliance placed upon any one individual within Albion Capital Group LLP.
Economic and political risk	Changes in economic conditions, including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and other factors could substantially and adversely affect the Company's prospects in a number of ways.	The Company invests in a diversified portfolio of companies across a number of industry sectors and in addition often invests a mixture of equity and secured loan stock in portfolio companies and has a general policy of not normally permitting any external bank borrowings within portfolio companies. At any given time, the Company has sufficient cash resources to meet its operating requirements, including share buy-backs and follow on investments.
Market value of Ordinary shares	The market value of Ordinary shares can fluctuate. The market value of an Ordinary share, as well as being affected by its net asset value and prospective net asset value, also takes into account its dividend yield and prevailing interest rates. As such, the market value of an Ordinary share may vary considerably from its underlying net asset value. The market prices of shares in quoted investment companies can, therefore, be at a discount or premium to the net asset value at different times, depending on supply and demand, market conditions, general investor sentiment and other factors. Accordingly the market price of the Ordinary shares may not fully reflect their underlying net asset value.	The Company operates a share buy-back policy, which is designed to limit the discount at which the Ordinary shares trade to around 5 per cent. to net asset value, by providing a purchaser through the Company in absence of market purchasers. From time to time buy-backs cannot be applied, for example when the Company is subject to a close period, or if it were to exhaust its buy-back authorities, which are renewed each year. New Ordinary shares are issued at sufficient premium to net asset value to cover the costs of issue and to avoid net asset value dilution to existing investors.

Strategic report (continued)

Viability statement
In accordance with the FRC UK Corporate Governance Code published in September 2014 and principle 21 of the AIC Code of Corporate Governance, the Directors have assessed the prospects of the Company over three years to 30 June 2020. The Directors believe that three years is a reasonable period in which they can assess the future of the Company to continue to operate and meet its liabilities, as they fall due and is also the period used by the Board in the strategic planning process and is considered reasonable for a business of our nature and size. The three year period is considered the most appropriate given the forecasts that the Board require from the Manager and the estimated timelines for finding, assessing and completing investments.

The Directors have carried out a robust assessment of the principal risks facing the Company as explained above, including those that could threaten its business model, future performance, solvency or liquidity. The Board also considered the risk management processes in place to avoid or reduce the impact of the underlying risks. The Board focused on the major factors which affect the economic, regulatory and political environment. The Board deliberated over the importance of the Manager and the processes that it has in place for dealing with the principal risks.

The Board assessed the ability of the Company to raise finance and deploy capital. As explained in this Strategic report the Company's income covers ongoing expenses. This income should increase as our asset-based investments continue to mature. The portfolio is well balanced and geared towards long term growth delivering dividends and capital growth to shareholders. In assessing the prospects of the Company the Directors have considered the cash flow by looking at the Company's income and expenditure projections and funding pipeline over the assessment period of three years and they appear realistic.

Taking into account the processes for mitigating risks, monitoring costs, share price discount, the Manager's compliance with the investment objective, policies and business model and the balance of the portfolio the Directors have concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period to 30 June 2020.

This Strategic report of the Company for the year ended 30 June 2017 has been prepared in accordance with the requirements of section 414A of the Act. The purpose of this report is to provide Shareholders with sufficient information to enable them to assess the extent to which the Directors have performed their duty to promote the success of the Company in accordance with section 172 of the Act.

On behalf of the Board,

Richard Huntingford
Chairman
26 September 2017

The Board of Directors

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

Richard Huntingford FCA, (appointed 15 May 2012), is a Chartered Accountant who 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 is currently a non-executive director of JP Morgan Mid Cap Investment Trust PLC. He also served as a non-executive director of Virgin Mobile in 2005 to 2006, as chairman of Boomerang Plus PLC from 2008 to 2012, as non-executive director/chairman of Creston PLC from 2011 to 2016 and as chairman of Wireless Group plc (formerly UTV Media PLC) from 2012 to 2016.

James Agnew (appointed 1 November 2015), has extensive experience in investment banking and private equity fund management. From 1996 to 2005 he worked for Credit Suisse First Boston in New Zealand and London, where he was involved in a wide range of investment banking transactions including mergers and acquisitions and equity and debt fundraising, as well as general corporate finance advice. He is currently a partner at Harwood Capital LLP (formerly J O Hambro Capital Management), which he joined in 2005, where his responsibilities include origination, monitoring and execution of private equity investments.

Karen Brade (appointed 8 October 2010), has over 25 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, 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. She is a non-executive director of Aberdeen Japan Investment Trust PLC and was appointed as a non-executive director of Keystone Investment Trust plc with effect from 18 January 2018. She is an external member of the Manager's Investment Committee.

Penny Freer (appointed 31 October 2014), is an experienced investment banker with extensive experience at Board level. From 2000 to 2004 she led Robert W Baird's UK equities division; prior to this she spent 8 years at Credit Lyonnais Securities where she headed the small and mid-cap equities business. She jointly founded Capital Markets Group in 2004, a corporate advisory business. Penny is currently a partner at London Bridge Capital Partners LLP, which provides corporate finance advice to UK and overseas companies. She is, in addition, a non-executive director of Empresaria Group PLC and Advanced Medical Solutions Group PLC.

All Directors are members of the Audit and Risk Committee and Karen Brade is Chairman.

All Directors are members of the Nomination Committee and Richard Huntingford is Chairman.

All Directors are members of the Remuneration Committee and Penny Freer is Chairman.

Karen Brade is the Senior Independent Director.

The Manager

Albion Capital Group LLP (previously Albion Ventures LLP), is authorised and regulated by the Financial Conduct Authority and is the Manager of Crown Place VCT PLC. In addition, it manages a further five venture capital trusts, the UCL Technology Fund and provides administration services to Albion Community Power PLC and Albion Care Communities Limited. Albion Capital, together with its subsidiary, OLIM Limited, currently has total assets under management or administration of approximately £1 billion.

The following are specifically responsible for the management and administration of the VCTs managed by Albion Capital Group LLP:

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 in 1989, working in both the development capital and corporate finance divisions before founding the venture capital division in 1996. He led the buy-out of this business from Close Brothers in 2009, and re-named it Albion Ventures (now Albion Capital). He is the managing partner of Albion Capital, is a director of Albion Development VCT PLC, Albion Enterprise VCT PLC and Albion Technology & General VCT PLC, which are all managed by Albion Capital, and is chief executive of Albion Community Power PLC. He is a member of the Audit Committee of University College London, a director of the Association of Investment Companies and is on the Council of the British Venture Capital Association.

Will Fraser-Allen, BA (Hons), FCA, 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 Capital in 2001 since when he has focused on leisure and healthcare investing. Will became deputy managing partner of Albion Capital in 2009. Will has a BA in History from Southampton University.

Dr. Andrew Elder, MA, FRCS, 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 joined Albion Capital in 2005 and became a partner in 2009. 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), FCA, 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 Capital in 2000 and has since made and exited investments in a number of industry sectors, including, healthcare, education, technology, leisure and engineering.

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 Capital in 2005 and became partner in 2009. He is also managing director of Albion Community Power PLC. David has a BSc in Economics from Warwick University.

Vikash Hansrani, BA (Hons), ACA, qualified as a chartered accountant with RSM Tenon plc and latterly worked in its corporate finance team. He joined Albion Capital in 2010, where he is currently Operations Partner. He is also Finance Director of Albion Community Power PLC and OLIM Limited. He has a BA in Accountancy & Finance from Nottingham Business School.

Ed Lascelles, BA (Hons), began by advising quoted UK companies on IPOs, takeovers and other corporate transactions, first with Charterhouse Securities and then ING Barings. Companies ranged in valued from £10 million to £1 billion, across the healthcare and technology sectors among others. After moving to Albion Capital in 2004, Ed started investing in the technology, healthcare, financial and business services sectors. Ed became a 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, MBA, initially practised 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 joined Albion Capital in 2011 and became a partner in 2014. 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 Capital in 1998, where he has been responsible for much of the asset based portfolio. Henry became a partner of Albion Capital in 2009. He holds an MA degree in Classics from Oxford University.

Robert Whitby-Smith, BA (Hons), FCA, began his career at KPMG and moved on to Credit Suisse First Boston and ING Barings where he advised a number of businesses on capital raisings and M&A activity. After moving to Albion Capital in 2005, Robert started investing in the technology and advanced manufacturing sectors. Robert became partner in 2009 and is responsible for a number of technology investments. Robert holds an honours degree in History from the University of Reading and is a Chartered Accountant and a member of the Chartered Institute of Securities and Investment.

Portfolio of investments

The following is a summary of non-current asset investments with a value as at 30 June 2017:

			At 30 June 2017			At 30 June 2016		
Investment name	**Nature of business**	**% voting rights**	**% voting rights of Albion* managed companies**	**Cost £'000**	**Value £'000**	Cost £'000	Value £'000	**Change in value for the year** £'000**
Radnor House School (Holdings) Limited	Independent schools for children aged 5 -18	9.0	**50.0**	**2,791**	**5,589**	2,971	4,933	**836**
Shinfield Lodge Care Limited	Owner and operator of a residential care home for the elderly in Reading	11.8	**50.0**	**2,140**	**3,527**	2,090	2,530	**946**
Chonais River Hydro Limited	Hydro power project in Scotland	14.0	**50.0**	**1,549**	**2,357**	1,549	1,716	**641**
Active Lives Care Limited	Owner and operator of a residential care home for the elderly in Oxford	7.5	**50.0**	**1,530**	**2,279**	1,350	1,421	**678**
ELE Advanced Technologies Limited	Manufacturer of precision engineering components	41.9	**41.9**	**1,050**	**1,965**	1,050	1,910	**55**
The Crown Hotel Harrogate Limited	Owner and operator of the Crown Hotel, Harrogate	15.0	**50.0**	**2,976**	**1,924**	2,976	1,855	**69**
Ryefield Court Care Limited	Owner and operator of a residential care home for the elderly in Hillingdon	7.7	**50.0**	**1,160**	**1,859**	970	1,014	**655**
Gharagain River Hydro Limited	Hydro power project in Scotland	15.0	**50.0**	**1,116**	**1,330**	1,116	1,245	**85**
Earnside Energy Limited	Anaerobic digestion plant in Scotland	7.0	**50.0**	**1,123**	**1,232**	1,123	1,232	**-**
Proveca Limited	Repositioning of paediatric medicines	6.1	**49.9**	**586**	**1,224**	346	591	**394**
Mirada Medical Limited	Developer of medical imaging software	6.5	**45.0**	**348**	**890**	293	699	**135**
Kew Green VCT (Stansted) Limited	Owner and operator of the 'Holiday Inn Express' at Stansted Airport	2.0	**50.0**	**805**	**873**	865	776	**157**
The Street by Street Solar Programme Limited	Photovoltaic installations	4.4	**50.0**	**461**	**732**	461	666	**66**
Bravo Inns II Limited	Owner and operator of freehold pubs	3.6	**50.0**	**595**	**688**	595	631	**57**
The Stanwell Hotel Limited	Owner and operator of the Stanwell Hotel near Heathrow Airport	10.8	**50.0**	**1,682**	**619**	1,682	690	**(71)**
Alto Prodotto Wind Limited	Wind power generator	4.1	**50.0**	**366**	**567**	371	571	**4**
MPP Global Solutions Limited	Cloud subscription platform provider	1.9	**13.5**	**550**	**550**	-	-	**-**
MHS 1 Limited (previously The Charnwood Pub Company Limited)	Education	6.9	**50.0**	**481**	**481**	481	481	**-**
Hilson Moran Holdings Limited	Multi-disciplinary engineering consultancy	3.1	**34.7**	**91**	**481**	104	338	**161**
Regenerco Renewable Energy Limited	Photovoltaic installations	3.4	**50.0**	**344**	**479**	344	441	**38**
Process Systems Enterprise Limited	Provider of process systems modelling solutions	1.4	**20.7**	**138**	**455**	138	392	**63**
DySIS Medical Limited	Medical devices for the early detection of cervical cancer	4.2	**30.0**	**949**	**447**	716	401	**(186)**
Convertr Media Limited	Digital marketing software	4.3	**27.0**	**400**	**400**	-	-	**-**
MyMeds&Me Limited	Software for managing pharmaceutical adverse events	2.1	**19.2**	**255**	**385**	255	367	**18**
Infinite Ventures (Goathill) Limited	Wind power generator	6.1	**31.0**	**256**	**344**	256	317	**27**
Grapeshot Limited	Provider of digital marketing software	0.8	**14.2**	**166**	**337**	141	152	**158**
Relayware Limited	Business collaboration and communication solutions	1.0	**10.9**	**324**	**321**	324	318	**3**
Egress Software Technologies Limited	Provider of cloud-based email and file encryption software	0.8	**22.0**	**80**	**315**	80	132	**183**

Portfolio of investments (continued)

			At 30 June 2017			At 30 June 2016		
Investment name	**Nature of business**	**% voting rights**	**% voting rights of Albion* managed companies**	**Cost £'000**	**Value £'000**	Cost £'000	Value £'000	**Change in value for the year** £'000**
Aridhia Informatics Limited	Healthcare informatics and analysis	2.4	**22.3**	**382**	**301**	377	275	**20**
memsstar Limited	Refurbisher of semiconductor fabrication equipment	3.0	**44.7**	**129**	**240**	130	168	**125**
Bravo Inns Limited	Owner and operator of freehold pubs	2.6	**50.0**	**306**	**225**	306	221	**4**
Secured by Design Limited	Automotive technology research and consultancy provider	1.5	**10.0**	**220**	**220**	-	-	**-**
Black Swan Data Limited	Analytical platform for market research	0.6	**4.8**	**198**	**198**	115	115	**-**
Quantexa Limited	Predicative analytics platform	1.7	**11.9**	**190**	**190**	-	-	**-**
G.Network Communications Limited	Fibre optic broadband provider in central London	4.1	**33.3**	**186**	**186**	-	-	**-**
AVESI Limited	Photovoltaic installations	3.8	**50.0**	**123**	**164**	123	151	**13**
Oxsensis Limited	Developer and producer of high temperature sensors	1.4	**20.6**	**224**	**152**	224	99	**53**
Panaseer Limited	Provider of cyber security threat analysis	1.3	**10.2**	**113**	**142**	50	50	**29**
Cisiv Limited	Web-based solutions for healthcare data capture and management	2.8	**28.9**	**216**	**111**	216	215	**(104)**
Oviva AG	Medical nutritional therapy	1.4	**9.1**	**108**	**108**	-	-	**-**
Greenenerco Limited	Wind power generator	1.9	**50.0**	**65**	**97**	65	102	**(5)**
Abcodia Limited	Services for validation and discovery of serum biomarkers	1.9	**19.5**	**227**	**97**	177	158	**(110)**
Locum's Nest Limited	Digital platform for NHS locum doctors	1.8	**10.9**	**80**	**80**	-	-	**-**
OmPrompt Holdings Limited	Business to business integration software	1.1	**28.3**	**105**	**78**	100	103	**(30)**
TWCL Limited (previously The Weybridge Club Limited)†	Former owner and operator of a freehold health and fitness club in Weybridge, Surrey	1.2	**50.0**	**63**	**63**	230	75	**-**
Palm Tree Technology Limited	Software company	0.2	**0.7**	**102**	**62**	102	62	**-**
InCrowd Sports Limited	Developer of mobile apps for professional sports clubs	1.0	**6.8**	**42**	**42**	42	42	**-**
Dickson Financial Services Limited	Commercial insurance broker, trading as Innovation Broking	2.7	**30.0**	**27**	**40**	27	27	**13**
CSS Group Limited	Drinks distributor to the travel sector	2.3	**15.0**	**28**	**39**	28	28	**11**
Sandcroft Avenue Limited	Provider of online gym passes, trading as PayasUgym.com	0.2	**5.6**	**20**	**17**	20	22	**(5)**
Other holdings				**429**	**431**	423	413	**12**
Total unquoted investments				**27,895**	**35,933**	25,402	28,145	**5,198**

Portfolio of investments (continued)

			At 30 June 2017			At 30 June 2016		
Investment name	**Nature of business**	**% voting rights**	**% voting rights of Albion* managed companies**	**Cost £'000**	**Value £'000**	Cost £'000	Value £'000	**Change in value for the year** £'000**
Quoted investments								
Augean PLC	Waste management	0.4	**0.4**	**593**	**216**	593	162	**54**
Mi-Pay Group PLC	Provider of mobile payment services	3.3	**34.7**	**713**	**164**	713	301	**(137)**
ComOps Limited	Workforce management software	0.2	**1.4**	**13**	**9**	13	18	**(9)**
Avanti Communications Group plc	Supplier of satellite communications	0.1	**0.1**	**136**	**6**	136	37	**(31)**
Total quoted investments				**1,455**	**395**	1,455	518	**(123)**
Total investments				**29,350**	**36,328**	26,857	28,663	**5,075**

Total change in value of investments for the year	**5,075**
Movement in loan stock accrued interest	(89)
Unrealised gains sub-total	**4,986**
Realised gain in current year	449
Total gains on investments as per consolidated statement of comprehensive income	**5,435**

* Albion Capital Group LLP

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

† The accounting cost as shown above is after deducting realised losses of £167,000 for TWCL Limited which is still held at the Balance sheet date.

The comparative cost and valuations for 30 June 2016 do not reconcile to the Annual Report and Financial Statements for the year ended 30 June 2016 as the above list does not include brought forward investments that were fully disposed of in the year.

Non-current asset investment realisations and loan stock repayments	**Cost £'000**	**Opening carrying value £'000**	**Disposal proceeds £'000**	**Total realised gain/(loss) £'000**	**Gain/(loss) on opening value £'000**
Disposals:					
Exco InTouch Limited	290	659	820	530	161
Blackbay Limited	463	476	645	182	169
Masters Pharmaceuticals Limited	212	418	351	139	(67)
AMS Sciences Limited	193	80	133	(60)	53
Loan stock repayments:					
Radnor House School (Holdings) Limited	180	180	180	–	–
Kew Green VCT (Stansted) Limited	60	60	60	–	–
UCTAL Limited	1	1	54	53	53
memsstar Limited	1	52	31	30	(21)
Hilson Moran Holdings Limited	13	18	18	5	–
Alto Prodotto Wind Limited	5	8	8	3	–
Greenenerco Limited	1	1	1	–	–
Escrow adjustments and other:					
Escrow adjustments	–	–	113	113	113
TWCL Limited*	167	12	–	(167)	(12)
Total non-current asset investment realisations	**1,586**	**1,965**	**2,414**	**828**	**449**

*The accounting cost as shown above include realised losses of investments still held at the Balance sheet date.

Portfolio companies

The top ten investments by value are as follows:

Radnor House School (Holdings) Limited

Radnor House is a group of co-educational independent day schools with sites in South West London and Sevenoaks in Kent. The group provides personalised education to students aged 5-18 and has the capacity to accommodate some 1,000 children.

Audited results: year to 31 August 2016	£'000	Investment information	£'000
Turnover	9,821	Income recognised in the year	248
EBITDA	1,009	Total cost	2,791
Loss before tax	(972)	Total valuation	5,589
Net assets	25,337	Voting rights	9.0%
Basis of valuation:	Valuation supported by third party valuation	Voting rights for all Albion managed companies	50.0%
Website:	www.radnorhouse.org	Year of initial investment	2010

Shinfield Lodge Care Limited

The company owns and operates the 66 bedroom care home, Shinfield View, in Reading, which opened in April 2016.

Abbreviated results: year to 31 December 2016	£'000	Investment information	£'000
Net assets	8,096	Income recognised in the year	113
Basis of valuation:	Valuation supported by third party valuation	Total cost	2,140
Website:	www.shinfieldview.com	Total valuation	3,527
		Voting rights	11.8%
		Voting rights for all Albion managed companies	50.0%
		Year of initial investment	2015

Chonais River Hydro Limited

A company that owns and operates a 2 megawatt hydro-power scheme in the Scottish Highlands.

Audited results: year to 30 September 2016	£'000	Investment information	£'000
Turnover	–	Income recognised in the year	72
EBITDA	(11)	Total cost	1,549
Loss before tax	(12)	Total valuation	2,357
Net liabilities	(47)	Voting rights	14.0%
Basis of valuation:	Valuation supported by third party valuation	Voting rights for all Albion managed companies	50.0%
Website:	www.greenhighland.co.uk	Year of initial investment	2013

Active Lives Care Limited

A company that owns and operates a purpose built elderly care home offering 75 bedrooms in Cumnor Hill, Oxford, which opened in June 2016.

Abbreviated results: period to 31 December 2016	£'000	Investment information	£'000
Net assets	8,661	Income recognised in the year	173
Basis of valuation:	Valuation supported by third party valuation	Total cost	1,530
Website:	www.cumnorhillhouse.com	Total valuation	2,279
		Voting rights	7.5%
		Voting rights of all Albion managed companies	50.0%
		Year of initial investment	2014

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 3 May 2016	£'000	Investment information	£'000
Turnover	12,200	Income recognised in the year	–
EBITDA	574	Total cost	1,050
Loss before tax	(236)	Total valuation	1,965
Net assets	4,366	Voting rights	41.9%
Basis of valuation:	Net asset value	Voting rights for all Albion managed companies	41.9%
Website:	www.eleat.co.uk	Year of initial investment	2000

Portfolio companies (continued)

The Crown Hotel Harrogate Limited

The company acquired the historic 114 bedroom Crown Hotel in Harrogate, Yorkshire in November 2005. A substantial refurbishment was carried out and the hotel is once again recognised as one of the leading hotels in Harrogate. The hotel was subsequently sold after the year end.

Audited results: year to 31 March 2016	£'000	Investment information	£'000
Turnover	2,691	Income recognised in the year	61
EBITDA	335	Total cost	2,976
Loss before tax	(923)	Total valuation	1,924
Net liabilities	(8,362)	Voting rights	15.0%
Basis of valuation:	Valuation supported by third party valuation	Voting rights for all Albion managed companies	50.0%
Website:	www.crownhotelharrogate.com	Year of initial investment	2005

Ryefield Court Care Limited

A company that owns and operates a purpose built elderly care home offering 60 bedrooms in Hillingdon, Middlesex, which opened in July 2016.

Abbreviated results: year to 30 April 2017	£'000	Investment information	£'000
Net liabilities	(447)	Income recognised in the year	64
Basis of valuation:	Valuation supported by third party valuation	Total cost	1,160
Website:	www.ryefieldcourt.com	Total valuation	1,859
		Voting rights	7.7%
		Voting rights of all Albion managed companies	50.0%
		Year of initial investment	2014

Gharagain River Hydro Limited

The company operates a 1 megawatt hydroelectricity plant near Ledgowan in Scotland.

Audited results: year to 30 September 2016	£'000	Investment information	£'000
Turnover	–	Income recognised in the year	36
EBITDA	(5)	Total cost	1,116
Loss before tax	(5)	Total valuation	1,330
Net assets	197	Voting rights	15.0%
Basis of valuation:	Valuation supported by third party valuation	Voting rights of all Albion managed companies	50.0%
Website:	www.greenhighland.co.uk	Year of initial investment	2014

Earnside Energy Limited

The company operates an anaerobic digestion and composting plant near Perth, Scotland.

Audited results: year to 31 December 2016	£'000	Investment information	£'000
Turnover	2,610	Income recognised in the year	56
EBITDA	335	Total cost	1,123
Loss before tax	(708)	Total valuation	1,232
Net assets	803	Voting rights	7.0%
Basis of valuation:	Valuation supported by third party valuation	Voting rights of all Albion managed companies	50.0%
Website:	www.earnsideenergy.com	Year of initial investment	2010

Proveca Limited

Proveca is a specialist UK pharmaceutical company developing and commercialising off-patent medicines to improve the lives of children in Europe.

Audited results: year to 31 July 2016	£'000	Investment information	£'000
Turnover	–	Income recognised in the year	10
EBITDA	(755)	Total cost	586
Loss before tax	(914)	Total valuation	1,224
Net liabilities	(2,379)	Voting rights	6.1%
Basis of valuation:	Price of recent investment	Voting rights of all Albion managed companies	49.9%
Website:	www.proveca.co.uk	Year of initial investment	2012

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 of 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 2017.

BUSINESS REVIEW

Principal activity and status

The principal activity of the Company 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 has conducted its affairs so as to enable it to continue to obtain such approval. As with previous years, formal approval for the year ended 30 June 2017 is subject to review should there be any subsequent enquiry under corporation tax self-assessment.

The Company is not a close company for taxation purposes and its shares are listed on the official list of The London Stock Exchange.

Under current tax legislation, shares in the Company provide tax-free capital growth and income distribution, in addition to the income tax relief some investors would have obtained when they invested in the original share offers.

The Group consists of Crown Place VCT PLC and CP1 VCT PLC, and up until 21 March 2017, CP2 VCT PLC, when CP2 VCT PLC was dissolved. The Directors took the decision to commence a members voluntary liquidation process for CP1 VCT PLC, further details of this can be found on page 9 of the Strategic report.

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 14.

Ordinary shares 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.

Issue and buy-back of Ordinary shares

During the year, the Company issued a total of 21,012,988 Ordinary shares, of which 19,558,710 Ordinary shares were issued under the Albion VCTs Top Up Offers and 1,454,278 Ordinary shares were issued under the Company's Dividend Reinvestment Scheme (details of which can be found on www.albion.capital/funds/CRWN under the Dividend Reinvestment Scheme section). The Company was engaged in the Albion VCTs Prospectus Top Up Offers 2016/2017 which closed on 22 February 2017, having been fully subscribed and reaching its £6m limit under the Prospectus dated 29 November 2016.

The Company operates a policy of buying back shares either for cancellation or for holding in treasury. Details regarding the current buy-back policy can be found on page 12 of the Strategic report. Details on share buy-backs during the year can be found in note 14.

Substantial interests and shareholder profile

As at 30 June 2017 and the date of this report, the Company was not aware of any beneficial interest exceeding 3 per cent. of the voting rights (2016: none). There have been no disclosures in accordance with Disclosure and Transparency Rule 5 made to the Company during the year ended 30 June 2017 and to the date of this report.

Results and dividends

Detailed information on the results and dividends for the year ended 30 June 2017 can be found in the Strategic report on pages 8 and 9.

Future developments

Details on the future developments of the Company can be found in the Strategic report on page 9.

Going concern

In accordance with the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued by the Financial Reporting Council in September 2014, the Board has assessed the Company's operation as a going concern. The Company has significant cash and liquid resources, its 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 16. The Company's business activities, together with details of its performance are shown in the Strategic report and this Directors' report.

Directors' report (continued)

Post balance sheet events
Details of events that have occurred since 30 June 2017 are shown in note 18.

Principal risks and uncertainties
A summary of the principal risks faced by the Company is set out on pages 13 and 14 of the Strategic report and in note 16.

Maintenance of VCT qualifying status
The investment policy is designed to ensure that the Company continues to qualify and is approved as a VCT by HMRC. In order to maintain its status under Venture Capital Trust legislation, a VCT must comply on a continuing basis with the provisions of Section 274 of the Income Tax Act 2007 as follows:

(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'. For funds raised after 5 April 2011 the figure is 70 per cent;

(4) At the time of investment, or addition to an investment, the Company's holdings in any one company (other than another VCT) must not 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) The Company's shares, throughout the year, must have been listed on a regulated European market;

(7) An investment in any company must not cause that company to receive more than £5 million in State aid risk finance in the 12 months up to the date of the investment, nor more than £12 million in total (£20 million for a "knowledge intensive" company);

(8) The Company must not invest in a company whose trade is more than seven years old (ten years for a "knowledge intensive" company) unless the Company previously received State aid risk finance in its first seven years, or a turnover test is satisfied;

(9) The Company's investment in another company must not be used to acquire another business, or shares in another company; and

(10) The Company may only make qualifying investments or certain non-qualifying investments permitted by Section 274 of the Income Tax Act 2007.

These tests drive a spread of investment risk through prohibiting holdings of more than 15 per cent. in any portfolio company. The tests have been carried out and independently reviewed for the year ended 30 June 2017. The Company has complied with all tests and continues to do so.

'Qualifying holdings' 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. 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. 'Qualifying trade' excludes, amongst other sectors, dealing in property or shares and securities, insurance, banking and agriculture. Details of the sectors in which the Company is invested can be found in the pie chart on page 8.

A "knowledge intensive" company is one which is carrying out significant amounts of R&D from which the greater part of its business will be derived, or where those R&D activities are being carried out by staff with certain higher educational attainments.

Portfolio company gross assets must not exceed £15 million immediately prior to the investment and £16 million immediately thereafter.

Details of changes in VCT legislation can be found in the Strategic report on page 9.

Environment
The management and administration of the Company is undertaken by the Manager. Albion Capital Group LLP recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by its activities. Initiatives designed to minimise the Company's impact on the environment include recycling and reducing energy consumption.

Global greenhouse gas emissions
The Company has no greenhouse gas emissions to report from the operations of the Company, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) regulations 2013, including those within our underlying investment portfolio.

Directors' report (continued)

Anti-bribery policy

The Company has adopted a zero tolerance approach to bribery, and will not tolerate bribery under any circumstances in any transaction the Company is involved in.

Albion Capital Group LLP reviews the anti-bribery policies and procedures of all portfolio companies.

Diversity

The Board currently consists of two female directors and two male directors. The Board's policy on the recruitment of new Directors is to attract a range of backgrounds, skills and experience and to ensure that appointments are made on the grounds of merit against clear and objective criteria and bear in mind gender and other diversity within the Board.

More details on the Directors can be found in the Board of Directors section on page 16.

The Manager has an equal opportunities policy and currently employs 11 men and 13 women.

Employees

The Company is managed by Albion Capital Group 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) are shown in the Directors' remuneration report on page 34.

Directors' indemnity

Each Director has entered into a Deed of Indemnity with the Company which indemnifies each Director, subject to the provisions of the Companies Act 2006 and the limitations set out in each deed, 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 and election of Directors

Directors' retirement and re-election is subject to the Articles of Association and the UK Corporate Governance Code and are subject to re-election every three years. At the forthcoming Annual General Meeting, Penny Freer will retire from the Board and will offer herself for re-election.

Advising ordinary retail Investors

The Company currently conducts its affairs so that its shares can be recommended by financial intermediaries to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The FCA's restrictions which apply to non-mainstream investment products do not apply to the Company's shares because they are shares in a VCT which, for the purposes of the rules relating to non-mainstream investment products, are excluded securities and may be promoted to ordinary retail investors without restriction.

Investment and co-investment

The Company co-invests with other venture capital trusts and funds managed by Albion Capital Group 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

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 competitive tender was conducted in July 2017. Further details of this evaluation can be found in the Audit and Risk Committee section of the Statement of Corporate Governance on page 31. A resolution to re-appoint BDO LLP will be put to the Annual General Meeting.

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 8 November 2017. 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.capital/funds/CRWN under the Financial Reports and Circulars section.

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 Conduct Authority.

Authority to allot shares

Ordinary resolution number 7 will request the authority to allot up to an aggregate nominal amount of £3,242,220 representing approximately 20 per cent. of the issued Ordinary share capital of the Company as at the date of this report or £324,222 following the reduction in nominal value proposed by resolution number 11.

Directors' report (continued)

The Directors current intention is to allot shares under the Dividend Reinvestment Scheme and any Albion VCTs Top up Offers.

This resolution replaces the authority given to the Directors at the Annual General Meeting in 2016. 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.

Disapplication of pre-emption rights

Special resolution number 8 will request authority for Directors to allot equity securities for cash up to an aggregate nominal amount of £3,242,220, or £324,222 following the reduction in nominal value proposed by resolution number 11, 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 2016. 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.

Purchase of own shares

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

During the financial year under review, the Company purchased 3,087,000 Ordinary shares of nominal value 10 pence each for treasury, for an aggregate consideration of £843,000 including stamp duty, representing 1.9 per cent. of the issued share capital of the Company as at 30 June 2017.

The Company did not purchase any Ordinary shares for cancellation or cancel any shares from Treasury during the year.

This resolution replaces the authority given to the Directors at the Annual General Meeting in 2016. 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.

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.

Cancellation of share capital

Special resolution number 11 is a proposal (the 'Proposal') by the Board to increase the Company's distributable reserves by way of a reduction of the Company's share capital and cancellation of its capital redemption and share premium reserves, subject to shareholder approval and confirmation by the Court.

The Company's distributable reserves are used for the payment of dividends, for share buy-backs and for other corporate purposes. Subject to any creditor protection demanded by the Court (see below), the Proposal will in time create additional distributable reserves of approximately £28.4 million.

The Company may reduce its share capital and cancel its capital redemption and share premium accounts with the approval of shareholders by special resolution. If the special resolution is passed, the Company will apply to the High Court for a Court Order confirming the reduction and cancellation and this is expected to take place during January 2018. The Court may require the Company to protect the interests of the creditors of the Company and the approval to the Proposal will be sought from all creditors. The main creditors, as at the date of filing with the Court, will be the Manager and the Company's solicitors, Bird & Bird LLP. Both of the main creditors have confirmed that they will consent to the Proposal.

It is the Board's policy to pay regular and predictable dividends to shareholders as the Directors believe that this is a key source of shareholder value. The Company also has a policy of buying back its own shares for cancellation or for holding as treasury shares, when such purposes are considered to be to the advantage of the Company and shareholders as a whole. These shares are purchased at a discount to net asset value which enhances the Company's net asset value per share.

Directors' report (continued)

Under the Companies Act 2006 (the 'Act'), the Company is only permitted to pay dividends and to make buy-backs from its accumulated distributable reserves. Therefore, the Board believes that increasing the distributable reserves is in the interests of shareholders. Details of these reserves are shown on page 46 of this Annual Report and Financial Statements.

Implementing the Proposal will mean that the balance sheet of the Company will be restructured by (1) cancelling and extinguishing 9 pence of the amount paid up on each of its issued Ordinary shares and reducing the nominal value of its issued Ordinary shares from 10 pence to 1 penny per share; and (2) cancelling the sum credited to its capital redemption and associated share premium reserves.

As stated in note 14, the Company's issued share capital as at 30 June 2017 was 162,110,978 Ordinary shares of 10 pence each, all of which had been issued as fully paid. If the nominal value of each of these issued Ordinary shares is reduced from 10 pence to 1 penny, the Company's issued share capital will be reduced from £16,211,098 to £1,621,111.

The Company's capital redemption account was created as a result of previous buy-backs of the Company's shares. As at 30 June 2017, the amount credited to the Company's capital redemption account was £1,414,943.

The Company's share premium account represents the difference between the price paid for shares and the nominal value of the shares, less issue costs and transfers to special reserve. As at 30 June 2017, the amount credited to the Company's share premium account was £18,032,059.

It is anticipated that the Company will issue further shares and carry out further buy-backs of Ordinary shares before the date of the final hearing (the "Final Hearing") of the Company's application to reduce its share capital and cancel its capital redemption and share premium accounts. The Company's issued share capital and amount credited to the capital redemption and share premium accounts will therefore be subject to changes after the Company's Annual General Meeting. Special resolution number 11 provides for (i) the reduction in nominal value of any Ordinary shares of 10 pence each which are in issue at the close of business on the day before the date of the Final Hearing; and (ii) the cancellation of the amount credited to the Company's capital redemption and share premium accounts as at the close of business on the day before the date of the Final Hearing.

In order for the reduction of share capital and the cancellation of capital redemption and share premium accounts to become effective, the Court Order confirming the reduction and cancellation must be filed at Companies House for registration by the Registrar of Companies, usually 2-3 days after the date of Court approval.

Recommendation
The Board believes that the passing of the resolutions above are in the best interests 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 shareholdings.

Disclosure of information to the Auditor
In the case 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 Capital Group LLP
Company Secretary
1 King's Arms Yard
London
EC2R 7AF
26 September 2017

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

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 ("EU IFRS") 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 Group and the Company 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 EU IFRS;
- 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;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Strategic report, a Director's report and Director's remuneration report which comply with the requirement of the Companies Act 2006.

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, as regards to the Group Financial Statements, 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 ensuring that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Website publication

The Directors are responsible for ensuring the Annual Report and Financial Statements are made available on a website. Financial Statements are published on the Company's webpage on the Manager's website (www.albion.capital) in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Manager's website is, so far as it relates to the Company, the responsibility of the Manager.

The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditor accepts no responsibility for any changes that have occurred to the Financial Statements since they were initially presented on the website.

Directors' responsibilities pursuant to Disclosure and Transparency Rule 4 of the UK Listing Authority

The Directors confirm, to the best of their knowledge:

- The Group Financial Statements have been prepared in accordance with EU IFRS and Article 4 of the IAS Regulation and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and
- The Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and the Parent Company, together with a description of the principal risks and uncertainties that they face.

By Order of the Board

Richard Huntingford
Chairman
26 September 2017

Statement of corporate governance

Background
The Financial Conduct 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 September 2014.

The Board of the Company 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 the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

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 the 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, 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. Richard Huntingford is the Chairman and Karen Brade is the Senior Independent Director. 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 16. 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. Further details on the recruitment of new directors can be found in the Nomination Committee section on pages 31 and 32.

The Board met four times during the year as part of its regular programme of Board meetings. In addition, and in accordance with best practice, a meeting took place without the Manager present. All Directors attended each meeting. A sub-committee of the Board comprising at least two Directors met during the year to allot shares issued under the Dividend Reinvestment Scheme and the Albion VCTs Top Up Offers and also met during the year to approve the terms and contents of the Offers document under the Albion VCTs Prospectus Top Up Offers 2016/2017.

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 delegated authority over the day-to-day management of the investment portfolio, the organisation of custodial services, accounting, secretarial and administrative services. The main issues reserved for the Board include:

- the appointment, evaluation, removal and remuneration of the Manager;
- the consideration and approval of future developments or changes to the investment policy, including risk and asset allocation;
- consideration of corporate strategy and corporate events that arise;
- 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;

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.

It is the responsibility of the Board to present an Annual Report that is fair, balanced and understandable, which provides the information necessary for shareholders to assess the position, performance, strategy and business model of the Company.

Committees' and Directors' performance evaluation

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

- attendance at Board and Committee meetings;
- the contribution made by individual Directors at, and outside of, Board and Committee meetings; and
- completion of a detailed internal assessment process and annual performance evaluation conducted by the Chairman (or in the case of the Chairman's review, by the Senior Independent Director).

The evaluation process has identified that the Board works well together and 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, Penny Freer, who is subject to re-election at the forthcoming Annual General Meeting, is considered to be an effective Director and demonstrates a strong commitment to the role. The Board believes it to be in the best interest of the Company to reappoint Penny Freer at the forthcoming Annual General Meeting.

Remuneration Committee

The Remuneration Committee consists of all Directors and Penny Freer is the Chairman. The Committee meets annually to review both Directors responsibilities and salaries against the market.

The terms of reference for the Remuneration Committee can be found on the Company's webpage on the Manager's website at www.albion.capital/funds/CRWN in the Corporate Governance section.

Audit and Risk Committee

The Audit and Risk Committee consists of all Directors and Karen Brade is the Chairman. The Board considers Karen Brade's background and experience 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 2017; all members attended.

Written terms of reference have been constituted for the Audit and Risk Committee and can be found on the Company's webpage on the Manager's website at www.albion.capital/funds/CRWN in the Corporate Governance section.

During and following the year under review, the Committee discharged its responsibilities including:

- 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 to review their findings, including at least one meeting without the Manager present;
- reviewing the performance of the Manager and making recommendations regarding their re-appointment to the Board;
- evaluating the effectiveness of the external audit and the performance of the external Auditor including their terms of engagement and remuneration;
- addressing specific issues relating to the Financial Statements including the reasonableness of valuations, compliance with accounting standards and UK law, corporate governance and listing and disclosure rules disclosures as well as going concern. These issues were addressed through detailed review, discussion and challenge by the Board of these matters, as well as by reference to underlying technical information;
- advising the Board on whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position performance, business model and strategy; and
- reporting to the Board on how it has discharged its responsibilities.

Statement of corporate governance (continued)

Financial Statements
The Audit and Risk Committee has initial responsibility for reviewing the Financial Statements and reporting on any significant issues that arise in relation to the audit of the Financial Statements as outlined below. Such issues were discussed with the external Auditor prior to the completion of the audit of the Financial Statements. No areas of disagreement arose between the Audit and Risk Committee and the external Auditor in respect of their work during the period.

The key accounting and reporting issues considered by the Committee were:

The valuation of the Company's investments
Valuations of investments are prepared by the Manager. The Audit and Risk Committee reviewed the estimates and judgements made in relation to these investments and were satisfied that they were appropriate. The Audit and Risk Committee also discussed the controls in place over the valuation of investments. The Committee recommended investment valuations to the Board for approval.

Revenue recognition
The revenue generated from loan stock interest and dividend income has been considered by the Audit and Risk Committee as part of its review of the Annual Report as well as a quarterly review of the management accounts prepared by the Manager. The Audit and Risk Committee has considered the controls in place over revenue recognition to ensure that amounts received are in line with expectation and budget.

Following rigorous reviews of the Annual Report and Financial Statements and consideration of the key areas of risk identified, the Audit and Risk Committee has recommended to the Board that, as a whole, the Financial Statements are fair, balanced and understandable and that they provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Relationship with the external Auditor
The Audit and Risk 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 and effectiveness of audit procedures as well as the robustness of their quality assurance procedures. In advance of each audit, the Audit and Risk 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.

As part of its work, the Audit and Risk Committee has undertaken a formal evaluation of the external Auditor against the following criteria;

- Qualification
- Expertise
- Resources
- Effectiveness
- Independence
- Leadership

In order to form a view of the effectiveness of the external audit process, the Audit and Risk Committee took into account information from the Manager regarding the audit process, the formal documentation issued to the Audit and Risk Committee and the Board by the external Auditor as well as feedback given in a meeting without the Manager present, regarding the external audit for the year ended 30 June 2017, and assessments made by individual Directors.

The core legislation mandates that the maximum period for which a firm can be appointed auditor of a public interest entity is 10 years. Member states can choose to make this period shorter, or they can choose to allow extensions: to 20 years if a competitive tender is held at the 10 year point, or to 24 years in the case of a joint audit appointment. Transition arrangements vary depending on the length of time auditors have been incumbent. BDO first acted as Auditor for the year ended 30 June 2008 and therefore the last year BDO can act as auditor before a mandatory tender process is required is 30 June 2017. Accordingly, the Audit and Risk Committee undertook a selection process for the appointment of the external auditor for the financial year ending 30 June 2018 so as to ensure auditor independence and continued quality of judgement. The Company can confirm that there are no contractual obligations that restrict the Company's choice of external auditor. 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.

Based on the assurance obtained, the Audit and Risk Committee recommended to the Board a resolution to re-appoint BDO LLP as Auditor at the forthcoming Annual General Meeting.

Nomination Committee
The Nomination Committee consists of all Directors and Richard Huntingford is the Chairman. 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.

Statement of corporate governance (continued)

The Nomination Committee did not meet during the year.

The Board's policy on the recruitment of new Directors is to attract a range of backgrounds, skills and experience and to ensure that appointments are made on the grounds of merit against clear and objective criteria and bear in mind the maintenance of gender and other diversity within the Board. Directors are offered training, both at the time of joining the Board and on other occasions where required.

Terms of reference for the Nomination Committee can be found on the Company's webpage on the Manager's website at www.albion.capital/funds/CRWN in the Corporate Governance section. 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 FRC guidance "Risk Management, Internal Control and Related Financial and Business Reporting". 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 Audit and Risk Committee'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 majority of asset-based 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 Capital Group LLP;
- bank and stock reconciliations are carried out monthly by the Manager in accordance with FCA requirements;
- all published financial reports are reviewed by Albion Capital Group LLP's compliance department;
- the Board reviews financial information; and
- a separate Audit and Risk Committee of the Board reviews financial information (including the valuations) due to be published.

As the Board has delegated the investment management and administration to Albion Capital Group LLP, the Board feels that it is not necessary to have its own internal audit function. Instead, the Board has access to PKF Littlejohn LLP, which, as internal auditor for Albion Capital Group LLP, undertakes periodic examination of the business processes and controls environment at Albion Capital Group LLP; and ensures that any recommendations to implement improvements in controls are carried out. During the year, the Audit and Risk Committee and the Board reviewed internal audit reports prepared by PKF Littlejohn LLP. The Board will continue to monitor its system of internal control in order to provide assurance that it operates as intended.

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 23, 25 and 26 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.

Statement of corporate governance (continued)

Relationships with shareholders

The Company's Annual General Meeting at 11:00 am on 8 November 2017 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 encouraged to attend the annual Shareholders' Seminar that takes place at Fishmongers' Hall on London Bridge at 9:30 am on 15 November 2017. The seminar will include some of our portfolio companies sharing insights into their businesses and will also have a presentation from Patrick Reeve, Managing Partner of Albion Capital Group LLP, which will reflect on some of the key factors affecting the investment outlook, as well as a review of the past year and the plans for the year ahead.

Shareholders are able to access the latest information on holdings and performance using the contact details provided on page 2.

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

The Directors consider that, with the exception of the requirement for the appointment of a Chief Executive Officer, the Company has complied throughout the year ended 30 June 2017 with all the relevant provisions set out in 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

Richard Huntingford
Chairman
26 September 2017

Directors' remuneration report

Introduction
This report is submitted in accordance with Section 420 of the Companies Act 2006 and describes how the Board has applied the principles relating to the Directors' remuneration.

Ordinary resolutions will be proposed at the Annual General Meeting of the Company to be held on 8 November 2017 for the approval of the Directors' Remuneration Policy and the Annual Remuneration Report as set out below.

The Company's independent Auditor, BDO LLP, is required to give its opinion on certain information included in this report, as indicated below. The Auditor's opinion is included in the Independent Auditor's Report.

UNAUDITED INFORMATION
Annual statement from the Chairman of the Remuneration Committee
The Remuneration Committee comprises all of the Directors, with Penny Freer as Chairman.

The Remuneration Committee met once during the year to review Directors' responsibilities and salaries against the market and concluded that the current level of remuneration, which was increased in 2016, remained appropriate and so proposed no increase for the forthcoming year.

Directors' remuneration policy
The Company's policy is that fees payable to non-executive Directors should reflect their expertise, responsibilities and time spent on Company matters. In determining the level of non-executive remuneration, market equivalents are considered in comparison to the overall activities and size of the Company. There is no performance related pay criteria applicable to non-executive Directors.

This policy was last voted on at the 2014 Annual General Meeting where 98.5 per cent. of shareholders voted for the resolution approving the Directors' Remuneration Policy which shows significant shareholder support.

In accordance with the reporting requirements, an Ordinary resolution for the approval of the Remuneration policy of the Company, to remain in force for a three year period, will be put to the members at the Annual General Meeting and will be effective from that date.

The maximum aggregate level of Directors' remuneration is £100,000 per annum which is fixed by the Company's Articles of Association.

Assuming this policy is approved by shareholders at the forthcoming Annual General Meeting, it is intended that this policy will continue for the year ending 30 June 2018 and will remain in place for a three year period.

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. Accordingly, at the forthcoming Annual General Meeting, Penny Freer will retire and offer herself for re-election.

None of the Directors has a service contract with the Company, and as such there is no policy on termination payments. There is no notice period and no payments for loss of office were made during the period. On being appointed to the Board, Directors receive a letter from the Company setting out the terms of their appointment and their specific duties and responsibilities. The Company has no employees other than the Directors.

Shareholders' views in respect of Directors' remuneration are regarded highly and the Board encourages shareholders to attend its Annual General Meeting in order to communicate their thoughts, which it takes into account where appropriate when formulating its policy. At the last Annual General Meeting, 94.3 per cent. of shareholders voted for and 5.7 per cent. against the resolution approving the Directors' Remuneration Report.

Directors
The following items have been audited.

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 2017 were:

	Shares held as at 30 June 2017	Shares held as at 30 June 2016
Richard Huntingford	**25,859**	24,206
James Agnew (appointed 1 November 2015)	**41,695**	20,123
Karen Brade	**7,186**	6,726
Penny Freer	**32,467**	–
Total	**107,207**	51,055

There have been no changes in the holdings of the Directors between 30 June 2017 and the date of this report.

There are no guidelines or requirements in respect of the Directors share holdings.

Albion Capital Group LLP, its Partners and staff hold a total of 621,143 shares in the Company.

Annual report on remuneration
The remuneration of individual Directors is determined by the Remuneration Committee within the framework set by the Board.

It is responsible for reviewing the remuneration of the Directors and the Company's remuneration policy to ensure that it reflects

Directors' remuneration report (continued)

the duties, responsibilities and value of time spent by the Directors on the business of the Company and makes recommendations to the Board accordingly.

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 2017		
	Fees	**Expenses**	**Total**
	£	**£**	**£**
Richard Huntingford	**24,000**	**–**	**24,000**
James Agnew	**20,000**	**–**	**20,000**
Karen Brade	**22,000**	**–**	**22,000**
Penny Freer	**20,000**	**–**	**20,000**
	86,000	**–**	**86,000**

	Year ended 30 June 2016		
	Fees	Expenses	Total
	£	£	£
Richard Huntingford	22,500	–	22,500
James Agnew (appointed 1 November 2015)	13,000	–	13,000
Karen Brade	20,500	–	20,500
Penny Freer	19,000	–	19,000
Rachel Beagles (resigned 12 November 2015)	6,000	–	6,000
	81,000	–	81,000

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, which has been recharged to the Company.

In addition to Directors' remuneration, the Group paid an annual premium in respect of Directors' and Officers' Liability Insurance of £8,085 (2016: £9,697).

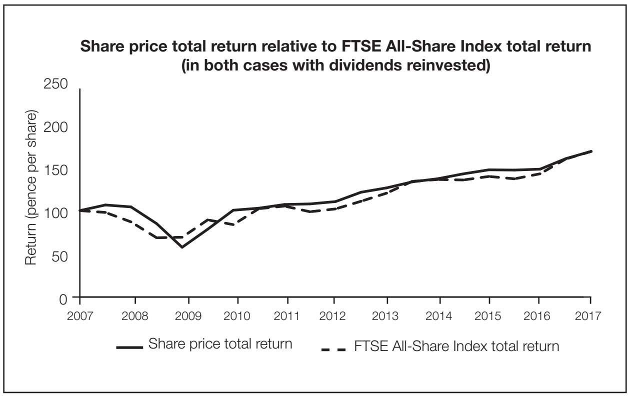
Service contracts

The Directors have letters of appointment under which retirement and re-appointment are governed by the Articles of Association of the Company.

Performance graph

The graph below shows the Company's share price total return against the FTSE All-Share Index total return over the previous ten years, in both instances with dividends reinvested. The Directors consider the FTSE All-Share Index to be the most appropriate benchmark for the Company.

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



Source: Albion Capital Group LLP

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

Directors pay compared to distribution to shareholders

	2017 £'000	2016 £'000	**% change**
Total distribution to shareholders including dividends and share buybacks	**3,531**	3,143	**12.3%**
Total Directors' fees	**86**	81	**6.2%**

By Order of the Board

Richard Huntingford
Director
26 September 2017

Independent Auditor's report to the Members of Crown Place VCT PLC

Opinion

We have audited the financial statements of Crown Place VCT Plc (the 'parent company') and its subsidiary (together the 'group') for the year ended 30 June 2017 which comprise the Consolidated statement of comprehensive income, the consolidated and parent company balance sheets, the consolidated and parent company statements of changes in equity, the consolidated and parent company cash flow statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, United Kingdom Generally Accepted Accounting Practice as applied in accordance with the provisions of the Companies Act 2006.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report set out on pages 13 and 14 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation set out on page 15 in the annual report that they have carried out a robust assessment of the principal risks facing the group, including those that would threaten its business model, future performance, solvency or liquidity;
- the directors' statement set out on page 23 in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the group and the parent company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation set out on page 15 in the annual report as to how they have assessed the prospects of the group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Key audit matters

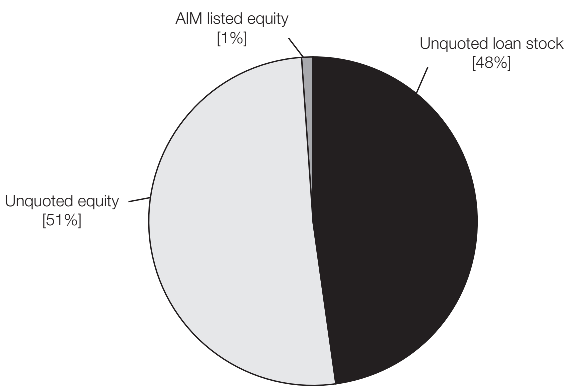
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the

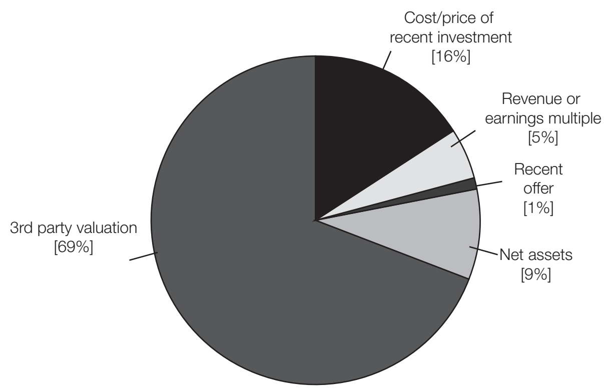
Independent Auditor's report
to the Members of Crown Place VCT PLC (continued)

allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Investments

The valuation of investments is a key accounting estimate where there is an inherent risk of management override arising from the investment valuations being prepared by the Investment Manager, who is remunerated based on the net asset value of the parent company.





We performed preliminary analytical procedures to determine our investment sample and the extent of our work considering, inter alia, the value of individual investments, the nature of the investment and the extent of the fair value movement. An analysis of the investment portfolio by nature of instrument type and valuation method is shown below.

We tested a sample of 78% of the unquoted investment portfolio by value of investment holdings.

26% of the unquoted portfolio is based on valuations using net assets, cost (where the investment was recently acquired), the price of a recent investment, or an offer to acquire the investee company. For such investments, we checked the cost, net assets or third party offer to supporting documentation and considered the Investment Manager's determination of whether there were any reasons why the valuation and the valuation methodology was appropriate at 30 June 2017.

The remaining 74% of the portfolio is valued with reference to more subjective techniques, with 69% supported by a valuation performed by a third party (17% based on DCF valuations, and 52% based on earnings multiple valuations) and a further 5% valued based on revenue or earnings multiple valuations performed by the investment manager.

Our detailed testing for such investments, performed on all investments within our sample comprised:

- Forming a determination of whether the valuation methodology is the most appropriate in the circumstances under the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines obtaining management explanations
- Re-performed the calculation of the multiples-based investment valuations
- Where a valuation has been performed by a third party management's expert, we assessed the competence and capabilities of that expert, the quality of their work and their qualifications, as well as challenging the basis of inputs and assumptions used by the expert. We also considered any updates for subsequent information to the valuation made by the investment manager and obtained appropriate evidence for those changes
- Checked key inputs and estimates to independent information and our own research
- Challenged the assumptions inherent in the valuation of unquoted investments and assessed the impact of the estimation uncertainty concerning these assumptions and the disclosure of these uncertainties in the Financial Statements

Independent Auditor's report to the Members of Crown Place VCT PLC (continued)

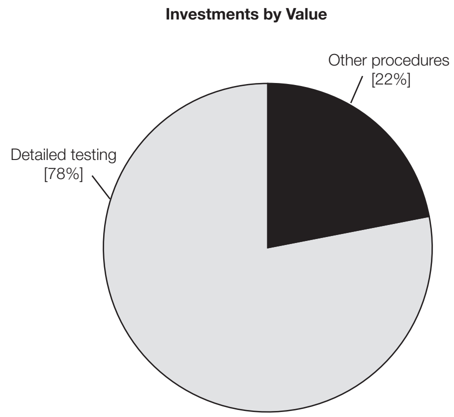
- Considered the economic environment in which the investment operates to identify factors that could impact the investment valuation
- Developed our own point estimates where alternative assumptions could reasonably be applied and considered the overall impact of such sensitisations on the portfolio of investments in determining whether the valuations as a whole are reasonable and unbiased.

For investments not included in our detailed testing, we performed the following procedures:

- Considered whether the valuation had been prepared by a suitably qualified individual
- Considered whether a valid IPEV methodology had been adopted
- Considered whether the valuation used up to date trading information

For a risk-weighted sample of loans held at fair value, we:

- Vouched security held to documentation



- Considered the assumption that fair value is not significantly different to cost by challenging the assumption that there is no significant movement in the market interest rate since acquisition and considering the "unit of account" concept
- Reviewed the treatment of accrued redemption premium/other fixed returns in line with the SORP

The chart below depicts the coverage of our audit work across the entire portfolio:

Revenue

Revenue consists of dividends receivable from the portfolio companies and interest earned on loans to portfolio companies and cash balances. Revenue recognition is a significant audit risk as it is one of the key drivers of dividend returns to investors. In particular, in unquoted companies, dividends receivable can be difficult to predict.

We assessed the design and the implementation of the controls relating to revenue recognition and we developed expectations for interest income receivable based on loan instruments and investigated any variations in amounts recognised to ensure they were valid.

We also reviewed the recognition and classification of accrued fixed income receipts to ascertain whether it meets the definition of realised income, considering management information relevant to the ability of the portfolio Company to service the loan and the reasons for any arrears of loan interest.

In respect of dividends receivable, we compared actual income to expectations set based on independent published data or management information from the investee company on dividends declared by the portfolio companies held. We tested the categorisation of dividends received from the portfolio companies between the revenue and capital.

The Audit and Risk Committee's consideration of their key issues is set out on page 30.

Independent Auditor's report to the Members of Crown Place VCT PLC (continued)

Materiality measure	Purpose	Key considerations and benchmarks	Quantum (£)
Financial statement materiality - Based on 2% of invested assets	Assessing whether the Financial Statements as a whole present a true and fair view	• The value of investments • The level of judgement inherent in the valuation • The range of reasonable alternative valuation	660,000
Specific materiality – classes of transactions and balances which impact on revenue profits – Based on 10% of the revenue return before tax	Assessing those classes of transactions, balances or disclosures for which misstatements of lesser amounts than materiality for the Financial Statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements	• The level of net income return	90,000

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. For planning, we consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the Financial Statements. Importantly, misstatements below this level will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the Financial Statements. The application of these key considerations gives rise to two levels of materiality, the quantum and purpose of which are tabulated below.

We agreed with the Audit and Risk Committee that we would report to the Committee all individual audit differences in excess of £8,500, and for items impacting revenue return before tax, the aggregate impact of misstatements over our specific triviality impact of £2,000. We will also report on differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

Our audit has encompassed all balances in the financial statements, as well as the related disclosures and notes. As explained above, our particular focuses have been valuation of investments and revenue.

Our audit approach has been driven by our materiality thresholds set out above. We have performed detailed testing on all investment valuations whose year end value is in excess of our performance materiality threshold of £500,000, this being 75% of materiality. Detailed testing has been outlined below the "Investments" subtitle in the "Key audit matters" section of this report.

For all immaterial investment valuations we have performed a high level analytical review.

Our revenue testing has been driven by our specific materiality level of £90,000. Revenue testing performed has been detailed below the "Revenue" subtitle of the "Key audit matters" section of this report.

Other information

The other information comprises the information included in the annual report, including the Financial highlights, the Chairman's statement, the Strategic report, the Directors' report, the Statement of Directors' responsibilities, the Statement of Corporate Governance, the Directors' remuneration report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditor's report to the Members of Crown Place VCT PLC (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable –** the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit and Risk Committee reporting –** the section describing the work of the Audit and Risk Committee does not appropriately address matters communicated by us to the Audit and Risk Committee; or
- **Directors' statement of compliance with the UK Corporate Governance Code –** the parts of the directors' statement required under the Listing Rules relating to the company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions 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.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in:

- the strategic report or the directors' report; or
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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

Independent Auditor's report to the Members of Crown Place VCT PLC (continued)

- 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 parent company.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit was performed using the materiality thresholds outlined elsewhere in this report. We have therefore tested all classes of transactions, account balances and disclosures at or in excess of these thresholds. Consequently, we consider it unlikely that there will be any undetected fraud with an impact exceeding our materiality thresholds. It is possible that there are undetected instances of fraud whose impact is below these thresholds.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit and Risk Committee.

Vanessa-Jayne Bradley (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
55 Baker Street,
London,
W1U 7EU
26 September 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of comprehensive income

		Year ended 30 June 2017			Year ended 30 June 2016		
	Note	**Revenue £'000**	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
Gains on investments	2	**–**	**5,435**	**5,435**	–	238	238
Investment income and deposit interest	3	**1,032**	**–**	**1,032**	1,114	–	1,114
Investment management fees	4	**(177)**	**(531)**	**(708)**	(149)	(448)	(597)
Other expenses	5	**(294)**	**–**	**(294)**	(289)	–	(289)
Profit/(loss) before taxation		**561**	**4,904**	**5,465**	676	(210)	466
Taxation	6	**–**	**–**	**–**	–	–	–
Profit/(loss) and total comprehensive income attributable to shareholders		**561**	**4,904**	**5,465**	676	(210)	466
Basic and diluted earnings/(loss) per Ordinary share (pence)*	8	**0.41**	**3.63**	**4.04**	0.59	(0.18)	0.41

* *excluding treasury shares*

The accompanying notes on pages 49 to 62 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 2017 £'000	30 June 2016 £'000
Non-current assets			
Investments	9	**36,328**	30,296
Current assets			
Trade and other receivables less than one year	12	**303**	476
Cash and cash equivalents		**9,265**	6,896
		9,568	7,372
Total assets		**45,896**	37,668
Current liabilities			
Trade and other payables less than one year	13	**(315)**	(283)
Total assets less current liabilities		**45,581**	37,385
Equity attributable to equityholders			
Ordinary share capital	14	**16,211**	14,110
Share premium		**18,032**	13,872
Capital redemption reserve		**1,415**	1,415
Unrealised capital reserve		**6,739**	2,131
Realised capital reserve		**(604)**	(900)
Other distributable reserve		**3,788**	6,757
Total equity shareholders' funds		**45,581**	37,385
Basic and diluted net asset value per share (pence)*	15	**30.98**	28.94

* *excluding treasury shares*

The accompanying notes on pages 49 to 62 form an integral part of these Financial Statements.

These Financial Statements were approved by the Board of Directors, and authorised for issue on 26 September 2017 and were signed on its behalf by

Richard Huntingford
Chairman

Company number: 03495287

Company balance sheet

	Note	30 June 2017 £'000	30 June 2016 £'000
Non-current assets			
Investments	9	**36,328**	30,296
Investment in subsidiary undertakings	11	**–**	6,823
		36,328	37,119
Current assets			
Investment in subsidiary undertakings	11	**6,400**	8,230
Trade and other receivables less than one year	12	**303**	436
Cash and cash equivalents		**9,249**	6,880
		15,952	15,546
Total assets		**52,280**	52,665
Current liabilities			
Trade and other payables less than one year	13	**(6,699)**	(15,280)
Total assets less current liabilities		**45,581**	37,385
Equity attributable to equityholders			
Ordinary share capital	14	**16,211**	14,110
Share premium		**18,032**	13,872
Capital redemption reserve		**1,415**	1,415
Unrealised capital reserve		**6,311**	2,127
Realised capital reserve		**(813)**	(1,109)
Other distributable reserve		**4,425**	6,970
Total equity shareholders' funds		**45,581**	37,385
Basic and diluted net asset value per share (pence)*	15	**30.98**	28.94

* *excluding treasury shares*

The Company's profit for the year was £5,889,000 (2016: £505,000).

The accompanying notes on pages 49 to 62 form an integral part of these Financial Statements.

These Financial Statements were approved by the Board of Directors, and authorised for issue on 26 September 2017 and were signed on its behalf by

Richard Huntingford
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 reserve £'000	Total £'000
As at 1 July 2016	14,110	13,872	1,415	2,131	(900)	6,757	37,385
Profit/(loss) and total comprehensive income	–	–	–	4,986	(82)	561	5,465
Transfer of previously unrealised losses on sale or write off of investments	–	–	–	(378)	378	–	–
Dividends paid	–	–	–	–	–	(2,687)	(2,687)
Purchase of shares for treasury (including costs)	–	–	–	–	–	(843)	(843)
Issue of equity	2,101	4,334	–	–	–	–	6,435
Cost of issue of equity	–	(174)	–	–	–	–	(174)
As at 30 June 2017	**16,211**	**18,032**	**1,415**	**6,739**	**(604)**	**3,788**	**45,581**
As at 1 July 2015	11,767	9,234	1,415	1,612	(171)	9,224	33,081
Profit/(loss) and total comprehensive income	–	–	–	422	(632)	676	466
Transfer of previously unrealised losses on sale or write off of investments	–	–	–	97	(97)	–	–
Dividends paid	–	–	–	–	–	(2,837)	(2,837)
Purchase of shares for treasury (including costs)	–	–	–	–	–	(306)	(306)
Issue of equity	2,343	4,819	–	–	–	–	7,162
Cost of issue of equity	–	(181)	–	–	–	–	(181)
As at 30 June 2016	14,110	13,872	1,415	2,131	(900)	6,757	37,385

The nature of each reserve is described in note 1 on page 51.

Company 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 reserve* £'000	Total £'000
As at 1 July 2016	14,110	13,872	1,415	2,127	(1,109)	6,970	37,385
Profit/(loss) and total comprehensive income	–	–	–	4,986	(82)	985	5,889
Revaluation of investment in subsidiaries	–	–	–	(423)	–	–	(423)
Transfer of previously unrealised losses on disposal of investments	–	–	–	(378)	378	–	–
Dividends paid	–	–	–	–	–	(2,687)	(2,687)
Purchase of shares for treasury (including costs)	–	–	–	–	–	(843)	(843)
Issue of equity	2,101	4,334	–	–	–	–	6,435
Cost of issue of equity	–	(174)	–	–	–	–	(174)
As at 30 June 2017	**16,211**	**18,032**	**1,415**	**6,311**	**(813)**	**4,425**	**45,581**
As at 1 July 2015	11,767	9,234	1,415	1,647	(380)	9,398	33,081
Profit/(loss) and total comprehensive income	–	–	–	422	(632)	715	505
Revaluation of investments in subsidiaries	–	–	–	(39)	–	–	(39)
Transfer of previously unrealised losses on disposal of investments	–	–	–	97	(97)	–	–
Dividends paid	–	–	–	–	–	(2,837)	(2,837)
Purchase of shares for treasury (including costs)	–	–	–	–	–	(306)	(306)
Issue of equity	2,343	4,819	–	–	–	–	7,162
Cost of issue of equity	–	(181)	–	–	–	–	(181)
As at 30 June 2016	14,110	13,872	1,415	2,127	(1,109)	6,970	37,385

* Included within these reserves is an amount of £3,612,000 (2016: £5,861,000) which is considered distributable.

The nature of each reserve is described in note 1 on page 51.

Consolidated statement of cash flows

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Operating activities		
Investment income received	**858**	948
Deposit interest received	**34**	47
Dividend income received	**48**	38
Investment management fees paid	**(672)**	(579)
Other cash payments	**(315)**	(283)
Net cash flow from operating activities	**(47)**	171
Cash flow from investing activities		
Purchase of non-current asset investments	**(2,917)**	(4,566)
Disposal of non-current asset investments	**2,546**	2,879
Net cash flow from investing activities	**(371)**	(1,687)
Cash flow from financing activities		
Issue of share capital	**5,833**	7,164
Cost of issue of equity	**(2)**	(2)
Equity dividends paid	**(2,255)**	(2,413)
Purchase of shares for treasury	**(826)**	(303)
Transfer of CP2 VCT PLC cash to liquidator	**–**	(40)
Receipt of CP2 VCT PLC cash upon liquidation	**37**	–
Net cash flow from financing activities	**2,787**	4,406
Increase in cash and cash equivalents	**2,369**	2,890
Cash and cash equivalents at the start of the year	**6,896**	4,006
Cash and cash equivalents at the end of the year	**9,265**	6,896

Company statement of cash flows

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Operating activities		
Investment income received	**858**	948
Deposit interest received	**34**	47
Dividend income received	**1,098**	943
Investment management fees paid	**(672)**	(579)
Intercompany interest paid	**(1,050)**	(905)
Other cash payments	**(315)**	(283)
Net cash flow from operating activities	**(47)**	171
Cash flow from investing activities		
Purchase of non-current asset investments	**(2,917)**	(4,566)
Disposal of non-current asset investments	**2,546**	2,879
Net cash flow from investing activities	**(371)**	(1,687)
Cash flow from financing activities		
Issue of share capital	**5,833**	7,164
Cost of issue of equity	**(2)**	(2)
Equity dividends paid	**(2,255)**	(2,413)
Purchase of own shares for treasury (including costs)	**(826)**	(303)
Receipt of CP2 VCT PLC cash upon liquidation	**37**	–
Net cash flow from financing activities	**2,787**	4,446
Increase in cash and cash equivalents	**2,369**	2,930
Cash and cash equivalents at the start of the year	**6,880**	3,950
Cash and cash equivalents at the end of the year	**9,249**	6,880

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. The Company has adopted FRS 101 "Reduced Disclosure Framework", which is based on the recognition and measurement requirements of International Financial Reporting Standards ('EU IFRS') as adopted by the European Union.

Basis of accounting

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ('EU IFRS') as adopted by the European Union (and therefore comply with Article 4 of the EU IAS regulation), in the case of the Group, and in accordance with FRS 101 "Reduced Disclosure Framework" in the case of the Company. No disclosure exemptions have been taken by the Company. The Company has taken advantage of FRS 101 exemption paragraph 8.K. which allows the Company not to disclose related party transactions with wholly owned subsidiaries.

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 2014, 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, there are no new International Accounting Standards and interpretations that were in issue but not yet effective that are 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.

Information about the Group and Company can be found on page 2.

Basis of consolidation

The Group consolidated Financial Statements incorporate the Financial Statements of the Company for the year ended 30 June 2017 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 £5,889,000 (2016: £505,000).

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.

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. Reasonable possible alternative assumptions have been considered, details of which are given in note 9.

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 and portfolio company performance at each balance sheet date.

Investment in subsidiaries

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

CP1 VCT PLC is a wholly-owned subsidiary of the Company. CP1 VCT PLC transferred its business to Crown Place VCT PLC and ceased trading with effect from the date of merger on 12 January 2006. Since then, CP1 VCT PLC has had no further business other than to hold cash and intercompany balances. CP1 VCT PLC had significant tax losses which have been utilised by the Company through group relief. As the tax losses were depleted, the Directors took the decision to appoint a liquidator and commence a process of members' voluntary liquidation for CP1 VCT PLC. PKF Geoffrey Martin & Co Limited were appointed to undertake this task on 8 June 2017. The liquidation is expected to be completed by June 2018.

As mentioned in the Half-yearly Financial Report, CP2 VCT PLC held its final meeting on 8 December 2016 and was consequently dissolved on 21 March 2017.

Notes to the Financial Statements (continued)

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', 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 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.

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.

Warrants and unquoted equity derived instruments

Warrants and unquoted equity derived instruments are only valued if there is deemed to be 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 as a whole on a unit of account basis.

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 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 other distributable 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, 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.

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", 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.

IFRS 9

The IASB has issued IFRS – 9 Financial Instruments which will become mandatory effective for periods beginning on or after 1 January 2018. Upon conducting a robust risk assessment on the investments in the portfolio, the Board has concluded that the implementation of IFRS 9 would not have a material effect on the valuation of the portfolio.

Investment income

Quoted and unquoted equity income

Dividends receivable on quoted equity shares are recognised on the ex-dividend date. Income receivable on unquoted equity is recognised when the Company's right to receive payment and expected settlement is established.

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 share premium.

Taxation

Taxation is applied on a current basis in accordance with IAS 12 "Income taxes". Taxation associated with capital expenses is applied in accordance with the SORP. Deferred taxation is provided in full on timing differences, and temporary differences (in accordance with IAS 12) 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. Temporary differences arise from differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for taxation purposes. Timing differences (IAS 12) 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. 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.

Notes to the Financial Statements (continued)

Dividends
In accordance with IAS 10 "Events after the balance sheet date", dividends are accounted for in the period in which the dividend is paid or approved at the Annual General Meeting.

Reserves
Share premium
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 other distributable 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.

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.

Other distributable reserve
This reserve accounts for movements from the revenue column of the Statement of comprehensive income, the payment of dividends, the buy-back of shares and other non-capital realised movements.

Notes to the Financial Statements (continued)

2. Gains on investments

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Unrealised gains on investments held at fair value through profit or loss	**4,629**	288
Reversal of impairments on investments measured at amortised cost	**357**	133
Unrealised gains on investments	**4,986**	422
Realised gains/(losses) on investments held at fair value through profit or loss	**51**	(152)
Realised gains/(losses) on investments measured at amortised cost	**398**	(32)
Realised gains/(losses) on investments	**449**	(184)
	5,435	238

Investments measured at amortised cost are unquoted loan stock investments as described in note 9.

3. Investment income and deposit interest

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Income recognised on investments held at fair value through profit or loss		
UK dividend income	**51**	38
Interest on convertible bonds and debt issued at a discount	**528**	469
	579	507
Income recognised on investments measured at amortised cost		
Return on loan stock investments	**425**	557
Bank deposit interest	**28**	50
	453	607
	1,032	1,114

Interest income earned on impaired investments at 30 June 2017 amounted to £68,000 (2016: £88,000). These investments are all held at amortised cost.

4. Investment management fees

	Year ended 30 June 2017			Year ended 30 June 2016		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
Investment management fee	**177**	**531**	**708**	149	448	597

Further details of the Management agreement under which the investment management fee is paid are given in the Strategic report on page 12.

During the year, services of a total value of £758,000 (2016: £647,000) were purchased by the Company from Albion Capital Group LLP comprising £708,000 in respect of management fees (2016: £597,000) and £50,000 in respect of administration fees (2016: £50,000). At the financial year end, the amount due to Albion Capital Group LLP in respect of these services disclosed as accruals and deferred income was £211,500 (administration fee accrual: £12,500, management fee accrual £199,000) (2016: £174,500).

Albion Capital Group LLP is, from time to time, eligible to receive transaction fees and monitoring fees from portfolio companies. During the year ended 30 June 2017 fees of £125,000 attributable to the investments of the Company were received pursuant to these arrangements (2016: £125,000).

Albion Capital Group LLP, holds 58,034 Ordinary shares in the Company.

Notes to the Financial Statements (continued)

5. Other expenses

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Directors' remuneration	**86**	81
National insurance on Directors' remuneration	**6**	6
Auditor's remuneration:		
– audit of the statutory Financial Statements (excluding VAT)	**26**	28
– the auditing of accounts of subsidiaries of the Company pursuant to legislation (excluding VAT)	**3**	3
Fees for the liquidation of CP2 VCT PLC (excluding VAT)	**–**	3
Other expenses	**173**	168
	294	289

Further information regarding Directors' remuneration can be found in the Directors' remuneration report on page 35.

6. Taxation

	Year ended 30 June 2017			Year ended 30 June 2016		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
UK corporation tax charge	**–**	**–**	**–**	–	–	–

The tax charge for the year shown in the Statement of comprehensive income is lower than the average standard rate of corporation tax of 19.75 per cent. (2016: average rate of 20 per cent.). The differences are explained below:

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Profit before taxation	**5,465**	466
Profit multiplied by the average standard rate of corporation tax	**1,097**	93
Effect of capital gains not subject to taxation	**(1,073)**	(48)
Effect of income not subject to taxation	**(10)**	(8)
Utilisation of tax losses	**(14)**	(37)
	–	–

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 £2,805,000 (2016: £3,013,000) 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.

7. Dividends

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
First dividend of 1 penny per share paid on 30 November 2016 (30 November 2015 – 1.25 pence per share)	**1,282**	1,361
Second dividend of 1 penny per share paid on 31 March 2017 (31 March 2016 – 1.25 pence per share)	**1,405**	1,476
	2,687	2,837

In addition to the dividends paid above, the Board has declared a first dividend for the year ending 30 June 2018, of 1 penny per share. This will be paid on 30 November 2017 to shareholders on the register on 3 November 2017. The total dividend will be approximately £1,471,000. All dividends are paid from the other distributable reserve.

Notes to the Financial Statements (continued)

8. Basic and diluted return/(loss) per share

	Year ended 30 June 2017			Year ended 30 June 2016		
	Revenue	**Capital**	**Total**	Revenue	Capital	Total
Return/(loss) attributable to equity shares (£'000)	**561**	**4,904**	**5,465**	676	(210)	466
Weighted average shares (excluding treasury shares)		**135,345,435**			114,998,634	
Return/(loss) attributable per Ordinary share (pence) (basic and diluted)	**0.41**	**3.63**	**4.04**	0.59	(0.18)	0.41

The return per share has been calculated excluding treasury shares of 15,002,410 (2016: 11,915,410).

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.

9. Non-current asset investments

	30 June 2017 £'000	30 June 2016 £'000
Group and Company		
Investments held at fair value through profit or loss		
Unquoted equity and preference shares	**18,573**	11,542
Quoted equity	**395**	518
Discounted debt and convertible loan stock	**8,613**	8,903
	27,581	20,963
Investments measured at amortised cost		
Unquoted loan stock	**8,747**	9,333
	36,328	30,296

	30 June 2017 £'000	30 June 2016 £'000
Opening valuation	**30,296**	28,531
Purchases at cost	**2,922**	4,614
Disposal proceeds	**(2,414)**	(3,174)
Realised gains/(losses)	**449**	(184)
Movement in loan stock accrued income	**89**	86
Unrealised gains	**4,986**	422
Closing valuation	**36,328**	30,296
Movement in loan stock accrued income		
Opening accumulated movement in loan stock accrued income	**217**	131
Movement in loan stock accrued income	**89**	86
Closing accumulated movement in loan stock accrued income	**306**	217
Movement in unrealised gains		
Opening accumulated unrealised gains	**2,064**	1,545
Transfer of previously unrealised gains to realised reserves on disposal of investments	**(378)**	(97)
Movement in unrealised gains	**4,986**	422
Closing accumulated unrealised gains	**6,672**	2,064
Historic cost basis		
Opening book cost	**28,015**	26,855
Purchases at cost	**2,922**	4,614
Disposals at cost	**(1,419)**	(2,980)
Cost of investments written off but still held	**(167)**	(474)
Closing book cost	**29,350**	28,015

Notes to the Financial Statements (continued)

9. 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 a 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 statement of cash flows differ from the amounts shown in the note above, due to deferred consideration and settlement creditors and the restructuring of investments.

A schedule of realisations during the year is shown on page 20.

IFRS 13 'Fair value measurement' and 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 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 2017:

	Equity £'000	**30 June 2017 Discounted debt and convertible loan stock £'000**	**Total £'000**	Equity £'000	30 June 2016 Discounted debt and convertible loan stock £'000	Total £'000
Opening balance	**11,542**	**8,903**	**20,445**	10,467	7,277	17,744
Additions	**2,002**	**2,272**	**4,274**	1,438	1,799	3,237
Disposal proceeds	**(995)**	**(1,587)**	**(2,582)**	(738)	(243)	(981)
Debt/equity conversion	**1,555**	**(1,500)**	**55**	40	(40)	–
Realised gains/(losses)	**71**	**(20)**	**51**	(93)	(60)	(153)
Unrealised gains	**4,398**	**492**	**4,890**	428	126	554
Accrued loan stock interest	**–**	**53**	**53**	–	44	44
Closing balance	**18,573**	**8,613**	**27,186**	11,542	8,903	20,445

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 2017 £'000**	30 June 2016 £'000
Valuation supported by third party valuation or desktop valuation	**17,400**	13,004
Cost and price of recent investment (reviewed for impairment or uplift)	**5,570**	2,546
Net assets	**2,373**	1,910
Revenue multiple	**1,152**	1,566
Agreed sale price/Offer price	**481**	591
Earnings multiple	**210**	828
	27,186	20,445

Level 3 valuations include inputs based on non-observable market data. IFRS 13 requires an entity to disclose quantitative information about the significant unobservable inputs used. Of the Company's Level 3 investments, 5 per cent. are held on an Earnings or Revenue multiple basis, which have significant judgement applied to the valuation inputs. The table below sets out the range of Earnings and Revenue multiples and discounts applied. The remainder of Level 3 investments are held at cost (reviewed for impairment), recent investment price, net asset value (supported by independent valuation) or net assets.

Notes to the Financial Statements (continued)

9. Non-current asset investments (continued)

	Business services & other	Healthcare (growth)	Software
Earnings multiples			
PE multiple	24.9	–	19.5
Marketability discount	75%	–	50%
Revenue Multiples			
Revenue multiple range	6.0-8.0	3.0	2.6 – 4.2
Marketability discount range	0%	0%	25% – 70%

IFRS 13 and 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 57 per cent. of the Level 3 investments (by valuation) is based on, recent investment price, agreed sale price/offer price and cost or is loan stock, and as such the Board believe that changes to reasonable possible alternative input assumptions (by adjusting the earnings and revenue multiples) 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 £449,000 (2.5%) or a decrease in the valuation of equity investments by £543,000 (3.0%). For valuations based on earnings and revenue multiples, the Board considers that the most significant input is the price/earnings ratio; for valuations based on third party valuations, the Board considers that the most significant inputs are price/earnings ratio, discount factors, market values for buildings and market value per room for care homes; which have been adjusted to drive the above sensitivities.

The unquoted instruments held at FVTPL had the following movements between investment methodologies between 30 June 2016 and 30 June 2017:

Change in investment valuation methodology (2016 to 2017)	Value as at 30 June 2017 £'000	Explanatory note
Discount to third party offer to price of recent investment	1,223	More appropriate following recent investment round
Valuation supported by third party valuation to net assets	544	More relevant valuation methodology
Earnings multiple to discount to third party offer	481	More appropriate following recent third party offer
Cost to net assets	315	More relevant valuation methodology
Revenue multiple to price of recent investment	315	More appropriate following recent investment round
Cost to revenue multiple	118	More relevant valuation methodology

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 2017.

10. 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 2017 as described below:

Company	Registered address and country of incorporation	Principal activity	% class and share type	% total voting rights
ELE Advanced Technologies Limited	Cotton Tree Lane, Lancashire, BB8 7BH, Great Britain	Manufacturer of precision engineering components for the industrial gas turbine, aerospace and automotive markets	74.3% B Ordinary	41.9%

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

Notes to the Financial Statements (continued)

11. Investments in subsidiary undertakings

	CP1 VCT PLC £'000	30 June 2017 CP2 VCT PLC £'000	Total £'000
Carrying value as at 1 July 2016	**6,823**	**8,230**	**15,053**
Movement in subsidiary net assets	**(423)**	**(8,230)**	**(8,653)**
Carrying value as at 30 June 2017	**6,400**	**–**	**6,400**

	CP1 VCT PLC £'000	30 June 2016 CP2 VCT PLC £'000	Total £'000
Carrying value as at 1 July 2015	6,619	8,473	15,092
Movement in subsidiary net assets	204	(243)	(39)
Carrying value as at 30 June 2016	6,823	8,230	15,053

As mentioned in the Half-yearly Financial Report, CP2 VCT PLC held its final meeting on 8 December 2016 with regards to its members' voluntary liquidation, and consequently was dissolved on 21 March 2017.

CP1 VCT PLC currently hold intercompany balances and cash. This investment is valued according to Level 2 valuation methods.

CP1 VCT PLC is wholly owned by Crown Place VCT PLC, as was CP2 VCT PLC until it was dissolved on 21 March 2017 as follows:

	30 June 2017 CP1 VCT PLC	 CP2 VCT PLC
Nominal value of shares held	**£6,382,746**	**–**
Percentage of total voting rights held	**100%**	**–**

	30 June 2016 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%

12. Trade and other receivables less than one year

	30 June 2017 **Group** **£'000**	 **Company** **£'000**	30 June 2016 Group £'000	 Company £'000
Trade and other receivables less than one year	**303**	**303**	476	436

13. Trade and other payables less than one year

	30 June 2017 **Group** **£'000**	 **Company** **£'000**	30 June 2016 Group £'000	 Company £'000
Amounts due to subsidiary undertakings	**–**	**6,384**	–	14,997
Other payables	**43**	**43**	46	46
Accruals	**272**	**272**	237	237
	315	**6,699**	283	15,280

Interest is chargeable on intercompany balances at a rate of 12 per cent. per annum. Intercompany balances are payable on demand. CP1 VCT PLC's current business is to hold cash and intercompany balances.

Notes to the Financial Statements (continued)

14. Ordinary share capital

	£'000
141,097,990 Ordinary shares of 10p each at 30 June 2016	14,110
21,012,988 Ordinary shares of 10p each issued during the year	2,101
162,110,978 Ordinary shares of 10p each at 30 June 2017	**16,211**
11,915,410 Ordinary shares of 10p each held in treasury at 30 June 2016	(1,192)
3,087,000 Ordinary shares of 10p each purchased during the year to be held in treasury	(308)
15,002,410 Ordinary shares of 10p each held in treasury at 30 June 2017	**(1,500)**
Voting rights of 147,108,568 Ordinary shares of 10p each at 30 June 2017	**14,711**

The Company purchased 3,087,000 Ordinary shares for treasury (2016: 1,063,000) during the year at a total cost of £843,000 (2016: £306,000).

The total number of shares held in treasury as at 30 June 2017 was 15,002,410 (2016: 11,915,410) representing 9.3 per cent. of the shares in issue as at 30 June 2017.

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

Allotment date	Number of shares allotted	Aggregate nominal value of shares (£'000)	Issue price (pence per share)	Net invested (£'000)	Opening market price on allotment (pence per share)
30 November 2016	686,844	69	29.70	202	27.00
31 March 2017	767,434	77	29.84	227	28.50
	1,454,278	146		429	

Under the terms of the Albion VCTs Prospectus Top Up Offers 2016/2017, the following new Ordinary shares of nominal value 10 pence each were issued during the year:

Allotment date	Number of shares allotted	Aggregate nominal value of shares (£'000)	Issue price (pence per share)	Net consideration received (£'000)	Opening market price on allotment (pence per share)
31 January 2017	2,436,624	244	30.40	726	28.50
31 January 2017	987,718	99	30.50	294	28.50
31 January 2017	8,997,127	900	30.70	2,679	28.50
28 March 2017	6,572,892	656	30.80	1,964	28.50
7 April 2017	79,174	8	30.50	24	29.00
7 April 2017	62,226	6	30.60	19	29.00
7 April 2017	422,949	42	30.80	126	29.00
	19,558,710	1,955		5,832	

15. Basic and diluted net asset value per share

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

	30 June 2017	30 June 2016
Net asset value per share attributable (pence)	**30.98**	28.94

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 147,108,568 shares (2016: 129,182,580) as at 30 June 2017.

There are no convertible instruments, derivatives or contingent share agreements in issue.

Notes to the Financial Statements (continued)

16. 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 capital comprises Ordinary shares as described in note 14. The Company is permitted to buy back its own shares for cancellation or treasury purposes, and this is described in more detail on page 12 of the Strategic report.

The Group's financial instruments comprise equity and loan stock investments in unquoted companies, equity in quoted companies, contingent receipts on disposal of non-current asset investments, cash balances, receivables and payables 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 payables. 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:

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 quoted companies, details of which are shown on pages 18 to 20. 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 £36,328,000 (2016: £30,296,000). Non-current investments form 80 per cent. of the net asset value as at 30 June 2017 (2016: 81 per cent.).

More details regarding the classification of non-current asset investments are shown in note 9.

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 18 to 20 and in the Strategic report. The Company's investments in subsidiaries are explained further in note 11.

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, 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 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. (2016: 10 per cent.) increase or decrease in the valuation of the non-current asset investments (keeping all other variables constant) would increase or decrease the net asset value and return for the year by £3,632,800 (2016: £3,029,600). Further sensitivity analysis on non-current investments is included in note 9.

Notes to the Financial Statements (continued)

16. Capital and financial instruments risk management (continued)

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 and Company's analysis, it is estimated that a rise or fall 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. The impact of half a percentage point 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 weighted average interest rate applied to the Group's fixed rate assets during the year was approximately 5.9 per cent. (2016: 5.7 per cent.). The weighted average period to maturity for the fixed rate assets is approximately 3.2 years (2016: 3.6 years).

The Group's financial assets and liabilities as at 30 June 2017, all denominated in pounds sterling, consist of the following:

	30 June 2017				30 June 2016			
	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 debt)	**16,826**	**–**	**534**	**17,360**	16,243	–	1,993	18,236
Equity	**–**	**–**	**18,968**	**18,968**	–	–	12,060	12,060
Receivables*	**–**	**–**	**285**	**285**	–	–	460	460
Payables	**–**	**–**	**(315)**	**(315)**	–	–	(283)	(283)
Cash	**–**	**9,265**	**–**	**9,265**	–	6,896	–	6,896
	16,826	**9,265**	**19,472**	**45,563**	16,243	6,896	14,230	37,369

*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 2017, all denominated in pounds sterling, consist of the following:

	30 June 2017				30 June 2016			
	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 debt)	**16,826**	**–**	**534**	**17,360**	16,243	–	1,993	18,236
Equity	**–**	**–**	**18,968**	**18,968**	–	–	12,060	12,060
Receivables*	**–**	**–**	**285**	**285**	–	–	420	420
Payables	**(6,384)**	**–**	**(315)**	**(6,699)**	(14,997)	–	(283)	(15,280)
Cash	**–**	**9,249**	**–**	**9,249**	–	6,880	–	6,880
	10,442	**9,249**	**19,472**	**39,163**	1,246	6,880	14,190	22,316

*The receivables 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 with high credit ratings assigned by international credit rating agencies. 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.

Notes to the Financial Statements (continued)

16. Capital and financial instruments risk management (continued)

The Manager and the Board formally review credit risk (including receivables) and other risks, both at the time of initial investment and at quarterly Board meetings.

The Group's total gross credit risk at 30 June 2017 was limited to £17,360,000 (2016: £18,236,000) of unquoted loan stock instruments (all are secured on the assets of the portfolio company), £9,265,000 (2016: £6,896,000) of cash deposits with banks and £285,000 (2016: £460,000) of deferred consideration and receivables.

The Company's total gross credit risk at 30 June 2017 was limited to £17,360,000 (2016: £18,236,000) of unquoted loan stock instruments (all are secured on the assets of the portfolio company), £9,249,000 (2016: £6,880,000) of cash deposits with banks and £285,000 (2016: £420,000) of deferred consideration and receivables.

As at the balance sheet date, the cash held by the Group is held with Lloyds Bank Plc, Scottish Widows Bank plc (part of Lloyds Banking Group), National Westminster Bank plc 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 2017 and 30 June 2016 are as follows:

	30 June 2017			30 June 2016		
	Cost £'000	**Impairment £'000**	**Carrying value £'000**	Cost £'000	Impairment £'000	Carrying value £'000
Impaired loan stock	**4,279**	**(867)**	**3,412**	4,314	(970)	3,344

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 short term deposit accounts. 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 £44,110,000 (2016: £35,770,000) as at 30 June 2017.

The Group has no committed borrowing facilities as at 30 June 2017 (2016: nil) and had cash balances of £9,265,000 (2016: £6,896,000) (Company £9,249,000; 2016: £6,880,000). 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 £315,000 (2016: £283,000) for the year to 30 June 2017 (Company: £6,699,000; 2016: £15,280,000). An amount of £6,384,000 (2016: £14,997,000) which is included within the Company's creditors, relates to intercompany balances and is not considered to carry liquidity risk because the Board has control over the intercompany repayments.

The carrying value of loan stock investments at 30 June 2017, analysed by expected maturity dates is as follows:

Redemption date	**Fully performing £'000**	**Past due £'000**	**Impaired £'000**	**Total £'000**
Less than one year	**1,083**	**320**	**1,238**	**2,641**
1-2 years	**3,379**	**556**	**2,086**	**6,021**
2-3 years	**1,487**	**1,474**	**6**	**2,967**
3-5 years	**2,775**	**575**	**82**	**3,432**
More than 5 years	**1,973**	**326**	**–**	**2,299**
	10,697	**3,251**	**3,412**	**17,360**

Notes to the Financial Statements (continued)

16. Capital and financial instruments risk management (continued)

The carrying value of loan stock investments at 30 June 2016, analysed by expected maturity dates is as follows

Redemption date	Fully performing £'000	Past due £'000	Impaired £'000	Total £'000
Less than one year	4,036	438	3,328	7,802
1-2 years	205	309	6	520
2-3 years	723	146	–	869
3-5 years	5,649	607	10	6,266
More than 5 years	2,305	474	–	2,779
	12,918	1,974	3,344	18,236

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

The average annual interest yield on the total cost of past due loan stocks is 7.2 per cent. (2016: 10.2 per cent.).

No balances, other than loan stock, are past due or impaired.

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 2017 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.

17. Contingencies and guarantees

As at 30 June 2017, the Company had the following financial commitments in respect of investments:

- Aridhia Informatics Limited; £5,000

There are no contingencies or guarantees of the Company as at 30 June 2017 (2016: £nil).

Under the terms of the Transfer Agreement dated 16 January 2006, Crown Place VCT PLC has indemnified its subsidiary CP1 VCT PLC in respect of all costs, claims and liabilities in exchange for the transfer of assets.

18. Post balance sheet events

Since 30 June 2017 the Company has completed the following investment transactions:

- Investment of £186,000 in G.Network Communications Limited;
- Investment of £128,000 in Black Swan Data Limited;
- Investment of £115,000 in Ryefield Court Care Limited;
- Investment of £107,000 in Egress Software Technologies Limited;
- Investment of £90,000 in Active Lives Care Limited;
- Investment of £80,000 in Convertr Media Limited;
- Investment of £17,000 in Abcodia Limited;
- Investment of £6,000 in Beddlestead Farm Limited;
- Investment of £5,000 in Aridhia Informatics Limited.

In addition, TCHH Limited (previously The Crown Hotel Harrogate Limited) disposed of its business and assets of which the Company's share is approximately £2.0 million.

On 6 September 2017 the Company announced the publication of a prospectus in relation to an offer for subscription for new Ordinary shares. The Company is aiming to raise circa £6 million out of a target of £32 million in aggregate that the Albion VCTs are seeking to raise. Assuming full subscription of the offer is obtained, net proceeds received by the Company will be approximately £5.85 million. The Offer will close on 24 August 2018, unless fully subscribed earlier, and the costs of the Offer will be limited to 2.5% of the gross proceeds of the Company's Offer. A Securities Note, which forms part of the prospectus, has been sent to shareholders.

CP1 VCT PLC is now in the process of a members' voluntary liquidation, which is expected to be completed by June 2018.

19. Related party transactions

Other than transactions with 100 per cent. owned Group companies and those with the Manager as disclosed in note 4, there are no other related party transactions. The Company has taken advantage of FRS 101 exemption paragraph 8.K. which allows the Company not to disclose related party transactions with wholly owned subsidiaries.

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 8 November 2017 at The City of London Club, 19 Old Broad Street, London, EC2N 1DS for the purposes of considering and, if thought fit, passing the following resolutions, of which 1 to 7 will be proposed as ordinary resolutions and 8 to 11 will be proposed as special resolutions.

Ordinary business

1. To receive and adopt the Annual Report and Financial Statements for the year ended 30 June 2017.

2. To approve the Directors' Remuneration Policy for the year ended 30 June 2017.

3. To approve the Directors' Remuneration Report for the year ended 30 June 2017.

4. To re-elect Penny Freer as a Director of the Company.

5. To re-appoint BDO 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 to be laid.

6. To authorise the Directors to agree the Auditor's remuneration.

Special business

7. Authority to allot shares

The Directors be generally and unconditionally authorised, in accordance with section 551 of the Companies Act 2006 (the "Act"), to exercise the powers of the Company to allot shares or grant rights to subscribe for or to convert any securities into shares up to a maximum aggregate nominal amount of £3,242,220 (or £324,222 following the reduction in nominal value proposed by resolution number 11) (representing approximately 20 per cent. of the issued ordinary share capital as at the date of this Notice) provided that this authority shall expire 18 months from the date that this resolution is passed, or, if earlier, at the conclusion of the next Annual General Meeting of the Company, but so that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or convert securities into shares pursuant to such an offer or agreement as if this authority had not expired.

8. Authority for the disapplication of pre-emption rights

That, subject to the authority 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 and/or sell ordinary shares held by the Company as treasury shares for cash as if section 561(1) of the Act did not apply to any such allotment or sale.

Under this power the Directors may impose any limits or restrictions and make any arrangements which they deem necessary or expedient to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or laws of, any territory or other matter, arising under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory or any other matter.

This power shall expire 18 months from the date that this resolution is passed or, if earlier, the conclusion of the next Annual General Meeting of the Company, 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 this power had not expired.

9. Authority to purchase own shares

That, subject to and in accordance with the Company's Articles of Association, the Company be generally and unconditionally authorised, pursuant to and in accordance with section 701 of the Act, to make one or more market purchases (within the meaning of Section 693(4) of the Act) of Ordinary shares of 10p (or 1 penny following the reduction in nominal value proposed by resolution number 11) 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:

Notice of Annual General Meeting (continued)

(a) the maximum aggregate number of shares authorised to be purchased is 14.99 per cent. of the issued Ordinary shares as at the passing of this resolution;

(b) the minimum price, exclusive of any expenses, which may be paid for an Ordinary share is 10p (or 1 penny following the reduction in nominal value proposed by resolution number 11);

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

10. Authority to sell treasury shares
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.

11. Reduction of share capital and cancellation of capital redemption and share premium reserves
That:

(a) the share capital of the Company be reduced by cancelling and extinguishing 9 pence of the amount paid up or credited as paid up on each of the Ordinary shares of 10 pence each in the capital of the Company which are in issue at 6 pm on the day before the date of the final hearing of the Company's application to reduce its share capital and cancel its capital redemption and share premium reserves (the "Final Hearing");

(b) the amount standing to the credit of capital redemption and share premium reserves of the Company at 6 pm on the day before the date of the Final Hearing be and is hereby cancelled.

By order of the Board

Albion Capital Group LLP
Company Secretary
Registered Office
1 King's Arms Yard
London, EC2R 7AF

26 September 2017
Crown Place VCT PLC is registered in England and Wales with number 03495287

Notice of Annual General Meeting (continued)

Notes

1. Members entitled to attend, speak and vote at the Annual General Meeting ("AGM") may appoint a proxy or proxies (who need not be a member of the Company) to exercise these rights in their place at the meeting. A member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares. Proxies may only be appointed by:

   - completing and returning the Form of Proxy enclosed with this Notice to Computershare Investor Services PLC, The Pavilion, Bridgwater Road, Bristol, BS99 6ZY;
   - going to www.eproxyappointment.com 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 6 November 2017.

   In accordance with good governance practice, the Company is offering shareholders use of an online service, offered by the Company's registrar, Computershare Investor Services, at www.eproxyappointment.com. Shareholders can use this service to vote or appoint a proxy online. The same voting deadline of 11.00 am on 6 November 2017 applies as if you were using your Personalised Voting Form to vote or appoint a proxy by post to vote for you. Shareholders who hold their shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company's registrar not later than 48 hours before the start of the meeting. Instructions on how to vote through CREST can be found by accessing the following website : www.euroclear.com/CREST. Shareholders should not show this information to anyone unless they wish to give proxy instructions on their behalf.

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 AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. The statement of rights of members in relation to the appointment of proxies in note 1 above does not apply to Nominated Persons. The rights described in that note can only be exercised by members of the Company.

3. To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), members must be registered in the register of members of the Company at 11:00 am on 6 November 2017 (or, in the event of any adjournment, on the date which is two working 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 AGM 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 6 November 2017. 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 or her 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.capital/funds/CRWN under the 'Financial Reports and Circulars' section.

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. Copies of contracts of service and letters of appointment between the Directors and the Company, together with the Register of Directors' Interests in the ordinary shares of the Company, will be available for inspection at the Registered Office of the Company during normal business hours from the date of this Notice until the conclusion of the meeting, and at the place of the meeting for at least 15 minutes prior to the meeting until its conclusion. In addition, a copy of the Articles of Association will be available for inspection at the Company's registered office from the date of the Notice until the conclusion of the meeting, and at the place of the meeting for at least 15 minutes prior to the meeting until its conclusion.

Notice of Annual General Meeting (continued)

9. Under section 527 of the Act members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the AGM: or (ii) any circumstances connected with an Auditor of the Company ceasing to hold office since the previous meeting at which the annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with section 527 and 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.

10. Members satisfying the thresholds in Section 338 of the Companies Act 2006 may require the Company to give, to members of the Company entitled to receive notice of the AGM, notice of a resolution which those members intend to move (and which may properly be moved) at the AGM. A resolution may properly be moved at the AGM unless (i) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment of the Company's constitution or otherwise); (ii) it is defamatory of any person; or (iii) it is frivolous or vexatious. The business which may be dealt with at the AGM includes a resolution circulated pursuant to this right. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given, must be authenticated by the person(s) making it and must be received by the Company not later than 6 weeks before the date of the AGM.

11. Members satisfying the thresholds in Section 388A of the Companies Act 2006 may request the Company to include in the business to be dealt with at the AGM any matter (other than a proposed resolution) which may properly be included in the business at the AGM.

    A matter may properly be included in the business at the AGM unless (i) it is defamatory of any person or (ii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than 6 weeks before the date of the AGM.

12. As at 25 September 2017 (being the latest practicable date prior to the publication of this Notice), the Company's issued share capital consists of 162,110,978 Ordinary shares. The Company holds 15,002,410 shares in treasury. Therefore, the total voting rights in the Company as at 25 September 2017 are 147,108,568.

Shareholder returns for CP1 VCT PLC (previously Murray VCT PLC) and CP2 VCT PLC (previously Murray VCT 2 PLC) (unaudited)

	Proforma[i] Murray VCT PLC pence per share	Proforma[i] Murray VCT 2 PLC pence per share
Shareholder return from launch to April 2005 (date that Albion Capital was appointed investment manager):		
Total dividends paid to 6 April 2005 [ii]	30.36	30.91
Decrease in net asset value	(69.90)	(64.50)
Total shareholder return to 6 April 2005	(39.54)	(33.59)
Shareholder return from April 2005 to 30 June 2017:		
Total dividends paid	20.78	24.66
Decrease in net asset value	(8.05)	(9.14)
Total shareholder return from April 2005 to 30 June 2017	12.73	15.52
Shareholder value since launch:		
Total dividends paid to 30 June 2017 [ii]	51.14	55.57
Net asset value as at 30 June 2017	22.05	26.36
Total shareholder value as at 30 June 2017	73.19	81.93
Current dividend objective	1.42	1.70
Dividend yield on net asset value	6.5%	6.5%

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 2017 since the merger. This pro-forma is based upon the proportion of shares received by Murray VCT PLC (CP1 VCT PLC) and Murray VCT 2 PLC (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.*

Perivan Financial Print 246581

Crown Place VCT PLC

A member of The Association of Investment Companies

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