

Half-yearly Financial Report
(unaudited) for the six months
to 31 December 2017

17

Crown Place VCT PLC

ALBIONCAPITAL

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This Half-Yearly Financial Report has not been audited or reviewed by the Auditor.

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 1 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 12 New Fetter Lane London, EC4A 1JP

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

Shareholder enquiries	<p>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 8:30am – 5:30pm; Mon-Fri; calls may be recorded) Website: www.investorcentre.co.uk</p> <p>Shareholders can access holdings and valuation information regarding any of their shares held with Computershare by registering on Computershare's website.</p> <p>Shareholders can also contact the Chairman directly on crownchair@albion.capital</p>
Financial adviser enquiries	<p>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 9.00am – 5:30pm; Mon-Fri; calls may be recorded) Email: info@albion.capital Website: www.albion.capital</p> <p>Please note that the above contacts are unable to provide financial or taxation advice.</p>

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 has built up a portfolio which concentrated both on more mature or asset-based investments and higher risk companies with greater growth prospects.

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.

Your Board and the Manager are currently reviewing the implications of the changes in VCT legislation resulting from the Patient Capital Review, and will reflect on whether your Company's stated investment policy needs to be amended. If so, a resolution reflecting any change would be put to shareholders at the next Annual General Meeting.

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 second dividend	9 March 2018
Payment of second dividend	29 March 2018
Financial year end	30 June

Financial highlights

	Six months ended 31 December 2017 (pence per share)	Six months ended 31 December 2016 (pence per share)	Year ended 30 June 2017 (pence per share)
Opening net asset value	30.98	28.94	28.94
Revenue return	0.17	0.26	0.41
Capital return	1.32	2.59	3.63
Total return	1.49	2.85	4.04
Dividends paid	(1.00)	(1.00)	(2.00)
Impact from buy-backs and issue of share capital	-	0.05	-
Closing net asset value	31.47	30.84	30.98

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 31 December 2017:

Total dividends paid	29.80
Decrease in net asset value	(11.93)
Total shareholder return from April 2005 to 31 December 2017	17.87

Shareholder value since launch:

Total dividends paid to 31 December 2017 (i)	54.73
Net asset value as at 31 December 2017	31.47
Total shareholder value as at 31 December 2017	86.20

Current dividend objective:

Pence per share (per annum)	2.00
Dividend yield on net asset value as at 31 December 2017	6.4%

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.

The above financial summary is for the Company, Crown Place VCT PLC (previously Murray VCT 3 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 28.

Financial highlights (continued)

Total shareholder value since launch:

	31 December 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
the six months ended 31 December 2017	1.00
Total dividends paid to 31 December 2017	54.73
Net asset value as at 31 December 2017	31.47
Total shareholder value as at 31 December 2017	86.20

In addition to the dividends paid above, the Board has declared a second dividend for the year ending 30 June 2018 of 1 penny per Crown Place VCT PLC share, to be paid on 29 March 2018 to shareholders on the register on 9 March 2018.

Interim management report

Results

In the six month period to 31 December 2017, the Company achieved an encouraging total return of 1.49 pence per share (31 December 2016: 2.85 pence per share) equivalent to a return of 4.8% on opening net assets (31 December 2016: 9.8%). Following payment of the first dividend for the year of 1 penny per share on 30 November 2017, the net asset value as at 31 December 2017 was 31.47 pence per share (30 June 2017: 30.98 pence per share) and the Company's net assets now exceed £50 million. The total return for the period was £2,239,000, compared to £3,670,000 for the six months to 31 December 2016, of which the revenue return was £260,000 (31 December 2016: £333,000) and the capital return was £1,979,000 (31 December 2016: £3,337,000). Total expenses, including investment management fees, resulted in a slightly lower ongoing charges ratio of 2.4% (31 December 2016: 2.5%).

Portfolio review

During the six month period, the Company deployed £3.0 million into qualifying investments (31 December 2016: £1.6 million). Of this amount, £778,000 related to a new investment, Women's Health (London West One), to develop and operate a women's health centre with a focus on fertility. Further investments were made in existing portfolio companies, most notably: £886,000 into Beddlestead to fund the development of our wedding venue site; £394,000 to aid the continued roll out of ultra-fast fibre optic broadband in central London with G. Network Communications; and £327,000 into medical nutritional therapy company Oviva, to accelerate its growth in Europe.

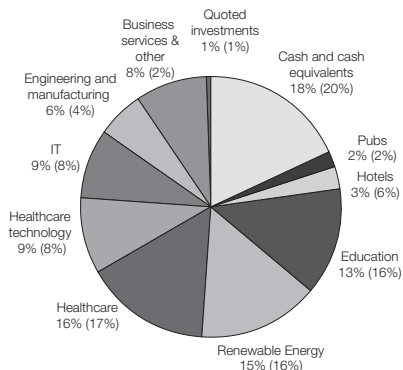
Investments realised during the period totalled £1.1 million, primarily related to £693,000 of proceeds from the sale of the Company's holding in Hilson Moran, achieving a return, including interest, of 3 times cost. During the period Relayware merged with a US based software company, Zift Channel Solutions Inc., and the Company became a shareholder in the enlarged entity. The Crown Hotel Harrogate was sold in September 2017, with proceeds of £2.0 million received after the period end. Further details on realisations and loan stock repayments can be found in the realisations table on page 12.

Particularly good progress in the year was achieved by ELE Advanced Technologies, which saw significant growth in trading and profit in the period, and Grapeshot, which has now moved into profit and which is currently growing in excess of 150% per annum. In addition, the annual professional valuation of Radnor House School (Holdings) increased, as pupil numbers at our Radnor House Sevenoaks School continue to grow.

Against this, the valuations in DySIS Medical and Aridhia Informatics were reduced in the period as a result of their current trading levels. The share price of the AIM quoted Augean PLC also fell during the period.

Investment portfolio by sector

The chart below illustrates the composition of the portfolio by industry sector as at 31 December 2017.



Source: Albion Capital Group LLP
Comparatives for 30 June 2017 are in brackets

Dividends

In line with the annual dividend target for the Company of 2 pence per share, the first dividend for the current financial year of 1 penny per share was paid on 30 November 2017. A second dividend of 1 penny per share will be paid on 29 March 2018 to shareholders on the register on 9 March 2018.

The Board aims to maintain this level of annualised dividend distribution going forward, subject to the availability of cash resources and distributable reserves. Based on the net asset value as at 31 December 2017, this equates to a 6.4% yield (31 December 2016: 6.5%).

Interim management report (continued)

As noted in the Annual Report and Financial Statements for the year ended 30 June 2017, a special resolution was proposed (the 'Proposal') to shareholders to reduce the share capital and cancel the capital redemption and share premium reserves, which was passed at the Annual General Meeting in November 2017. The Company thereafter applied to the High Court to confirm the reduction and cancellation. The initial hearing at the High Court took place on 1 February 2018, and following the final hearing on 13 February 2018, the High Court approved the Proposal. This will, over time, create additional distributable reserves of £39.2 million.

Dividends are paid free of tax to shareholders. Qualifying shareholders who elect to participate in the Dividend Reinvestment Scheme will be able, in respect of further dividends, to receive their dividends in the form of new shares rather than cash, which will entitle them to income tax relief at the current rate of 30% (new shares will need to be held for at least five years to retain the tax relief). Further details of the Dividend Reinvestment Scheme can be found on the Manager's website www.albion.capital/funds/CRWN.

Patient Capital Review

The Patient Capital Review has been completed and the 2017 Autumn Budget has now been delivered. Whilst being strongly supportive of VCTs, the Budget has introduced a number of measures designed to re-direct investment towards higher growth innovative businesses. Your Board and the Manager are currently reviewing the implications of these measures, and will reflect on whether your Company's stated investment policy needs to be amended. If so, a resolution reflecting any change would be put to shareholders at the next Annual General Meeting.

Risks and uncertainties

The outlook for the UK and global economies, including the uncertainty and potential disruption from the departure of the UK from the EU, continues to be the key risk affecting the Company, despite continued growth in the UK. Investment risk is mitigated in a number of ways, including our policy that the portfolio should be balanced across sectors and stages of investment.

Other risks and uncertainties remain unchanged and are as detailed in the Strategic Report in the Annual Report and Financial Statements for the year ended 30 June 2017.

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. The Board's policy is 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% discount to net asset value, so far as market conditions and liquidity permit.

During the period, the Company bought back and held in treasury 1,309,000 shares at a total cost of £374,000, in-line with the share buy-back policy.

Transactions with the Manager

Details of the transactions that took place with the Manager in the period can be found in note 4.

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 remain as detailed on pages 59 to 62 of the Annual Report and Financial Statements for the year ended 30 June 2017.

Interim management report (continued)

Albion VCTs Prospectus Top Up Offers 2017/18

Your Board, in conjunction with the boards of other VCTs managed by Albion Capital Group LLP, launched a prospectus top up offer of new Ordinary shares on 6 September 2017. The Board is pleased to announce that it reached its £6 million limit, which as of 26 February 2018 was fully subscribed and closed. The proceeds will be used to provide further resources at a time when a number of attractive investment opportunities are being seen. Details of the first allotment on 17 November 2017 and second allotment on 31 January 2018 are shown in notes 8 and 10 respectively.

Outlook

Your Company's investment portfolio is well balanced across sectors and risk classes, and has made good progress during the period. This gives us confidence that we can continue to deliver shareholder value in the future.

Richard Huntingford

Chairman
27 February 2018

Responsibility statement

The Directors, Richard Huntingford, James Agnew, Karen Brade and Penny Freer, are responsible for preparing the Half-yearly Financial Report. The Directors have chosen to prepare this Half-yearly Financial Report for the Group in accordance with International Financial Reporting Standards ("EU IFRS") as adopted by the European Union.

In preparing the condensed set of Financial Statements for the period to 31 December 2017 we, the Directors, confirm that to the best of our knowledge:

- (a) the condensed set of Financial Statements has been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" issued by the International Accounting Standards Board;
- (b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year);

- (c) the condensed set of Financial Statements give a true and fair view in accordance with EU IFRS of the assets, liabilities, financial position and of the profit and loss of the Group for the six months ended 31 December 2017 as required by DTR 4.2.4R, and comply with EU IFRS and Companies Act 2006; and
- (d) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

This Half-yearly Financial Report has not been audited or reviewed by the Auditor.

By order of the Board of Directors

Richard Huntingford

Chairman

27 February 2018

Portfolio of investments

The following is a summary of non-current asset investments with a value as at 31 December 2017:

Investment name	Nature of business	% voting rights	% voting rights of Albion managed companies	As at 31 December 2017 (unaudited)		As at 30 June 2017 (audited)		Change in value for the period* £'000
				Cost £'000	Value £'000	Cost £'000	Value £'000	
Radnor House School (Holdings) Limited	Independent schools for children aged 5-18	9.0	50.0	2,791	6,160	2,791	5,589	571
Shinfield Lodge Care Limited	Owner and operator of a residential care home for the elderly near Reading	11.8	50.0	2,140	3,566	2,140	3,527	39
ELE Advanced Technologies Limited	Manufacturer of precision engineering components	41.9	41.9	1,050	2,987	1,050	1,965	1,022
Chonais River Hydro Limited	Hydro power project in Scotland	14.0	50.0	1,549	2,426	1,549	2,357	69
Active Lives Care Limited	Owner and operator of a residential care home for the elderly in Oxford	7.5	50.0	1,620	2,330	1,530	2,279	(39)
TCHH Limited (previously The Crown Hotel Harrogate Limited)	Former owner and operator of the Crown Hotel, Harrogate	15.0	50.0	2,976	2,027	2,976	1,924	103
Ryefield Court Care Limited	Owner and operator of a residential care home for the elderly in Hillingdon	7.7	50.0	1,275	1,919	1,160	1,859	(55)
Gharagain River Hydro Limited	Hydro power project in Scotland	15.0	50.0	1,116	1,370	1,116	1,330	40
Proveca Limited	Repositioning of paediatric medicines	6.1	49.9	586	1,266	586	1,224	42
Earnside Energy Limited	Anaerobic digestion plant in Scotland	7.0	50.0	1,123	1,234	1,123	1,232	2
Beddlestead Limited	Developer and operator of a dedicated wedding venue in the UK	8.4	50.0	892	892	6	6	-
Kew Green VCT (Stansted) Limited	Owner and operator of the 'Holiday Inn Express' at Stansted Airport	2.0	50.0	805	886	805	873	13
Mirada Medical Limited	Developer of medical imaging software	6.5	45.0	348	873	348	890	(17)
Women's Health (London West One) Limited	Operator of a women's health centre focusing on fertility	6.2	40.0	778	778	-	-	-
Grapeshot Limited	Provider of digital marketing software	0.8	14.2	166	765	166	337	428
The Street by Street Solar Programme Limited	Photovoltaic installations	4.4	50.0	461	758	461	732	26
Bravo Inns II Limited	Owner and operator of freehold pubs	3.6	50.0	595	722	595	688	34
G. Network Communications Limited	Fibre optic broadband provider in central London	6.2	50.0	580	580	186	186	-
The Stanwell Hotel Limited	Owner and operator of the Stanwell Hotel near Heathrow Airport	10.8	50.0	1,682	576	1,682	619	(43)
Alto Prodotto Wind Limited	Wind power generator	4.1	50.0	365	570	366	567	5
MPP Global Solutions Limited	Cloud subscription platform provider	1.9	13.5	550	550	550	550	-
Oviva AG	Medical nutritional counselling	2.5	15.9	435	544	108	108	109
Regenerco Renewable Energy Limited	Photovoltaic installations	3.4	50.0	344	519	344	479	40
MHS 1 Limited	Education	6.9	50.0	481	481	481	481	-
Convertr Media Limited	Provider of digital marketing software	4.3	27.0	480	447	400	400	(33)
Process Systems Enterprise Limited	Provider of process systems modelling solutions	1.4	20.7	138	444	138	455	(11)

Portfolio of investments (continued)

Investment name	Nature of business	% voting rights	% voting rights of Albion managed companies	As at 31 December 2017 (unaudited)		As at 30 June 2017 (audited)		Change in value for the period* £'000
				Cost £'000	Value £'000	Cost £'000	Value £'000	
Egress Software Technologies Limited	Provider of cloud-based email and file encryption software	1.0	27.3	187	422	80	315	-
MyMeds&Me Limited	Software for managing pharmaceutical adverse events	2.1	19.2	255	393	255	385	8
DySIS Medical Limited	Medical devices for the detection of cervical cancer	3.8	26.9	949	369	949	447	(78)
Infinite Ventures (Goathill) Limited	Wind power generator	6.1	31.0	256	349	256	344	5
Black Swan Data Limited	Analytical platform for market research	1.0	12.4	326	326	198	198	-
Zift Channel Solutions Inc.	Provider of channel partner automation software	0.7	7.4	321	320	-	-	(1)
memsstar Limited	Refurbisher of semiconductor fabrication equipment	3.0	44.7	114	241	129	240	16
Bravo Inns Limited	Owner and operator of freehold pubs	2.6	50.0	306	232	306	225	7
Secured by Design Limited	Automotive technology research and consultancy provider	1.5	10.0	220	220	220	220	-
Aridhia Informatics Limited	Healthcare informatics and analysis	2.4	22.3	412	204	382	301	(127)
Quantexa Limited	Fraud analytics software	1.7	11.9	190	190	190	190	-
Panaseer Limited	Provider of cyber security threat analysis	1.3	10.2	113	180	113	142	38
AVESI Limited	Photovoltaic installations	3.8	50.0	123	176	123	164	12
Oxsensis Limited	Developer and producer of high temperature sensors	1.3	18.2	238	141	224	152	(11)
Cisiv Limited	Web-based solutions for healthcare data capture and management	2.8	28.9	216	111	216	111	-
OmPrompt Holdings Limited	Business to business integration software	1.1	28.3	133	104	105	78	(2)
Abcodia Limited	Services for validation and discovery of serum biomarkers	1.7	19.5	244	100	227	97	(14)
Greenenerco Limited	Wind power generator	1.9	50.0	63	96	65	97	-
Locum's Nest Limited	Digital platform for NHS locum doctors	1.8	10.9	80	80	80	80	-
TWCL Limited	Former owner and operator of a freehold health and fitness club in Surrey	1.2	50.0	63	76	63	63	13
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	41	27	40	1
Sandcroft Avenue Limited	Provider of online gym passes, trading as PayasUgym.com	0.4	9.2	39	41	20	17	5
CSS Group Limited	Drinks distributor to the travel sector	2.3	15.0	28	36	28	39	(3)
Other holdings				423	425	423	425	-
Total unquoted Investments				30,796	40,647	27,480	35,131	2,214

Portfolio of investments (continued)

Investment name	Nature of business	As at 31 December 2017 (unaudited)		As at 30 June 2017 (audited)		Change in value for the period* £'000
		Cost £'000	Value £'000	Cost £'000	Value £'000	
Quoted investments						
Mi-Pay Group PLC	Provider of mobile payment services	713	164	713	164	-
Augean PLC	Waste management	593	95	593	216	(121)
ComOps Limited	Workforce management solutions software	13	6	13	9	(3)
Avanti Communications Group plc	Supplier of satellite communications	136	5	136	6	(1)
Total quoted investments		1,455	270	1,455	395	(125)
Total investments		32,251	40,917	28,935	35,526	2,089

Total change in value of investments	2,089
Movement in loan stock accrued interest	(55)
Unrealised gains sub-total	2,034
Realised gains in current period	261
Total gains on investments as per consolidated statement of comprehensive income	2,295

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

The total comparative cost and valuations for 30 June 2017 do not agree to the Annual Report and Financial Statements for the year ended 30 June 2017 as the above list does not include bought forward investments that were fully disposed of in the period.

	Cost £'000	Opening carrying value £'000	Disposal proceeds £'000	Total realised gain/(loss) £'000	Gain on opening value £'000
Non-current asset investment realisations					
Disposals:					
Hilson Moran Holdings Limited	91	481	693	602	212
Relayware Limited (merger with Zift Channel Solutions Inc.)	278	275	275	(3)	-
Loan stock repayments/restructuring:					
Oxsensis Limited	32	45	46	14	1
memsstar Limited	15	15	15	-	-
Aridhia Informatics Limited	11	11	12	1	1
Greenenerco Limited	1	2	2	1	-
Alto Prodotto Wind Limited	1	1	1	-	-
Escrow adjustments and other:					
Escrow adjustments	-	-	47	47	47
Total realisations	429	830	1,091	662	261

Condensed consolidated statement of comprehensive income

		Unaudited six months ended 31 December 2017			Unaudited six months ended 31 December 2016			Audited year ended 30 June 2017		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	2	–	2,295	2,295	–	3,591	3,591	–	5,435	5,435
Investment income and deposit interest	3	516	–	516	566	–	566	1,032	–	1,032
Investment management fees	4	(105)	(316)	(421)	(85)	(254)	(339)	(177)	(531)	(708)
Other expenses		(151)	–	(151)	(148)	–	(148)	(294)	–	(294)
Profit before taxation		260	1,979	2,239	333	3,337	3,670	561	4,904	5,465
Taxation		–	–	–	–	–	–	–	–	–
Profit and total comprehensive income attributable to shareholders		260	1,979	2,239	333	3,337	3,670	561	4,904	5,465
Basic and diluted earnings per Ordinary share (pence)*	6	0.17	1.32	1.49	0.26	2.59	2.85	0.41	3.63	4.04

*excluding treasury shares

Comparative figures have been extracted from the unaudited Half-yearly Financial Report for the six months ended 31 December 2016 and the audited statutory accounts for the year ended 30 June 2017.

The accompanying notes on pages 20 to 27 form an integral part of this Half-yearly Financial Report.

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 reserve 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 parent company.

Condensed consolidated balance sheet

	Note	Unaudited 31 December 2017 £'000	Audited 30 June 2017 £'000
Non-current assets			
Investments	7	<u>40,917</u>	<u>36,328</u>
Current assets			
Trade and other receivables less than one year		342	303
Cash and cash equivalents		<u>9,064</u>	<u>9,265</u>
		<u>9,406</u>	<u>9,568</u>
Total assets		50,323	45,896
Current liabilities			
Trade and other payables less than one year		<u>(320)</u>	<u>(315)</u>
Total assets less current liabilities		<u>50,003</u>	<u>45,581</u>
Equity attributable to equity holders			
Ordinary share capital	8	17,521	16,211
Share premium		20,746	18,032
Capital redemption reserve		1,415	1,415
Unrealised capital reserve		8,371	6,739
Realised capital reserve		(257)	(604)
Other distributable reserve		<u>2,207</u>	<u>3,788</u>
Total equity shareholders' funds		<u>50,003</u>	<u>45,581</u>
Basic and diluted net asset value per share (pence)*		<u>31.47</u>	<u>30.98</u>

*excluding treasury shares

Comparative figures have been extracted from the audited statutory accounts for the year ended 30 June 2017.

The accompanying notes on pages 20 to 27 form an integral part of this Half-yearly Financial Report.

These Financial Statements were agreed by the Board of Directors, and authorised for issue on 27 February 2018 and were signed on its behalf by

Richard Huntingford

Chairman

Company number 03495287

Condensed Company balance sheet

	Note	Unaudited 31 December 2017 £'000	Audited 30 June 2017 £'000
Non-current assets			
Investments	7	<u>40,917</u>	<u>36,328</u>
Current assets			
Investment in subsidiary undertakings		6,400	6,400
Trade and other receivables less than one year		342	303
Cash and cash equivalents		<u>9,048</u>	<u>9,249</u>
		<u>15,790</u>	<u>15,952</u>
Total assets		56,707	52,280
Creditors: amounts falling due within one year			
Trade and other payables less than one year		<u>(6,704)</u>	<u>(6,699)</u>
Total assets less current liabilities		<u>50,003</u>	<u>45,581</u>
Equity attributable to equity holders			
Ordinary share capital	8	17,521	16,211
Share premium		20,746	18,032
Capital redemption reserve		1,415	1,415
Unrealised capital reserve		7,943	6,311
Realised capital reserve		(466)	(813)
Other distributable reserve		<u>2,844</u>	<u>4,425</u>
Total equity shareholders' funds		<u>50,003</u>	<u>45,581</u>
Basic and diluted net asset value per share (pence)*		<u>31.47</u>	<u>30.98</u>

*excluding treasury shares

Comparative figures have been extracted from the audited statutory accounts for the year ended 30 June 2017.

The accompanying notes on pages 20 to 27 form an integral part of this Half-yearly Financial Report.

These Financial Statements were approved by the Board of Directors, and authorised for issue on 27 February 2018 and were signed on its behalf by

Richard Huntingford

Chairman

Company number 03495287

Condensed 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 2017	16,211	18,032	1,415	6,739	(604)	3,788	45,581
Profit/(loss) and total comprehensive income	-	-	-	2,034	(55)	260	2,239
Transfer of previously unrealised gains on sale of investments	-	-	-	(402)	402	-	-
Dividends paid	-	-	-	-	-	(1,467)	(1,467)
Purchase of shares for treasury (including costs)	-	-	-	-	-	(374)	(374)
Issue of equity	1,310	2,794	-	-	-	-	4,104
Cost of issue of equity	-	(80)	-	-	-	-	(80)
As at 31 December 2017	17,521	20,746	1,415	8,371	(257)	2,207	50,003
As at 1 July 2016	14,110	13,872	1,415	2,131	(900)	6,757	37,385
Profit and total comprehensive income	-	-	-	3,258	79	333	3,670
Transfer of previously unrealised gains on sale of investments	-	-	-	(373)	373	-	-
Dividends paid	-	-	-	-	-	(1,282)	(1,282)
Purchase of shares for treasury (including costs)	-	-	-	-	-	(455)	(455)
Issue of equity	68	135	-	-	-	-	203
Cost of issue of equity	-	(1)	-	-	-	-	(1)
As at 31 December 2016	14,178	14,006	1,415	5,016	(448)	5,353	39,520
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 gains 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

Condensed 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 2017	16,211	18,032	1,415	6,311	(813)	4,425	45,581
Profit/(loss) and total comprehensive income	-	-	-	2,034	(55)	260	2,239
Transfer of previously unrealised gains on sale of investments	-	-	-	(402)	402	-	-
Dividends paid	-	-	-	-	-	(1,467)	(1,467)
Purchase of shares for treasury (including costs)	-	-	-	-	-	(374)	(374)
Issue of equity	1,310	2,794	-	-	-	-	4,104
Cost of issue of equity	-	(80)	-	-	-	-	(80)
As at 31 December 2017	17,521	20,746	1,415	7,943	(466)	2,844	50,003
As at 1 July 2016	14,110	13,872	1,415	2,127	(1,109)	6,970	37,385
Profit and total comprehensive income	-	-	-	3,258	79	544	3,881
Revaluation of investment in subsidiaries	-	-	-	(211)	-	-	(211)
Transfer of previously unrealised gains on sale of investments	-	-	-	(373)	373	-	-
Dividends paid	-	-	-	-	-	(1,282)	(1,282)
Purchase of shares for treasury (including costs)	-	-	-	-	-	(455)	(455)
Issue of equity	68	135	-	-	-	-	203
Cost of issue of equity	-	(1)	-	-	-	-	(1)
As at 31 December 2016	14,178	14,006	1,415	4,801	(657)	5,777	39,520
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 gains 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

* These reserves amount to £2,378,000 (31 December 2016: £5,120,000; 30 June 2017: £3,612,000) which is considered distributable.

Condensed consolidated statement of cash flows

	Unaudited six months ended 31 December 2017 £'000	Unaudited six months ended 31 December 2016 £'000	Audited year ended 30 June 2017 £'000
Cash flow from operating activities			
Investment income received	448	397	858
Deposit interest received	3	32	34
Dividend income received	13	15	48
Investment management fees paid	(400)	(328)	(672)
Other cash payments	(167)	(191)	(315)
	<hr/>	<hr/>	<hr/>
Net cash flow from operating activities	(103)	(75)	(47)
	<hr/>	<hr/>	<hr/>
Cash flow from investing activities			
Purchase of non-current asset investments	(2,997)	(1,553)	(2,917)
Disposal of non-current asset investments	748	1,136	2,546
	<hr/>	<hr/>	<hr/>
Net cash flow from investing activities	(2,249)	(417)	(371)
	<hr/>	<hr/>	<hr/>
Cash flow from financing activities			
Issue of share capital	3,792	–	5,833
Cost of issue of equity	(2)	–	(2)
Equity dividends paid	(1,233)	(1,078)	(2,255)
Purchase of shares for treasury	(406)	(471)	(826)
Receipt of CP2 VCT PLC cash upon liquidation	–	–	37
	<hr/>	<hr/>	<hr/>
Net cash flow from financing activities	2,151	(1,549)	2,787
	<hr/>	<hr/>	<hr/>
(Decrease)/increase in cash and cash equivalents	(201)	(2,041)	2,369
Cash and cash equivalents at the start of the period	9,265	6,896	6,896
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	9,064	4,855	9,265
	<hr/>	<hr/>	<hr/>

Condensed Company statement of cash flows

	Unaudited six months ended 31 December 2017 £'000	Unaudited six months ended 31 December 2016 £'000	Audited year ended 30 June 2017 £'000
Cash flow from operating activities			
Investment income received	448	397	858
Deposit interest received	3	32	34
Dividend income received	13	649	1,098
Investment management fees paid	(400)	(328)	(672)
Intercompany interest paid	–	(634)	(1,050)
Other cash payments	(167)	(191)	(315)
Net cash flow from operating activities	(103)	(75)	(47)
Cash flow from investing activities			
Purchase of non-current asset investments	(2,997)	(1,553)	(2,917)
Disposal of non-current asset investments	748	1,136	2,546
Net cash flow from investing activities	(2,249)	(417)	(371)
Cash flow from financing activities			
Issue of share capital	3,792	–	5,833
Cost of issue of equity	(2)	–	(2)
Equity dividends paid	(1,233)	(1,078)	(2,255)
Purchase of shares for treasury (including costs)	(406)	(471)	(826)
Receipt of CP2 VCT PLC cash upon liquidation	–	–	37
Net cash flow from financing activities	2,151	(1,549)	2,787
(Decrease)/increase in cash and cash equivalents	(201)	(2,041)	2,369
Cash and cash equivalents at the start of the period	9,249	6,880	6,880
Cash and cash equivalents at the end of the period	9,048	4,839	9,249

Notes to the unaudited condensed Financial Statements

1. Accounting policies

The following policies refer to the Group and the Company except where noted. References to International Financial Reporting Standards ('IFRS') relate to the Group Financial Statements and FRS 101 "Reduced Disclosure Framework" for the Company, 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 Half-yearly Financial Report has 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). This Half-yearly Financial Report has been prepared in accordance with IAS 34 'Interim Financial Reporting' in the case of the Group, and in accordance with FRS 104 'Interim Financial Reporting' ("FRS 104") in the case of the Company.

Both the Group and the Company Financial Statements also apply the Statement of Recommended Practice: "Financial Statements of Investment Companies and Venture Capital Trusts" ("SORP") issued by the Association of Investment Companies ("AIC") in 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 the companies reporting under IFRS and UK GAAP. The information in this document does not include all of the disclosures required by EU IFRS and the SORP in full annual Financial Statements, and it should be read in conjunction with the consolidated Financial Statements of the Group for the year ended 30 June 2017. This Half-yearly Financial Report has been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated Financial Statements for the year ended 30 June 2017.

These Financial Statements are presented in Sterling to the nearest thousand. The accounting policies applied to the Half-yearly Financial Report have been consistently applied in current and prior periods and are those applied in the Annual Report and Financial Statements for the year ended 30 June 2017.

Basis of consolidation

The Group consolidated Financial Statements incorporate the Financial Statements of the Company for the period ended 31 December 2017 and the entity controlled by the Company (its subsidiary), 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 period dealt within the accounts of the Group is £2,239,000 (31 December 2016: £3,881,000; 30 June 2017: £5,889,000).

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 in smaller companies principally based in the UK. The Group and the Company report to the Board which acts as the chief decision maker.

Business combinations

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

Estimates

The preparation of the Group and Company's Half-yearly Financial Report 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 profit or loss ('FVTPL').

Notes to the unaudited condensed Financial Statements (continued)

The valuation of investments held at FVTPL or measured in assessing any impairment of loan stocks is determined by using valuation techniques. The Group and the Company use judgements to select a variety of methods and makes assumptions that are mainly based on market conditions at each balance sheet date.

Investment in subsidiaries

Investments in subsidiaries are revalued at the balance sheet date based on the underlying net assets of the subsidiary. 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 decided to appoint PKF Geoffrey Martin & Co Limited as liquidators and CP1 VCT PLC was formally placed into members' voluntary liquidation on 10 August 2017. The liquidation is expected to be completed by June 2018.

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 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", 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.

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.

Notes to the unaudited condensed Financial Statements (continued)

Unquoted loan stock income

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

Bank interest income

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

Investment management fees, performance incentive fees and other expenses

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

Issue costs

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

Taxation

Taxation is applied on a current basis in accordance with IAS 12 "Income taxes". 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.

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 the 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 buyback of shares and other non-capital realised movements.

Notes to the unaudited condensed Financial Statements (continued)

2. Gains on investments

	Unaudited six months ended 31 December 2017 £'000	Unaudited six months ended 31 December 2016 £'000	Audited year ended 30 June 2017 £'000
Unrealised gains on investments held at fair value through profit or loss	1,834	3,060	4,629
Unrealised reversal of impairments measured at amortised cost	200	198	357
Unrealised gains on investments	2,034	3,258	4,986
Realised gains on investments held at fair value through profit or loss	261	333	51
Realised gains on investments measured at amortised cost	–	–	398
Realised gains on investments	261	333	449
	2,295	3,591	5,435

Investments measured at amortised cost are unquoted loan stock investments.

3. Investment income and deposit interest

	Unaudited six months ended 31 December 2017 £'000	Unaudited six months ended 31 December 2016 £'000	Audited year ended 30 June 2017 £'000
Income recognised on investments held at fair value through profit or loss			
UK dividend income	10	15	51
Interest on convertible bonds and debt issued at a discount	332	274	528
	342	289	579
Income recognised on investments measured at amortised cost			
Return on loan stock investments	171	250	425
Bank deposit interest	3	27	28
	174	277	453
	516	566	1,032

Notes to the unaudited condensed Financial Statements (continued)

4. Investment management fees

	Unaudited six months ended 31 December 2017			Unaudited six months ended 31 December 2016			Audited year ended 30 June 2017		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Investment management fee	105	316	421	85	254	339	177	531	708

Further details of the management agreement under which the investment management fee is paid are given on page 12 of the Strategic report in the Annual Report and Financial Statements for the year ended 30 June 2017.

During the period, services of a total value of £446,000 (six months ended 31 December 2016: £364,000; year ended 30 June 2017: £758,000) were purchased by the Company from Albion Capital Group LLP; comprising £421,000 management fee and £25,000 administration fee. At the financial period end, the amount due to Albion Capital Group LLP disclosed as payables was £233,000 (administration fee accrual £12,500, management fee accrual £220,500) (31 December 2016: £186,500; 30 June 2017: £211,500).

Albion Capital Group LLP is, from time to time, eligible to receive transaction fees and Directors' fees from portfolio companies. During the period to 31 December 2017, fees of £86,000 attributable to the investments of the Company were received pursuant to these arrangements (31 December 2016: £72,100; 30 June 2017: £125,000).

Albion Capital Group LLP, the Manager, holds 59,924 Ordinary shares in the Company.

5. Dividends

	Unaudited six months ended 31 December 2017 £'000	Unaudited six months ended 31 December 2016 £'000	Audited year ended 30 June 2017 £'000
First dividend paid on 30 November 2016 (1 penny per share)	–	1,282	1,282
Second dividend paid on 31 March 2017 (1 penny per share)	–	–	1,405
First dividend paid on 30 November 2017 (1 penny per share)	1,467	–	–
	1,467	1,282	2,687

In addition, the Board has declared a second dividend of 1 penny per share for the year ending 30 June 2018. This will be paid on 29 March 2018 to shareholders on the register on 9 March 2018. This is expected to amount to approximately £1,632,000.

Notes to the unaudited condensed Financial Statements (continued)

6. Basic and diluted return per share

	Unaudited six months ended 31 December 2017			Unaudited six months ended 31 December 2016			Audited year ended 30 June 2017		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Return attributable to equity shares (£'000)	260	1,979	2,239	333	3,337	3,670	561	4,904	5,465
Weighted average shares in issue (excluding treasury shares)	149,849,592			128,752,216			135,345,435		
Return attributable per share (pence) (basic and diluted)	0.17	1.32	1.49	0.26	2.59	2.85	0.41	3.63	4.04

The return per share has been calculated excluding treasury shares of 16,311,410 (31 December 2016: 13,653,410; 30 June 2017: 15,002,410).

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.

7. Non-current asset investments

	Unaudited 31 December 2017 £'000	Audited 30 June 2016 £'000
Investments held at fair value through profit or loss		
Unquoted equity and preference shares	21,414	18,573
Quoted equity	270	395
Discounted debt and convertible loan stock	10,368	8,613
	32,052	27,581
Investments measured at amortised cost		
Unquoted loan stock	8,865	8,747
	40,917	36,328

Notes to the unaudited condensed Financial Statements (continued)

8. Ordinary share capital

	Unaudited 31 December 2017 £'000	Audited 30 June 2017 £'000
Allotted, called up and fully paid		
175,211,641 Ordinary shares of 10p each (30 June 2017: 162,110,978)	17,521	16,211

Voting rights

158,900,231 Ordinary shares of 10p each (30 June 2017: 147,108,568)

The Company purchased 1,309,000 Ordinary shares for treasury during the period at a cost of £374,000 (year ended 30 June 2017: 3,087,000 shares at a cost of £843,000). The total number of shares held in treasury as at 31 December 2017 was 16,311,410 (30 June 2017: 15,002,410).

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

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 date (pence per share)
30 November 2017	761,258	76	30.71	232	28.88

Albion VCTs Prospectus Top Up Offers 2017/18

On 6 September 2017 the Company announced the publication of a prospectus in relation to an offer for subscription for new Ordinary shares. A Securities Note, which forms part of the prospectus, has been sent to shareholders. Under the terms of the offer, the following new Ordinary shares of nominal value 10 pence per share were issued during the period.

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 date (pence per share)
17 November 2017	4,335,689	433	31.20	1,332	28.88
17 November 2017	2,657,447	266	31.40	818	28.88
17 November 2017	5,346,269	535	31.50	1,642	28.88
	12,339,405	1,234		3,792	

9. Contingencies and guarantees

There are no external contingencies for or guarantees by the Group or Company as at 31 December 2017 (30 June 2017: nil).

As at 31 December 2017 the Company had no financial commitments in respect of investments (30 June 2017: £5,000).

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

Notes to the unaudited condensed Financial Statements (continued)

10. Post balance sheet events

Since 31 December 2017, the Company has completed the following material transactions:

- Proceeds of £2.0 million received from the sale of The Crown Hotel Harrogate.

Albion VCTs Prospectus Top Up Offers 2017/18

Under the terms of the Albion VCTs Prospectus Top Up Offers 2017/18, the following new Ordinary shares of nominal value 10 pence each were issued since the period end:

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 date (pence per share)
31 January 2018	4,349,218	435	31.50	1,336	28.60

The Board is pleased to announce that it reached its £6 million limit under its Offer, which as of 26 February 2018 was fully subscribed and has now closed.

Reduction of share capital and cancellation of capital redemption and share premium reserves

As noted in the Annual Report and Financial Statements for the year ended 30 June 2017, a special resolution was proposed (the 'Proposal') to shareholders to reduce the share capital and cancel the capital redemption and share premium reserves, which was passed at the Annual General Meeting in November 2017.

The Company thereafter applied to the High Court to confirm the reduction and cancellation. The initial hearing at the High Court took place on 1 February 2018, and following the final hearing on 13 February 2018, the High Court approved the Proposal. This will, over time, create additional distributable reserves of £39.2m.

11. 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.

12. Other information

The information set out in the Half-yearly Financial Report does not constitute the Group's statutory accounts within the terms of section 434 of the Companies Act 2006 for the periods ended 31 December 2017 and 31 December 2016 and is unaudited. The financial information for the year ended 30 June 2017 does not constitute statutory accounts within the terms of section 434 of the Companies Act 2006 and is derived from the statutory accounts for the financial year, which have been delivered to the Registrar of Companies. The Auditor's report on those accounts was unqualified and did not contain statements under s498 (2) or (3) of the Companies Act 2006.

13. Publication

This Half-yearly Financial Report is being sent to shareholders and copies will be made available to the public at the registered office of the Company, Companies House, the National Storage Mechanism and also electronically at www.albion.capital/funds/CRWN.

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 31 December 2017:		
Total dividends paid	21.49	25.51
Decrease in net asset value	(7.71)	(8.72)
Total shareholder return from April 2005 to 31 December 2017	13.78	16.79
Shareholder value since launch:		
Total dividends paid to 31 December 2017 (ii)	51.85	56.42
Net asset value as at 31 December 2017	22.39	26.78
Total shareholder value as at 31 December 2017	74.24	83.20
Current dividend objective:		
Pence per share (per annum)	1.42	1.70
Dividend yield on net asset value as at 31 December 2017	6.4%	6.4%

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 31 December 2017 since the merger. This pro-forma is based upon the proportion of shares received by Murray VCT PLC (since renamed CP1 VCT PLC) and Murray VCT 2 PLC (since renamed CP2 VCT PLC) shareholders at the time of the merger with Crown Place VCT PLC on 13 January 2006.
- (ii) Prior to 6 April 1999, venture capital trusts were able to add 20 per cent. to dividends and figures for the period up until 6 April 1999 are included at the gross equivalent rate actually paid to shareholders.

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