

Crown Place VCT PLC

Annual Report and Financial Statements
for the sixteen months to 30 June 2007





CROWN PLACE VCT PLC

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CROWN PLACE VCT PLC

COMPANY INFORMATION

Company number	3495287
Directors	Patrick Crosthwaite, Chairman Andrew Cubie Rachel Beagles Vikram Lall Geoffrey Vero
Investment manager	Close Ventures Limited 10 Crown Place London EC2A 4FT Tel: 020 7422 7830
Secretary and registered office	Close Ventures Limited 10 Crown Place London EC2A 4FT
Registrar	Capita Registrars plc Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0LA
Shareholder helpline	Tel: 0870 162 3124 Fax: 0870 162 3199 Email: shareholder.services@capitaregistrars.com
Auditors	Deloitte & Touche LLP Hill House 1 Little New Street London EC4A 3TR
Taxation adviser	Ernst & Young LLP 1 More London Place London SE1 2AF

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



CROWN PLACE VCT PLC

FINANCIAL HIGHLIGHTS

Shareholder value since launch

Previous holders of shares in:	Proforma (i) Murray VCT PLC	Proforma (i) Murray VCT 2 PLC	Crown Place VCT PLC*
Dividends per share paid to 30 June 2007 (pence per share) (ii)	33.71	34.72	29.23
Net asset value (pence per share) as at 30 June 2007 (i)	31.91	38.15	44.84
	<u>65.62</u>	<u>72.87</u>	<u>74.07</u>

(i) The proforma shareholder value is based on the dividends paid to 30 June 2007 per share, with a pro-rata net asset value per share based upon the proportion of shares received by Murray VCT PLC (now renamed CP1 VCT PLC) and Murray VCT 2 PLC (now renamed CP2 VCT PLC) shareholders at the time of the merger with Crown Place VCT PLC on 13 January 2006.

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

* Formerly Murray VCT 3 PLC

In addition to the dividends paid above, the Directors have declared a first dividend for the year ending 30 June 2008 of 1.25 pence per Crown Place VCT PLC share (0.8 pence to be paid out of revenue profits and 0.45 pence out of realised capital gains), subject to approval from HM Revenue & Customs. The record date and payment date for this dividend will be announced on the London Stock Exchange RNS Service.

FINANCIAL CALENDAR

Annual General Meeting	7 November 2007
Record date for first dividend	estimated October 2007
Payment of first dividend	estimated November 2007
Announcement of interim results for the six months ended 31 December 2007	February 2008
Payment of second dividend	estimated April 2008



CROWN PLACE VCT PLC

CHAIRMAN'S STATEMENT

Overview

I am pleased to present the results for the 16 month period to 30 June 2007. During this period the Group made significant progress in transforming the investment portfolio into a broadly based portfolio which combines a strong income stream with protection of capital, as well as offering the prospect for capital growth. The Company paid dividends totalling 3.3 pence per share in the period, which are tax free to investors. The dividends were paid out of income and realised capital profits and are in line with the Company's strategy to pay regular and predictable dividends to shareholders. At the same time the net asset value per share increased from 43.0 pence at the start of the period to 44.8 pence as at 30 June 2007. Total shareholder value created in the 16 month period was 5.1 pence per share, or 11.9%.

Results

In the 16 months to 30 June 2007, the Group made a revenue profit after tax of £1.4 million and a total profit after tax of £3.8 million. Total annualised expenses as percentage of net assets, excluding non-recurring items and management performance fees, were 3.1% compared with 4.8% for the year to 28 February 2006. Cost savings from the merger in January 2006 are in line with the forecasts made at that time.

The net asset value per share increased to 44.8 pence compared to 43.0 pence at the beginning of the period and 44.3 pence at 31 December 2006, the latest interim report date.

The Company has now utilised in full the tax losses carried forward from previous years and, therefore, it is expected that the tax charge will increase in future years.

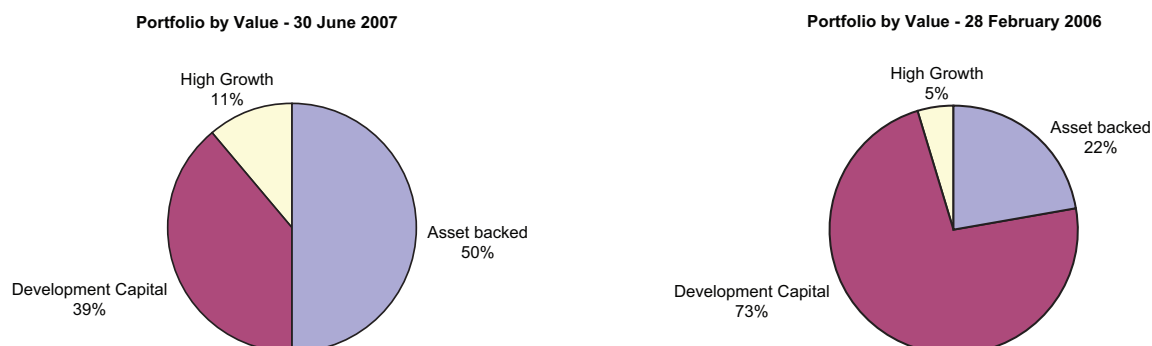
Portfolio review

During the period the Group made considerable progress in realising the older investments and reinvesting the proceeds in investments that are more suited to the overall portfolio investment policy. Full or partial realisations were made from seven unquoted investments, the proceeds of which were at or above book value. The total consideration received was £4.8 million. Following the period end the Company realised a further £3.4 million from the sale of RMS Europe Group Limited and The Bold Pub Company Limited, and the repayment of outstanding loan stock by Palgrave Brown (Holdings) Limited. The proceeds are reflected in the valuations.

The value of the investment portfolio increased during the period. In the unquoted portfolio, RMS Europe Group Limited, House of Dorchester Limited, PSCA International Limited and Tower Bridge Health Clubs Limited performed strongly and this has been reflected in the valuations. Against this, we have reduced the valuation of Unique Communications Group Limited, J&S Marine Limited and the Crown Hotel Harrogate Limited. The prospects for many of the companies in the unquoted portfolio are promising, although this is yet to be translated in increased financial performance and hence valuations. Xceleron Limited, which is well positioned to deliver strong growth and profitability in the coming year, is an example of a company in this category.

The AIM portfolio also performed well during the period and the Company realised substantial gains from the sale of its holdings in Tanfield Group plc, Dobbies Garden Centres plc, Careforce Group plc, Cello Group plc, Synexus Clinical Research plc and Talarius plc. The total proceeds from such realisations during the period were £6.9 million against cost of £2.6 million. Following the period end, the Group realised a further £0.8 million by selling its remaining holdings in Dobbies Garden Centres plc and Zetar plc, and further reducing its investment in Cello Group plc.

The split of the existing unquoted portfolio value by broad investment category is depicted below:



The proportion of asset-based investments, representing those companies with freehold or long leasehold property assets, increased from 22% at the beginning of the period, to 50% as at 30 June 2007. At the same time, the proportion of development capital investments decreased from 73% to 39%.



CROWN PLACE VCT PLC

CHAIRMAN'S STATEMENT (continued)

Since the appointment of Close Ventures Limited as Manager of the fund in April 2005, investment in asset-backed companies has increased as a proportion of the portfolio, providing greater security to the Group. Over the period since Close Ventures' appointment, the annualised return to shareholders (excluding merger costs and shareholder action costs) has been 7.2%.

New investments

The Group made 16 new investments in the period for a total cost of £5.3 million. These include the £1 million investment in Kew Green VCT (Stansted) Limited, the owner and operator of the Express by Holiday Inn hotel at Stansted Airport, the £1 million investment in Kensington Health Clubs Limited, a new freehold health and fitness club development in Olympia, London and the £0.6 million investment in Chichester (Holdings) Limited to fund the Management Buyout of this profitable drinks distribution business. A list of the investments in the portfolio is given on page 7.

In addition to the above, £2.2 million was invested in existing portfolio companies including The Crown Hotel Harrogate Limited, Tower Bridge Health Clubs Limited, Grosvenor Health Limited, The Dunedin Pub Company VCT Limited and Novello Pub Limited.

The Group is one of a small number of venture capital trusts that are able to invest in hotels and care home companies. These two sectors, which provide a good fit with the portfolio investment strategy, are not permitted investments for venture capital trusts raised after 1997, thus differentiating the Group from other VCTs.

Dividends

The Company paid three dividends during the period totalling 3.3 pence per share (2.5 pence annualised), which is significantly higher than the annual dividend of 1.0 pence per share suggested at the time of the merger. The first dividend of 1.25 pence per share was paid on 22 September 2006; a second dividend of 1.25 pence per share was paid on 19 January 2007; and a third dividend of 0.8 pence per share was paid on 15 June 2007. These dividends are free of tax to shareholders. The Company's policy is to pay regular and predictable dividends to investors out of revenue income and realised capital gains. Subject to the performance of the investment portfolio, the Board will aim to maintain an annualised dividend distribution of 2.5 pence per share, representing a tax free yield of 5.6% based on net asset value as at 30 June 2007.

Share buy backs

As set out in the interim report to 31 December 2006, it is the Company's policy to continue to buy back shares in the market, subject to the overall constraint that such purchases are in the Company's interest, including the maintenance of sufficient resources for investment in existing and new investee companies. The Company bought back 4,684,265 shares in the period under review, at prices ranging from 35 pence per share to 40 pence per share. As at the period end, the Company held 7,260,410 Ordinary Shares in Treasury, representing 9.5% of the issued share capital (excluding Treasury shares). These shares may be re-issued at a future date.

Outlook

The investment portfolio performed well during the 16 month period to 30 June 2007 and the performance since that date has been in line with the Board's expectations. Compared with the beginning of the period, the portfolio has a broader base, with a larger proportion of asset backed investments. While your Board is cautious on the outlook of the broader UK economy, the majority of the investee companies have little or no bank debt and therefore are not directly exposed to the recent volatility of the credit markets. In addition, the Group has substantial cash balances enabling it to take advantage of investment opportunities as they arise. As a result, your Board believes that the Group is well positioned for the future.

Patrick Crosthwaite
Chairman

9 October 2007



CROWN PLACE VCT PLC

THE BOARD OF DIRECTORS

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

Patrick Crosthwaite FSI (64), is the Chairman of the Company. From 1989 to 1999 he was managing director of Henderson Crosthwaite Limited, a private client portfolio management and broking business. Subsequently he served as a director of Carr Shepherds Crosthwaite (part of the Investec Group) where he was responsible for four regional offices, along with UK and Irish investment companies. He served as chairman of Investec Bank's underwriting committee from 2000 until 2002 and was the director responsible for Investment Process and Research at Gerrard Limited from 2003 to 2004. He is currently a governor of Tonbridge School. Patrick Crosthwaite became a Director of the Company on 13 January 2006.

Andrew Cubie CBE (61), is a consultant to Fyfe Ireland LLP solicitors, having been a senior partner until April 2003. He has extensive experience of corporate law and investment, particularly in the private company sector. He is a non-executive director of a number of companies including BLAS Limited, ESPC (UK) Limited, Kinloch Anderson Limited, CP1 VCT PLC and CP2 VCT PLC. He was chairman of CBI Scotland from 1995 to 1997. He is chairman of Quality Scotland Foundation and The Centre of Healthy Working Lives. He is chairman of the Court of Napier University. In 2001 he was awarded a CBE for services to business and education in Scotland. Andrew Cubie became a Director of the Company on 20 January 1998.

Rachel Beagles MA (39), was Co-Head of the Pan-European Banks Equity Research and Sales Team and a managing director of Corporate and Investment Bank Group Division at Deutsche Bank AG until April 2003. She is a non-executive director of Schroder UK Mid and Small Cap Fund PLC, a board member of Newlon Housing Trust and Outward Housing, and a non-executive director of Webface Technology Ventures Limited. Rachel Beagles became a Director of the Company on 13 January 2006.

Vikram Lall CA CBE (60), was corporate finance director of Brewin Dolphin until December 2003. He is a non-executive director of a number of companies including Brewin Dolphin Holdings, ISIS Property Trust, Corsie Group PLC, CP1 VCT PLC and CP2 VCT PLC, and chairman of the Scottish Industrial Development Advisory Board. In 2005 he was awarded the CBE for services to businesses in Scotland. Vikram Lall became a Director of the Company on 13 January 2006.

Geoffrey Vero FCA (60), has spent much of his career in venture capital, serving as a director of Causeway Capital Limited and ABN Amro Private Equity (UK) Limited which invested in small and medium sized unquoted businesses. He is a non-executive director of Close Brothers Development VCT PLC (which is also managed by Close Ventures Limited) and Numis Corporation Plc, and non-executive chairman of EPIC Reconstruction Plc. Geoffrey Vero became a Director of the Company on 13 January 2006.



CROWN PLACE VCT PLC

THE MANAGER

Close Ventures Limited, a subsidiary of Close Brothers Group plc, which is authorised and regulated by the Financial Services Authority, is the Manager of Crown Place VCT PLC. In addition to Crown Place VCT PLC it manages a further six VCTs and has total funds under management of £250 million.

Close Ventures Limited won the awards “VCT Manager of the Year” at the 2005 and 2006 Growth Company Awards and “Best VCT Provider” category in the Professional Adviser Awards in 2005 and 2006.

The Manager’s ultimate parent company is Close Brothers Group plc, a substantial independent merchant banking group incorporated in the United Kingdom and listed on the London Stock Exchange.

The following are specifically responsible for the management and administration of the Venture Capital Trusts managed by Close Ventures Limited:

Patrick Reeve, (47), MA, ACA, qualified as a chartered accountant with Deloitte Haskins & Sells before joining Cazenove & Co where he spent three years in the corporate finance department. He joined Close Brothers Group plc in 1989, initially in the development capital subsidiary, where he was a director specialising in the financing of smaller unquoted companies. He joined the corporate finance division in 1991, where he was also a director. He established Close Ventures Limited with the launch of Close Brothers Venture Capital Trust PLC in the spring of 1996. He is a Director of Close Technology & General VCT PLC, Close Brothers Protected VCT PLC, Close Income & Growth VCT PLC and Close Enterprise VCT PLC (all VCTs managed by Close Ventures Limited).

Isabel Dolan, (42), ACA, MBA is Finance Director of Close Ventures Limited having previously been Finance Director of a number of unquoted companies. From 1993-1997 she was Head of Recoveries at the Specialised Lending Services of the Royal Bank of Scotland plc and from 1997-2001 she was a Portfolio Director at 3i plc. She joined Close Ventures Limited in 2005.

Andrew Elder, (36), MA, FRCS. After qualifying as a surgeon, he practised for six years, specialising in neurosurgery before joining The Boston Consulting Group as a consultant in 2001 specialising in healthcare strategy. He joined Close Ventures Limited in 2005.

Will Fraser-Allen, (36), BA (Hons), ACA qualified as a chartered accountant with Cooper Lancaster Brewers in 1996 before specialising in corporate finance and investigation. He joined Close Ventures Limited in 2001.

Emil Gigov, (37), BA (Hons), ACA qualified as a chartered accountant with KPMG in 1997 and subsequently worked in KPMG’s corporate finance division working on the media, marketing and leisure sectors. He joined Close Ventures Limited in 2000.

David Gudgin, (34), BSc (Hons), ACMA, after working for ICL from 1993-1999 where he qualified as an accountant, he joined 3i Plc as an investment manager based in London and Amsterdam. In 2002 he joined Foursome Investments, responsible for investing an evergreen fund of US\$80 million, before joining Close Ventures Limited in 2005.

Michael Kaplan, (31), BA, MBA. After graduating from the University of Washington in 1999 with a BA in International Finance, he joined Marakon Associates as an Analyst. In 2000, he became the Chief Financial Officer of Widevine Technologies, a security software company based in Seattle. After graduating with an MBA from INSEAD, in 2004 he joined The Boston Consulting Group focusing on the retail and financial services industries. He joined Close Ventures Limited in 2007.

Ed Lascelles, (31), BA (Hons), joined the corporate broking department of Charterhouse Securities in 1998 focusing on primary and secondary equity fundraisings. He then moved to the corporate finance department of ING Barings in 2000, retaining his focus on smaller UK companies. He joined Close Ventures Limited in 2004.

Henry Stanford, (42), MA, ACA, qualified as a chartered accountant with Arthur Andersen before joining the corporate finance division of Close Brothers Group plc in 1992. He became an assistant director in 1996 and transferred to Close Ventures Limited in 1998 to concentrate on VCT investment.

Robert Whitby-Smith, (32), BA (Hons), MSI, ACA qualified as a chartered accountant with KPMG in their corporate finance division. From 2000 to early 2005 he worked in the UK corporate finance departments of Credit Suisse First Boston and subsequently ING Barings, where he was a vice president. He joined Close Ventures Limited in 2005.



CROWN PLACE VCT PLC

PORTFOLIO OF INVESTMENTS as at 30 June 2007

The following is a list of investments with a carrying/fair value as at 30 June 2007:

Investment name	Nature of business	% voting rights	At 30 June 2007		At 28 February 2006	
			Invested to date at cost £'000	Total carrying/fair value £'000	Invested to date at cost £'000	Total carrying/fair value £'000
Unquoted Investments						
RMS Europe Group Limited	Port operator	14.4%	1,292	2,556	1,292	1,442
The Crown Hotel Harrogate Limited*	Owner and operator of the Crown Hotel, Harrogate	15.0%	2,784	2,331	1,900	1,686
ELE Advanced Technologies Limited	Manufacturer of precision engineering components for the industrial gas turbine, aerospace and automotive markets	48.3%	1,050	1,822	2,043	2,878
TLC (Tender Loving Childcare) Limited	Operator of daycare nurseries	24.3%	1,584	1,533	1,584	1,530
Kew Green VCT (Stansted) Limited*	Owner and operator of the Express by Holiday Inn at Stansted Airport	28.2%	1,000	1,123	–	–
House of Dorchester Limited	Chocolate manufacturer	23.3%	490	1,022	490	107
Kensington Health Clubs Limited*	Operator of a health and fitness club in West London	8.3%	1,000	1,014	–	–
Palgrave Brown (Holdings) Limited	Manufacturer and distributor of specialist timber products including roof trusses, for the building industry	5.6%	752	875	752	868
The Rutland Pub Company (Hotels) Limited*	Owner and manager of public houses and hotels	14.5%	945	801	–	–
PSCA International Limited	Magazine publisher	6.7%	571	734	571	559
Tower Bridge Health Clubs Limited*	Operator of health & fitness clubs in central London	9.5%	591	708	550	549
Chichester (Holdings) Limited*	Drinks distribution to the travel sector	9.1%	600	610	–	–
Sanastro PLC	Financial publishing	16.2%	832	575	832	437
Blackbay Limited*	Mobile data solutions for the logistics and field service sectors	3.8%	410	435	–	–
Grosvenor Health Limited*	Occupational health provider	1.4%	364	408	254	278
CS (Brixton) Limited*	Cinema owner and operator	9.4%	375	401	375	375
Lowcosttravelgroup Limited*	On-line travel business	3.5%	330	349	330	337
Premier Leisure (Suffolk) Limited*	Owner and operator of a family entertainment centre	5.2%	420	333	–	–
The Dunedin Pub Company VCT Limited*	Owner and operator of two pubs in Scotland	7.8%	390	326	220	220
Churchill Taverns (Hotels) Limited*	Operator of one freehold hotel in Buckden, Cambridgeshire	9.0%	300	302	–	–
GB Pub Company VCT Limited*	Freehold pub owner and operator	9.0%	365	290	365	369
Inhoco 3426 Limited	Provider of translation services	0.0%	276	276	551	414
The Bold Pub Company Limited*	Freehold and long leasehold pub owner and operator	1.2%	180	248	180	205
Driver Hire Investments Limited	Supplier of temporary drivers	2.7%	436	240	436	349
Churchill Taverns VCT Limited*	Freehold pub owner and operator	3.8%	233	238	100	100
Rostima Limited*	Software company providing workforce management solutions	3.4%	230	232	–	–
Bravo Inns Limited*	Owner and manager of five freehold pubs in the northwest of England	8.4%	230	231	–	–
Booth Dispensers Limited	Manufacturer of vending machine components and beer pump coolers	24.3%	227	215	227	298
The Rutland Pub Company Limited*	Owner and manager of public houses	6.1%	235	211	535	578
RFI Global Solutions Limited*	Conformance testing to the cellular, wireless and smart card industries	2.3%	310	207	310	312
Xceleron Limited*	Provides a range of drug development services to the life-science industries	2.9%	200	200	–	–



CROWN PLACE VCT PLC

PORTFOLIO OF INVESTMENTS
as at 30 June 2007
(continued)

Investment name	Nature of business	% voting rights	At 30 June 2007		At 28 February 2006	
			Invested to date at cost £'000	Total carrying/ fair value £'000	Invested to date at cost £'000	Total carrying/ fair value £'000
Unquoted Investments (continued)						
The Weybridge Club Limited*	Owns and operates a freehold health and fitness club in Weybridge, Surrey	1.2%	190	194	–	–
Novello Pub Limited*	Freehold pub owner and operator	9.1%	258	177	210	210
CS (Exeter) Limited*	Cinema owner and operator	9.6%	145	159	145	145
Helveta Limited*	Software solutions company, providing traceability and inventory analysis to the timber industry	2.9%	210	143	–	–
J & S Marine Limited	Equipment for the defence and oil exploration industries	15.0%	428	132	428	635
Point 35 Limited*	Refurbisher of semiconductor fabrication equipment	1.7%	130	130	–	–
River Bourne Health Club Limited*	Operates a health and fitness club in Chertsey, Surrey	5.5%	110	112	–	–
Dexela Limited*	Medical imaging technology for the early detection of breast cancer	2.7%	110	110	–	–
Palm Tree Technology PLC*	Software company	0.6%	102	110	63	70
Process Systems Enterprise Limited*	Process systems modelling	0.8%	100	100	–	–
Red M Group Limited*	Service and software providers	1.8%	211	75	211	212
Evolutions Television Limited*	TV post production facilities	0.3%	50	49	–	–
Forward Media Limited	Radio broadcast services	5.2%	500	40	500	73
Investments exited in the period			–	–	4,167	3,784
			21,546	22,377	19,621	19,020
Other investments valued at nil			9,565	–	12,433	731
			31,111	22,377	32,054	19,751
AIM Quoted Investments						
Synexus Clinical Research plc	Patient recruitment for clinical trials	10.6%	1,455	1,429	1,994	3,188
Cello Group plc	Market research, brand advertising, direct marketing	1.1%	447	612	861	900
Avanti Communications Group plc	Supplier of satellite communications services	0.9%	542	510	–	–
Augean PLC	Waste management	0.5%	593	456	593	518
Dobbies Garden Centres plc	Garden centres operator	0.3%	144	427	322	384
Zetar PLC	Confectionery and snack food manufacturer	0.5%	144	285	143	169
Citel PLC	Global provider of IP telephony and converged communications solutions	1.0%	168	115	–	–
Avanti Screen Media Group plc	Supplier of retail television services	1.0%	81	26	621	701
Investments exited in the period			–	–	1,408	1,506
			3,574	3,860	5,942	7,366
Listed Fixed Income Investments						
Treasury 7.5% 2006			–	–	2,209	2,149
Treasury 4.5% 2007			–	–	1,731	1,703
			–	–	3,940	3,852
Total Investments			34,685	26,237	41,936	30,969

* denotes unquoted investments in which other funds managed by Close Ventures Limited are invested.



CROWN PLACE VCT PLC

PORTFOLIO COMPANIES

Unquoted loan stock held by the following investments are classified as loans and receivables in accordance with IAS 39 and carried at amortised cost using the effective interest rate.

The top ten investments by value are as follows:

RMS Europe Group Limited	
	£'000
Value of the investment:	2,556
RMS Europe Group Limited operates ports at Goole on the Humber estuary and at Flixborough and Genness on the River Trent, providing stevedoring, ship agency, stock control and transport services. The investment was sold after the period end for £2.5 million.	
Latest audited financial information: Year to 31 December 2006	
	£'000
Turnover	27,398
Profit before tax (PBT)	157
Profit after tax (PAT)	148
Net assets	10,295
% voting rights	14.4%
Basis of valuation:	Exit proceeds
Website:	www.rms-europe.co.uk

The Crown Hotel Harrogate Limited	
	£'000
Value of the investment:	2,331
The company owns and operates the historic 110 bedroom Crown Hotel in Harrogate, Yorkshire. Substantial refurbishment has taken place.	
Latest audited financial information: Year to 2 April 2006	
As a small company, The Crown Hotel Harrogate Limited is exempt from filing full accounts.	
	£'000
Net assets	1,304
% voting rights	15.0%
Basis of valuation:	Third party valuation
Website:	www.crownhotelharrogate.com
Other funds managed and advised by Close Ventures Limited have invested in this company.	

ELE Advanced Technologies Limited	
	£'000
Value of the investment:	1,822
ELE Advanced Technologies Limited manufactures precision engineering components for the industrial gas turbine, aerospace and automotive markets, in Lancashire and Slovakia.	
Latest audited financial information: Year to 30 April 2006	
	£'000
Turnover	9,662
Profit before tax (PBT)	1,534
Profit after tax (PAT)	1,287
Net assets	2,167
% voting rights	48.3%
Basis of valuation:	Earnings multiple
Website:	www.eleat.co.uk



CROWN PLACE VCT PLC

PORTFOLIO COMPANIES (continued)

TLC (Tender Loving Childcare) Limited	
Value of the investment:	£'000 1,533
TLC (Tender Loving Childcare) Limited is responsible for running several children's day care nurseries.	
Latest audited financial information: Year to 31 December 2005	
	£'000
Turnover	4,552
Profit before tax (PBT)	(373)
Profit after tax (PAT)	(373)
Net assets	1,453
% voting rights	24.3%
Basis of valuation:	Earnings multiple
Website:	www.tlchildcare.org
Synexus Clinical Research plc	
Value of the investment:	£'000 1,429
Synexus Clinical Research plc is one of the UK's leading clinical trials patient recruitment organisations serving the international pharmaceutical industry. It operates from 11 clinical research centres throughout the UK, with its head office in Chorley in Lancashire, and has a presence in India and several European states. Synexus is quoted on AIM.	
Latest audited financial information: Year to 31 March 2007	
	£'000
Turnover	10,331
Profit before tax (PBT)	359
Profit after tax (PAT)	481
Net assets	7,544
% voting rights	10.6%
Basis of valuation:	Bid price
Website:	www.synexus.com
Kew Green VCT (Stansted) Limited	
Value of the investment:	£'000 1,123
The company was established to develop and operate a limited service hotel under the "Express by Holiday Inn" brand at Stansted Airport. The 183 bedroom hotel opened in January 2005. An extension which took the hotel to 254 bedrooms opened at the end of June 2007.	
Latest audited financial information: Year to 31 August 2006	
	£'000
Turnover	4,285
Profit before tax (PBT)	152
Profit after tax (PAT)	(29)
Net assets	2,412
% voting rights	28.2%
Basis of valuation:	Third party valuation
Website:	www.expressstanstedairport.co.uk
Other funds managed and advised by Close Ventures Limited have invested in this company.	
House of Dorchester Limited	
Value of the investment:	£'000 1,022
House of Dorchester Limited is a chocolate manufacturer.	
Latest audited financial information: Year to 31 December 2006	
	£'000
Turnover	5,353
Profit before tax (PBT)	455
Profit after tax (PAT)	455
Net assets	559
% voting rights	23.3%
Basis of valuation:	Earnings multiple
Website:	www.hodchoc.com



CROWN PLACE VCT PLC

PORTFOLIO COMPANIES (continued)

Kensington Health Clubs Limited

Value of the investment: £'000
1,014

Kensington Health Clubs Limited is currently developing a health and fitness centre in West London.

Latest audited financial information:

As a new company, Kensington Health Clubs Limited has not yet filed statutory accounts.

% voting rights 8.3%
Basis of valuation: Cost
Website: www.thirtysevendegrees.co.uk/olympia

Other funds managed and advised by Close Ventures Limited have invested in this company.

Palgrave Brown (Holdings) Limited

Value of the investment: £'000
875

Palgrave Brown (Holdings) Limited supplies wooden windows and roofing trusses to the building industry in the UK.

Latest audited financial information: Year to 31 March 2006

£'000
Turnover 62,366
Profit before tax (PBT) 1,811
Profit after tax (PAT) 1,114
Net assets 2,681
% voting rights 5.6%
Basis of valuation: Earnings multiple
Website: www.palgravebrown.co.uk

The Rutland Pub Company (Hotels) Limited

Value of the investment: £'000
801

The Rutland Pub Company (Hotels) Limited is an operator of public houses and hotels.

Latest audited financial information:

The company has not yet filed accounts at Companies House

% voting rights 14.5%
Basis of valuation: Third party offer
Website: N/A



REPORT OF THE DIRECTORS AND ENHANCED BUSINESS REVIEW

The Directors submit the Annual Report and Financial Statements of the Company including the consolidated financial statements for the sixteen month period from 1 March 2006 to 30 June 2007.

Business Review

Principal activity and status

The principal activity of the Company is that of a Venture Capital Trust. It was approved by the HM Revenue & Customs as a Venture Capital Trust in accordance with Section 842AA of the Income and Corporation Taxes Act 1988. In the opinion of the Directors, the Company has conducted its affairs so as to enable it to continue to obtain such approval. Approval for the period ended 30 June 2007 is subject to review should there be any subsequent enquiry under corporation tax self assessment.

The Company is not a close company for taxation purposes.

The Company is no longer an investment company as defined in Section 266 of the Companies Act 1985. The Company revoked its investment trust status in order to enable the Company to pay dividends from realised capital profits. The Company is listed on The London Stock Exchange.

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

Following the merger with Murray VCT PLC and Murray VCT 2 PLC, the Company changed its accounting year end from 28 February to 30 June. This Annual Report and Accounts covers the sixteen month period from 1 March 2006 to 30 June 2007.

Investment policy

The Company's investment strategy is to provide investors with a regular and predictable source of dividend income combined with the prospect of long term capital growth, principally through investment in smaller unquoted companies in the United Kingdom.

In pursuing this policy, the Manager aims to build a portfolio which concentrates on two complementary investment areas. The first are lower risk, often asset-based, investments that can provide a strong income stream combined with protection of capital. These investments will be balanced with a smaller proportion of the portfolio invested in higher risk companies with greater growth prospects.

The following investment restrictions were put in place in the Company prospectus:

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

Under Venture Capital Trust legislation the following tests must be met:

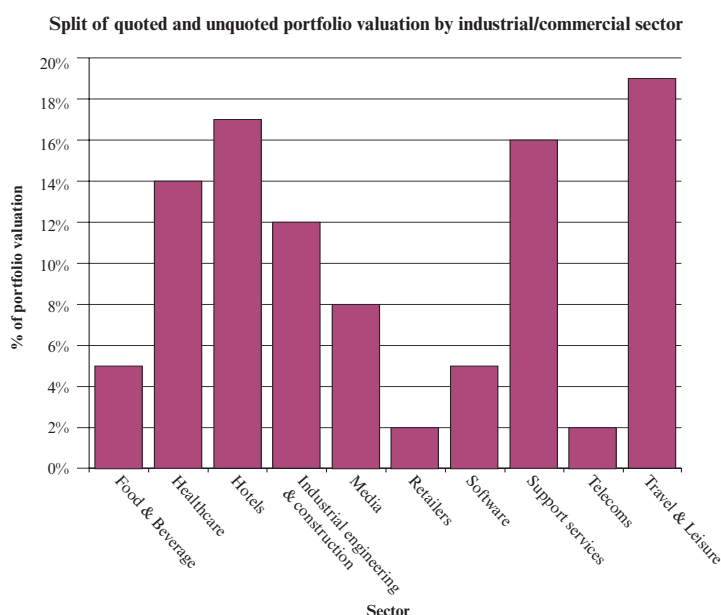
- (1) The Company's income must be derived wholly or mainly from shares and securities on a whole fund basis;
- (2) At least 70% of the value of its investments must have been represented throughout the period by shares or securities that are classified as 'qualifying holdings';
- (3) At least 30% by value of its total qualifying holdings must have been represented throughout the period by holdings of 'eligible shares';
- (4) At no time in the period must the Company's holdings in any one company (other than another VCT) have exceeded 15% by value of its investments;
- (5) The Company must not have retained greater than 15% of its income earned in the period from shares and securities;
- (6) Eligible shares must comprise at least 10% by value of the totality of the shares and securities that the Company holds in any one investee company; and
- (7) The Company's shares, throughout the period must have been listed in the Official List of the Stock Exchange.

These tests have been carried out and independently reviewed for the period ended 30 June 2007. The Company has complied with all tests.

As defined in the Articles of Association, the Company's maximum exposure in relation to gearing is restricted to the amount of the adjusted capital and reserves of the latest published audited consolidated balance sheet. As at 30 June 2007, the Company's maximum exposure was £33,416,000. The Directors do not currently have any intention to utilise gearing.



REPORT OF THE DIRECTORS AND ENHANCED BUSINESS REVIEW
(continued)



Source: Close Ventures Limited

The above graphically represents the split of the portfolio valuation by industrial or commercial sector as at 30 June 2007. Asset backed investments now represent 50% of the portfolio as demonstrated by the pie charts on page 3. Additionally, the Company is gradually exiting from AIM companies within the portfolio, and therefore increasing the proportion of investment in smaller unquoted businesses.

The Company has delegated the investment management of the portfolio to Close Ventures Limited, a subsidiary of Close Brothers Group plc, which is authorised and regulated by the Financial Services Authority. Close Ventures Limited also provides company secretarial and other accounting and administrative support to the Company. Further details regarding the terms of engagement of the Manager are shown on page 16.

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

Details of the principal investments held by the Company are given in the summary of the portfolio of investments on page 7. A review of the Company's business during the period is contained in the Chairman's Statement on page 3.

The subsidiary undertakings affecting the profits and net assets of the Group in the period are listed in note 11 to the financial statements.

	£'000
Results for the Group	
Consolidated revenue profit for the period ended 30 June 2007	1,421
Consolidated capital profit for the period ended 30 June 2007	2,356
Dividend of 1.25 pence per share paid on 22 September 2006	(997)
Dividend of 1.25 pence per share paid on 19 January 2007	(985)
Dividend of 0.8 pence per share paid on 15 June 2007	(619)
	1,176
Transferred to profit and loss reserves	
Consolidated net assets as at 30 June 2007	34,374
Consolidated net asset per share as at 30 June 2007	44.8 pence



CROWN PLACE VCT PLC

REPORT OF THE DIRECTORS AND ENHANCED BUSINESS REVIEW (continued)

The Company paid dividends of 3.30 pence per share during the 16 month period (2006: 1.00 pence per share for 12 month period).

The Board has declared a first dividend of 1.25 pence per Ordinary share (0.80 pence to be paid out of revenue profits and 0.45 pence out of realised capital gains), subject to approval from HM Revenue & Customs. The record date and payment date for this dividend will be announced on the London Stock Exchange RNS Service.

As shown in the Consolidated Income Statement on page 28 of the financial statements, investment income has increased to £2,519,000 (2006: £1,073,000). Revenue profit to equity holders has improved to £1,421,000 (2006: loss £145,000). This is partially due to the financial statements incorporating the results for 16 months rather than 12 months in the previous period. Additionally, the financial statements include the results of CPI VCT PLC and CP2 VCT PLC for the entire 16 month period, compared with 1 month in the previous accounting year. The Company has also seen a rise in the level of redemption premiums due to the divestment or partial divestment of several investments.

The capital return for the 16 month period was a profit of £2,356,000 (2006: 12 month period £1,068,000) primarily as a result of realised gains on the disposal of investments and unrealised increases in valuations.

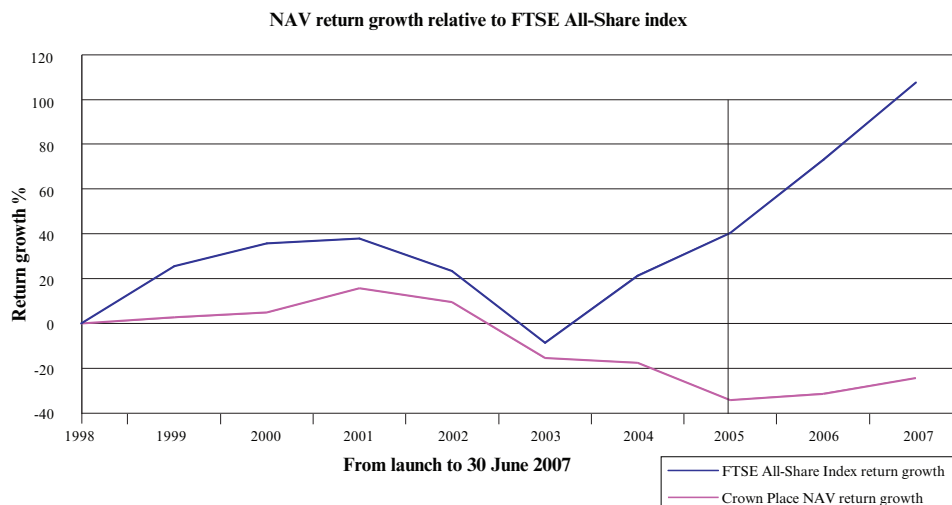
The total return per share for the 16 month period was 4.76 pence per share (2006: 12 month period 2.03 pence per share).

The Consolidated Balance Sheet on page 29 of the financial statements shows that the net assets per share have increased over the period to 44.8 pence per share (28 February 2006: 43.0 pence per share), reflecting the uplift in revaluation of investments.

Cash flow for the business has been positive for the period, reflecting the proceeds from disposal of investments in both qualifying and non-qualifying securities.

Other key performance indicators

The graph below shows Crown Place VCT PLC's net asset value return growth against the FTSE All-Share Index return growth in both instances with dividends reinvested since launch.



Source: Close Ventures Limited

Close Ventures Limited assumed management of the Company and its subsidiaries in April 2005.

The total annualised expense ratio for the period to 30 June 2007 was 3.1% (2006: 4.8%) excluding non-recurring costs and performance fees.

The Company operates a policy of buying back shares either for cancellation or for holding in Treasury. The Manager has an objective of maintaining the discount of the share price to net asset value at around ten per cent.



**REPORT OF THE DIRECTORS AND ENHANCED BUSINESS REVIEW
(continued)**

Principal risks and uncertainties

The Board considers that the Company faces the following major risks and uncertainties:

1. Investment risk

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

To reduce this risk, the Board places reliance upon the skills and expertise of the Manager and their strong track record for investing in this segment of the market. The Company's policy is to lower investment risk by investing part of the portfolio in asset-based businesses and taking a first charge over the relevant assets. In addition, the Manager operates a formal and structured investment process, which includes an Investment Committee comprising investment professionals from the Manager and from other, senior investment personnel from within the Close Brothers Group. Investments are actively and regularly monitored by the Manager (investment managers normally sit on investee company boards) and the Board receives detailed reports on each investment as part of the Manager's report at quarterly board meetings.

2. Venture Capital Trust approval risk

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

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

3. Compliance risk

The Company is listed on The London Stock Exchange and is required to comply with the rules of the UK Listing Authority, as well as with the Companies Act, Accounting Standards and other legislation. Failure to comply with these regulations could result in a delisting of the Company's shares, or other penalties under the Companies Act or from financial reporting oversight bodies.

Board members and the Manager have considerable experience of quoted businesses. In addition, the Board and the Manager receive regular updates on new regulation from the Company's auditors, lawyers and other professional bodies.

4. Internal control risk

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

The Audit and Risk Committee meets with the Head of Internal Audit of Close Brothers Group plc at least once per accounting period, receiving a report regarding the last formal internal audit performed on the Manager, and providing the opportunity for the Audit Committee to ask specific and detailed questions. The Manager has a comprehensive business continuity plan in place in the event that operational continuity is threatened. Further details regarding the Board's management and review of the Company's internal controls through the implementation of the Turnbull guidance are detailed on page 22.

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

5. Reliance upon third parties risk

The Company is reliant upon the services of Close Ventures Limited for the provision of management and administrative functions. There are provisions within the Management Agreement for the change of Manager under certain circumstances (for more detail see the Management Agreement paragraph below). In addition, the Manager has demonstrated to the Board that there is no undue reliance placed upon one individual within Close Ventures Limited, or its parent company Close Brothers Group plc.

6. Financial risks

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

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



CROWN PLACE VCT PLC

REPORT OF THE DIRECTORS AND ENHANCED BUSINESS REVIEW (continued)

Environment

Management and administration of Crown Place VCT PLC is undertaken by the Manager. Close Ventures Limited recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by its activities. Initiatives designed to minimise the Company's impact on the environment include recycling and reducing energy consumption, as shown in the financial statements of Close Ventures Limited.

Employees

The Company is managed by Close Ventures Limited and hence has no employees.

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

Directors

The Directors who held office during the period and their interests in the shares of the Company (including their connected persons and beneficial interests) as at 30 June 2007 were:

	At 30 June 2007	At 28 February 2006
Patrick Crosthwaite (Chairman)	6,000	6,000
Andrew Cubie	13,217	13,217
Rachel Beagles	27,962	10,000
Vikram Lall	22,743	22,743
Geoffrey Vero	6,000	6,000

There have been no changes in the holdings of the Directors between 30 June 2007 and the date of this Report.

No Director has a service contract with the Company.

Each Director has entered into a Deed of Indemnity with the Company pursuant to which, the Company agrees, subject to the provisions of the Companies Act 1985 and the limitations set out in each deed, to indemnify each Director against any liability arising out of any claim made against him in relation to the performance of his duties as a Director of the Company. A copy of each Deed of Indemnity entered into by the Company for each Director is available at the Registered Office of the Company.

Management agreement

The Company and the Manager entered into a new management agreement on 8 July 2005 which was revised on 4 January 2006 and which may be terminated by either party on 12 months' notice. Under this agreement, the Manager also provides secretarial and administrative services to the Company. The Management Agreement is subject to earlier termination in the event of certain breaches or on the insolvency of either party. Under the terms of the management agreement, the Manager is paid an annual fee equal to 1.75 per cent (plus any applicable VAT) of the net asset value of the Company plus £50,000 fee per annum for administrative and secretarial services. The fee is payable quarterly in arrears.

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

Management performance incentive

In order to provide the Manager with an incentive to maximise the return to investors, the Manager is entitled to charge an incentive fee in the event that returns exceed minimum target levels per Ordinary share.

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

If the target return is achieved, the Manager is entitled to twenty per cent of the excess return. A management performance incentive fee has arisen for the period ended 30 June 2007 and details are shown in note 4.

Evaluation of the Manager

The Board has evaluated the performance of the Manager based on the returns generated since taking on the management of the fund, a review of the management contract and the services provided therein, and benchmarking the performance of the Manager to other service providers. The Board believes that it is in the interests of shareholders as a whole, and of the Company, to continue the appointment of the Manager for the forthcoming year.



**REPORT OF THE DIRECTORS AND ENHANCED BUSINESS REVIEW
(continued)**

Valuation of investments

As described in note 1 of the financial statements, the unquoted equity investments held by the Company are valued at fair value through profit or loss in accordance with the International Private Equity and Venture Capital Valuation Guidelines. These Guidelines set out recommendations, intended to represent current best practice on the valuation of venture capital investments. Unquoted investments are valued on the basis of forward looking estimates and judgements about the business itself, its market and the environment in which it operates, together with the state of the mergers and acquisitions market, stock market conditions and other factors. In making these judgements the valuation takes into account all known material facts up to the date of approval of the financial statements by the Board. Unquoted loan stock is valued at amortised cost.

Investments quoted on recognised exchanges such as AIM are valued at the closing bid price on the last day of the accounting period.

Investment and co-investment

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

Auditors

A resolution to re-appoint Deloitte & Touche LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting.

Substantial interests

As at 30 June 2007 and the date of this report, the Company is aware of one shareholder, Giltspur Nominees Limited, which holds 3.42% of the issued share capital (3.18% at 28 February 2006).

Statement of Directors' responsibilities for the preparation of consolidated financial statements

The Directors are responsible for preparing the Annual Report and Financial Statements. The Directors are required to prepare financial statements for the Group in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. Company law requires the Directors to prepare such financial statements in accordance with IFRS, the Companies Act 1985 and Article 4 of the IAS Regulation.

International Accounting Standard 1 requires that financial statements present fairly for each financial period, the Group's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of Financial Statements'.

In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards.

Directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors confirm that applicable accounting standards have been followed in the financial statements accompanying this report.

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

The Directors have chosen to prepare the financial statements for the Company in accordance with the United Kingdom Generally Accepted Accounting Practice ("UK GAAP").

Company law requires the Directors to prepare such financial statements for each financial period which give a true and fair view in accordance with the UK GAAP of the state of affairs of the Company and of the total return of the Company for that period and comply with UK GAAP and the Companies Act 1985. In preparing those financial statements, the Directors are required to;

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.



**REPORT OF THE DIRECTORS AND ENHANCED BUSINESS REVIEW
(continued)**

Statement of Directors' responsibilities for the preparation of Company financial statements (continued)

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors confirm that applicable accounting standards have been followed in the financial statements accompanying this report.

Disclosure of information to auditors

In the case of each of the persons who are Directors of the Company at the date of approval of this report;

- so far as each of the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each of the Directors has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

The Directors are responsible for ensuring that any electronic publication or distribution of financial information properly presents the financial information and any report by us thereon and for the controls over, and security of, the website. The Directors are also responsible for establishing and controlling the process for electronically distributing annual reports and other information.

Annual General Meeting

The Annual General Meeting will be held at 10 Crown Place, London EC2A 4FT on 7 November 2007. The notice of the Annual General Meeting is at the end of this document. The proxy form enclosed with this Annual Report and Accounts permits shareholders to disclose votes 'for', 'against', 'withheld' and 'discretionary'. A 'vote withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against the resolution. Resolutions will be proposed as special business at the Annual General Meeting for the following purpose:

Power to allot shares

Ordinary resolution number 6 in the notice of the meeting will request the authority to allot up to 10% of the Ordinary share capital of the Company (excluding shares held in Treasury).

The Directors do not currently have any intention to allot shares, with the exception of reissuing Treasury shares where it is in the Company's interest to do so, and at a price in excess of that paid for the Treasury shares.

Disapplication of pre-emption rights

Special resolution number 7 will request the authority to disapply pre-emption rights in circumstances of a rights issue or other pre-emptive issue and the allotment of up to 5% of the share capital as described in Ordinary resolution number 6.

Purchase of own shares

Special resolution number 8 will request the authority to purchase an aggregate of 14.99% of the Ordinary shares issued (excluding Treasury shares) provided that;

- the maximum aggregate number of shares authorised to be purchased is 11,491,337 Ordinary shares (representing 14.99% of the shares in issue as at 30 June 2007 excluding Treasury shares);
- the minimum price which may be paid for a share is 10 pence;
- the maximum price that may be paid on the exercise of this authority will not exceed the higher of (a) an amount equal to 105 per cent of the average of the middle market quotations for the shares as derived from the London Stock Exchange Daily Official List over the five business days preceding the date of purchase; and (b) the higher of the price of the last independent trade and the highest independent bid on the London Stock Exchange;
- this authority expires at the conclusion of the next Annual General Meeting of the Company, or eighteen months, whichever is earlier; and
- the Company may make a contract or contracts to purchase shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of shares in pursuance of any such contract or contracts.

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

This resolution would renew the 2006 authority, which was in similar terms. During the financial period under review the Company purchased 2,504,826 Ordinary shares of 10 pence each to be held as Treasury shares at an aggregate consideration of £940,862 (representing 3.3% of the issued share capital (excluding shares held as Treasury shares) of the Company as at 30 June 2007). During the period, the Company also purchased 2,179,439 Ordinary shares of 10 pence each for cancellation at an aggregate consideration of £817,647 (representing 2.8% of the issued share capital (excluding Treasury shares) of the Company as at 30 June 2007).



REPORT OF THE DIRECTORS AND BUSINESS REVIEW
(continued)

Purchase of own shares (continued)

As at 30 June 2007, there are 7,260,410 Treasury shares held by the Company representing 9.5% of the issued Ordinary share capital (excluding Treasury shares) of the Company.

No Treasury shares purchased by the Company have been sold.

Treasury shares

At the Annual General Meeting, the resolutions as described above will be proposed that the Directors will be authorised to allot relevant securities in accordance with section 80 of the Companies Act 1985 (the "Act") and to empower to allot equity securities for cash in accordance with section 95 of the Act. Again, these replace existing authorities and powers which allow the Directors to sell Treasury shares at a price not less than that at which they were purchased.

Recommendation

The Board believes that these Resolutions are, in its opinion, in the best interest of Shareholders as a whole, and on that basis recommends that Shareholders vote in favour of these Resolutions as proposed at the Annual General Meeting. The Directors intend to vote in favour of the special business Resolutions 6, 7 and 8 in respect of their own holdings of Ordinary shares amounting to 75,922 Ordinary Shares representing 0.1 per cent of the Company's issued share capital (excluding Treasury shares).

Suppliers payment policy

The Company's policy is to pay all supplier invoices within 30 days of the invoice date, or as otherwise agreed. There were no overdue trade creditors at 30 June 2007 (2006: nil).

Re-election of Directors

In accordance with the Articles of Association, one third of the Directors of the Company retire by rotation. At the forthcoming Annual General Meeting Patrick Crosthwaite and Andrew Cubie will retire and offer themselves for re-election.

By Order of the Board,

Close Ventures Limited

Company Secretary

10 Crown Place

London EC2A 4FT

9 October 2007



STATEMENT OF CORPORATE GOVERNANCE

Background

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

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

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

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

Application of the Principles of the Code

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

Board of Directors

The Board consists solely of non-executive Directors. Patrick Crosthwaite is the Chairman. As the Board comprises wholly independent non-executive Directors, it is not considered necessary to appoint a senior non-executive Director.

Vikram Lall, a non-executive Director of Crown Place VCT PLC, has provided advice to Dobbies Garden Centres plc, an investee company, and Geoffrey Vero, also a non-executive Director, acts as a non-executive director to Close Brothers Development VCT PLC, a venture capital trust managed by Close Ventures Limited.

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 extremely relevant to the Company; these are described in the Board of Directors section of this Report, on page 5. 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 company secretarial advice and compliance services provided by the Manager, who is responsible for ensuring that Board procedures are followed and applicable regulations complied with. All Directors are able to take independent professional advice in furtherance of their duties if necessary. In accordance with the Combined Code, the Company has Directors & Officers’ Liability Insurance in place.

The Board met six times during the 16 month period ended 30 June 2007. All of the Directors attended each meeting with the exception of Andrew Cubie who was unable to attend two of the meetings and Patrick Crosthwaite was unable to attend one. The Chairman ensures that all Directors receive in a timely manner all relevant management, regulatory and financial information. The Board receives and considers reports regularly from the Manager and other key advisers and ad hoc reports and information are supplied to the Board as required. The Board has a formal schedule of matters reserved for it and the agreement between the Company and its Manager sets out the matters over which the Manager has authority and limits beyond which Board approval must be sought.

The Manager has authority over management of the investment portfolio, the organisation of custodial services, accounting, secretarial and administrative services. The main issues reserved for the Board include;

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

Committees’ and Directors’ Performance Evaluation

Performance of the Board, the Committees and the Directors is assessed on the following;

- attendance at Board and Committee meetings;
- the contribution made by individual Directors at Board and Committee meetings; and



**STATEMENT OF CORPORATE GOVERNANCE
(continued)**

Committees' and Directors' Performance Evaluation (continued)

- completion of a detailed internal assessment process and annual performance evaluation conducted by the Chairman (or in the case of the Chairman's review, by the Chairman of the Audit and Risk Committee).

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

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

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.

Remuneration Committee

Since the Company has no executive directors, the detailed Directors' Remuneration disclosure requirements set out in Listing Rules 12.43A (a), 12.43A (b) and 12.43A (c) as they relate to Combined Code Provisions B.1 and B.2 are not relevant.

Audit and Risk Committee

The Audit and Risk Committee consists of all Directors except Patrick Crosthwaite. Geoffrey Vero is Chairman. Vikram Lall was invited to join the Committee by its existing members during the period. In accordance with the Code, the members of the Audit and Risk Committee have recent and relevant financial experience. The Committee met four times during the period ended 30 June 2007; all members attended.

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

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

During the period under review, the Company discharged the responsibilities described above. Its activities included;

- formally reviewing the final report and financial statements, the interim reports, and the associated announcements, with particular focus on the main areas requiring judgement and on critical accounting policies;
- reviewing the effectiveness of internal control systems by examining the Internal Controls Report produced by the Manager;
- meeting with the Head of Internal Audit of Close Brothers Group plc; and
- meeting with the external auditors and reviewing their findings.

Nomination Committee

The Nomination Committee consists of all Directors. Given the size of the Board, this facilitates more effective and efficient communication. Patrick Crosthwaite is Chairman of the Committee. The terms of reference of the Nomination Committee are to evaluate the balance of skills, experience and time commitment of the current Board members and make recommendations to the Board as and when a particular appointment arises. The Nomination Committee did not meet during the period.

It is the policy of the Company, as detailed in the Articles of Association, for one third of the Board of Directors to be re-elected each year in rotation.



**STATEMENT OF CORPORATE GOVERNANCE
(continued)**

Nomination Committee (continued)

Patrick Crosthwaite and Andrew Cubie will retire and offer themselves for re-election at the forthcoming Annual General Meeting. Andrew Cubie has been a non-executive Director of the Company for 9 years. The Board considers him to be independent. He has demonstrated his independence in this role through the change of Manager to Close Ventures Limited in 2005, and in view of the rest of the Board has continued to show independence and objectivity in his dealings and contribution to the affairs of the Company.

Internal control

In accordance with the principle C.2 of the Combined Code, the Board has established an ongoing process for identifying, evaluating and managing those significant risks faced by the Company. This process is subject to regular review by the Board and accords with the Internal Control Guidance for Directors on the Combined Code published in September 1999 (the "Turnbull guidance"). The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risks of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board's monitoring covers all controls, including financial, operational and compliance controls and risk management. The Board receives each year from the Manager, a formal report which details the steps taken to monitor the areas of risk, including those that are not directly the responsibility of the Manager, and which reports the details of any known internal control failures.

Steps will 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 management's and the Board's attention.

The Board has also performed a specific assessment for the purpose of this Annual Report. 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.

As the Company has delegated the investment management and administration to Close Ventures Limited, a subsidiary of Close Brothers Group plc, the Board feels that it is not necessary to have its own internal audit function. Instead, the Board has continual access to the internal audit department of Close Brothers Group plc, which undertakes periodic examination of the business processes and controls environment at Close Ventures Limited, and ensures that any recommendations to implement improvements in controls are carried out. The internal audit department of Close Brothers Group plc reports to the Board on an annual basis. The Board will continue to monitor its system of internal control in order to provide assurance that it operates as intended.

Going concern

After making 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 wholly owned subsidiaries CP1 VCT PLC and CP2 VCT PLC will be subject to liquidation once the hive up of all assets under the Scheme of Arrangement approved by the Court on 12 January 2006 is complete. A provision for liquidation costs has been included in the accounts of the subsidiaries and hence in the consolidated financial statements. Any excess costs for the liquidation will be borne by the Company.

Relationships with shareholders

The Company's Annual General Meeting on 7 November 2007 will be used as an opportunity to communicate with private 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 a presentation from an investee company.

Shareholders are able to access the latest information on the Company via the Close Ventures Limited website (www.closeventures.co.uk).

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

Tel: 0870 162 3124
E-mail: shareholder.services@capitaregistrars.com

Specific queries relating to the performance of the fund should be directed to Close Ventures Limited:

Tel: 020 7422 7830
E-mail: enquiries@closeventures.co.uk

The Company's share buy back programme operates in the market through brokers. In order to sell shares, as they are quoted on the London Stock Exchange, investors should approach a broker to undertake the sale. Banks may be able to assist shareholders with a referral to a broker within their banking group.



STATEMENT OF CORPORATE GOVERNANCE
(continued)

Statement of Compliance

With the exception of the requirement to have a Remuneration Committee and the appointment of a senior non-executive director, the Directors consider that the Company has complied throughout the period ended 30 June 2007 with all the relevant provisions set out in Section 1 of the Code on Corporate Governance issued by the Financial Services Authority and with the AIC Code of Corporate Governance. The Company continues to comply with the Code as at the date of this report.



CROWN PLACE VCT PLC

DIRECTORS' REMUNERATION REPORT

Introduction

This report is submitted in accordance with Schedule 7a to the Companies Act 1985 (the "Act"). The report also meets the relevant rules of the Listing Rules of the Financial Services Authority and describes how the Board has applied the principles relating to Directors' remuneration. As required by the Act, a resolution to approve the report will be proposed at the forthcoming Annual General Meeting.

Unaudited information

Remuneration Committee

Since the Company consists solely of non-executive directors, a Remuneration Committee is not considered necessary.

Directors' remuneration policy

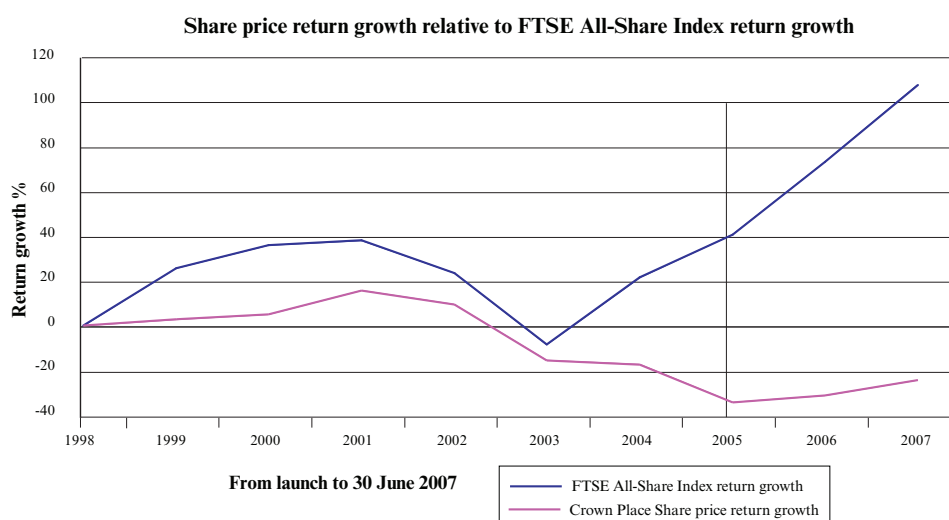
The Company's policy is that fees payable to non-executive Directors should reflect their expertise, responsibilities and time spent on Company matters. In determining the level of non-executive remuneration, market equivalents are considered in comparison to the overall activities and size of the Company.

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

Performance graph

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

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



Source: Close Ventures Limited

Service contracts

No Director has a service contract with the Company.

Audited information

Directors' remuneration

The following items have been audited:

The following table shows an analysis of the remuneration of individual Directors, exclusive of National Insurance or VAT:

	Sixteen month period ended 30 June 2007			Year ended 28 February 2006		
	Fees £'000	Expenses £'000	Total £'000	Fees £'000	Expenses £'000	Total £'000
Patrick Crosthwaite	25	–	25	3	–	3
Andrew Cubie	22	2	24	12	2	14
Rachel Beagles	22	–	22	2	–	2
Vikram Lall	22	1	23	2	–	2
Geoffrey Vero	22	–	22	2	–	2
P Timms (resigned 13 January 2006)	–	–	–	13	–	13
A Mair (resigned 13 January 2006)	–	–	–	10	2	12
J Cooper (resigned 13 January 2006)	–	–	–	11	–	11
	<u>113</u>	<u>3</u>	<u>116</u>	<u>55</u>	<u>4</u>	<u>59</u>



DIRECTORS' REMUNERATION REPORT
(continued)

Directors' remuneration (continued)

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 is remunerated personally, with the exception of Geoffrey Vero whose remuneration is paid to Vero Consultancy Limited.

In addition to Directors' remuneration, the Group paid annual premiums of £44,000 in respect of Directors' & Officers' Liability Insurance.

By Order of the Board

Close Ventures Limited

Company Secretary
10 Crown Place
London EC2A 4FT

9 October 2007



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CROWN PLACE VCT PLC**

We have audited the Group and parent Company financial statements (“the financial statements”) of Crown Place VCT PLC for the period ended 30 June 2007, which comprise primary financial statements such as the consolidated income statement, the consolidated and parent company balance sheets, the consolidated cash flow statement, the consolidated statement of changes in equity and the related notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors’ Remuneration Report that is described as having been audited.

This report is made solely to the Company’s members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company’s members those matters we are required to state to them in an Auditors’ report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The Directors’ responsibilities for preparing the Annual Report and the group financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and for preparing the parent company financial statements and the Directors’ Remuneration Report in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors’ Responsibilities.

Our responsibility is to audit the financial statements and the part of the Directors’ Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors’ Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and whether, in addition, the Group financial statements have been properly prepared in accordance with Article 4 of the IAS Regulation. We also report to you whether in our opinion the information given in the Directors’ Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors’ remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the company’s compliance with the nine provisions of the 2003 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board’s statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group’s corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report as described in the contents section and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors’ Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group’s and Company’s circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors’ Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors’ Remuneration Report to be audited.



INDEPENDENT AUDITORS' REPORT
(continued)

Opinion

In our opinion;

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 30 June 2007 and of its profit for the period then ended;
- the Group financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation;
- the parent Company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent Company's affairs as at 30 June 2007;
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London, England

9 October 2007

Neither an audit nor a review provides assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular whether any changes may have occurred to the financial information since first published. These matters are the responsibility of the Directors but no control procedures can provide absolute assurance in this area. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.



CROWN PLACE VCT PLC

CONSOLIDATED INCOME STATEMENT

	Notes	Audited Sixteen months to 30 June 2007			Audited Year to 28 February 2006		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment income and deposit interest	3	2,519	–	2,519	1,073	–	1,073
Investment management fees	4	(291)	(872)	(1,163)	(160)	(481)	(641)
Other expenses	5	(509)	23	(486)	(351)	(955)	(1,306)
Non-recurring operating expenses	5	(4)	–	(4)	(749)	–	(749)
Operating profit/(loss)		<u>1,715</u>	<u>(849)</u>	<u>866</u>	<u>(187)</u>	<u>(1,436)</u>	<u>(1,623)</u>
Gains on investments	2	–	2,932	2,932	–	2,504	2,504
Profit/(loss) before taxation		<u>1,715</u>	<u>2,083</u>	<u>3,798</u>	<u>(187)</u>	<u>1,068</u>	<u>881</u>
Taxation	6	(294)	273	(21)	42	–	42
Profit/(loss) for the period		<u><u>1,421</u></u>	<u><u>2,356</u></u>	<u><u>3,777</u></u>	<u><u>(145)</u></u>	<u><u>1,068</u></u>	<u><u>923</u></u>
Basic and diluted return per Ordinary share (pence) (excluding Treasury shares)	8	<u><u>1.79</u></u>	<u><u>2.97</u></u>	<u><u>4.76</u></u>	<u><u>(0.32)</u></u>	<u><u>2.35</u></u>	<u><u>2.03</u></u>

The accompanying notes on pages 33 to 44 form an integral part of these financial statements.

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

The consolidated income statement for the sixteen months to 30 June 2007 includes the results of the subsidiaries CPI VCT PLC and CP2 VCT PLC.

The (loss)/profit for the year ended 28 February 2006 includes results from the subsidiaries CPI VCT PLC and CP2 VCT PLC from the date of acquisition on 13 January 2006.

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



CROWN PLACE VCT PLC

CONSOLIDATED BALANCE SHEET

	Notes	Audited 30 June 2007 £'000	Audited 28 February 2006 £'000
Non-current assets			
Investments	9	<u>26,237</u>	<u>30,969</u>
Current assets			
Trade and other receivables	12	322	1,496
Cash and cash equivalents	17	<u>8,367</u>	<u>4,846</u>
		<u>8,689</u>	<u>6,342</u>
Total assets		34,926	37,311
Current liabilities			
Trade and other payables	13	<u>(552)</u>	<u>(694)</u>
Total assets less current liabilities		34,374	36,617
Non-current liabilities			
Provision for bank guarantees	14	<u>–</u>	<u>(1,662)</u>
Total liabilities		<u>(552)</u>	<u>(2,356)</u>
Net assets		<u>34,374</u>	<u>34,955</u>
Equity attributable to equityholders			
Ordinary share capital	15	8,392	8,610
Share premium		14,422	14,422
Capital redemption reserve		468	250
Own shares held		(2,849)	(1,908)
Retained earnings		<u>13,941</u>	<u>13,581</u>
Total shareholders' funds		<u>34,374</u>	<u>34,955</u>
Net asset value per Ordinary share (pence) (excluding Treasury shares)	16	<u>44.8</u>	<u>43.0</u>

The consolidated balance sheets as at 30 June 2007 and at 28 February 2006 include the balance sheets of the subsidiaries CP1 VCT PLC and CP2 VCT PLC.

These financial statements were agreed by the Board of Directors, and authorised for issue on 9 October 2007 and were signed on its behalf by

Patrick Crosthwaite
Chairman



CROWN PLACE VCT PLC

COMPANY BALANCE SHEET

	Notes	Audited 30 June 2007 £'000	Audited 28 February 2006 £'000
Fixed assets			
Fixed asset investments	9	26,237	30,969
Investment in subsidiary undertakings	11	17,978	17,506
		<u>44,215</u>	<u>48,475</u>
Current assets			
Debtors	12	313	806
Cash at bank	17	3,900	1,327
		<u>4,213</u>	<u>2,133</u>
Total assets		48,428	50,608
Creditors: amounts falling due within one year	13	(14,054)	(15,066)
Total assets less current liabilities		34,374	35,542
Provision for bank guarantees	14	–	(587)
Total liabilities		(14,054)	(15,653)
Net assets		<u>34,374</u>	<u>34,955</u>
Capital and reserves			
Called up share capital	15	8,392	8,610
Share premium		14,422	14,422
Capital redemption reserve		468	250
Own shares held		(2,849)	(1,908)
Retained earnings		13,941	13,581
Total shareholders' funds		<u>34,374</u>	<u>34,955</u>
Net asset value per Ordinary share (pence) (excluding Treasury shares)	16	<u>44.8</u>	<u>43.0</u>

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

These financial statements were approved by the Board of Directors, and authorised for issue on 9 October 2007 and were signed on its behalf by

Patrick Crosthwaite
Chairman



CROWN PLACE VCT PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Ordinary share capital £'000	Share premium £'000	Revaluation reserve £'000	Capital redemption reserve £'000	Own shares held £'000	Retained earnings £'000	Total £'000
As at 28 February 2006	8,610	14,422	–	250	(1,908)	13,581	34,955
Purchase of own shares for cancellation (including costs)	(218)	–	–	218	–	(816)	(816)
Cost of ordinary shares purchased for Treasury (including dealing costs)	–	–	–	–	(941)	–	(941)
Net profit for the period	–	–	–	–	–	3,777	3,777
Dividends paid in period	–	–	–	–	–	(2,601)	(2,601)
As at 30 June 2007	8,392	14,422	–	468	(2,849)	13,941	34,374
As at 28 February 2005	3,995	–	(15,287)	250	–	28,389	17,347
Adjustment in respect of IAS 39	–	–	–	–	–	(44)	(44)
Reclassification of revaluation reserve	–	–	15,287	–	–	(15,287)	–
As at 1 March 2005 (restated and adjusted)	3,995	–	–	250	–	13,058	17,303
Net profit for the year	–	–	–	–	–	923	923
Cost of ordinary shares purchased for Treasury	–	–	–	–	(1,908)	–	(1,908)
Shares issued in year	4,615	14,422	–	–	–	–	19,037
Dividends paid in year	–	–	–	–	–	(400)	(400)
As at 28 February 2006	8,610	14,422	–	250	(1,908)	13,581	34,955



CROWN PLACE VCT PLC

CONSOLIDATED CASH FLOW STATEMENT

	Note	Audited Sixteen months to 30 June 2007 £'000	Audited Year to 28 February 2006 £'000
Cash flows from operating activities			
Investment income received		2,549	1,087
Deposit interest received		347	30
Secretarial fees paid		(85)	(91)
Investment management fees paid		(1,242)	(694)
Other cash payments		(634)	(1,324)
Cash generated/(expended) from operations		935	(992)
Tax recovered		1,431	90
Net cash flows from/(used in) operating activities		2,366	(902)
Cash flows from investing activities			
Purchases of investments		(7,773)	(2,169)
Disposals of investments		14,949	6,349
Payment re loan guarantee		(1,662)	–
Net cash flows from investing activities		5,514	4,180
Cash flows from financing activities			
Equity dividends paid		(2,601)	(400)
Cash acquired from subsidiaries at date of acquisition		–	3,791
Repurchase of Ordinary shares		(817)	(140)
Purchase of Ordinary shares for Treasury		(941)	(1,897)
Net cash flows (used in)/from financing activities		(4,359)	1,354
Increase in cash and cash equivalents		3,521	4,632
Cash and cash equivalents at start of period		4,846	214
Cash and cash equivalents at end of period	17	8,367	4,846

The consolidated cash flow statement for the sixteen months to 30 June 2007 includes the results of the subsidiaries CP1 VCT PLC and CP2 VCT PLC.

The consolidated cash flow statements for the year ended 28 February 2006 include the transactions of the subsidiaries CP1 VCT PLC and CP2 VCT PLC from the date of the acquisition on 13 January 2006.



NOTES TO THE FINANCIAL STATEMENTS
for the sixteen months ended 30 June 2007

1. Accounting policies

Group accounting policies

Basis of accounting

The consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ('IFRS') adopted for use in the European Union and therefore comply with the Articles of the EU IAS regulation and with the Statement of Recommended Practice: "Financial Statements of Investment Trust Companies" ('SORP') issued by the Association of Investment Trust Companies ("AITC") in January 2003 and revised in December 2005, in so far as this does not conflict with IFRS. These financial statements are presented in Sterling to the nearest thousand. Accounting policies have been applied consistently in current and prior periods.

Accounting policies

Change of accounting reference date

The accounting reference period commencing on 1 March 2006 was extended from 28 February 2007 to 30 June 2007. All subsequent accounting reference periods will run from 1 July to 30 June. The financial statements have been prepared for the 16 month period ended 30 June 2007. Therefore, the amounts for the income statement, statement of changes in equity, cash flow statement and related notes are not entirely comparable.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company for the period ended 30 June 2007 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 230 of the Companies Act 1985, the Company has not presented its own profit and loss account. The amount of the Company's profit for the period dealt with in the accounts of the Group is £3,553,000 (2006: £1,128,000).

Segmental reporting

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

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. 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 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 consequent impact on the results of future periods.

Investments

In accordance with IAS 39, equity investments are designated as fair value through profit or loss ('FVTPL'). Investments listed on recognised exchanges are valued at the closing bid prices at the end of the accounting period. Unquoted investments' fair value is determined by the Directors in accordance with the International Private Equity and Venture Capital Valuation Guidelines. Fair value movements on equity investments and gains and losses arising on the disposal of investments are reflected in the capital column of the Income Statement in accordance with the AITC SORP.

Unquoted loan stock is classified as loans and receivables in accordance with IAS 39 and carried at amortised cost using the Effective Interest Rate method ('EIR'). Movements in the amortised cost relating to interest income are reflected in the revenue column of the Income Statement and movements in respect of capital provisions are reflected in the capital column of the Income Statement. 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.

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.

It is not the Group's policy to exercise control or significant influence over investee companies. Therefore in accordance with the exemptions under IAS 27 "Consolidated and separate financial statements", those undertakings in which the Company holds more than 20% of the equity are not regarded as associated undertakings.



NOTES TO THE FINANCIAL STATEMENTS
(continued)

1. Accounting policies (continued)

Group accounting policies (continued)

Issue costs

Issue costs associated with the allotment of share capital have been deducted from the share premium account in accordance with IAS 32.

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. In accordance with IAS 12, deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. The specific nature of taxation of venture capital trusts mean that it is unlikely that any deferred tax will arise. The Directors have considered the requirements of IAS 12 and do not believe that any provision should be made.

Dividends

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

Company accounting policies

Accounting convention

The Company's financial statements have been prepared using accounting policies consistent with Financial Reporting Standards ('FRS'), and in accordance with the historical cost convention, modified to include the revaluation of investments, in accordance with applicable United Kingdom law and accounting standards and with the Statement of Recommended Practice: "Financial Statements of Investment Trust Companies" ('SORP') issued by the Association of Investment Trust Companies ('AITC') in January 2003 and revised in December 2005.

True and fair override

The Company is no longer an investment company within the meaning of s266, of the Companies Act 1985. However, it conducts its affairs as a venture capital trust for taxation purposes under s842AA of the Income and Corporation Taxes Act 1988.

The absence of Section 266 status does not preclude the Company from presenting its accounts in accordance with the AITC SORP and furthermore the Directors consider it appropriate to continue to present the accounts in accordance with the SORP.

In the opinion of the Directors the presentation adopted enables the Company to report in a manner consistent with the sector within which it operates. The Directors therefore consider that these departures from the specific provisions of Schedule 4 of the Companies Act relating to the form and content of accounts for companies are necessary to give a true and fair view. The departures have no effect on the return or balance sheet.

Investment in subsidiaries

The acquisition of subsidiaries is accounted for using the purchase method. 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 plus any costs directly attributable to the business combination. The assets and liabilities of the subsidiaries have subsequently been measured at their fair value as at the balance sheet date. The investments in subsidiaries are carried at fair value determined by Directors based on the net assets method.

Investments

In accordance with FRS 26, equity investments are designated as FVTPL. Unquoted investments' fair value is determined by the Directors in accordance with the International Private Equity and Venture Capital Valuation Guidelines. Fair value movements on equity investments and gains and losses arising on the disposal of investments are reflected in the capital column of the Income Statement in accordance with the AITC SORP.

Unquoted loan stock is classified as loans and receivables in accordance with FRS 26 and carried at amortised cost using the EIR method. 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.

Investments listed on recognised exchanges are valued at the closing bid prices at the end of the accounting period.

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.

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



NOTES TO THE FINANCIAL STATEMENTS
(continued)

1. Accounting policies (continued)

Group accounting policies (continued)

Taxation

Taxation is applied on a current basis in accordance with FRS 16 “Current tax”. Taxation associated with capital expenses is applied in accordance with the SORP. In accordance with FRS 19, “Deferred tax”, deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. The specific nature of taxation of venture capital trusts mean that it is unlikely that any deferred tax will arise. The Directors have considered the requirements of FRS 19 and do not believe that any provision should be made.

Dividends

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

Issue costs

Issue costs associated with the allotment of share capital have been deducted from the share premium account in accordance with FRS 25.

Group and Company accounting policies

Investment income

Dividends receivable on equity investments are taken to revenue on an ex-dividend basis. Fixed returns on debt securities are recognised on a time apportionment basis using an effective interest rate over the life of the financial instrument.

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 account of the Income Statement, except for management fees and performance incentive fees which are allocated in part to the capital account on the Income Statement, to the extent that these relate to an enhancement in the value of the investments and in line with the Board’s expectation that over the long term 75% of the Company’s investment returns will be in the form of capital gains.

Debtors and creditors

- Debtors are non-interest bearing and are short term in nature and are accordingly stated at their nominal value, as reduced by appropriate allowances for estimated irrecoverable amounts. The Directors consider that the carrying amount of debtors approximates their fair value.
- Taxation and creditors are non-interest bearing and are stated at their nominal value. The Directors consider that the carrying amount of creditors approximates their fair value.

Reserves

Capital redemption reserve

This reserve accounts for amounts by which the issued share capital is diminished through the repurchase and cancellation of the Company’s own shares.

Own shares held reserve

This reserve accounts for amount paid on buying Treasury shares.



CROWN PLACE VCT PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Gains on investments

	Sixteen months to 30 June 2007 £'000	Year to 28 February 2006 £'000
Net realised gains/(losses)	853	(2,052)
Unrealised gains	2,079	4,556
	<u>2,932</u>	<u>2,504</u>

3. Investment income and deposit interest

	Sixteen months to 30 June 2007 £'000	Year to 28 February 2006 £'000
Dividend income	148	40
Loan stock interest	1,839	856
Interest receivable and similar income	532	177
	<u>2,519</u>	<u>1,073</u>

4. Investment management fees

	Sixteen months to 30 June 2007 £'000	Year to 28 February 2006 £'000
Investment management fee	954	366
Investment management performance incentive	209	275
	<u>1,163</u>	<u>641</u>

5. Operating profit/(loss) is stated after charging:

	Sixteen months to 30 June 2007 £'000	Year to 28 February 2006 £'000
Directors' remuneration	113	55
Fees to auditors; – audit fees	35	34
Non-recurring operating costs:		
Recovery of income tax previously written off	23	223
Bad debt provisions	–	(400)
Other expenses in respect of termination	–	(38)
Merger costs	(27)	(356)
Cost in response to shareholder action	–	(178)
	<u>(4)</u>	<u>(749)</u>



CROWN PLACE VCT PLC

NOTES TO THE FINANCIAL STATEMENTS
(continued)

6. Taxation

	Revenue £'000	Capital £'000	Total £'000
Sixteen months to 30 June 2007			
Corporation tax	(294)	273	(21)
12 months to 28 February 2006			
Corporation tax	–	–	–
Release of over accrual in previous years	42	–	42
	<u>42</u>	<u>–</u>	<u>42</u>

The tax charge for the period shown in the Income Statement is lower than the standard rate of corporation tax in the UK of 30%. (2006: 30%). The differences are explained below:

	Sixteen months to 30 June 2007 £'000	Year to 28 February 2006 £'000
Profit/(loss) on ordinary activities before tax	3,798	881
Profit on ordinary activities multiplied by standard rate of corporation tax	1,139	264
Effect of gains/(losses) on capital assets not subject to taxation	(880)	(751)
Effect of income not subject to taxation	(51)	(79)
Effect of disallowed expenditure	8	160
Unrelieved expenses carried forward	(195)	406
Release of over accrual in prior year	–	(42)
	<u>21</u>	<u>(42)</u>

No provision for deferred tax has been made in the current or prior accounting period. The Company has no unutilised management expenses and deficits arising from non-trading relationships. The Group has not recognised a deferred tax asset of £1,214,485 in respect of unutilised management expenses and deficits arising from non-trading relationships which would only be used if its subsidiaries made significant profits.

7. Dividends

	Sixteen months to 30 June 2007	Year to 28 February 2006
Dividend paid out of realised capital gains of 1.0 pence per share on 9 September 2005	–	400
Dividend paid out of realised capital gains of 1.25 pence per share on 22 September 2006	997	–
Dividend paid out of revenue of 0.8 pence and from realised capital gains of 0.45 pence per share on 19 January 2007	985	–
Dividend paid out of realised capital gains of 0.8 pence per share on 15 June 2007	619	–
	<u>2,601</u>	<u>400</u>

In addition, the Board has declared a dividend of 1.25 pence per share, (0.8 pence to be paid out of revenue profits and 0.45 pence out of realised capital gains). This dividend is subject to approval from HM Revenue & Customs. The record date and payment date for this dividend will be announced on the London Stock Exchange RNS Service.



CROWN PLACE VCT PLC

NOTES TO THE FINANCIAL STATEMENTS
(continued)

8. Basic and diluted return per share

	Sixteen months to 30 June 2007		
	Revenue	Capital	Total
The return per share has been based on the following figures:			
Return attributable to equity shares £'000	1,421	2,356	3,777
Weighted average shares in issue (excluding treasury shares)	79,277,922	79,277,922	79,277,922
Return attributable per equity share	1.79	2.97	4.76

	Year to 28 February 2006		
The return per share has been based on the following figures:			
Return attributable to equity shares £'000	(145)	1,068	923
Weighted average shares in issue (excluding treasury shares)	45,425,778	45,425,778	45,425,778
Return attributable per equity share	(0.32)	2.35	2.03

There are no convertible instruments, derivatives or contingent share agreements in issue, and therefore no dilution affecting the return per share.

9. Investments

	30 June 2007		
	Listed fixed	Unlisted and AIM	Total
	income investments		
	£'000	£'000	£'000
Company			
Valuation at 1 March 2006	3,852	27,117	30,969
Purchases	–	7,505	7,505
Valuation of investments sold	(3,939)	(10,067)	(14,006)
Net increase in value of investments	87	1,682	1,769
Valuation at 30 June 2007	<u>–</u>	<u>26,237</u>	<u>26,237</u>
Investments valued at fair value through profit or loss	–	12,587	12,587
Loans and receivables valued at amortised cost	–	13,650	13,650
	<u>–</u>	<u>26,237</u>	<u>26,237</u>

On a historical cost basis the movement in investments is as follows:

	30 June 2007 £'000	28 February 2006 £'000
Company		
Cost at beginning of period	41,936	32,260
Purchases	7,505	17,679
Sales proceeds	(15,609)	(6,378)
Realised gains/(losses)	853	(1,625)
Cost at 30 June 2007	<u>34,685</u>	<u>41,936</u>
Cost at end of period	34,685	41,936
Unrealised losses and return on investments	(8,448)	(10,967)
Valuation at 30 June 2007	<u>26,237</u>	<u>30,969</u>
Company gains on investments during the period		
Realised gains/(losses)	853	(1,625)
Net unrealised appreciation	2,079	4,518
	<u>2,932</u>	<u>2,893</u>



CROWN PLACE VCT PLC

NOTES TO THE FINANCIAL STATEMENTS
(continued)

9. Investments (continued)

	30 June 2007		Total £'000
	Listed fixed income investments £'000	Unlisted and AIM £'000	
Group			
Valuation at 1 March 2006	3,852	27,117	30,969
Purchases	–	7,505	7,505
Valuation of investments sold	(3,939)	(10,067)	(14,006)
Net increase in value of investments	87	1,682	1,769
Valuation at 30 June 2007	–	26,237	26,237
Investments valued at fair value through profit or loss	–	12,587	12,587
Loans and receivables valued at amortised cost	–	13,650	13,650
	–	26,237	26,237

On a historical cost basis the movement in investments is as follows:

	30 June 2007 £'000	28 February 2006 £'000
Group		
Cost at beginning of period	41,936	32,260
Book cost acquired at date of merger	–	33,543
Purchases	7,505	18,022
Sales proceeds	(15,609)	(21,548)
Transfer of unrealised losses realised during the year	–	(18,289)
Realised gains/(losses)	853	(2,052)
Cost at 30 June 2007	34,685	41,936
Cost at end of period	34,685	41,936
Unrealised loss and return on investments	(8,448)	(10,967)
Valuation at 30 June 2007	26,237	30,969
Group gains/(losses) on investments during the period		
Realised gains/(losses)	853	(2,052)
Net unrealised appreciation	2,079	4,556
	2,932	2,504



NOTES TO THE FINANCIAL STATEMENTS
(continued)

10. Participating interests

The principal activity of the Company is to select and hold a portfolio of investments in unlisted securities. Although the Company, through the Manager, will, in some cases, be represented on the board of the investee company, it will not take a controlling interest or become involved in the management. The size and structure of the companies with unlisted 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% of the nominal value of any class of the allotted shares in the investee companies as at 30 June 2007 as described below:

Company	Country of incorporation	Principal activity	% Class and share type	% Voting rights	Current status
Booth Dispensers Limited	Great Britain	Vending machine modules and beer pump coolers	100.0% A Ordinary	24.3%	Trading
Conveco Limited	Great Britain	No trading activity	48.4% B Ordinary	22.2%	In administration
ELE Advanced Technologies Limited	Great Britain	Manufacturer of precision engineering components	74.4% B Ordinary	48.3%	Trading
House of Dorchester Limited	Great Britain	Chocolate manufacturer	33.2% B Ordinary	23.3%	Trading
J & S Marine Limited	Great Britain	Equipment for defence and oil exploration industries	100.0% B Ordinary	15.0%	Trading
PSCA International Limited	Great Britain	Publishing	21.6% A Ordinary	6.7%	Trading
TLC (Tender Loving Childcare) Limited	Great Britain	Children's day nurseries	51.1% B Ordinary	24.3%	Trading
CCM Motorcycles Limited	Great Britain	Motorcycle manufacturer	25.0% A Ordinary	20.4%	In liquidation
Charmwood Furniture Group Limited	Great Britain	Furniture manufacturer	100.0% B Ordinary	45.0%	In liquidation
Wisdom IT Holdings Limited	Great Britain	IT consultants	100.0% A Ordinary	43.0%	In liquidation
Bronte Foods Limited	Great Britain	Poultry processor	33.3% A Ordinary 33.3% B Ordinary	33.0%	In liquidation
Tuscan Energy Group Limited	Great Britain	Energy provider	42.5% C Ordinary	n/a	Trading
GW665 Limited	Great Britain	Intellectual property rights	37.0% B Ordinary	37.0%	Trading
Kew Green VCT (Stansted) Limited	Great Britain	Owner and operator of the Express by Holiday Inn at Stansted Airport	28.2% Ordinary	28.2%	Trading



CROWN PLACE VCT PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Investments in subsidiary undertakings

The Company owns the whole of the issued share capital of CP1 VCT PLC (previously Murray VCT PLC) and CP2 VCT PLC (previously Murray VCT 2 PLC), both companies are registered in England and Wales.

	30 June 2007		
	CP1 £'000	CP2 £'000	Total £'000
Carrying value at 1 March 2006	6,608	10,898	17,506
Movement in subsidiary net assets	<u>161</u>	<u>311</u>	<u>472</u>
Carrying value at 30 June 2007	<u><u>6,769</u></u>	<u><u>11,209</u></u>	<u><u>17,978</u></u>
	28 February 2006		
	CP1 £'000	CP2 £'000	Total £'000
Cost at 13 January 2006	7,586	11,407	18,993
Investment in shares of subsidiary at 28 February 2006	6,383	8,219	14,602
Investments hived up	(7,027)	(8,275)	(15,302)
Debtors hived up	(76)	(151)	(227)
Movement in subsidiary net assets	<u>(258)</u>	<u>(302)</u>	<u>(560)</u>
Carrying value at 28 February 2006	<u><u>6,608</u></u>	<u><u>10,898</u></u>	<u><u>17,506</u></u>

12. Trade and other receivables

	30 June 2007		28 February 2006	
	Group £'000	Company £'000	Group £'000	Company £'000
Current taxation – income tax recoverable	–	–	1,201	609
Prepayments and accrued income	<u>322</u>	<u>313</u>	<u>295</u>	<u>197</u>
	<u><u>322</u></u>	<u><u>313</u></u>	<u><u>1,496</u></u>	<u><u>806</u></u>

13. Trade and other payables

	30 June 2007		28 February 2006	
	Group £'000	Company £'000	Group £'000	Company £'000
Amounts falling due within one year:				
Amounts due to subsidiary undertaking	–	13,534	–	14,632
Other creditors	71	70	144	14
Accruals	<u>481</u>	<u>450</u>	<u>550</u>	<u>420</u>
	<u><u>552</u></u>	<u><u>14,054</u></u>	<u><u>694</u></u>	<u><u>15,066</u></u>

14. Provisions for bank guarantees

Provisions for bank guarantees are in respect of bank guarantees given by the Group or Company for liabilities of investee companies.

	30 June 2007		28 February 2006	
	Group £'000	Company £'000	Group £'000	Company £'000
Opening provision	1,662	587	171	171
Provision on merger	–	–	637	–
Additional provision in the year	–	–	955	517
Utilisation of provision	<u>(1,662)</u>	<u>(587)</u>	<u>(101)</u>	<u>(101)</u>
Closing provision	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>1,662</u></u>	<u><u>587</u></u>



CROWN PLACE VCT PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Ordinary share capital

	30 June 2007 £'000	28 February 2006 £'000
Authorised		
140,000,000 Ordinary shares of 10p each	<u>14,000</u>	<u>14,000</u>
Allotted		
83,920,434 shares of 10p each (2006: 86,099,873)	<u>8,392</u>	<u>8,610</u>
Allotted excluding treasury shares		
76,660,024 shares of 10p each (2006: 81,344,289)	<u><u>7,666</u></u>	<u><u>8,134</u></u>

The Company repurchased for cancellation 2,179,439 Ordinary shares during the period (2006: nil) at a cost of £818,000 (2006: £nil). This represented approximately 2.5% of the share capital as at 1 March 2006. The Company also purchased 2,504,826 Ordinary shares to be held in Treasury at a cost of £941,000 representing 2.9% of the share capital as at 1 March 2006. The shares purchased for cancellation were funded from the retained earnings and the shares purchased for Treasury were funded from the Own shares held reserve. The total number of shares held in Treasury as at 30 June 2007 was 7,260,410.

16. Net asset value per Ordinary share

The net asset value per share and the net asset value attributable to the Ordinary shares at the year end were as follows:

	30 June 2007		28 February 2006	
	Net Asset Value per share pence	Net Asset Value attributable £'000	Net Asset Value per share pence	Net Asset Value attributable £'000
Ordinary shares	<u>44.8</u>	<u>34,374</u>	<u>43.0</u>	<u>34,955</u>

The number of shares used in this calculation is 76,660,024 (excluding Treasury shares) (2006: 81,344,289).

17. Cash and cash equivalents

	30 June 2007		28 February 2006	
	Group £'000	Company £'000	Group £'000	Company £'000
Cash at bank	<u>8,367</u>	<u>3,900</u>	<u>4,846</u>	<u>1,327</u>

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

	Sixteen months to 30 June 2007 £'000	Year to 28 February 2006 £'000
Revenue operating profit/(loss)	1,715	(187)
Capitalised expenses	(849)	(1,436)
Decrease in debtors	1,642	134
(Decrease)/increase in creditors	<u>(142)</u>	<u>587</u>
Net cash inflow/(outflow) from operating activities	<u><u>2,366</u></u>	<u><u>(902)</u></u>

19. Financial instruments and risk management

The Group's financial assets comprise equity and loan stock investments in predominantly unquoted companies, loan investments listed on recognised exchanges, cash balances and short term debtors 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 financial liabilities other than short term creditors. The Group does not use any derivatives.

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

- market and investment price risk (which includes fair value interest rate risk and credit risk);
- liquidity risk; and
- cash flow interest rate risk.



CROWN PLACE VCT PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. Financial instruments and risk management (continued)

The Board regularly reviews and agrees policies for managing each of these risks and they are summarised below:

Market price risk

As a venture capital trust, it is the Group's specific nature to evaluate and control the investment risk of its portfolio in unquoted and in quoted investments, details of which are shown on pages 7 to 8. The Manager monitors this risk on an ongoing basis, and the Board reviews these risks on a formal basis when investments are made and at Board meetings.

Investment price risk

As a venture capital trust, it is the Group's specific business to price, evaluate and control the investment risk in its portfolio of unquoted and quoted companies, the results of which are detailed in the Chairman's statement on page 3. To mitigate investment risk, the investment strategy of the Group is to invest in a broad spread of industries with a large proportion of the investment comprising debt securities, which, owing to the structure of their yield, have a lower level of price volatility than equity. Details of the sectors in which investments have been made are contained in the Portfolio of Investments section on pages 7 to 8.

Fair value interest rate risk

The majority of investments are unquoted and hence not subject to market movements as a result of interest rate movements.

Credit risk

The Manager evaluates credit risk on loan stock instruments prior to investment, and as part of its ongoing monitoring of investments. Typically loan stock instruments have a first charge over the assets of the investee company. In this way, the Manager seeks to limit credit risk to the Group. The Group's credit risk is limited to the total carrying value of loan stock instruments of £13,650,000 (2006: £15,790,000).

Liquidity risk

The Group had no committed borrowing facilities as at 30 June 2007 (2006: £nil) and had cash balances of £8,367,000 (2006: £4,846,000). The main cash outflows are for investments, which are within the control of the Group. In view of this, the Group is subject to low liquidity risk.

Cash flow interest rate risk

It is the Group's policy to accept a degree of interest rate risk on its financial assets through the effect of interest rate changes. On the basis of the Group's analysis, it is estimated that a fall of one percentage point in all interest rates would have reduced profits before tax for the period by approximately 1.6% (2006: 6.8%).

The weighted average interest rate applied to the Group's unlisted fixed rate assets during the year was approximately 11.42% (2006: 12.48%). The weighted average period to maturity for the unlisted fixed rate assets is approximately 4.05 years (2006: 3.06 years).

Fair values of financial assets and financial liabilities

All the Group's financial assets and liabilities as at 30 June 2007 are stated at fair value as determined by the Directors, with the exceptions of loans and receivables, which are carried at amortised cost, in accordance with IAS 39. In the opinion of the Directors, the amortised cost of loan stock approximates to the fair value of the loan stock. See note 1 of the financial statements for accounting policies.

The Group's financial assets as at 30 June 2007, all denominated in sterling, consist of the following:

	30 June 2007				
	Total £'000	Fixed interest £'000	Preference dividend £'000	Floating rate £'000	Non-interest bearing £'000
Sterling					
Listed	–	–	–	–	–
Unlisted and AIM	26,237	12,852	46	798	12,541
Cash and other assets	8,689	–	–	8,367	322
	<u>34,926</u>	<u>12,852</u>	<u>46</u>	<u>9,165</u>	<u>12,863</u>



CROWN PLACE VCT PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. Financial instruments and risk management (continued)

	28 February 2006				
	Total £'000	Fixed interest £'000	Preference dividend £'000	Floating rate £'000	Non-interest bearing £'000
Sterling					
Listed	3,852	3,852	–	–	–
Unlisted and AIM	27,117	20,642	177	–	6,298
Cash and other assets	<u>6,342</u>	<u>–</u>	<u>–</u>	<u>4,846</u>	<u>1,496</u>
	<u>37,311</u>	<u>24,494</u>	<u>177</u>	<u>4,846</u>	<u>7,794</u>

The maturity value of loan stock investments held at amortised cost is as follows:

	30 June 2007 £'000
Less than one year	2,071
1-2 years	–
2-3 years	495
3-5 years	8,712
More than 5 years	<u>2,372</u>
Total	<u>13,650</u>

The Company's financial liabilities are all non-interest bearing. It is the Directors' opinion that the fair value of the financial liabilities approximates their book value.

20. Post balance sheet events

- Invested a further £81,904 in Churchill Taverns VCT Limited
- Invested £145,006 in Oxsensis Limited
- Invested £122,146 in Gardenswitch Limited trading as Resorthoppa
- Invested £60,000 in CS (Norwich) Limited
- Invested £750,000 in Kensington Health Clubs Limited
- Invested £1,000,000 in Sky Hotel Heathrow Limited
- Invested £50,000 in Xceleron Limited
- Divestment of RMS Europe Group Limited for £2.5 million
- Divestment of The Bold Pub Company Limited for £244,000

21. Contingencies, guarantees and financial commitments

The Company has given a guarantee to The Royal Bank of Scotland plc in respect of the borrowing of an investee company. As at 30 June 2007, the maximum exposure under this guarantee was £150,000. This guarantee is secured by a third party charge of deposit granted to The Royal Bank of Scotland plc over specific bank accounts with balances of £150,000 (2006: £nil).

22. Related party transactions

The Manager, Close Ventures Limited, is considered to be a related party by virtue of the fact that it is party to a management contract from the Group (details are disclosed on page 16 of this report). During the period, services of a total value of £1,230,000 (2006: £641,000) were provided to the Group. At the financial period end, the amount due to Close Ventures Limited, disclosed as accruals, was £397,000 (2006: £358,000).

In addition, Crown Place VCT PLC transferred its investments in Transrent Holdings Limited and in Webfell Group Limited, which were held at nil value, to Close Ventures Limited during the period, for £2.



CROWN PLACE VCT PLC

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of Crown Place VCT PLC will be held at 2.00 p.m. on 7 November 2007 at 10 Crown Place, London EC2A 4FT for the purpose of dealing with the following business, of which items 6 to 8 are special business.

Ordinary Business

1. To receive and adopt the accounts and the reports of the Directors and Auditors for the period ended 30 June 2007.
2. To re-appoint Deloitte & Touche LLP as Auditors for the ensuing year and to authorise the Directors to fix their remuneration.
3. To re-elect Patrick Crosthwaite as a Director.
4. To re-elect Andrew Cubie as a Director.
5. To receive and approve the Directors' Remuneration Report for the period ended 30 June 2007.

Special Business

6. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That the Directors be and they are hereby generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 (the "Act") to exercise all powers of the Company to allot relevant securities (within the meaning of section 80(2) of the Act) up to a maximum aggregate nominal amount of £766,600 which comprises 10% of the Ordinary Share capital (excluding shares held in Treasury) such authority to expire on 7 May 2009, but so that the Company may before the expiry of such period, make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such period, and the Directors may allot relevant securities pursuant to such an offer or agreement as if the authority had not expired; and all unexercised authorities previously granted to the Directors to allot relevant securities be, and are hereby, revoked.

7. To consider and, if thought fit, pass the following resolution as a special resolution:

That subject to and conditional on the passing of resolution number 6, the Directors be empowered, pursuant to section 95 of the Act, to allot equity securities (within the meaning of section 94 (2) to section 94 (3A) of the Act) for cash pursuant to the authority conferred by resolution number 6 as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities;

- (a) in connection with an offer of such securities by way of rights issue, open offer or other offer of securities in favour of the holders of Ordinary shares on the register of members at such record date as the Directors shall determine where the equity securities respectively attributable to the interest of the Ordinary shareholder are proportionate (as nearly as may be) to the respective numbers of Ordinary shares held by them on any such record date, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with Treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange by virtue of shares being represented by depository receipts or any other matter whatever; and
- (b) otherwise than pursuant to sub-paragraph (a) above to any persons up to an aggregate nominal amount of £383,300 equal to 5% of the Ordinary share capital (excluding shares held in Treasury); and shall expire on the expiry of the general authority conferred by resolution number 6, save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power had not expired.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 94(3A) of the Act as if in the first paragraph of the resolution the words "pursuant to the authority conferred by resolution number 6" were omitted.

8. To consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

That the Company be generally and unconditionally authorised to make one or more market purchases (within the meaning of Section 163(3) of the Companies Act 1985), of Ordinary shares of 10p each ("Ordinary shares") in the capital of the Company provided that:

- (a) The maximum aggregate number of shares authorised to be purchased is 11,491,337 Ordinary shares (representing approximately 14.99% per cent of the issued share capital excluding Treasury shares);
- (b) The minimum price which may be paid for a share is 10p;
- (c) The maximum price that may be paid on the exercise of this authority will not exceed the higher of (a) an amount equal to 105% of the average of the middle market quotations as derived from the London Stock Exchange Daily Official List for the shares over the five business days immediately preceding the date on which the shares are contracted to be purchased; and (b) the higher of the price of the last independent trade and the highest independent bid on the London Stock Exchange;
- (d) This authority expires at the conclusion of the next Annual General Meeting of the Company or eighteen months from the date of the passing of this resolution whichever is earlier; and



CROWN PLACE VCT PLC

NOTICE OF MEETING (continued)

- (e) The Company may make a contract or contracts to purchase shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of shares in pursuance of any such contract or contracts.

This resolution is intended to apply equally to shares to be cancelled or to be held by the Company as Treasury shares in accordance with the Companies (Acquisition of Own shares) (Treasury shares) Regulations 2003.

By Order of the Board

Close Ventures Limited

Company Secretary

Registered Office

10 Crown Place

London EC2A 4FT

9 October 2007



CROWN PLACE VCT PLC

NOTICE OF MEETING (continued)

NOTES

1. A shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote in his stead. Such proxy need not be a member of the Company.
2. A form of proxy is enclosed and to be valid must be lodged with the Registrars of the Company not less than forty-eight hours before the time fixed for the meeting.
3. The register of interests of Directors kept by the Company in accordance with Section 325 of the Companies Act 1985 will be open for inspection at the meeting.
4. No Director has a service contract or contract for services with the Company.
5. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 specifies that only those shareholders registered in the register of members of the Company as at 2.00 p.m. on 5 November 2007 or, in the event that this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be entitled to attend or vote at this meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of members after 2.00 p.m. on 5 November 2007 or, in the event that this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.
6. Copies of the Company's existing Articles of Association are available for inspection at the Company's registered office during normal business hours on any weekday (excluding Saturdays and public holidays) from the date of this notice until close of business on 5 November 2007 and will also be available for inspection at the place of the meeting for at least 15 minutes before, and during the meeting until the close of, the meeting.

