

Crown Place VCT PLC

Annual Report and Financial Statements
for the year ended 28 February 2006

CONTENTS

	Page
Directors and administration	1
Financial highlights and financial calendar	2
Chairman's statement	3
The Board of Directors	5
The Manager	6
Investment portfolio summary	7
Portfolio companies	9
Report of the Directors	12
Statement of corporate governance	17
Directors' remuneration report	21
Independent auditors' report	23
Consolidated income statement	25
Consolidated balance sheet	26
Company balance sheet	27
Consolidated statement of changes in equity	28
Consolidated cash flow statement	29
Notes to the financial statements	30
Notice of meeting	46
Form of proxy	looseleaf

DIRECTORS AND ADMINISTRATION

Company number	3495287
Directors	Patrick Crosthwaite, Chairman Andrew Cubie Rachel Beagles Vikram Lall Geoffrey Vero
Investment manager	Close Venture Management Limited 4 Crown Place London EC2A 4BT Tel: 020 7422 7830
Secretary and registered office	Close Venture Management Limited 4 Crown Place London EC2A 4BT
Registrar	Capita Registrars plc The Registry 34 Beckenham Road Kent BR3 4TU Tel: 0870 162 3100
Registered auditors	Deloitte & Touche LLP Stonecutter Court 1 Stonecutter Street London EC4A 4TR
Taxation advisers	Ernst & Young LLP 1 More London Place London SE1 2AF
Lawyers	Herbert Smith LLP Exchange House Primrose Street London EC2A 2HS

CROWN PLACE VCT PLC

FINANCIAL HIGHLIGHTS

Shareholder value since launch

	Proforma (i) Murray VCT PLC	Proforma (i) Murray VCT 2 PLC	Crown Place VCT PLC*
Previous holders of shares in:			
Dividends per share paid to date (pence per share) (ii)	31.36	31.91	25.93
Net asset value (pence per share) as at 28 February 2006 (i)	30.60	36.59	43.00
	<u>61.96</u>	<u>68.50</u>	<u>68.93</u>

(i) The proforma shareholder value is based on the dividends paid to date for a 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.

(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 of 1.25 pence per Crown Place VCT PLC share to be paid out of realised capital gains, subject to approval from HM Revenue & Customs.

FINANCIAL CALENDAR

Annual General Meeting	15 August 2006
Record date for first dividend (subject to HM Revenue & Customs approval)	estimated September 2006
Posting of dividend cheques in respect of the first dividend (subject to HM Revenue & Customs approval)	September 2006
Announcement of interim results for the six months ended 31 August 2006	November 2006
Payment of second dividend	estimated January 2007
Announcement of interim results for the ten months ended 31 December 2006	March 2007
Payment of third dividend	estimated April 2007

CHAIRMAN'S STATEMENT

Overview

In this, my first Chairman's statement to shareholders of Crown Place VCT PLC, I am pleased to report the Group's net asset value of 43.0 pence per share as at 28 February 2006, compared to 41.9 pence per share reported at the interim stage and 42.4 pence per share as at 28 February 2005 (or 43.4 pence per share as restated under the new accounting standards mentioned below). The increase in the net asset value per share over the six months to 28 February 2006 is after the payment of a 1.00 pence per share dividend on 9 September 2005. The Group reports a revenue profit for the year of £562,000 before non-recurring operating items and a revenue operating loss of £187,000 after such non-recurring items have been taken into account. The total profit after taxation for the year is £923,000.

The Board, after taking advice, has decided to change the Company's year end to 30 June. For the period 1 March 2006 to 30 June 2007 the Board intends to pay three dividends, the first dividend being 1.25 pence per share payable out of gross realised capital profits. This dividend is expected to be paid to shareholders in September 2006, subject to receiving clearance from HM Revenue & Customs. It is the Board's policy to significantly increase the dividend from the 1.00 pence per share paid in the previous financial year.

The year to 28 February 2006 has been a period of great change for the Company. In April 2005 the Company appointed Close Venture Management Limited as the new Investment Manager. Later in the summer, the Board of the Company became the subject of a hostile shareholder action by a small group of shareholders. Attempts to remove the Board were decisively defeated by shareholders in an Extraordinary General Meeting held in September 2005. The cost of defending this hostile action is shown as part of non-recurring operating expenses.

At an Extraordinary General Meeting held in December 2005 the shareholders approved the merger of the Company with Murray VCT PLC and Murray VCT 2 PLC under a scheme of arrangement; the Company's name was subsequently changed to Crown Place VCT PLC. Following court approval, the merger became effective on 13 January 2006 and shortly thereafter the shareholders of Murray VCT PLC and Murray VCT 2 PLC were issued with new share certificates in Crown Place VCT PLC. The old Murray VCT 3 PLC share certificates remain valid and have not been replaced in order to save on administrative expenses. The costs of the merger, which are in line with the estimates set out in the merger prospectus, are fully recognised in the results for the year. The reduction in the running costs of the Company will have a positive effect on the results of future years.

Following the merger, Peter Timms, James Cooper and Alistair Mair resigned from the Board and I would like to take this opportunity to thank them for their hard work over the years and in particular in the past 12 months. I would also like to welcome Rachel Beagles, Vikram Lall and Geoffrey Vero who join Andrew Cubie on the Board as non-executive directors.

The Board would like to thank Close Venture Management Limited for supporting the Company in its defence against the shareholder action last summer and for its efforts during the merger in December, all of which are outside the scope of the investment management agreement and for which it received no remuneration. Close Venture Management Limited worked hard during the period under review to preserve and enhance shareholder value and continues to do so.

Buyback policy and tender offer

At the Extraordinary General Meeting in December 2005, the shareholders approved the buy-back of up to 10% of the issued share capital of the Company by way of a tender offer. As part of this arrangement, 3.7 million shares in the Company, or approximately 9% of the issued share capital, were repurchased and are held in treasury. All shareholders who tendered shares were able to sell their shares.

The Board is concerned that there should be liquidity in the shares and that the discount to net asset value be reduced. To this end it will remain the Company's policy to continue to buy back shares in the market, subject to the overall constraint of ensuring that such purchases are in the Company's interest, including the maintenance of sufficient resources for investment in existing and new investee companies.

Performance

As discussed further below, significant progress was made during the year in turning around the investment portfolio. As a result the Group achieved total net capital gains on investments of £2,504,000 during the year. This positive performance was partly offset by the non-recurring operating costs in connection with the shareholder action of £178,000, merger costs of £356,000 and a bad debt provision of £400,000, which represents income accrued in previous years no longer considered recoverable. The costs for the year also include a performance fee of £233,615 plus VAT payable to the Manager in accordance with the amended investment management agreement approved by shareholders in December 2005.

We are pleased to have reached an agreement with HM Revenue & Customs on the outstanding tax claims dating back several years. This agreement, which was reached after the year end following protracted investigations and negotiations, ensures that the full

CHAIRMAN'S STATEMENT
(continued)

outstanding amount of £1.4 million including interest will be repaid to the Group. The provision of £0.5 million against this amount, which was made previously after detailed consultations with the Group's tax advisers, has now been released.

Investment portfolio

Following the merger of the Company with Murray VCT PLC and Murray VCT 2 PLC, the investment portfolios of the merged entities were combined. The Company's investment portfolio has changed during the year to reflect the Company's strategy of balancing lower risk asset-backed investments with higher risk investments offering greater growth prospects. The former category includes a number of holdings in cinemas, pubs and hotels, where the Company's investment is fully secured through a first charge on freehold property. The latter comprises a broader range of investments in the areas of business services, healthcare and IT and provides a portfolio balance in sectors that are less exposed to consumer spending.

Full or partial exits were achieved from investments including Astraeus, Clamonta, Enterprise Foods, Link Up Mitaka, Mining Communications, PLM Dollar and Voxsurf. The flotation of Synexus Clinical Research plc on AIM in November 2005 enabled the Group to realise a significant part of its investment while retaining a shareholding in this fast growing business. In total the realised proceeds from the sale of investments in the combined portfolio were in excess of £9 million. The Group made 15 new investments in the period ranging from hotels, cinemas and pubs to healthcare services and high growth, technology led businesses. The total amount invested and committed for investment by the Group in the year was £7 million. Three new investments and four follow-on investments totalling £1.4 million have been made since the year end.

The majority of recent investments are performing in accordance with expectations, and in some cases well in excess. Such investments include the two freehold cinemas in Brixton (London) and Exeter, Grosvenor Healthcare, a provider of occupational healthcare services and Lowcosttravel, a provider of online travel services. Against this, we have made a cautious provision against the investment in the freehold Crown Hotel in Harrogate, where the refurbishment and turnaround process is taking longer than planned. In the longer term we believe that this well established and substantial hotel has considerable prospects.

Change of year end

Your Board has decided to change the Company's year end from 28 February to 30 June as this will reduce administration and accounting requirements and save costs. The next accounting period end will be 30 June 2007 with two interim reporting dates of 31 August 2006 and 31 December 2006.

Valuation methodology

The valuation of investments has been undertaken in accordance with the International Private Equity and Venture Capital Valuation Guidelines, and International Accounting Standards.

New accounting standards

During the year, the Company adopted new Financial Reporting Standards issued by the Accounting Standards Board as part of the convergence process with International Financial Reporting Standards. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. The effect of these is shown in notes 1 and 20 to the financial statements.

Dividends

The Board has declared a first dividend for the period 2006/7 of 1.25 pence per share (2005/6: total dividend paid of 1.00 pence per share) payable out of realised capital profits. Due to the extension of the Company's period end to 30 June 2007, this will be the first of three dividends paid in the period. Overall the Board expects to achieve a level of dividend payments in the period in excess of the indications given at the time of the merger proposals. As in previous years, dividend payments will be subject to approval by HM Revenue & Customs prior to payment.

Outlook

Following the significant changes undertaken in the year to 28 February 2006, in particular the appointment of Close Venture Management Limited as the new Investment Manager and the merger with Murray VCT PLC and Murray VCT 2 PLC, good progress has been made in reshaping the investment portfolio to provide a strong income stream combined with capital protection and the prospect of increased capital value from a more broadly based portfolio. Against this background the Board is positive about the future prospects of the Company.

Patrick Crosthwaite

Chairman

6 July 2006

THE BOARD OF DIRECTORS

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

Patrick Crosthwaite FSI (63), is the chairman of the Company. He was managing director of Henderson Crosthwaite Limited, a private client fund management and broking business from 1989 to 1999. 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. From 1997 to 2001 he was a director of the London Stock Exchange Private Investors Advisory Committee and a member of the Authorisation Committee and Individual Registration Panel at the Securities and Futures Authority from 1996 to 2001. He is currently a governor of Tonbridge School and chairman of the School's finance committee.

Andrew Cubie CBE (59), 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 and the author of the Cubie Report in respect of student funding in Scotland. In 2001 he was awarded a CBE for services to business and education in Scotland.

Rachel Beagles MA (38), has gained a wide experience of investment and finance in the City where she was Co-Head of the Pan-European Banks Equity Research and Sales Team and a Managing Director of Corporate and Investment Bank Group Division at Deutsche Bank AG until April 2003. She is a non-executive director of Schroder UK Mid and Small Cap Fund PLC, and a board member of Newlon Housing Trust and Outward Housing.

Vikram Lall CA CBE (59), 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, 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.

Geoffrey Vero FCA (59), 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 Numis Corporation Plc, Akers Biosciences, Inc, EPIC Reconstruction Plc, Westcane Limited and Govern Finance Limited.

THE MANAGER

Close Venture Management Limited, 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 five VCTs and has total funds under management of £240 million.

Close Venture Management 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 in 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 Venture Management Limited:

Patrick Reeve, (46), 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 the 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 Venture Management Limited with the launch of Close Brothers Venture Capital Trust PLC in the spring of 1996.

Henry Stanford, (41), MA, ACA, qualified as a chartered accountant with Arthur Andersen before joining the corporate finance division of the Close Brothers Group plc in 1992. He became an assistant director in 1996 and transferred to Close Venture Management Limited in 1998 to concentrate on VCT investment.

Will Fraser-Allen, (35), BA (Hons), ACA, qualified as a chartered accountant with Cooper Lancaster Brewers in 1996 before specialising in corporate finance and investigation. He joined Close Venture Management Limited in 2001.

Emil Gigov, (36), 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 Venture Management Limited in 2000.

Isabel Dolan, (41), ACA, MBA, is Finance Director of Close Venture Management Limited having previously been Finance Director for 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 Venture Management Limited in July 2005.

David Gudgin, (33), BSc (Hons), ACMA, after working for ICL from 1993 to 1999 where he qualified as an accountant, he joined 3i plc as an investment manager based in London and Amsterdam. In 2002 he joined Foursome Investments, responsible for investing an evergreen fund of US\$80 million, before joining Close Venture Management Limited in 2005.

Robert Whitby-Smith, (31), 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 Venture Management Limited in 2005.

Ed Lascelles, (30), 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 Venture Management Limited in 2004.

Dr Andrew Elder, (35), MA, FRCS. After qualifying as a surgeon he practiced for six years, specialising in neurosurgery before joining the Boston Consulting Group as a consultant in 2001 specialising in healthcare strategy. He joined Close Venture Management Limited in 2005.

Mark Toomey, (29), BA (Hons). After graduating from The London School of Economics with a degree in Geography and Economics, he joined Lee & Allen Consulting focusing on forensic accounting. He joined Close Venture Management Limited in 2001.

CROWN PLACE VCT PLC

**INVESTMENT PORTFOLIO SUMMARY
as at 28 February 2006**

List of investments with a carrying/fair value as at 28 February 2006

Investment Name	Nature of business	Invested to date at cost £'000	Total carrying/ fair value as at 28 February 2006 £'000
Unquoted Investments			
ELE Advanced Technologies Limited	Manufacturer of precision engineering components for the industrial gas turbine, aerospace and automotive markets	2,043	2,878
The Crown Hotel Harrogate Limited	Owner and operator of the Crown Hotel Harrogate	1,900	1,686
TLC (Tender Loving Childcare) Limited	Operator of daycare nurseries	1,584	1,530
RMS Europe Group Limited	Port operator	1,292	1,442
Clamonta Limited	Manufacturer of aircraft engine components	976	1,438
Palgrave Brown (Holdings) Limited	Manufacturer and distributor of specialist timber products including roof trusses, for the building industry	752	868
Unique Communications Group Limited	Communications media consultancy business and TV production company	1,494	731
Heathcote Restaurants Limited	Operator of restaurants in Northern England	1,496	677
J&S Marine Limited	Equipment for defence and oil exploration industries	428	635
Sequoia Limited	Distributor of electronic components and equipment	750	607
The Rutland Pub Company Limited	Owner and manager of public houses	535	578
PSCA International Limited	Magazine publisher	571	559
Tower Bridge Health Clubs Limited	Operator of health & fitness clubs in central London	550	549
Mercury Inns Group Limited	Freehold and leasehold pub owner	306	469
Sanastro PLC	B2B financial publishing	832	437
Inhoco 3246 Limited	Provider of translation services	551	414
CS (Brixton) Limited	Cinema owner and operator	375	375
GB Pub Company VCT Limited	Freehold pub owner and operator	365	369
Driver Hire Investments Limited	Supplier of temporary drivers	436	349
Lowcosttravel Group Limited	On-line travel business	330	337
RFI Global Services Limited	Provider of conformance testing to cellular, wireless & smart card industries	310	312
Booth Dispensers Limited	Manufacturer of vending machine components and beer pump coolers	227	298
Grosvenor Healthcare Limited	Occupational health provider	254	278
The Dunedin Pub Company VCT Limited	Owner and operator of the Bridge Inn, Ratho	220	220
Red M Group Limited	Service and software providers	211	212
The Independent Beer Company Limited	Freehold pub owner and operator	210	210
The Bold Pub Company Limited	Freehold and long leasehold pub owner and operator	180	205
First Line Limited	Distributor of automotive parts	132	177
Enterprise Foods Limited	Supply chain management for the food industry	90	156

CROWN PLACE VCT PLC

INVESTMENT PORTFOLIO SUMMARY
as at 28 February 2006
(continued)

Investment Name	Nature of business	Invested to date at cost £'000	Total carrying/ fair value as at 28 February 2006 £'000
Unquoted Investments (continued)			
Conveco Limited	Valuation represents future expected distributions	–	145
CS (Exeter) Limited	Cinema owner and operator	145	145
House of Dorchester Limited	Chocolate manufacturer	490	107
Churchill Taverns VCT Limited	Freehold pub owner and operator	100	100
Carmichael Limited	Valuation represents expected recovery from receivership	417	81
Forward Media Limited	Radio broadcast services	500	73
Palm Tree Technology PLC	Software company	63	70
Business Health Group plc	In administration; valuation based on proceeds receivable	–	34
		21,115	19,751
Other investments valued at nil		10,939	–
		32,054	19,751
AIM Quoted Investments			
Synexus Clinical Research plc	Patient recruitment for clinical trials	1,994	3,188
Cello Group plc	Market research, brand advertising, direct marketing	861	900
Tanfield Group Plc	Supplier of engineering services and electric vehicles	753	854
Avanti Screen Media Group plc	Supplier of retail television services and satellite broadcasting	621	701
Augean PLC	Waste management	593	518
Careforce Group plc	Provider of homecare services to the elderly, principally on behalf of local authorities	462	435
Dobbies Garden Centres plc	Garden centres operator	322	384
Talarius plc	On-line and high street gaming centres	193	217
Zetar PLC	Confectionery and snack food manufacturer	143	169
		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		41,936	30,969

PORTFOLIO COMPANIES

The top ten investments by value are as follows:

Synexus Clinical Research plc	
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 at Chorley in Lancashire and has a presence in India and several European states. The company floated on AIM in November 2005 at which point the loan stock and accrued interest was repaid. The ordinary shares were converted to quoted ordinary shares and some were sold as part of the initial placing.	
Latest audited results – none produced to date	
Date of first investment:	February 2001
Basis of valuation:	Bid price, less discount for lock in.
Valuation 28 February 2006:	£3,188,000
ELE Advanced Technologies Limited	
ELE manufacturers precision engineering components for the industrial gas turbine, aerospace and automotive markets from two sites based in Lancashire.	
Latest audited results – Year ended 30 April 2005	
	£'000
Turnover	8,562
Profit before tax	400
Date of first investment:	May 2000
Basis of valuation:	Multiple of earnings
Valuation 28 February 2006:	£2,878,000
The Crown Hotel Harrogate Limited	
The company bought the Crown Hotel in Harrogate in November 2005. The Hotel is currently undergoing a phased refurbishment programme.	
Latest audited results – none produced to date	
Date of first investment:	November 2005
Basis of valuation:	Cost less trading losses
Valuation 28 February 2006:	£1,686,000
TLC (Tender Loving Childcare) Limited	
Children's day nurseries	
Latest audited results (abbreviated) – Year to 31 December 2004	
	£'000
Turnover	Not disclosed
Loss before tax	(680)
Date of first investment:	November 2000
Basis of valuation:	Multiple of earnings
Valuation 28 February 2006:	£1,530,000

PORTFOLIO COMPANIES
(continued)

RMS Europe Group Limited

RMS operates ports at Goole on the Humber estuary and at Flixborough and Gunness on the River Trent, providing stevedoring, ship agency, stock control and transport services.

Latest audited results – Period to 31 December 2004

	£'000
Turnover	11,166
Profit before tax	117
Date of first investment:	July 2004
Basis of valuation:	Multiple of earnings
Valuation 28 February 2006	£1,442,000

Clamonta Limited

Clamonta is a manufacturer of aircraft engine components, operating from Nuneaton, and was sold in April 2006.

Latest audited results – Year to 31 October 2005

	£'000
Turnover	3,921
Profit before tax	291
Date of first investment:	October 1999
Basis of valuation:	Discounted sales proceeds
Valuation 28 February 2006:	£1,438,000

Cello Group plc

Cello is a group of companies providing leading edge client solutions in market research, brand advertising, direct marketing and database management. Cello is quoted on AIM.

Latest audited results – Period to 31 December 2005

	£'000
Turnover	52,088
Profit before tax	4,162
Date of first investment:	October 2004
Basis of valuation:	Bid price
Valuation 28 February 2006:	£900,000

Palgrave Brown (Holdings) Limited

Palgrave Brown supplies wooden windows and roofing trusses to the building industry in the UK.

Latest audited results – Year to 31 March 2005

	£'000
Turnover	60,965
Profit before tax	1,695
Date of first investment:	October 2002
Basis of valuation:	Multiple of earnings
Valuation 28 February 2006:	£868,000

PORTFOLIO COMPANIES
(continued)

Tanfield Group Plc

Tanfield supplies engineering services and electric vehicles and operates through a number of subsidiaries, including express2automotive and HMH Group. In June 2005, Tanfield acquired Norquip Limited and Saxon Limited. Tanfield is quoted on AIM.

Latest audited results – Year to 31 December 2005

	£'000
Turnover	22,431
Profit before tax	2,000
Date of first investment:	December 2004
Basis of valuation:	Bid price
Valuation 28 February 2006:	£854,000

Unique Communications Group Limited

Unique is a communications, media consultancy business and TV production company founded in May 2001 by the merger of Precise Communications Limited and Unique Television Limited.

Latest audited results – Year to 30 April 2005

	£'000
Turnover	4,742
Profit before tax	(912)
Date of first investment:	June 2001
Basis of valuation:	Multiple of earnings
Valuation 28 February 2006:	£731,000

Unquoted loan stock, where included in the above investments, is classified as loans and receivables and carried at amortised cost using the effective interest rate method.

REPORT OF THE DIRECTORS

The Directors submit the Annual Report and Financial Statements of the Company including the consolidated financial statements for the year ended 28 February 2006.

Principal activity and status

The principal activity of the Company is that of a Venture Capital Trust. It has been 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 year ended 28 February 2006 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.

Details of the principal investments made by the Company are given in the summary of the portfolio of investments on pages 7 and 8. A review of the Company's business during the year is contained in the Chairman's Statement on pages 3 and 4.

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

The subsidiary undertakings affecting the profits and net assets of the Group in the year are listed in note 10 to the financial statements.

Merger and tender offer

On 18 November 2005, the Company issued a Circular and a Prospectus to shareholders. This was to seek approval for the following:

- The merger of the Company with Murray VCT PLC and Murray VCT 2 PLC through a Scheme of Arrangement ("the Merger"); including a hive up of all the assets and liabilities of Murray VCT PLC and Murray VCT 2 PLC;
- the application for listing of up to 100 million new shares;
- a Tender Offer to shareholders;
- changes to the Articles of Association;
- changes to the Management Agreement;
- to change the Company's name; and
- to inform shareholders of proposed changes to the Board of Directors.

These resolutions were approved at the Extraordinary General Meeting on 12 December 2005 and the Court approved the Scheme of Arrangement for the Merger on 12 January 2006. With effect from 13 January 2006, Murray VCT PLC (now renamed CP1 VCT PLC) and Murray VCT 2 PLC (now renamed CP2 VCT PLC) became subsidiaries of Crown Place VCT PLC. Both CP1 VCT PLC and CP2 VCT PLC have since delisted their shares from the London Stock Exchange.

£'000

Results for the Group

Consolidated revenue return for the year ended 28 February 2006	(145)
Consolidated capital return for the year ended 28 February 2006	1,068
Consolidated Net Assets as at 28 February 2006	34,955
Consolidated Net Asset per share as at 28 February 2006	43.0 pence

The Company paid a dividend of 1.00 pence per share during the year.

Dividends

The Board has declared a first dividend of 1.25 pence per Ordinary share to be paid out of realised capital gains. This dividend is subject to the approval of HM Revenue & Customs.

Graphs showing the shareholder return relative to the FTSE All-Share Index with dividends are located on page 21 of the financial statements.

REPORT OF THE DIRECTORS
(continued)

Future prospects

The future prospects of the Company are discussed by the Chairman in his statement on page 4.

Directors

The current Directors who hold office and their interests in the shares of the Company (together with those of their immediate family) at 28 February were:

	At 28 February 2006	At 28 February 2005
Patrick Crosthwaite* (Chairman)	6,000	–
Andrew Cubie	13,217	10,999
Rachel Beagles*	10,000	–
Vikram Lall*	22,743	–
Geoffrey Vero*	6,000	–

There have been no changes in the holdings of the current Directors between 28 February 2006 and the date of this document, with the exception of Rachel Beagles who bought an additional 17,962 shares on 29 June 2006.

P. Timms, A. Mair and J. Cooper resigned as Directors of the Company on 13 January 2006.

* P. Crosthwaite, R. Beagles, V. Lall and G. O. Vero were appointed Directors on 13 January 2006.

No Director has a service contract with the Company.

The Company does not have any employees.

Directors' retirement and re-election is subject to the Articles of Association and the Combined Code of Corporate Governance.

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 management agreement dated 18 January 1998 between the Company and Murray Johnstone Limited was terminated on 6 April 2005.

Close Venture Management Limited was appointed Investment Manager on 6 April 2005. The Company and Close Venture Management Limited, entered into a 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 incentivise the Manager to maximise returns 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 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 to 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.

REPORT OF THE DIRECTORS
(continued)

For the first period, the incentive fee is calculated with reference to the Formula Asset Value as described in the Prospectus dated 18 November 2005.

The Directors have evaluated the performance of the Manager and believe that it is in the Company's best interests to re-appoint the Manager for the current year.

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 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 the approval of the financial statements by the Board. Unquoted loan stock is valued at amortised cost.

Investments listed on recognised exchanges such as AIM are valued at the closing bid price on the last day of the accounting period. An appropriate discount is applied where the Company is subject to lock-in arrangements.

Investment and co-investment

The Company co-invests with other venture capital trusts and funds managed by Close Venture Management 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

During the year, the Company's auditors Ernst & Young LLP resigned and the Board appointed Deloitte & Touche LLP as auditors. A resolution to re-appoint Deloitte & Touche LLP as auditors will be proposed at the Annual General Meeting on 15 August 2006.

Changes in Accounting Policies

During the year, the Company adopted new Financial Reporting Standards issued by the Accounting Standards Board as part of the convergence process with International Financial Reporting Standards. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. The effect of these is shown in notes 1 and 20 to the financial statements.

Change of accounting reference date

The accounting reference period commencing on 1 March 2006 will be extended so that it will come to an end on 30 June 2007. All subsequent accounting reference periods will run from 1 July to 30 June. In respect of the accounting reference period commencing on 1 March 2006 and ending on 30 June 2007, interim accounts will be published as at 31 August 2006 and 31 December 2006. Thereafter interim reports will be published as at 31 December each year.

Substantial interests

As at 28 February 2006 and at the date of this report, the Company is aware of one share holder, Giltspur Nominees Limited, which holds 3.18 per cent of the issued share capital.

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

The Directors are required to prepare financial statements for the Group in accordance with International Financial Reporting Standards ("IFRS"). 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 year 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.

**REPORT OF THE DIRECTORS
(continued)**

Directors are also 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.

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

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

Company law requires the Directors to prepare such financial statements for each financial year which give a true and fair view in accordance with the UK GAAP of the state of affairs of the Company and of the profit and loss 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; and
- state whether all applicable accounting standards have been followed.

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

Annual General Meeting

The Annual General Meeting will be held at 10 Crown Place, London EC2A 4FT on 15 August 2006 at 4.30pm. The notice of the Annual General Meeting is at the end of this document. Resolutions will be proposed as special business at the Annual General Meeting for the following purposes:

Power to allot shares

Ordinary resolution number 9 in the notice of meeting will request the authority to allot up to 10% of the Ordinary share capital of the Company (excluding shares held in treasury). As at 28 February 2006, there are 4,755,584 treasury shares held by the Company representing 5.8% of the issued ordinary share capital (excluding treasury shares) of the Company as at 28 February 2006. 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.

Disapplication of pre-emption rights

Special resolution number 10 will request the authority to disapply pre-emption rights in circumstances of a rights issues or the allotment of up to 5% of the share capital as described in ordinary resolution number 9.

Purchase of own shares

Special resolution number 11 will request the authority to purchase an aggregate 10% of the Ordinary shares issued (excluding treasury shares) provided that:

- the maximum aggregate number of shares authorised to be purchased is 8,134,429 Ordinary shares (representing 10% of the shares in issue as at 28 February 2006 excluding treasury shares);
- the minimum price which may be paid for an Ordinary share is 10 pence;

REPORT OF THE DIRECTORS
(continued)

- 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 preceeding 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.

Shares purchased will be held in treasury or cancelled.

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 2005 authority, which was in similar terms. During the financial period under review the Company purchased 4,755,584 Ordinary shares of 10 pence each to be held as treasury shares (aggregate consideration paid £1,908,417) (representing 5.8% of the issued share capital (excluding shares held as treasury shares) of the Company as at 28 February 2006).

No treasury shares purchased during the year have been sold.

Treasury shares

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

Supplier payment policy

The Company's policy is to pay all suppliers within 30 days of the invoice date, or as otherwise agreed. There were no overdue trade creditors at 28 February 2006 (2005: nil).

Financial Instruments and Management of Risk

By its nature, as a venture capital trust, the Company is exposed to price risk, investment risk, credit risk, liquidity risk and cash flow interest rate risk. The Company's policies for managing these risks are outlined in full in note 18 to the financial statements.

By Order of the Board

Close Venture Management Limited

Company Secretary

4 Crown Place,

London EC2A 4BT

6 July 2006

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”).

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

As a result of the Merger, the Board of the enlarged Company now comprises Andrew Cubie, and four new directors, Patrick Crosthwaite, Rachel Beagles, Vikram Lall and Geoffrey Vero, all of whom are non-executive and independent 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.

Since all Directors are non-executive and day-to-day management responsibilities are sub-contracted to the Manager, the Company does not have a Chief Executive Officer. The Directors have a range of business and financial skills which are relevant to the Company; these are described in the Board of Directors section 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 in place Directors & Officers Liability Insurance.

The Board met twelve times during 2005/06.

	J Cooper	A Mair	P Timms	A Cubie
Number of meetings attended	7	5	10	7

There have been two meetings of the new Board and all Directors attended these meetings. All new Directors have received a detailed induction to the Company. 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 and approval of future developments or changes to the investment policy including risk and asset allocation;
- consideration of corporate strategy;
- application of the principles of the Combined Code, corporate governance and internal control;
- review of sub-committee recommendations, including the appointment, evaluation and remuneration of auditors;
- approval of the appropriate dividend to be paid to shareholders;
- the appointment, evaluation, removal and remuneration of the Manager;
- the performance of the Company including monitoring of the discount of the share price to net asset value; and
- monitoring shareholder profile and considering shareholder communications.

**STATEMENT OF CORPORATE GOVERNANCE
(continued)**

Directors' performance evaluation

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

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

Performance evaluation is conducted annually by the Chairman (or in the case of the Chairman's review, by the Chairman of the Audit and Risk Committee), in consultation with the Board, and is monitored on an ongoing basis. In light of this ongoing performance evaluation, the Board considers that the performance of the Directors, all of whom offer themselves for re-election at the forthcoming Annual General Meeting, is effective and reflects their strong commitment to the role.

Remuneration Committee

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

Audit and Risk Committee

The Audit and Risk Committee consists of Geoffrey Vero (Chairman), Andrew Cubie and Rachel Beagles. Geoffrey Vero and Rachel Beagles replaced the previous Audit and Risk Committee members on their resignation as Directors. In accordance with the Code, the members of the Audit and Risk Committee have recent and relevant financial experience. The Committee (and its previous members) met three times during 2005/06; 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 with the Company's external auditors twice yearly; making recommendations to the board in relation to the appointment, and re-appointment of the external auditors and approving their remuneration and terms of engagement;
- developing and implementing policy for the supply of non-audit services by the external auditors;
- monitoring and reviewing the external auditor's independence and objectivity and the effectiveness of the audit process;
- meeting external auditors at least once a year without the presence of the Manager;
- meeting with the Head of Internal Audit for Close Brothers Group plc where appropriate;
- ensuring that all Directors of the Company, and staff of companies who provide services to the Company feel able to raise matters of serious concern with the Chairman of the Audit and Risk Committee; and
- 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 year under review, the Committee discharged the responsibilities described above. Its activities included:

- formally reviewing the draft Interim Accounts and the draft final Annual Report and Financial Statements;
- reviewing the effectiveness of internal control systems by examining the Internal Controls Report produced by the Manager;
- recommending to the Board which new firm of external auditors to appoint; and
- meeting with the external auditors and reviewing their findings.

During the year the Company's previous auditors, Ernst & Young LLP resigned and the Audit and Risk Committee recommended to the Board the appointment of Deloitte & Touche LLP. This recommendation was accepted by the Board. Ernst & Young LLP have confirmed that, under the terms of the Companies Act 1985, there were no circumstances that should be brought to the attention of the members or creditors of the Company.

STATEMENT OF CORPORATE GOVERNANCE
(continued)

Nomination Committee

The Nomination Committee consists of all Directors. Patrick Crosthwaite became Chairman of the Committee following the resignation of Peter Timms as a Director in January 2006. 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 2005/06. However, a committee of the boards of Murray VCT PLC, Murray VCT 2 PLC and Murray VCT 3 PLC met during the year to nominate and consider candidates for appointment as new Directors, to appoint the new Directors, and to confirm their remuneration. The terms and conditions of Directors appointment are available for inspection at annual general meetings.

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.

Andrew Cubie will retire and offer himself for re-election at the forthcoming Annual General Meeting. In addition the remaining Directors being newly appointed since the last annual general meeting, will offer themselves for re-appointment at the forthcoming Annual General Meeting.

Internal control

In accordance with principle C.2 of the Combined Code, the Board has established an ongoing process for identifying, evaluating and managing the 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 the Manager'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 Venture Management 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 the controls environment at Close Venture Management 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 and Directors have access at all times to the department as necessary. 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.

**STATEMENT OF CORPORATE GOVERNANCE
(continued)**

Relationships with Shareholders

The Company's Annual General Meeting on 15 August 2006 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.

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 year ended 28 February 2006 with all the relevant provisions set out in Section 1 of the Code on Corporate Governance issued by the Financial Services Authority. The Company continues to comply with the Code at the date of this report.

DIRECTORS' REMUNERATION REPORT

Introduction

This report is submitted in accordance with Schedule 7a to the Companies Act 1985. 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.

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 which is fixed by the Company's Articles of Association, amendment to which is by way of a ordinary resolution subject to ratification by shareholders.

Performance graph

The following graph shows the Company's performance measured by the growth in the share price, with dividends re-invested, compared with the performance of the FTSE All-Share Index, also with dividends re-invested. The Directors consider this to be the most appropriate benchmark, in the absence of a Venture Capital Trust Index.

The graph shows the performance of Crown Place VCT PLC alone and is not consolidated with that of the subsidiaries.

Service contracts

No director has a service contract with the Company.

Appointment of new Directors and revised Directors' remuneration

During the year the Board as a whole met to consider the candidates for the appointment of new Directors, to appoint the new Directors, and to confirm revised remuneration for the Board. The Board was assisted by the Manager, who performed research on behalf of the Board.

DIRECTORS' REMUNERATION REPORT
(continued)

Directors' remuneration

The following items have been audited.

The following table shows an analysis of the remuneration of individual Directors.

	Year ended			Year ended		
	28 February 2006			28 February 2005		
	Fees	Expenses	Total	Fees	Expenses	Total
	£'000	£'000	£'000	£'000	£'000	£'000
P Crosthwaite (appointed 13 January 2006)	3	–	3	–	–	–
A Cubie	12	2	14	12	–	12
R Beagles (appointed 13 January 2006)	2	–	2	–	–	–
V Lall (appointed 13 January 2006)	2	–	2	–	–	–
G O Vero (appointed 13 January 2006)	2	–	2	–	–	–
P Timms (resigned 13 January 2006)	13	–	13	15	–	15
A Mair (resigned 13 January 2006)	10	2	12	12	–	12
J Cooper (resigned 13 January 2006)	11	–	11	12	–	12
M J Walker (resigned 8 February 2005)	–	–	–	11	–	11
	<u>55</u>	<u>4</u>	<u>59</u>	<u>62</u>	<u>–</u>	<u>62</u>

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.

In addition to Directors' remuneration, the Company pays annual premiums in respect of Directors' & Officers Liability Insurance.

By Order of the Board

Close Venture Management Limited

Company Secretary
4 Crown Place
London EC2A 4BT

6 July 2006

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

We have audited the Group and individual Company financial statements (the "financial statements") of Crown Place VCT PLC for the year ended 28 February 2006 which comprise the consolidated income statement, the consolidated and individual Company balance sheets, the consolidated cash flow statement and the consolidated statement of changes in equity. 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 United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted for use in the European Union and for preparing the individual 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 described as having been audited in accordance with relevant United Kingdom 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, in accordance with the relevant financial reporting framework, and whether the financial statements and the part of the Directors' remuneration report described as having been 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 report to you if, in our opinion, the Directors' report is not consistent with the financial statements. We also report to you if 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 also report to you if, in our opinion, the Company has not complied with any of the four directors' remuneration disclosure requirements specified for our review by the Listing Rules of the Financial Services Authority. These comprise the amount of each element in the remuneration package and information on share options, details of long term incentive schemes, and money purchase and defined benefit schemes. We give a statement, to the extent possible, of details of any non-compliance.

We review whether the corporate governance statement reflects the Company's compliance with the nine provisions of the 2003 FRC 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 Directors' report and the other information contained in the annual report including the unaudited part of the Directors' remuneration report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

INDEPENDENT AUDITORS' REPORT
(continued)

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 described as having been audited. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 described as having been 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 described as having been audited.

Opinion

In our opinion

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted for use in the European Union, of the state of the Group's affairs as at 28 February 2006 and of its profit for the year 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 individual Company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the individual Company's affairs as at 28 February 2006; and
- the individual 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.

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

6 July 2006

CROWN PLACE VCT PLC

CONSOLIDATED INCOME STATEMENT
for the year ended 28 February 2006

	Note	28 February 2006			28 February 2005		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment income and deposit interest	2	1,073	–	1,073	985	–	985
Investment management fees	3	(160)	(481)	(641)	(146)	(439)	(585)
Other expenses		(351)	(955)	(1,306)	(416)	–	(416)
Non-recurring operating expenses	4	(749)	–	(749)	(187)	(260)	(447)
Operating (loss)/profit		(187)	(1,436)	(1,623)	236	(699)	(463)
Profit/(loss) on investments	8	–	2,504	2,504	–	(4,831)	(4,831)
Profit/(loss) before taxation		(187)	1,068	881	236	(5,530)	(5,294)
Taxation	5	42	–	42	(56)	56	–
Profit/(loss) for the year		(145)	1,068	923	180	(5,474)	(5,294)
Basic and diluted return per Ordinary share (pence)	7			2.03			(12.98)

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

The consolidated income statement includes the results of the subsidiaries CP1 VCT PLC and CP2 VCT PLC following the merger.

Profit/(loss) on investments for the year includes gains and losses resulting from the hive-up of investments from CP1 VCT PLC and CP2 VCT PLC to Crown Place VCT PLC following the merger.

CONSOLIDATED BALANCE SHEET
as at 28 February 2006

	Note	28 February 2006 £'000	Restated* 28 February 2005 £'000
Non-current assets			
Investments	8	30,969	16,403
Current assets			
Trade and other receivables	11	1,496	1,638
Cash and cash equivalents		4,846	214
		<u>6,342</u>	<u>1,852</u>
Total assets		37,311	18,255
Current liabilities			
Trade and other payables	12	(694)	(737)
Total assets less current liabilities		<u>36,617</u>	<u>17,518</u>
Non-current liabilities			
Provision for bank guarantees	13	(1,662)	(171)
Total liabilities		<u>(2,356)</u>	<u>(908)</u>
Net assets		<u>34,955</u>	<u>17,347</u>
Equity attributable to equity holders			
Ordinary share capital	14	8,610	3,995
Share premium		14,422	–
Revaluation reserve		–	(15,287)
Capital redemption reserve		250	250
Own shares held		(1,908)	–
Retained earnings		13,581	28,389
Total equity		<u>34,955</u>	<u>17,347</u>
Net asset value per Ordinary share (excluding treasury shares)	15	<u>43.0p</u>	<u>43.4p</u>

* Comparative figures for the year ended 28 February 2005 have been restated in accordance with IAS 10 in respect of dividends as disclosed in note 6 to the financial statements.

These consolidated financial statements have been prepared under International Financial Reporting Standards ('IFRS'). Applicable accounting policies and transition statements as required by IFRS 1: First-Time Adoption, are included in the notes to the financial statements.

These financial statements were approved by the Board of Directors, were authorised for issue on 6 July 2006 and were signed on its behalf by

Patrick Crosthwaite
Chairman

The accompanying notes are an integral part of the financial statements.

COMPANY BALANCE SHEET
as at 28 February 2006

	Note	28 February 2006 £'000	Restated* 28 February 2005 £'000
Fixed assets			
Fixed asset investments	8	30,969	16,403
Investments in subsidiary undertakings	10	17,506	–
		<u>48,475</u>	<u>16,403</u>
Current assets			
Debtors	11	806	1,638
Cash at bank		1,327	214
		<u>2,133</u>	<u>1,852</u>
Total assets		<u>50,608</u>	<u>18,255</u>
Creditors: amounts falling due within one year	12	(15,066)	(737)
Total assets less current liabilities		<u>35,542</u>	<u>17,518</u>
Provision for liabilities and charges	13	(587)	(171)
Total liabilities		<u>(15,653)</u>	<u>(908)</u>
Net assets		<u>34,955</u>	<u>17,347</u>
Capital and reserves			
Called up share capital	14	8,610	3,995
Share premium		14,422	–
Revaluation reserve		–	(15,287)
Capital redemption reserve		250	250
Own shares held		(1,908)	–
Retained earnings		13,581	28,389
Equity shareholders' funds		<u>34,955</u>	<u>17,347</u>
Net asset value per Ordinary share (excluding treasury shares)	15	<u>43.0p</u>	<u>43.4p</u>

* Comparative figures for the year ended 28 February 2005 have been restated in accordance with FRS 21 in respect of dividends as disclosed in note 6 to the financial statements.

These financial statements were approved by the Board of Directors, were authorised for issue on 6 July 2006 and were signed on its behalf by

Patrick Crosthwaite
Chairman

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 28 February 2006

	Ordinary share capital £'000	Share premium £'000	Revaluation reserve £'000	Capital redemption reserve £'000	Own shares held £'000	Retained earnings £'000	Total £'000
At 28 February 2005							
(restated see note 20)	3,995	–	(15,287)	250	–	28,389	17,347
Adjustment in respect of IAS 39 (note 20)	–	–	–	–	–	(44)	(44)
Reclassification of revaluation reserve	–	–	15,287	–	–	(15,287)	–
At 1 March 2005							
(restated and adjusted)	3,995	–	–	250	–	13,058	17,303
Net profit for the year	–	–	–	–	–	923	923
Costs of treasury shares repurchased	–	–	–	–	(1,908)	–	(1,908)
Shares issued in year	4,615	14,422	–	–	–	–	19,037
Dividends paid in year	–	–	–	–	–	(400)	(400)
At 28 February 2006	8,610	14,422	–	250	(1,908)	13,581	34,955
At 1 March 2004							
(restated see note 20)	4,128	–	(13,031)	117	–	32,752	23,966
Net return after taxation for the year	–	–	(5,216)	–	–	(78)	(5,294)
Nominal value of shares repurchased for cancellation	(133)	–	–	133	–	–	–
Cost of shares repurchased for cancellation	–	–	–	–	–	(505)	(505)
Tax effect of transfer of losses to profit and loss account	–	–	(433)	–	–	433	–
Transfer of realised losses to profit and loss account	–	–	3,393	–	–	(3,393)	–
Dividends paid in year	–	–	–	–	–	(820)	(820)
At 28 February 2005 (restated)	3,995	–	(15,287)	250	–	28,389	17,347

These consolidated financial statements have been prepared under International Financial Reporting Standards ('IFRS'). Applicable accounting policies and transition statements as required by IFRS 1: First-Time Adoption, are included in the notes to this report.

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 28 February 2006

	Note	28 February 2006 £'000	28 February 2005 £'000
Cash flows from operating activities			
Investment income received		1,087	1,262
Deposit interest received		30	15
Other income		–	21
Investment management fees paid		(694)	(691)
Secretarial fees paid		(91)	(57)
Other cash payments		(1,324)	(174)
Cash (expended by)/generated from operations		(992)	376
Tax recovered		90	–
Net cash flows (used in)/from operating activities		(902)	376
Cash flows from investing activities			
Purchases of investments		(2,169)	(10,830)
Sales of investments		6,349	11,201
Net cash flows from investing activities		4,180	371
Cash flows from financing activities			
Equity dividends paid		(400)	(820)
Cash acquired from subsidiary at date of merger		3,791	–
Repurchase of Ordinary Shares		(140)	(366)
Purchase of shares for treasury		(1,897)	–
Net cash flows from/(used in) financing activities		1,354	(1,186)
Increase/(decrease) in cash and cash equivalents		4,632	(439)
Cash and cash equivalents at 28 February 2005	16	214	653
Cash and cash equivalents at 28 February 2006	16	4,846	214

These consolidated financial statements have been prepared under International Financial Reporting Standards ('IFRS'). Applicable accounting policies and transition statements as required by IFRS 1: First-Time Adoption, are included in the notes to this report.

Explanation of material adjustments to the cash flow statement for the year ended 28 February 2006: Tax recovered of £90,000 is classified as operating cash flow under IFRS. This item was included within taxation under UK GAAP. Dividends paid to Ordinary shareholders are classified as financing activities, whereas under UK GAAP they were included in the separate category of equity dividends paid.

There are no other material differences between the cash flow presented under IFRS and the cash flow statement presented under UK GAAP.

NOTES TO THE FINANCIAL STATEMENTS
for the year to 28 February 2006

1. Accounting policies

Group accounting policies

Basis of accounting

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) for the first time. The disclosures required by IFRS 1 “First-time adoption of IFRSs” concerning the transition from UK GAAP to IFRS are given below and in note 20. The financial statements have been prepared in accordance with IFRS adopted for use in the European Union and therefore comply with 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. The financial statements are presented in Sterling to the nearest thousand.

Accounting policies

Change in accounting policies

With effect from 1 March 2005, the Group adopted IFRS and International Accounting Standards (“IAS”). In the case of IAS 32 “Financial Instruments: Disclosure and Presentation” and IAS 39 “Financial Instruments: Recognition and Measurement”, the Group applied the exemption under IFRS 1 from restating 2005 comparative figures on transition at 1 March 2005. The effects of the relevant accounting policies are disclosed in the respective notes below and restatement of the comparative figures are detailed in note 20.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company for the year ended 28 February 2006 and the entities controlled by the Company (its subsidiaries), with effect from the date of the merger.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used 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 financial year dealt with in the accounts of the Group is £1,128,000 (2005: £5,294,000 loss).

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.

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 (“EIR”) method. 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.

NOTES TO THE FINANCIAL STATEMENTS
(continued)

1. Accounting policies (continued)

Group accounting policies (continued)

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.

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. Comparative figures for the previous year have been restated as detailed in note 20.

Company accounting policies

Accounting convention

The Company's financial statements have been prepared 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 SORP issued by the 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 other than investment companies and these departures from accounting standards are necessary to give a true and fair view. The departures have no effect on the return or balance sheet.

Change in accounting policies

With effect from 1 March 2005, the Company adopted the new Financial Reporting Standards ("FRS") 21-26, that have been issued by the Accounting Standards Board as part of the convergence process between United Kingdom Generally Accepted Accounting Practice and IFRS. In the case of FRS 25 "Financial Instruments: Disclosure and Presentation" and FRS 26 "Financial Instruments: Measurement", the Company applied the exemption from restating comparative figures on transition at 1 March 2005.

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.

NOTES TO THE FINANCIAL STATEMENTS
(continued)

1. Accounting policies (continued)

Company accounting policies (continued)

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.

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 FRS19 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 approved. Comparative figures have been restated as detailed in note 6.

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 on the Income Statement, except for management fees and performance incentive fees which are allocated 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 per cent of the Company's investment returns will be in the form of capital gains.

Debtors and creditors

- Debtors do not carry any interest 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.
- 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.

NOTES TO THE FINANCIAL STATEMENTS
(continued)

2. Investment income and deposit interest

	Year ended 28 February 2006 £'000	Year ended 28 February 2005 £'000
Income from investments:		
UK unfranked investment income	856	878
UK franked investment income	<u>40</u>	<u>70</u>
	896	948
Interest receivable and similar income:		
Other income	145	21
Deposit interest	<u>32</u>	<u>16</u>
Total income	<u>1,073</u>	<u>985</u>

3. Investment management fees

	Year ended 28 February 2006			Year ended 28 February 2005		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	78	234	312	124	374	498
Investment management performance incentive	58	176	234	–	–	–
Irrecoverable VAT	<u>24</u>	<u>71</u>	<u>95</u>	<u>22</u>	<u>65</u>	<u>87</u>
	<u>160</u>	<u>481</u>	<u>641</u>	<u>146</u>	<u>439</u>	<u>585</u>

Details of the basis of the investment management fee and performance incentive are contained in the Directors' Report on page 13.

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

	Year ended 28 February 2006			Year ended 28 February 2005		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Non-recurring operating costs:						
Recovery of income tax previously written off	223	–	223	–	–	–
Bad debt provisions	(400)	–	(400)	–	–	–
Investment management termination fees	–	–	–	(86)	(260)	(346)
Other expenses in respect of termination	(38)	–	(38)	(101)	–	(101)
Merger costs	(356)	–	(356)	–	–	–
Costs in response to shareholder action	<u>(178)</u>	<u>–</u>	<u>(178)</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u>(749)</u>	<u>–</u>	<u>(749)</u>	<u>(187)</u>	<u>(260)</u>	<u>(447)</u>

Non recurring operating expenses are in respect of one-off costs in respect of the change of investment manager during 2005, the non-recovery of income debtors, the costs of the shareholders action, and the costs of the merger with Murray VCT PLC and Murray VCT2 PLC. The recovery of income tax previously written off is treated as non-recurring income.

NOTES TO THE FINANCIAL STATEMENTS
(continued)

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

	Year ended 28 February 2006 £'000	Year ended 28 February 2005 £'000
Directors' remuneration	55	62
Fees to Auditors:		
– audit fees	34	19

5. Taxation

	Revenue £'000	Capital £'000	Total £'000
2006			
Corporation tax	–	–	–
Release of over accrual in previous years	42	–	42
	<u>42</u>	<u>–</u>	<u>42</u>
2005			
Corporation tax	(56)	56	–
	<u>(56)</u>	<u>56</u>	<u>–</u>

The tax charge for the year shown in the Income Statement is lower than the standard rate of corporation tax in the UK of 30%. (2005 – 30%). The differences are explained below:

	Year ended 28 February 2006 £'000	Year ended 28 February 2005 £'000
Profit/(loss) on ordinary activities before tax	881	(5,294)
Profit on ordinary activities multiplied by standard rate of corporation tax	264	(1,588)
Effect of (gains)/losses on capital assets not subject to taxation	(751)	1,279
Effect of write off of investments not subject to taxation	–	170
Effect of income not subject to taxation	(79)	(21)
Effect of disallowed expenditure	160	6
Unrelieved expenses carried forward	406	154
Release of over accrual in prior year	(42)	–
	<u>(42)</u>	<u>–</u>

No provision for deferred tax has been made in the current or prior accounting period. The Group and Company have not recognised a deferred tax asset of £1,775,000 (2005 – £1,369,000) arising as a result of having unutilised management expenses and deficits arising from non-trading relationships. These losses will only be utilised if the tax treatment of capital gains made by approved venture capital trusts, or the Company's investment profile, changes.

NOTES TO THE FINANCIAL STATEMENTS
(continued)

6. Dividends

	Year ended 28 February 2006 £'000	Year ended 28 February 2005 £'000
Amounts recognised as distributions to equity holders during the period:		
Revenue dividend nil (2004/5: 1.8 pence)	–	743
Dividend paid out of realised capital gains of 1.0 pence per share paid on 9 September 2005 (2004/5: 0.2 pence)	400	83
Overaccrual in previous year	–	(6)
	<u>400</u>	<u>820</u>

In addition, the Board has declared a dividend of 1.25 pence per share, payable out of realised capital gains. This dividend is subject to approval from HM Revenue & Customs.

7. Basic and diluted return per share

	Year ended 28 February 2006	Year ended 28 February 2005
The return per share has been based on the following figures:		
Average number of Ordinary shares	45,425,778	40,774,635
Profit/(loss) on ordinary activities after taxation £'000	923	(5,294)

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

8. Investments

Company	Year ended 28 February 2006		
	Listed £'000	Unlisted and AIM £'000	Total £'000
Valuation at 1 March 2005	5,095	11,308	16,403
Reduction in opening valuation per FRS 26	–	(44)	(44)
Restated valuation at 28 February 2006	5,095	11,264	16,359
Purchases	1,152	16,527	17,679
Valuation of investments sold	(2,321)	(5,682)	(8,003)
Net (decrease)/increase in value of investments	(74)	5,008	4,934
Valuation at 28 February 2006	<u>3,852</u>	<u>27,117</u>	<u>30,969</u>
Investments valued at fair value through profit or loss	3,852	14,786	18,638
Investments valued at amortised cost	–	12,331	12,331
	<u>3,852</u>	<u>27,117</u>	<u>30,969</u>

NOTES TO THE FINANCIAL STATEMENTS
(continued)

8. Investments (continued)

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

	Year ended 28 February 2006	Year ended 28 February 2005
Company	£'000	£'000
Cost at beginning of year	32,260	35,052
Purchases	17,679	10,830
Sales proceeds	(6,378)	(11,040)
Transfer of unrealised losses realised during the year	–	(3,393)
Realised (losses)/gains	(1,625)	954
Amortisation of book cost	–	(143)
Cost at 28 February	<u>41,936</u>	<u>32,260</u>
Cost at end of year	41,936	32,260
Unrealised loss	(10,967)	(15,857)
Valuation at 28 February	<u>30,969</u>	<u>16,403</u>

The cost of unlisted investments at 28 February 2006 was £32,054,000 (2005 – £27,151,000).

Company gains/(losses) on investments

Realised (losses)/gains	(1,625)	385
Net decrease/(increase) in unrealised depreciation	4,934	(5,216)
Net movement in accrued amortised loan stock interest	(416)	–
	<u>2,893</u>	<u>(4,831)</u>

Year ended 28 February 2006

	Listed £'000	Unlisted and AIM £'000	Total £'000
Group			
Valuation at 1 March 2005	5,095	11,308	16,403
Reduction in opening valuation per IAS 39	–	(44)	(44)
Restated valuation at 28 February 2006	5,095	11,264	16,359
Book cost acquired at date of merger	1,118	32,425	33,543
Purchases	1,152	16,870	18,022
Valuation of investments sold	(3,439)	(38,450)	(41,889)
Net (decrease)/increase in value of investments	(74)	5,008	4,934
Valuation at 28 February 2006	<u>3,852</u>	<u>27,117</u>	<u>30,969</u>
Investments valued at fair value through profit or loss	3,852	14,786	18,638
Investments valued at amortised cost	–	12,331	12,331
	<u>3,852</u>	<u>27,117</u>	<u>30,969</u>

NOTES TO THE FINANCIAL STATEMENTS
(continued)

8. Investments (continued)

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

	Year ended	Year ended
	28 February	28 February
	2006	2005
Group	£'000	£'000
Cost at beginning of year	32,260	35,052
Book cost acquired at date of merger	33,543	–
Purchases	18,022	10,830
Sales proceeds	(21,548)	(11,040)
Transfer of unrealised losses realised during the year	(18,289)	(3,393)
Realised (losses)/gains	(2,052)	954
Amortisation of book cost	–	(143)
Cost at 28 February	<u>41,936</u>	<u>32,260</u>
Cost at end of year	41,936	32,260
Unrealised loss	(10,967)	(15,857)
Valuation at 28 February	<u>30,969</u>	<u>16,403</u>

Under the terms of the Merger and the Scheme of Arrangement, investments valued with a book cost of £33,543,000 were hived up from the subsidiaries, CP1 VCT PLC and CP2 VCT PLC.

	Year ended	Year ended
	28 February	28 February
	2006	2005
Group gains/(losses) on investments	£'000	£'000
Realised (losses)/gains	(2,052)	385
Net decrease/(increase) in unrealised depreciation	4,934	(5,216)
Net movement in accrued amortised loan stock interest	(378)	–
	<u>2,504</u>	<u>(4,831)</u>

NOTES TO THE FINANCIAL STATEMENTS
(continued)

9. Participating interest

The principal activity of the Company is to select and hold a portfolio of investments in unlisted securities. Although the Company 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 28 February 2006 as described below:

Company	Country of incorporation	Principal activity	% Class and shares type	% Voting rights
Booth Dispensers Limited	Great Britain	Vending machine modules and beer pump coolers	100% A Ordinary	24.3%
Clamonta Limited	Great Britain	Manufacturer of aircraft engine components	100% B Ordinary	50%
Conveco Limited	Great Britain	No trading activity	48.4% B Ordinary	22.2%
ELE Advanced Technologies Limited	Great Britain	Manufacturer of precision engineering components	74.4% B Ordinary	48.3%
Heathcote Restaurants Limited	Great Britain	Restaurants operator	40.7% B Ordinary	19.9%
House of Dorchester Limited	Great Britain	Chocolate manufacturer	33.2% B Ordinary	26.4%
J & S Marine Limited	Great Britain	Equipment for defence & oil exploration industries	100% B Ordinary	15%
PSCA International Limited	Great Britain	Publishing	21.6% A Ordinary	6.7%
Sequoia Limited	Great Britain	Electronic equipment distributor	100% A Ordinary	32.6%
TLC (Tender Loving Childcare) Limited	Great Britain	Children's day nurseries	51.1% B Ordinary	24.3%
CCM Motorcycles Limited	Great Britain	Motorcycle manufacturer	25% A Ordinary 40.9% B Ordinary	20.4%
Charmwood Furniture Group Limited	Great Britain	Furniture manufacturer	100% B Ordinary	45%
Wisdom IT Holdings Limited	Great Britain	IT consultants	100% A Ordinary	43%
Bronte Foods Limited	Great Britain	Poultry processor	33.3% A Ordinary 33.3% B Ordinary	33%
Inhoco 3016 Limited	Great Britain	Marketing communications agency	83.8% Ordinary	8.4%
Tuscan Energy Group Limited	Great Britain	Energy provider	42.5% C Ordinary	n/a
GW 665 Limited	Great Britain	Intellectual property rights	37% B Ordinary	37%
First Line Limited	Great Britain	Distributor of automotive parts	74.4% Preference	0%

NOTES TO THE FINANCIAL STATEMENTS
(continued)

10. 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.

	CP1	CP2	Total
	£'000	£'000	£'000
Cost at 12 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>

11. Trade and other receivables

	28 February 2006		28 February 2005	
	Group Company		Group Company	
	£'000	£'000	£'000	£'000
Current taxation – income tax recoverable	1,201	609	499	499
Prepayments and accrued income	<u>295</u>	<u>197</u>	<u>1,139</u>	<u>1,139</u>
	<u><u>1,496</u></u>	<u><u>806</u></u>	<u><u>1,638</u></u>	<u><u>1,638</u></u>

12. Trade and other payables

	28 February 2006		28 February 2005	
	Group Company		Group Company	
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Management and secretarial fees due to Murray Johnstone Limited	–	–	91	91
Termination fees due to Murray Johnstone Limited	–	–	377	377
Amounts due to subsidiary undertaking	–	14,632	–	–
Other creditors	144	14	170	170
Accruals	<u>550</u>	<u>420</u>	<u>99</u>	<u>99</u>
	<u><u>694</u></u>	<u><u>15,066</u></u>	<u><u>737</u></u>	<u><u>737</u></u>

13. 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.

	28 February 2006		28 February 2005	
	Group Company		Group Company	
	£'000	£'000	£'000	£'000
Opening provision	171	171	–	–
Provision on merger	637	–	–	–
Additional provision in the year	955	517	171	171
Utilisation of provision	<u>(101)</u>	<u>(101)</u>	<u>–</u>	<u>–</u>
Closing provision	<u><u>1,662</u></u>	<u><u>587</u></u>	<u><u>171</u></u>	<u><u>171</u></u>

NOTES TO THE FINANCIAL STATEMENTS
(continued)

14. Ordinary share capital

	28 February 2006		28 February 2005	
	Number	£'000	Number	£'000
At 28 February 2006 the authorised share capital comprised:				
allotted, issued and fully paid:				
Ordinary shares of 10p each				
Balance brought forward	39,952,670	3,995	41,278,788	4,128
Issued during year	46,147,203	4,615	–	–
Repurchased and cancelled in year	–	–	(1,326,118)	(133)
Balance carried forward	86,099,873*	8,610	39,952,670	3,995
Unissued Ordinary shares of 10p each	53,900,127	5,390	20,047,330	2,005
	<u>140,000,000</u>	<u>14,000</u>	<u>60,000,000</u>	<u>6,000</u>

* Including 4,755,584 Ordinary shares held in Treasury.

The Company issued a circular dated 18 November 2005 which set out the terms of the merger of the Company with Murray VCT PLC and Murray VCT 2 PLC, the Scheme of Arrangement and a Tender Offer.

At an Extraordinary General Meeting of the Company held on 12 December 2005, the following special resolutions were passed;

The proposed merger between the Company, Murray VCT PLC and Murray VCT 2 PLC (“the Merger”) was to be effected through a Scheme of Arrangement, as detailed in the Prospectus dated 18 November 2005 and as agreed by the Court.

The authorised share capital of the Company was increased to £14,000,000 by the creation of an additional 80,000,000 Ordinary shares of 10p each.

The Directors were authorised to allot up to 100,000,000 Ordinary shares of 10p each in connection with the Merger, and otherwise, to allot up to 30,000,000 Ordinary shares or one third of the issued share capital of the enlarged Company following the Merger. These authorities expire on the earlier of 12 March 2007 or the conclusion of the next Annual General Meeting.

The Articles of Association were amended to delete the previous paragraph regarding the continuation of the Company, and to replace it with a provision for a vote by members on the continuation of the Company at the Annual General Meeting in 2011, and at every subsequent fifth Annual General Meeting.

The Company’s name was changed from Murray VCT 3 PLC to Crown Place VCT PLC.

The Company was authorised to buy back shares for cancellation or for holding in treasury of up to 10% of the issued Ordinary share capital for the purposes of the Tender Offer and for up to 14.99% of the issued Ordinary share capital following the Merger for other purposes.

An Ordinary resolution authorised the changes to the amended and restated management agreement as detailed in the Directors’ Report on page 13.

The Court agreed the Scheme of Arrangement on 12 January 2006. The Merger became effective from 13 January 2006.

As a result of the Tender Offer, 3,702,781 Ordinary shares of 10 pence each were purchased by the Company for a total consideration of £1,527,497 (representing 9.2% of the share capital of the Company before the Merger) and these are held as treasury shares.

In addition, under the terms of the Merger, 18,171,364 Ordinary shares of 10 pence each were issued to shareholders in Murray VCT PLC and a further 27,975,839 Ordinary shares of 10 pence each were issued to shareholders in Murray VCT 2 PLC, all at a price of 41.2527 pence per share (2005: nil).

A further 1,052,803 Ordinary shares of 10 pence each have been purchased by the Company since the Merger for a total consideration of £380,919 and are held as treasury shares. The total number of shares held as treasury at the year end is 4,755,584 Ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS
(continued)

15. 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 calculated in accordance with the articles of association were as follows:

	28 February 2006		28 February 2005 (restated)	
	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>43.0</u>	<u>34,955</u>	<u>43.4</u>	<u>17,347</u>

The number of shares used in this calculation is set out in Note 14 and excludes treasury shares.

16. Cash and cash equivalents

	Year ended 28 February 2006		Year ended 28 February 2005	
	Group £'000	Company £'000	Group £'000	Company £'000
Cash at bank	<u>4,846</u>	<u>1,327</u>	<u>214</u>	<u>214</u>

17. Contingencies, guarantees and financial commitments

	28 February 2006	28 February 2005
	£'000	£'000
Unlisted investment commitments	<u>–</u>	<u>842</u>

Provisions for bank guarantees are shown in note 13.

18. Financial instruments and risk management

The Company'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 Company's operations. The company has no financial liabilities other than short term creditors and provisions for guaranteed liabilities. The company does not use any derivatives.

The principal risks arising from the Company'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.

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 Company's specific nature to evaluate and control the investment risk of its portfolio in unquoted investments, details of which are shown on pages 7 and 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.

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. The Group's credit risk is limited to the total of loan stock instruments of £12,331,000.

NOTES TO THE FINANCIAL STATEMENTS
(continued)

18. Financial instruments and risk management (continued)

Investment price risk

As a venture capital trust, it is the Company's specific business to price, evaluate and control the investment risk in its portfolio of unquoted companies, the results of which are detailed in the Chairman's statement on pages 3 and 4. To mitigate investment risk, the investment strategy of the Company is to invest in a broad spread of industries, with approximately two thirds 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 industries in which investments have been made are contained in the Portfolio of Investments section on pages 7 and 8.

Liquidity risk

The Group had no committed borrowing facilities as at 28 February 2006 (2005: nil) and had cash balances of £4,846,000. The main cash outflows are for investments, which are within the control of the Company.

In view of this, the Company is subject to low liquidity risk.

Cash flow interest rate risk

It is the Company'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 Company's analysis, it is estimated that a fall of one percentage point in interest rates would have reduced profit before tax for the period to 28 February 2006 by approximately 6.8 per cent.

The weighted effective interest rate applied to the Company's listed fixed interest rate assets during the year was approximately 6.17% (2005: 4.72%). The weighted average period to maturity for the listed fixed interest rate assets is approximately 0.86 years (2005: 0.66 years).

The weighted effective interest rate applied to the Company's unlisted fixed rate assets during the year was approximately 12.48% (2005: 12.27%). The weighted average period to maturity for the unlisted fixed rate assets is approximately 3.06 years (2005: 2.71 years).

Fair values of financial assets and financial liabilities

All the Company's financial assets and liabilities as at 28 February 2006 are stated at fair value as determined by the Directors, with the exception 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 the relevant accounting policies.

The Group's financial assets as at 28 February 2006, all denominated in pounds sterling, consist of the following:

	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	6,342	–	–	4,846	1,496
	<u>37,311</u>	<u>24,494</u>	<u>177</u>	<u>4,846</u>	<u>7,794</u>
	28 February 2005				
	Total £'000	Fixed interest £'000	Preference dividend £'000	Floating rate £'000	Non-interest bearing £'000
Sterling					
Listed	5,095	5,095	–	–	–
Unlisted and AIM	11,308	6,890	444	–	3,974
Cash and other assets	1,852	–	–	214	1,638
	<u>18,255</u>	<u>11,985</u>	<u>444</u>	<u>214</u>	<u>5,612</u>

NOTES TO THE FINANCIAL STATEMENTS
(continued)

18. Financial instruments and risk management (continued)

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

	28 February 2006 £'000
Less than one year	464
1-2 years	2,244
2-3 years	691
3-5 years	7,153
More than 5 years	<u>1,779</u>
Total	<u>12,331</u>

The maturity profile of the listed fixed income investments held at 28 February 2006 is £2,209,000 maturing in less than 1 year and £1,731,000 maturing in 1-2 years.

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.

19. Related Party Transactions

The Manager, Close Venture Management Limited, is considered to be a related party by virtue of the fact that it is party to a management contract from the Company (details are disclosed on page 13 of this report). During the year, services of a total value of £641,000 were provided to the Group and Company. At the financial year end, the amount due to Close Venture Management Limited disclosed as accruals, was £358,000.

NOTES TO THE FINANCIAL STATEMENTS
(continued)

20. Transition statements

These consolidated financial statements are the first to be prepared under IFRS. The Group has applied the exemption under IFRS 1 allowed on transition, from restating the results previously reported to comply with IAS 39. The statement below shows the effect of IAS 10 “Events after the Balance Sheet date” on the comparatives for the prior year. There are no differences between UK GAAP and IFRS in respect of the Income Statement for the year ended 28 February 2006.

Reconciliation of consolidated equity as at 1 March 2004 (date of transition)				
	Notes	Previous GAAP £'000	Effect of transition to IFRS £'000	IFRS at 1 March 2004 £'000
Non-current assets				
Investments		21,587	—	21,587
Current assets				
Trade and other receivables		1,970	—	1,970
Cash and cash equivalents		653	—	653
		<u>2,623</u>	<u>—</u>	<u>2,623</u>
Total assets		<u>24,210</u>	<u>—</u>	<u>24,210</u>
Current liabilities				
Trade and other payables	1	(1,070)	826	(244)
Total assets less current liabilities		23,140	826	23,966
Total liabilities		<u>(1,070)</u>	<u>826</u>	<u>(244)</u>
Net assets		<u>23,140</u>	<u>826</u>	<u>23,966</u>
Equity				
Share capital		4,128	—	4,128
Revaluation reserve		(13,031)	—	(13,031)
Capital redemption reserve		117	—	117
Profit and loss account	2	31,926	826	32,752
Total equity		<u>23,140</u>	<u>826</u>	<u>23,966</u>
		pence	pence	pence
Net asset value per Ordinary share		56.1	2.0	58.1

Notes to the reconciliation of equity at 1 March 2004:

1. Under previous UK GAAP, dividends paid by the Company were recognised in the period in which net revenue, to which those dividends related, was accounted for. Under IFRS, dividends are recognised when there exists a contractual obligation for the payment of the dividend to shareholders. Therefore the creditor for the final dividend proposed in relation to the year ended 28 February 2004 has been reversed. This reduces creditors by £826,000.

2. Adjustment 1 above leads to an increase of £826,000 in retained earnings.

NOTES TO THE FINANCIAL STATEMENTS
(continued)

20. Transition statements (continued)

Reconciliation of consolidated equity as at 1 March 2005 (end of last period presented under previous GAAP)				
	Notes	Previous GAAP £'000	Effect of transition to IFRS £'000	IFRS at 1 March 2005 £'000
Non-current assets				
Investments		16,403	–	16,403
Current assets				
Trade and other receivables		1,638	–	1,638
Cash and cash equivalents		214	–	214
		<u>1,852</u>	<u>–</u>	<u>1,852</u>
Total assets		<u>18,255</u>	<u>–</u>	<u>18,255</u>
Current liabilities				
Trade and other payables	1	<u>(1,137)</u>	<u>400</u>	<u>(737)</u>
Total assets less current liabilities		17,118	400	17,518
Non-current liabilities				
Provisions for bank guarantees		<u>(171)</u>	<u>–</u>	<u>(171)</u>
Total liabilities		<u>(1,308)</u>	<u>400</u>	<u>(908)</u>
Net assets		<u>16,947</u>	<u>400</u>	<u>17,347</u>
Equity				
Share capital		3,995	–	3,995
Revaluation reserve		(15,287)	–	(15,287)
Capital redemption reserve		250	–	250
Profit and loss account	2	<u>27,989</u>	<u>400</u>	<u>28,389</u>
Total equity		<u>16,947</u>	<u>400</u>	<u>17,347</u>
		pence	pence	pence
Net asset value per Ordinary share		42.4	1.0	43.4

Notes to the reconciliation of equity at 28 February 2005:

- Under previous UK GAAP, dividends paid by the Company were recognised in the period in which net revenue, to which those dividends related, was accounted for. Under IFRS, dividends are recognised when there exists a contractual obligation for the payment of the dividend to shareholders. Therefore the creditor for the final dividend proposed in relation to the year ended 28 February 2005 has been reversed. This reduces creditors by £400,000.
- Adjustment 1 above leads to an increase of £400,000 in retained earnings.
- The Group has taken advantage of the exemption under IFRS 1 to only adopt IAS 39 and IAS 32 from 1 March 2005, rather than the date of transition of 1 March 2004. Therefore the comparative financial statements have not been restated for these standards. Instead, the opening reserves at 1 March 2005 have been restated to take account of IAS 39 and IAS 32 (see page 28).

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of Crown Place VCT PLC will be held at 4.30 pm. at 10 Crown Place, London EC2A 4FT on 15 August 2006 for the purpose of dealing with the following business, of which items 9 to 11 are special business.

Ordinary Business

1. To receive and adopt the accounts and the reports of the Directors and Auditors for the year ended 28 February 2006.
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 Andrew Cubie as a Director.
4. To re-appoint Patrick Crosthwaite who has been appointed a Director since the last annual general meeting, and retires and offers himself for re-election.
5. To re-appoint Rachel Beagles who has been appointed a Director since the last annual general meeting, and retires and offers herself for re-election.
6. To re-appoint Vikram Lall who has been appointed a Director since the last annual general meeting, and retires and offers himself for re-election.
7. To re-appoint Geoffrey Vero who has been appointed a Director since the last annual general meeting, and retires and offers himself for re-election.
8. To receive and approve the Directors' remuneration report for the year ended 28 February 2006.

Special Business

9. 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 £813,442 which comprises 10% of the issued Ordinary Share capital (excluding shares held in Treasury) such authority to expire on 31 October 2007, 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.

10. 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 9, 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 9 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 records date as the Directors may determine where the equity securities respectively attributable to the interest of Ordinary shareholders 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 or 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 person or persons up to an aggregate nominal amount of £406,721 equal to 5% of the Ordinary Share capital;

**NOTICE OF MEETING
(continued)**

and shall expire upon the expiry of the general authority conferred by resolution number 9, 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 9” were omitted.

11. 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 8,134,429 Ordinary Shares (representing 10 per cent of the current 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 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 immediately preceding the date on which such shares is 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
- e) the Company may make a contract or contracts to purchase shares under this authority before the expiry of the authority which contract 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.

By Order of the Board

Close Venture Management Limited

Company Secretary

Registered Office
4 Crown Place,
London EC2A 4BT

6 July 2006

**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 34 of the Uncertificated Securities Regulations 1995 specifies that only those shareholders registered in the register of members of the Company as at 4.30 p.m. on 13 August 2006 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 4.30 p.m. on 13 August 2006 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 13 August 2006 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.

Close Venture Management Limited

4 Crown Place

London EC2A 4BT

Tel 020 7422 7830 Fax 020 7422 7849

Authorised and regulated by The Financial Services Authority

CROWN PLACE VCT

FORM OF PROXY

Form of proxy for the Annual General Meeting to be held on 15 August 2006

I/We(BLOCK CAPITALS please)

being a holder/s of Ordinary shares in Crown Place VCT PLC and entitled to attend and vote at the above Annual General Meeting, hereby appoint the duly elected Chairman* of the Meeting or failing him

.....

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 4.30 pm on 15 August 2006 and at any adjournment thereof in respect of the resolutions set out in the Notice of Meeting.

My/our proxy is to vote as indicated below:

	For	Against	Vote withheld (note 4)	Discretionary (note 5)
Ordinary Resolution				
Resolution Number 1. To receive and adopt the report and accounts 28 February 2006				
Resolution Number 2. Re-appointment of Deloitte & Touche LLP as auditors for the ensuing year and to authorise the Directors to fix their remuneration				
Resolution Number 3. To re-elect Andrew Cubie				
Resolution Number 4. To re-appoint Patrick Crosthwaite				
Resolution Number 5. To re-appoint Rachel Beagles				
Resolution Number 6. To re-appoint Vikram Lall				
Resolution Number 7. To re-appoint Geoffrey Vero				
Resolution Number 8. To approve the Directors' remuneration report				
Resolution Number 9. Authority to allot shares				
Special Resolution Number 10. Disapplication of pre-emption rights				
Special Resolution Number 11. Purchase of own shares				

Signed Date

Notes

- * If any other proxy is preferred, strike out the reference to the Chairman stated above, add the name of the proxy you wish to appoint and initial the alteration. Failure to initial the alteration will deem the Chairman of the Meeting to be your proxy. A proxy need not be a member of the Company.
- If the appointor is a Corporation, this form must be under its common seal or under the hand of some officer or attorney in that behalf.
- Please insert an "X" in either of the columns. If all spaces are left blank, the proxy will exercise his discretion as to whether, and if so how, he votes.
- The "Vote withheld" option is provided to enable you to abstain on any particular resolution. However it should be noted that 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" a resolution.
- If you want your proxy to vote in a certain way on the resolutions specified please place a mark in the relevant boxes. If you select "Discretionary" or fail to select any of the given options your proxy can vote as he or she chooses or can decide not to vote at all. The proxy can also do this on any other business (including a motion to adjourn the Meeting or to amend a resolution) which may properly come before the Meeting.
- To be valid, this form of proxy must be completed and deposited at the office of the Company's Registrars, Capita Registrars Limited, The Registry, 34, Beckenham Road, Beckenham, Kent, BR3 4TU not later than 48 hours prior to the time fixed for the holding of the Meeting.
- In the case of joint holders, only one need sign but the names of all joint holders should be shown.
- The completion and return of this form of proxy will not preclude you from attending and voting at the meeting should you subsequently decide to do so.

Do not affix
Postage Stamps
if posting in
Gt. Britain,
Channel Islands,
or N. Ireland

Third fold and
tuck in

BUSINESS REPLY
Licence Number
MB122



**Capita Registrars
Proxy Department
P.O. Box 25
Beckenham
Kent
BR3 4BR**

First fold

Second fold