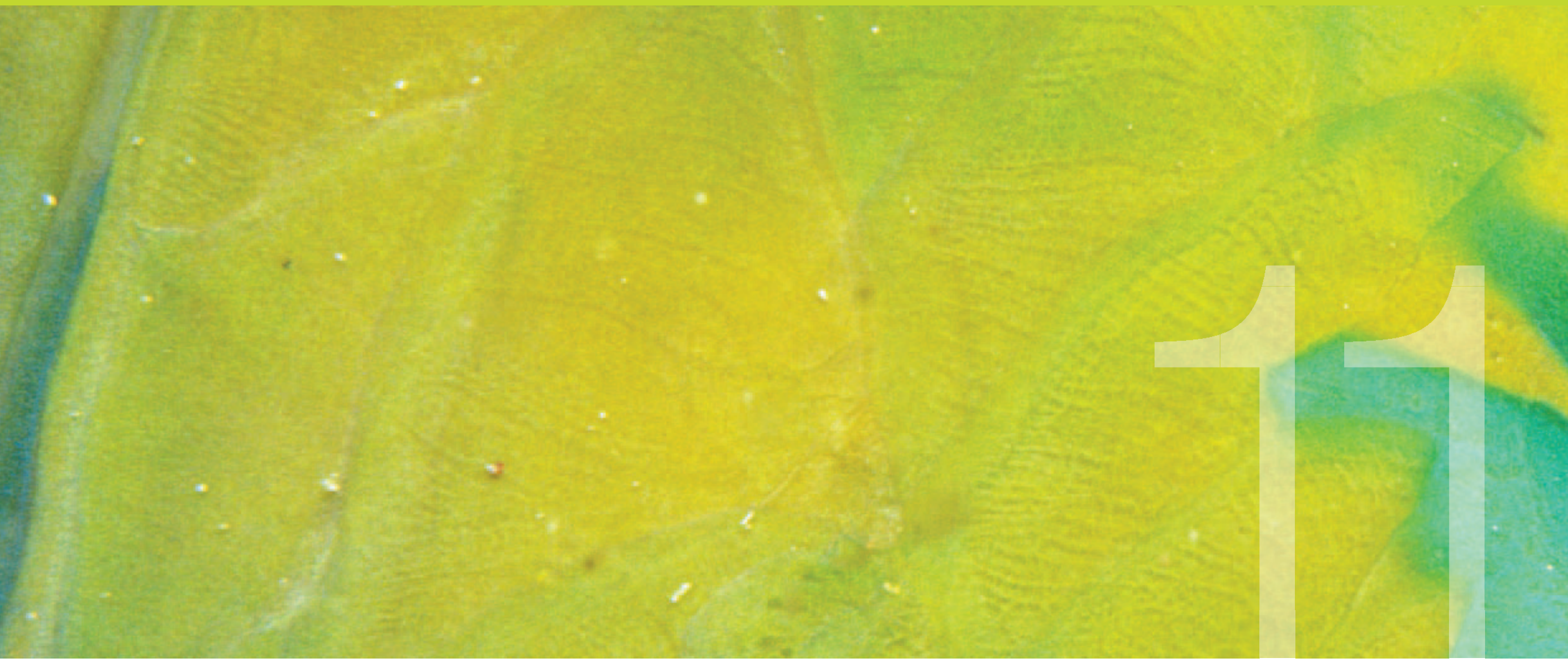
Annual Report and
Financial Statements
for the year
ended 30 June 2011



Crown Place VCT PLC

ALBION VENTURES

Contents

Company information

Company Number	3495287
Directors	Patrick Crosthwaite, Chairman Rachel Beagles Karen Brade (appointed 8 October 2010) Vikram Lall
Manager, company secretary and registered office	Albion Ventures LLP 1 King's Arms Yard London, EC2R 7AF Tel: 020 7601 1850 Fax: 020 7601 1875 Website: www.albion-ventures.co.uk
Registrars	Capita Registrars Limited Northern House Woodsome Park Fenay Bridge Huddersfield, HD8 0LA
Auditor	PKF (UK) LLP Farringdon Place 20 Farringdon Road London, EC1M 3AP
Taxation adviser	PricewaterhouseCoopers LLP 1 Embankment Place London, WC2N 6RH
Legal adviser	Berwin Leighton Paisner Adelaide House London Bridge London, EC4R 9HA

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

Shareholder information

For help relating to dividend payments, shareholdings and share certificates please contact Capita Registrars Limited:
Tel: 0871 664 0300 (calls cost 10p per minute plus network extras, lines are open 8:30 am – 5:30 pm Mon to Fri)
Email: ssd@capitaregistrars.com
Website: www.capitaregistrars.com

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

For enquiries relating to the performance of the Fund please contact Albion Ventures LLP:

Tel: 020 7601 1850 (lines are open 9:00 am – 5:30 pm Mon to Fri, calls may be recorded)
Email: info@albion-ventures.co.uk
Website: www.albion-ventures.co.uk

IFA information

Independent Financial Advisors with questions please contact Albion Ventures LLP:
Tel: 020 7601 1850 (lines are open 9:00 am – 5:30 pm Mon to Fri, calls may be recorded)
Email: info@albion-ventures.co.uk
Website: www.albion-ventures.co.uk

Investment objectives

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

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

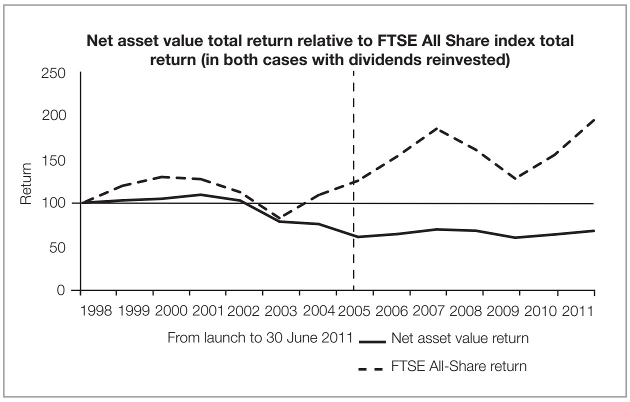
*The "Company" is Crown Place VCT PLC. The "Group" is the Company together with its subsidiaries CP1 VCT PLC and CP2 VCT PLC.

Financial calendar

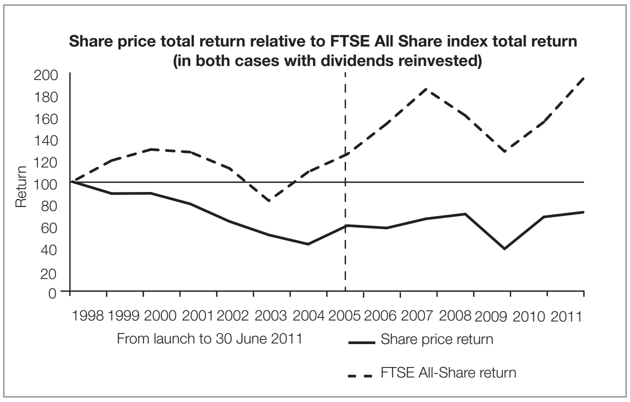
Annual General Meeting	9 November 2011
Record date for first dividend	4 November 2011
Payment of first dividend	30 November 2011
Announcement of half-yearly results for the six months ended 31 December 2011	February 2012
Payment of second dividend subject to Board approval	March 2012

Financial highlights

2.15p	Total return to shareholders for the year ended 30 June 2011
2.50p	Total tax free dividends per share paid during the year ended 30 June 2011
8.3%	Yield on share price (dividend per annum/share price as at 30 June 2011)
33.65p	Net asset value per share as at 30 June 2011
1.25p	First tax free dividend per share declared for the year to 30 June 2012



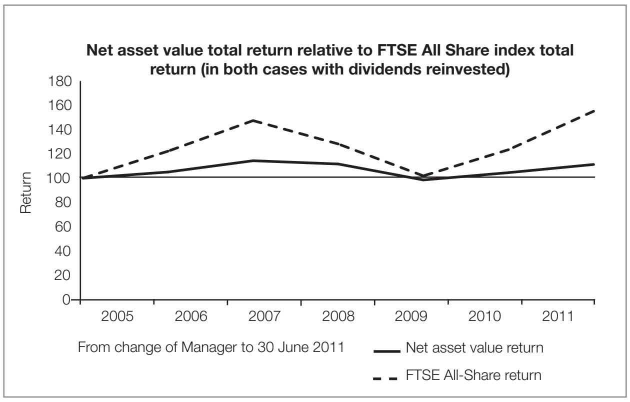
Source: Albion Ventures LLP



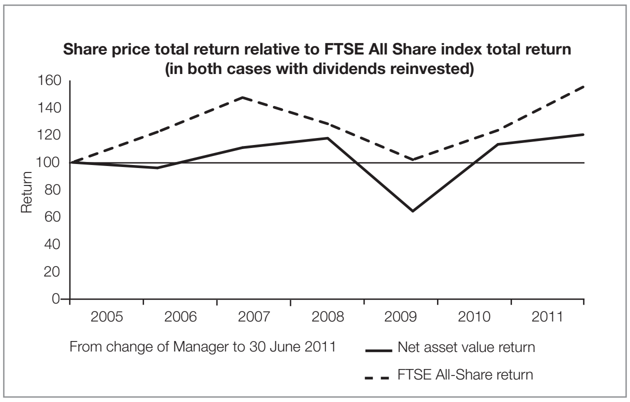
Source: Albion Ventures LLP

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

In the interests of full information, additional graphs showing the relative performance of Crown Place VCT PLC since 2005 (rebased at 100), which was when Albion Ventures LLP* assumed management, are shown below.



Source: Albion Ventures LLP



Source: Albion Ventures LLP

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

Financial highlights continued

	30 June 2011 pence per share	30 June 2010 pence per share
Net asset value per share	33.65	33.94
Dividends paid	2.50	2.50
Revenue return per share	1.11	0.68
Capital return per share	1.04	1.52

Shareholder returns and shareholder value

	Proforma[(i)] Murray VCT PLC pence per share	Proforma[(i)] Murray VCT 2 PLC pence per share	Crown Place VCT PLC* pence per share
Shareholder return from launch to April 2005 (date that Albion Ventures was appointed investment manager):			
Total dividends paid to 6 April 2005[(ii)]	30.36	30.91	24.93
Decrease in net asset value	(69.90)	(64.50)	(56.60)
Total shareholder return to 6 April 2005	(39.54)	(33.59)	(31.67)
Shareholder return from April 2005 to 30 June 2011:			
Total dividends paid	10.47	12.32	14.30
Decrease in net asset value	(6.15)	(6.87)	(9.75)
Total shareholder return from April 2005 to 30 June 2011	4.32	5.45	4.55
Shareholder value since launch:			
Total dividends paid to 30 June 2011[(ii)]	40.83	43.23	39.23
Net asset value as at 30 June 2011	23.95	28.63	33.65
Total shareholder value as at 30 June 2011	64.78	71.86	72.88
Current dividend objective pence per share	1.78	2.13	2.50
Percentage yield on net asset value	7.4%	7.4%	7.4%

Net asset value total return to shareholders since launch:

	30 June 2011 (pence per share)
Total dividends paid during the period from launch to 6 April 2005 (prior to change of manager)	24.93
Total dividends paid during the year ended 28 February 2006	1.00
Total dividends paid during the period ended 30 June 2007	3.30
Total dividends paid during the year ended 30 June 2008	2.50
Total dividends paid during the year ended 30 June 2009	2.50
Total dividends paid during the year ended 30 June 2010	2.50
Total dividends paid during the year ended 30 June 2011	2.50
Total dividends paid to 30 June 2011	**39.23**
Net asset value as at 30 June 2011	**33.65**
Total net asset value return as at 30 June 2011	**72.88**

Notes

(i) *The proforma shareholder returns presented above are based on the dividends paid to shareholders before the merger and the pro-rata net asset value per share and pro-rata dividends per share paid to 30 June 2011 since the merger. This pro-forma is based upon the proportion of shares received by Murray VCT PLC (now renamed CP1 VCT PLC) and Murray VCT 2 PLC (now renamed CP2 VCT PLC) shareholders at the time of the merger with Crown Place VCT PLC on 13 January 2006.*

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

* *Formerly Murray VCT 3 PLC*

In addition to the dividends paid above, the Board has declared a first dividend for the year ending 30 June 2012, of 1.25 pence per Crown Place VCT PLC share on 30 November 2011 to shareholders on the register as at 4 November 2011.

Chairman's statement

Introduction
I have pleasure in presenting the results for the year ended 30 June 2011. The Group achieved a positive total return of 2.15 pence per share, broadly similar to the return for 2009/10. The Company maintained its regular dividend of 2.50 pence per share and continues to benefit from strong cash balances for future investment and dividend payments.

Results and dividends
As at 30 June 2011, net asset value was £25.7 million or 33.65 pence per share compared to £24.4 million or 33.94 pence per share at 30 June 2010. The revenue return before taxation was £812,000 compared to £489,000 in the previous year. During the year to 30 June 2011, the Company paid a dividend of 2.50 pence per share. The first dividend for the current financial year of 1.25 pence per share will be paid on 30 November 2011 to shareholders on the register as at 4 November 2011.

Investment performance and progress
The key events during the year were the successful sales of Geronimo Inns, Dexela and Driver Hire. Geronimo Inns, which owns four freehold London pubs, realised proceeds of £1.63 million for the VCT and an income and capital return of 25 per cent.. Dexela, which provides medical imaging technology, was sold to Perkin Elmer of the US in June, and the Company will make between two and three times a return on its investment. In addition, the non-qualifying "legacy" investment in Driver Hire was sold for proceeds of just under £500,000; together these three investments resulted in investment proceeds of £824,000 over the valuation at the previous year end. Meanwhile, ELE Advanced Technologies paid a dividend of £286,000 to the VCT, on the back of a strong trading performance, which in turn led to the increase in the revenue return detailed under "Results and dividends" above.

Weaker than expected performance was seen at Xceleron and Prime Care, where the latter has been affected by public spending cuts. Charnwood saw a reduced valuation of some of its pubs due to lower customer spending. Chichester Holdings has been affected by a change to the management team. Dysis has been impacted by delays in US registration that has now been resolved and the relaunch of a new product design.The share price of Avanti Communications Plc, a satellite operator and one of the Company's few remaining AIM quoted investments, has declined due to concerns over the company's ability to achieve its commercial objectives in a fast changing market. Avanti operates in a growing market and following the launch of its first satellite in March 2011, has valuable assets.

These movements have been balanced by unrealised valuations uplifts in ELE Advanced Technologies Limited and Mirada Medical Limited.

During the year, your Company invested, or committed to invest, a total of £5.1 million in eight new investee companies and thirteen existing investee companies. The two largest of these new investments were a drawdown of up to £1.56 million by Radnor House School, a new private independent day school on a freehold site on the Thames at Twickenham and second, £1.0 million into the Oakland Care Centre, a freehold care home in Chingford, North London. Other valuation movements within the investment portfolio are discussed further in the Manager's report on page 8.

Continuation as a venture capital trust
Under the terms of your Company's Articles of Association, at the 2011 Annual General Meeting and every five years thereafter, members have the opportunity to confirm that they wish the Company to continue as a venture capital trust. Otherwise the Board is required to make proposals for the reorganisation, reconstruction or the orderly liquidation and winding up of the Company and present these to the members at a general meeting.

Since Albion Ventures LLP (through its predecessor Close Venture Management Limited) was appointed investment manager of the Company in 2005, the performance of the Company has been turned around. This has been achieved through a policy of disposal of underperforming investments and a re-positioning of the portfolio in line with the strategy approved by shareholders at the time of the merger in 2006. This strategy concentrates on two complimentary investment areas. The first are lower risk, often asset-backed investments that can provide a strong income stream together with an element of capital protection. These investments have been balanced by a smaller proportion of investments in higher risk companies with greater growth prospects. In addition, the total expense ratio has been sharply cut from 4.9 per cent. in 2006 to 2.6 per cent. in 2011 (both excluding non-recurring expenses).

As a result of these measures, the Company has been able to pay a regular annual dividend income of 2.50 pence per share for the past four years. Based on the share price as at 30 June 2011, this is a tax free dividend yield of 8.3 per cent. on the share price (7.4 per cent. based on the net asset value per share as at 30 June 2011) equivalent to 16.6 per cent. when grossed up for tax at 50 per cent.. Since the appointment of the Manager in April 2005, the Company has distributed total tax free dividends of 14.30 pence per share and the total return to shareholders has been positive, despite the difficult economic conditions of the past three

Chairman's statement continued

years. This places its performance in the second quartile of generalist VCTs over that period, as measured by the Association of Investment Companies.

Those shareholders who have been using their investment in the VCT to defer a capital gain should note that, on a return of capital, that gain would become chargeable at the prevailing rate of capital gains tax.

Your Board believes that VCTs have the potential to be highly effective long-term savings vehicles with strong tax-free dividend streams. Consequently in view of its track record since the appointment of the Manager and the strong tax-free dividend stream to shareholders, your Board recommends that shareholders vote in favour of the Company continuing as a venture capital trust for a further five years, as they intend to in respect of their own shares.

Risks and uncertainties

We remain cautious over the short and medium term prospects of the UK and global economies in view of the currency and debt constraints which are increasingly becoming apparent. Nevertheless, we believe that many of the sectors in which we operate are resilient, and that the investee companies which we support, are positioned to grow despite these broader uncertainties. In addition, it remains our general policy that investee companies have no external bank borrowings. Therefore, as the investment portfolio continues to mature, the prospects on the whole look positive.

Other risks and uncertainties are detailed on pages 19 and 20.

Discount management and share buy-backs

It remains the Board's policy to buy back shares in the market subject to the overall constraint that such purchases are in the Company's interest, including the maintenance of sufficient resources for investment in existing and new investee companies and the continued payment of dividends for shareholders. It is the Board's intention for such buy-backs to be in the region of a 10-15 per cent. discount to net asset value, so far as market conditions and liquidity permit.

Albion VCTs Linked Top Up Offers

During the year, a total of £1.67 million was raised by your Company as part of the £12 million Albion VCTs Linked Top Up Offer carried out by seven of the VCTs managed by Albion Ventures. A further top-up offer is planned for later on this year and details are expected to be sent to shareholders in November.

Recovery of VAT

On 24 July 2008, HMRC issued a Business Briefing which permitted the recovery of historic VAT that had been charged on management fees and which made these fees exempt from VAT with effect from 1 October 2008. As disclosed in the report for the year to June 2009, your Board has already received a refund of VAT, and interest thereon, from Albion Ventures LLP in respect of the period October 2005 to October 2008, and no VAT has been charged on management fees with effect from 1 October 2008. Any moneys recoverable for earlier periods are due from the former manager, Murray Johnstone Limited, and no account has been taken in respect of these. Your Board continues in its endeavours with the former manager to recover VAT where possible for the period prior to October 2005.

Board changes

In accordance with best practice which requires that 'a Board should ensure planned and progressive refreshing of the Board' your Board initiated a programme of changes in 2010. Geoffrey Vero and Sir Andrew Cubie retired as Directors and Karen Brade was appointed. As a continuing part of this process Vikram Lall has indicated to the Board that he wishes to retire as a Director of the Company as soon as a suitable replacement is appointed.

Vikram became a Director of Crown Place VCT PLC in January 2006, following the merger with Murray VCT PLC and Murray VCT 2 PLC. He had been a director of Murray VCT and Murray VCT 2 since their incorporation.

The Board wishes to thank Vikram for his significant input and valuable contribution to the Board and to the Company and its predecessor companies over many years.

The Board will shortly be starting a process to appoint a new Director.

Outlook and prospects

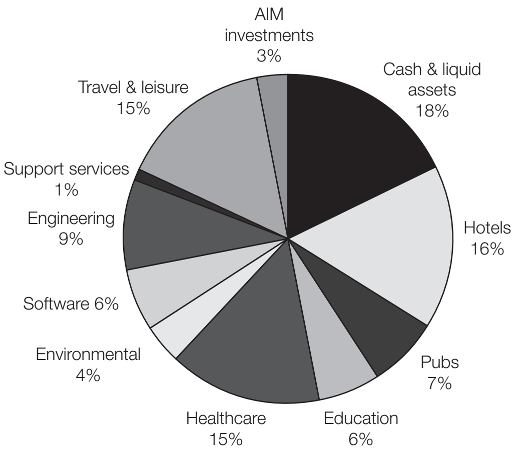
As already mentioned, the outlook for the UK and the global economies remains uncertain. Nevertheless, a number of our companies operate in sectors that should prove to be more resilient over the medium term in the event of continued economic upheaval. These include the healthcare and environmental sectors,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

Patrick Crosthwaite
Chairman
7 October 2011

Manager's report

An analysis by sector of Crown Place VCT's investment portfolio as at 30 June 2011 is shown below. This demonstrates continuing concentration on achieving an increasingly balanced portfolio, with a reduction in investments in the pub sector matched by an increase in both healthcare and the environmental sectors. In addition, over 62 per cent. of the portfolio by value is in asset-backed investments. As at 30 June 2011, the portfolio comprised investments in 55 quoted and unquoted companies.

Split of investment portfolio valuations by sector



Source: Albion Ventures LLP

New investments

The Company invested and committed a total of £5.1 million in new investee companies during the year. The two largest of these were in a new independent school and in a specialist care home. In addition, some £568,000 was invested in four renewable energy companies, including a new anaerobic digestion power station powered by methane from waste food, based in Perth, Scotland. We also invested £1,100,000 in thirteen existing investee companies to support growth.

Portfolio review

In addition to the investment realisations of our holdings in Geronimo Inns, Dexela and Driver Hire, strong performance was seen in ELE Advanced Technologies, where further improvement was seen in the company's engineering services in the UK and Slovakia, while Mirada Medical also saw continued growth. Against this, slower than hoped for progress at the newly-opened Stanwell Hotel outside Heathrow resulted in a reduction in its third party professional valuation, and weaker than expected performance was seen at Xceleron and Prime Care, where the latter has been affected by public spending cuts. Charnwood saw a reduced valuation of some of its pubs due to lower customer spending and Chichester Holdings has been affected by a change to the management team. Dysis has been impacted by delays in US registration that have now been resolved with the relaunch of a new product design.

The pipeline for new investments remains strong, with continued concentration on building up our presence in the healthcare and environmental sectors. We are also concentrating on improving the cash generation of our investments in order to further support the Company's dividend target.

Albion Ventures LLP
Manager
7 October 2011

The Board of Directors

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

Patrick Crosthwaite FSI (68), is the Chairman of the Company. From 1989 to 1999 he was managing director of Henderson Crosthwaite Limited, a private client portfolio management and broking business. Subsequently he served as a director of Carr Shepherds Crosthwaite (part of the Investec Group). He 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. Patrick Crosthwaite became a Director of the Company on 13 January 2006.

Rachel Beagles MA (43), 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, Securities Trust of Scotland plc and a board member of Newlon Housing Trust. Rachel Beagles became a Director of the Company on 13 January 2006 and Chairman of the Audit and Risk committee on 27 September 2010.

Vikram Lall CA CBE (64), was corporate finance director of Brewin Dolphin until December 2003. He is a non-executive director of a number of companies including ISIS Property Trust, CP1 VCT PLC and CP2 VCT PLC (which are wholly owned subsidiaries of Crown Place VCT PLC). He was Chairman of the Scottish Industrial Development Advisory Board from 2001 to 2007. In 2005 he was awarded the CBE for services to business in Scotland. Vikram Lall became a Director of the Company on 13 January 2006.

Karen Brade (46), has over 20 years of experience in project finance and private equity. Karen began her career at Citibank where she worked on various multi-national project finance transactions. From 1994 to 2004 she was at the Commonwealth Development Corporation (now known as Actis), a leading emerging markets private equity firm, where she held a variety of positions in equity and debt investing, portfolio management, fund raising and investor development. Since 2005 she has been an adviser to hedge funds, family offices and private equity houses. Karen Brade became a Director of the Company on 8 October 2010.

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

The Manager

Albion Ventures LLP, is authorised and regulated by the Financial Services Authority and is the Manager of Crown Place VCT PLC. In addition to Crown Place VCT PLC, it manages a further seven venture capital trusts, and has currently total funds under management of approximately £230 million. Albion was awarded "VCT Manager of the Year" at the "Unquote" British Private Equity Awards 2009, "VCT of the Year" for Albion Development VCT PLC at the 2009 Investor Allstar Awards and Investor of the Year at the Independent Healthcare Awards 2011.

The following are specifically responsible for the management and administration of the Venture Capital Trusts managed by Albion Ventures LLP, including Crown Place VCT PLC.

Patrick Reeve (51) MA, ACA, qualified as a chartered accountant with Deloitte Haskins & Sells before joining Cazenove & Co where he spent three years in the corporate finance department. He joined Close Brothers Group in 1989, initially in the development capital subsidiary, where he was a director specialising in the financing of smaller unquoted companies. He joined the corporate finance division in 1991, where he was also a director. He established Close Ventures' (now Albion Ventures LLP) activities with the launch of Close Brothers Venture Capital Trust PLC in the spring of 1996. Patrick became managing partner of Albion Ventures in 2009. He read modern languages at Oxford University. He is a director of Albion Technology & General VCT PLC, Albion Income & Growth VCT PLC, Albion Prime VCT PLC, Albion Enterprise VCT PLC and Healthcare and Leisure Property Limited, all managed or advised by Albion Ventures LLP.

Will Fraser-Allen (40), BA (Hons), ACA, qualified as a chartered accountant with Cooper Lancaster Brewers in 1996 and then joined their Corporate Finance Team providing corporate finance advice to small and medium sized businesses. He joined Albion Ventures in 2001 since when he has focused on leisure and healthcare investing. Will became deputy managing partner of Albion Ventures in 2009. Will has a BA in History from Southampton University.

Isabel Dolan (46), BSc (Hons), ACA, MBA, qualified as a chartered accountant with Moore Stephens. From 1993 to 1997 she was head of recoveries at the Specialised Lending Services of the Royal Bank of Scotland plc and from 1997 to 2001 she was at 3i plc, latterly as a portfolio director. She joined Albion Ventures in 2005, having previously been finance director for a number of unquoted companies. Isabel became operations partner at Albion Ventures in 2009. She has a BSc in Biochemistry with Pharmacology from Southampton University and an MBA from London Business School.

Dr Andrew Elder (40), MA, FRCS, joined Albion Ventures in 2005 and became a partner in 2009. He initially practised as a surgeon for six years, specialising in neurosurgery, before joining the Boston Consulting Group (BCG) as a consultant in 2001. Whilst at BCG he specialised in healthcare strategy, gaining experience with many large, global clients across the full spectrum of healthcare including biotechnology, pharmaceuticals, service and care providers, software and telecommunications. He has an MA plus Bachelors of Medicine and Surgery from Cambridge University and is a Fellow of the Royal College of Surgeons (England).

Emil Gigov (41), BA (Hons), ACA, graduated from the European Business School, London, with a BA (Hons) Degree in European Business Administration in 1994. He then joined KPMG in their financial services division and qualified as a chartered accountant in 1997. Following this he transferred to KPMG Corporate Finance where he specialised in the leisure, media and marketing services sectors acting on acquisitions, disposals and fundraising mandates. He joined Albion Ventures in 2000 and has since made and exited investments in a number of industry sectors, including healthcare, education, technology, leisure and engineering. Emil became a partner in Albion Ventures in 2009.

David Gudgin (39), BSc (Hons), ACMA, qualified as a management accountant with ICL before spending 3 years at the BBC. In 1999 he joined 3i plc as an investor in European technology based in London and Amsterdam. In 2002 he moved to Foursome Investments (now Frog Capital) as the lead investor of an environmental technology and a later stage development capital fund. David joined Albion Ventures in 2005 and became a partner in Albion Ventures in 2009. David has a BSc in Economics from Warwick University.

Michael Kaplan (34), BA, MBA. Prior to joining Albion Ventures in 2007, Michael was a Project Leader with the Boston Consulting Group (BCG) where he focused on the retail and financial services sectors. More recently, Michael was part of BCG's growing Private Equity practice – which provides strategic due diligence to some of the world's biggest PE funds. Prior to his time with BCG, Michael was the Chief Financial Officer for Widevine Technologies, a security software company based in Seattle. Michael has a BA from the University of Washington and an MBA from INSEAD. He became a partner in Albion Ventures in 2010.

Ed Lascelles (35), BA (Hons), joined Albion Ventures in 2004. Ed began by advising quoted UK companies on IPOs, takeovers and other corporate transactions, first with Charterhouse Securities and then ING Barings. Companies ranged in value from £10 million to £1b billion, across the healthcare and technology sectors among others. After moving to Albion Ventures in 2004 (then part of Close Brothers Group), Ed started investing in the technology, healthcare, financial and business services sectors. Ed became partner in 2009 and is responsible for a number of Albion's technology investments. Ed graduated from University College London with a first class degree in Philosophy. He became a partner in Albion Ventures in 2009.

Henry Stanford (46), MA, ACA, qualified as a chartered accountant with Arthur Andersen before joining the corporate finance department of Close Brothers Group in 1992, becoming an assistant director in 1996. He moved to Albion Ventures in 1998. Henry became a partner in Albion Ventures in 2009. He holds an MA degree in Classics from Oxford University.

Robert Whitby-Smith (36), BA (Hons), MSI, ACA. After graduating in History at Reading University, Robert qualified as a chartered accountant at KPMG and subsequently worked in corporate finance at Credit Suisse First Boston and ING Barings. Since joining in 2005, Robert has assisted in the workout of three VCT portfolios (Murray VCT PLC, Murray VCT 2 PLC and Murray VCT 3 PLC now renamed Crown Place VCT PLC) formerly managed by Aberdeen Murray Johnson, and is responsible for investments in the leisure, manufacturing and technology sectors. Robert became a partner in Albion Ventures in 2009.

Marco Yu (33), MPhil, MA, MRICS, spent two and a half years at Bouygues (UK), developing cost management systems for PFI schemes, before moving to EC Harris in 2005 where he advised senior lenders on large capital projects. He joined Albion Ventures in 2007 and became an investment manager in Albion Ventures in 2009. Marco graduated from Cambridge University with a first class degree in economics and is a Chartered Surveyor.

Portfolio of investments

The following is a summary of non-current asset investments with a value as at 30 June 2011:

			At 30 June 2011			At 30 June 2010		
Investment name	Nature of business	% voting rights	% voting rights of AVL* managed companies	Cost £'000	Value £'000	Cost £'000	Value £'000	Change in value for the year** £'000
Qualifying unquoted asset-backed investments								
The Crown Hotel Harrogate Limited	Owner and operator of the Crown Hotel, Harrogate	15.0	**50.0**	**2,976**	**2,179**	2,976	2,071	108
Radnor House School (Holdings) Limited	Independent school for children ages 7-18	9.0	**50.0**	**1,564**	**1,614**	–	–	50
Kensington Health Clubs Limited	Owner and operator of a health and fitness club in West London	7.2	**50.0**	**1,789**	**1,247**	1,789	1,058	189
Oakland Care Centre Limited	Care home for residents suffering from dementia	14.4	**39.2**	**1,030**	**1,056**	–	–	26
The Stanwell Hotel Limited	Owner and operator of the Stanwell Hotel at Heathrow Airport	10.8	**50.0**	**1,454**	**1,053**	1,454	1,229	(176)
The Charnwood Pub Company Limited	Owner and operator of freehold pubs	6.9	**50.0**	**2,204**	**1,029**	2,204	1,136	(107)
Kew Green VCT (Stansted) Limited	Owner and operator of the 'Express by Holiday Inn' at Stansted Airport	2.0	**50.0**	**1,000**	**954**	1,000	950	4
Orchard Portman Hospital Limited	Owner and operator of a psychiatric hospital in Taunton	11.3	**50.0**	**711**	**713**	384	390	(4)
Tower Bridge Health Clubs Limited	Owner and operator of a health and fitness club in central London	9.5	**50.0**	**577**	**649**	591	628	35
CS (Brixton) Limited	Cinema owner and operator	9.6	**50.0**	**411**	**596**	411	531	65
Bravo Inns II Limited	Owner and operator of freehold pubs	4.1	**50.0**	**505**	**483**	405	387	(4)
TEG Biogas (Perth) Limited	Anaerobic digestion	6.1	**50.0**	**352**	**354**	–	–	2
The Weybridge Club Limited	Owner and operator of a freehold health and fitness club in Weybridge, Surrey	1.2	**50.0**	**190**	**148**	190	158	(10)
Bravo Inns Limited	Owner and operator of freehold pubs	2.6	**50.0**	**230**	**140**	230	126	14
Nelson House Hospital Limited	Developing a psychiatric hospital in Gosport	4.0	**50.0**	**139**	**139**	–	–	–
CS (Exeter) Limited	Cinema owner and operator	9.6	**50.0**	**157**	**114**	157	140	(26)
Premier Leisure (Suffolk) Limited	Freehold cinema owner	5.7	**50.0**	**420**	**101**	420	108	(7)
Taunton Hospital Limited	Owner and operator of a psychiatric hospital in Taunton	1.6	**50.0**	**100**	**100**	100	102	(2)
GB Pub Company VCT Limited	Owner and operator of freehold pubs	9.0	**50.0**	**364**	**97**	360	140	(47)
The Street by Street Solar Programme Limited	PV installations on domestic roofs in Maidenhead and Windsor	2.1	**50.0**	**83**	**83**	–	–	–
The Dunedin Pub Company VCT Limited	Owner and operator of freehold pubs	7.8	**50.0**	**87**	**82**	278	97	(3)
CS (Norwich) Limited	Cinema owner and operator	3.8	**50.0**	**60**	**63**	60	53	10
Regenerco Renewable Energy Limited	PV Installations on small commercial buildings	0.8	**50.0**	**21**	**21**	–	–	–
AVESI Limited	PV Installations on small commercial buildings	2.1	**50.0**	**17**	**17**	–	–	–
Total qualifying unquoted asset-backed investments				**16,441**	**13,032**	13,009	9,304	117

Portfolio of investments continued

			At 30 June 2011			At 30 June 2010		
Investment name	**Nature of business**	**% voting rights**	**% voting rights of AVL* managed companies**	**Cost £'000**	**Value £'000**	**Cost £'000**	**Value £'000**	**Change in value for the year** £'000**
Qualifying unquoted growth investments								
ELE Advanced Technologies Limited	Manufacturer of precision engineering components for the industrial gas turbine, aerospace and automotive markets	48.3	**48.3**	**1,050**	**2,263**	1,050	1,972	291
Blackbay Limited	Provider of mobile data solutions for the logistics and field service sectors	4.1	**34.9**	**458**	**590**	423	638	(48)
Masters Pharmaceuticals Limited	International specialist distributions of pharmaceuticals	2.4	**17.1**	**474**	**465**	375	377	(11)
Prime Care Holdings Limited	Provider of domiciliary care services	8.7	**49.9**	**517**	**461**	478	510	(88)
House of Dorchester Limited	Chocolate manufacturer	23.3	**23.3**	**327**	**446**	368	414	73
Helveta Limited	Provider of software solutions, traceability and inventory analysis to the timber industry	3.4	**21.0**	**488**	**444**	450	450	(44)
Lowcosttravelgroup Limited	Online travel business	5.0	**26.0**	**455**	**423**	455	402	21
Mirada Medical Limited	Developer of medical imaging software	7.7	**45.0**	**179**	**347**	128	171	125
Mi-Pay Limited	Provider of mobile payment services	3.3	**43.1**	**387**	**328**	307	333	(85)
DySIS Medical Limited (formerly Forth Photonics Limited)	Developer, manufacturer and seller of medical devices for the detection of epithelial cancers	2.3	**18.4**	**350**	**283**	350	350	(67)
Xceleron Limited	Provider of a range of drug development services to the life-science industries	3.3	**45.1**	**382**	**235**	329	296	(114)
Rostima Holdings Limited	Provider of workforce management solutions software	3.3	**39.3**	**108**	**169**	403	–	61
Opta Sports Data Limited	Compiler of sports performance data	1.4	**14.2**	**176**	**159**	150	141	(8)
Memsstar Limited (formerly Point 35 Microstructures Limited)	Refurbisher of semiconductor fabrication equipment	1.9	**28.1**	**130**	**149**	130	113	36
Process Systems Enterprise Limited	Provider of process systems modeling solutions	0.9	**13.8**	**100**	**124**	100	65	59
Oxsensis Limited	Developer and producer of industrial sensors used in super-high temperature environments	1.4	**20.7**	**192**	**109**	192	146	(37)
Chichester Holdings Limited	Drinks distributor to the travel sector	9.1	**50.0**	**600**	**96**	600	160	(64)
Palm Tree Technology PLC	Software company	0.2	**0.7**	**102**	**61**	102	15	46
Uctal Limited (formerly Unique Communications Limited)	TV production company	24.2	**24.2**	**1,494**	**50**	1,494	–	50
Abcodia Limited	Services for validation and discovery of serum biomarkers	1.3	**21.4**	**45**	**45**	–	–	–
Red-M Wireless Limited	Service and software provider	11.8	**42.0**	**85**	**19**	85	88	(69)

Portfolio of investments continued

			At 30 June 2011			At 30 June 2010		
Investment name	Nature of business	% voting rights	% voting rights of AVL* managed companies	Cost £'000	Value £'000	Cost £'000	Value £'000	Change in value for the year** £'000
Qualifying unquoted growth investments continued								
Green Energy Property Services Group Limited	Surveyor of energy performance in buildings	3.1	**23.4**	**38**	**19**	38	19	–
Evolutions Television Limited	Provider of TV post production services	0.3	**50.0**	**26**	**3**	61	34	3
				8,163	**7,288**	8,068	6,694	130
Other investments valued at nil				**129**	**–**	143	–	–
Total qualifying unquoted growth investments				**8,292**	**7,288**	8,211	6,694	130
Total qualifying unquoted investments				**24,733**	**20,320**	21,220	15,998	247

Qualifying AIM quoted investments								
Avanti Communications Group plc	Supplier of satellite communications	**0.3**	**0.3**	**371**	**661**	371	793	(132)
Augean PLC	Waste management	**0.4**	**0.4**	**590**	**102**	590	81	21
Insetco plc	Investor in businesses that specialise in financial products	**–**	**–**	**81**	**–**	81	–	–
Total qualifying AIM quoted investments				**1,042**	**763**	1,042	874	(111)
Total qualifying investments				**25,775**	**21,083**	22,262	16,872	136

Portfolio of investments continued

			At 30 June 2011			At 30 June 2010		
Investment name	**Nature of business**	**% voting rights**	**% voting rights of AVL* managed companies**	**Cost £'000**	**Value £'000**	**Cost £'000**	**Value £'000**	**Change in value for the year** £'000**
Non-qualifying unquoted investments								
Booth Dispensers Limited	Manufacturer of vending machine components	–	**–**	**48**	**48**	80	80	–
Evolutions Group Limited	Own and lease commercial property	0.7	**100.0**	**43**	**33**	–	–	(10)
				91	**81**	80	80	(10)
Non-qualifying AIM quoted investments				**8**	**8**	10	10	–
Total non-qualifying investments				**99**	**89**	90	90	(10)
Total non-current asset investments				**25,874**	**21,172**	22,352	16,962	126

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

Material realisations during the year ended 30 June 2011 **Company**	**Cost £'000**	**Opening carrying value £'000**	**Disposal proceeds £'000**	**Realised gain/(loss) £'000**	**Gain on opening value £'000**
Dexela Limited	295	225	630	335	405
House of Dorchester Limited	41	41	41	–	–
Geronimo Inns VCT I Limited	721	788*	814	93	26
Geronimo Inns VCT II Limited	721	788*	814	93	26
Driver Hire Investments Group Limited	408	126	493	85	367
Cello Group plc	339	97	139	(200)	42
Total	**2,525**	**2,065**	**2,931**	**406**	**866**

*opening carrying value reduced for accrued interest which was received during the year.

Portfolio companies

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

ELE Advanced Technologies Limited

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

Audited results: year to 1 May 2010	£'000	**Investment information**	£'000
Turnover	11,370	Income recognised in the year	286
Profit before interest	827	Total cost	1,050
Net assets	3,889	Total valuation	2,263
Basis of valuation:	Earnings multiple	Voting rights	48.3%
Website:	www.eleat.co.uk		

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

The Crown Hotel Harrogate Limited

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

Audited results: year to 31 March 2010	£'000	**Investment information**	£'000
Turnover	2,536	Income recognised in the year	156
EBITDA	407	Total cost	2,976
Loss before interest	(130)	Total valuation	2,179
Net assets	6,562	Voting rights	15.0%
Basis of valuation:	Net asset value supported by third party valuation of freehold property		
Website:	www.crownhotelharrogate.com		

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

Radnor House School (Holdings) Limited

Radnor House is London's new co-educational independent day school in Twickenham, which opened in September 2011. It is located in historic buildings on the banks of the River Thames in South West London. Students are currently being admitted to the Preparatory and the Senior School.

		Investment information	£'000
The company was incorporated on 5 August 2010 and		Income recognised in the year	30
has not yet filed accounts at Companies House		Total cost	1,564
		Total valuation	1,614
Basis of valuation:	Cost[1]	Voting rights	9.0%
Website:	www.radnorhouse.org		

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

Kensington Health Clubs Limited

The company has developed a 29,000 square foot health and fitness club on a 999 year lease in West London which opened in December 2007.

Audited results: year to 30 September 2010	£'000	**Investment information**	£'000
Turnover	2,374	Income recognised in the year	81
Profit before interest	392	Total cost	1,789
Net assets	1,139	Total valuation	1,247
Basis of valuation:	Net asset value supported by independent desktop review	Voting rights	7.2%
Website:	www.thirtysevendegrees.co.uk/olympia		

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

Oakland Care Centre Limited

The company has acquired a freehold site on which it is developing a new, purpose built care home catering for the needs of up to 45 residents suffering from dementia. The care home is due to open in November 2011 and will employ highly trained staff under the supervision of an experienced care management team.

		Investment information	£'000
The company was incorporated on 7 October 2010 and		Income recognised in the year	24
has not yet filed accounts at Companies House		Total cost	1,030
		Total valuation	1,056
Basis of valuation:	Cost[1]	Voting rights	14.4%
Website:	www.bayfieldcourt.co.uk		

Funds managed and advised by Albion Ventures LLP have invested in this company and their combined equity holding in the company is 39.2 per cent..

Portfolio companies continued

The Stanwell Hotel Limited

The company acquired the 19 bedroom Stanwell Hall Hotel near Heathrow in August 2007. Planning consent was subsequently obtained to extend the hotel to 52 bedrooms and the hotel re-opened at the end of April 2010.

Audited results: year to 31 August 2010	£'000	Investment information	£'000
Turnover	198	Income recognised in the year	–
EBITDA	(182)	Total cost	1,454
Loss before interest	(288)	Total valuation	1,053
Net assets	59	Voting rights	10.8%
Basis of valuation:	Net asset value supported by third party valuation of freehold property		
Website:	www.thestanwell.com		

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

The Charnwood Pub Company Limited

The company owns and operates 11 freehold public houses in central England. The pubs are seeing the benefits of a refurbishment programme and strong operational management.

Audited results: seventeen months to 31 March 2010*	£'000	Investment information	£'000
Turnover	3,314	Income recognised in the year	34
EBITDA	263	Total cost	2,204
Loss before interest	(255)	Total valuation	1,029
Net liabilities	(608)	Voting rights	6.9%
Basis of valuation:	Net asset value supported by third party valuation of freehold property		
Website:	www.charnwoodpubco.co.uk		

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

Kew Green VCT (Stansted) Limited

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

Audited results: year to 31 August 2010	£'000	Investment information	£'000
Turnover	4,802	Income recognised in the year	69
Profit before interest	946	Total cost	1,000
Net assets	3,692	Total valuation	954
Basis of valuation:	Net asset value supported by third party valuation of leasehold property	Voting rights	2.0%
Website:	www.expressstanstedairport.co.uk		

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

Orchard Portman Hospital Limited

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

		Investment information	£'000
The company was incorporated on 15 December 2009 and has not yet filed accounts at Companies House		Income recognised in the year	12
		Total cost	711
		Total valuation	713
Basis of valuation:	Cost[1]	Voting rights	11.3%
Website:	www.orchardportman.com		

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

Tower Bridge Health Clubs Limited

The company owns and operates a health and fitness club in central London

Audited results: year to 30 September 2010	£'000	Investment information	£'000
Turnover	2,646	Income recognised in the year	61
Profit before interest	760	Total cost	577
Net assets	136	Total valuation	649
Basis of valuation:	Net assets supported by third party valuation of leasehold property	Voting rights	9.5%
Website:	www.thirtysevendegrees.co.uk		

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

[1] adjusted for accrued interest

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

Directors' report and enhanced business review

The Directors submit their Annual Report and the audited Financial Statements on the affairs of Crown Place VCT PLC (the "Company"), including the consolidated Financial Statements, for the year ended 30 June 2011.

BUSINESS REVIEW

Principal activity and status

The principal activity of the Company and Group is that of a Venture Capital Trust. It has been approved by H.M. Revenue & Customs ("HMRC") as a venture capital trust in accordance with Part 6 of the Income Tax Act 2007 and in the opinion of the Directors, the Company and Group has conducted its affairs so as to enable it to continue to obtain such approval. Approval for the year ended 30 June 2011 is subject to review should there be any subsequent enquiry under corporation tax self assessment.

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

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

Capital structure

Details of the issued share capital, including the movements in the Company's issued share capital during the year are shown in note 14.

The Company's share capital comprises Ordinary shares. Ordinary shares represent 100 per cent. of the total share capital and voting rights. All shares rank *pari passu* for dividend and voting purposes. Each Ordinary share is currently entitled to one vote. The Directors are not aware of any restrictions on the transfer of shares or on voting rights.

The Company currently operates a Dividend Reinvestment Scheme, details of which can be found on www.albion-ventures.co.uk under the 'Our Funds' section. During the year, the Company issued 223,253 new Ordinary shares under the Dividend Reinvestment Scheme, details of which can be found in note 14.

On 1 November 2010, the Company announced the launch of the Albion VCTs Linked Top Up Offer in conjunction with six other VCTs managed by Albion Ventures LLP. During the year the Company issued a total of 4,970,175 new Ordinary shares under the Offer (details are shown in note 14). The Offer closed on 16 May 2011.

Substantial interests and shareholder profile

As at 30 June 2011 and the date of this report, the Company is aware that Giltspur Nominees Limited (on behalf of clients) had an interest of 4.2 per cent. (2010: 4.5 per cent.) of the voting rights. There have been no disclosures in accordance with Disclosure and Transparency Rule 5 made to the Company during the year ended 30 June 2011 and to the date of this report.

The shareholder profile of the fund as at 30 June 2011 is as follows:

Number of shares held	% shareholders	% share capital
1 – 10,000	53.5	11.9
10,001 – 50,000	38.4	36.4
50,001 – 100,000	6.0	18.5
100,001 – 500,000	2.0	15.3
500,001 – 10,000,000	0.1*	17.9*

* these include treasury shares held by Crown Place VCT PLC.

Investment policy

The Company's investment policy and maximum exposures policy is designed to meet the requirements of investors who seek to protect the capital value of their investment whilst still providing an attractive level of return. In pursuing this policy, the Manager aims to build a portfolio which concentrates on two complementary investment areas. The first are lower risk, often asset-based, investments that can provide a strong income stream combined with protection of capital. These investments will be balanced by a smaller proportion by value of the portfolio invested in higher risk companies with greater growth prospects.

The following investment restrictions were described in the Company prospectus issued in November 2005.

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

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

Directors' report and enhanced business review continued

Venture Capital Trust status

In addition to the investment policy described above, the HMRC rules drive the Company's investment allocation and risk diversification policies. In order to maintain its status under Venture Capital Trust legislation, the following tests must be met:

(1) The Company's income must be derived wholly or mainly from shares and securities;

(2) At least 70 per cent. of the HMRC value of its investments must have been represented throughout the year by shares or securities that are classified as 'qualifying holdings';

(3) At least 30 per cent. by HMRC value of its total qualifying holdings must have been represented throughout the year by holdings of 'eligible shares';

(4) At no time during the year must the Company's holdings in any one company (other than another VCT) have exceeded 15 per cent. by HMRC value of its investments;

(5) The Company must not have retained greater than 15 per cent. of its income earned in the year from shares and securities;

(6) Eligible shares must comprise at least 10 per cent. by HMRC value of the total of the shares and securities that the Company holds in any one investee company; and

(7) The Company's shares, throughout the year must have been listed in the Official List of the London Stock Exchange.

These tests drive a spread of investment risk through disallowing holdings of more than 15 per cent. in one investee company. The tests have been carried out and independently reviewed for the year ended 30 June 2011. The Company has complied with all tests and continues to do so.

'Qualifying holdings', for Crown Place VCT PLC include shares or securities (including loans with a five year or greater maturity period) in companies which operate a 'qualifying trade' wholly or mainly in the United Kingdom. 'Qualifying trade' excludes, amongst other sectors, dealing in shares and securities, insurance, banking, and agriculture.

Investee company gross assets must not exceed £15 million immediately prior to the investment and £16 million immediately thereafter and there is an annual investment limit of £1 million in each company.

Gearing

As defined by the Articles of Association, the Company's maximum exposure in relation to gearing is restricted to the amount of the adjusted share capital and reserves of the latest published audited consolidated balance sheet. As at 30 June 2011, the Company's maximum permitted exposure was £24,708,000 (2010: £23,514,000) and its actual short term and long term gearing at this date was £nil (2010: £nil). The Directors do not currently have any intention to utilise long term gearing.

Current portfolio sector allocation

The pie chart on page 8 of the Manager's report graphically represents the split of the portfolio valuation by industrial or commercial sector as at 30 June 2011. Details of the principal investments made by the Company are shown in the Portfolio of investments on page 11.

Review of business and future changes

A detailed review of the Group's business during the year and future prospects is contained in the Chairman's statement on page 6 and Manager's report on page 8. Details of significant events which have occurred since the end of the financial year are listed in note 19. Details of related party transactions are shown in note 21.

Your Board, in conjunction with the Boards of six other VCTs managed by Albion Ventures, is planning to launch a top up offer of new Ordinary shares in November 2011. Details will be sent to shareholders at the time of launch. The proceeds will be used to provide further resources at a time when a number of attractive investment opportunities are being seen.

Since the year end £273,000 has been invested in existing investments, and £141,000 in a new investment, Atto Prodotto Limited.

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

The subsidiary undertakings affecting the profits and net assets of the Group in the year are listed in note 11 to the Financial Statements.

Operational arrangements

The Company has delegated the investment management of the portfolio to Albion Ventures LLP, which is authorised and regulated by the Financial Services Authority. Albion Ventures LLP also provides company secretarial and other accounting and administrative support to the Group. Further details regarding the terms of engagement of the Manager are shown on page 21.

Results and dividends

	£'000
Consolidated revenue profit for the year ended 30 June 2011	812
Revenue dividend of 1.25p per share paid on 30 November 2010	(899)
Revenue dividend of 1.25p per share paid on 31 March 2011	(920)
Transferred from revenue reserve	(1,007)
Consolidated capital profit for the year ended 30 June 2011	762
Transferred to capital reserves	762
Consolidated net assets as at 30 June 2011	25,661
Consolidated net asset per share as at 30 June 2011	**33.65p**

The Company paid dividends of 2.50 pence per share (2010: 2.50 pence) during the year ended 30 June 2011.

As described in the Chairman's statement, the Board has declared a first dividend for the year ending 30 June 2012 of 1.25 pence per share. This dividend will be paid on 30 November 2011 to shareholders on the register as at 4 November 2011.

As shown in the Group's statement of comprehensive income on page 32 of the Financial Statements, the investment income has increased to £1,157,000 (2010: £903,000). This is as a result of a higher level of dividends received from portfolio companies during the current year offset by a small reduction in bank deposit interest. As a result, revenue return to equity holders has also increased to £812,000 (2010: £489,000).

The capital return for the year was a profit of £762,000, (2010: £1,097,000), primarily as a result of the realised and unrealised gains made during the year on investments, offset by management fees charged to capital.

The total return per share was 2.15 pence per share (2010: 2.20 pence per share).

The Consolidated balance sheet on page 33 of the Financial Statements shows that the net asset value per share has decreased slightly over the last year to 33.65 pence per share (2010: 33.94 pence per share). The fall in net asset value per share can be attributed to the payments of dividends, partly offset by profit for the year as noted above.

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

Share buybacks

The Company operates a policy of buying back shares either for cancellation or for holding in treasury. Details regarding the current policy can be found on page 7 of the Chairman's statement.

Key performance indicators

The Directors believe that the following Key Performance Indicators are the most important for the business.

The graph on page 4 shows Crown Place VCT PLC's net asset value total return against the FTSE All-Share Index total return, in both instances with dividends reinvested. Details on the performance of the net asset value and return per share for the year are detailed above.

Albion Ventures LLP (formerly Close Ventures Limited) assumed management of the Company and its subsidiaries in April 2005 and since then, the Group has generated an annualised tax-free dividend to 30 June 2011 of 2.40 pence per share (2010: 2.40 pence per share). It is the Company's current policy to pay an annual tax-free dividend of 2.50 pence per share.

The total expense ratio for the year to 30 June 2011 was 2.6 per cent. (2010: 3.0 per cent.).

The running yield on the portfolio (gross income divided by net asset value) for the year to 30 June 2011 was 4.5 per cent. (2010: 3.7 per cent.).

The Company continues to comply with HMRC rules in order to maintain its status under Venture Capital Trust legislation as highlighted on page 18.

Principal risks and uncertainties

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

1. *Investment risk*

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

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

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

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

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

   Board members and the Manager have experience of operating at senior levels within quoted businesses. In addition, the Board and the Manager receive regular updates on new regulation from the Auditor, lawyers and other professional bodies.

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

   The Audit and Risk committee meets with the Manager's Internal Auditors, Littlejohn LLP, when required, receiving a report regarding the last formal internal audit performed on the Manager, and providing the opportunity for the Audit and Risk committee to ask specific and detailed questions. During the year the Board has met with the internal audit partner of Littlejohn LLP to discuss the most recent internal audit report completed on the Manager. The Manager has a comprehensive business continuity plan in place in the event that operational continuity is threatened. Further details regarding the Board's management and review of the Group's internal controls through the implementation of the Turnbull guidance are detailed on page 27.

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

5. *Reliance upon third parties risk*
   The Company is reliant upon the services of Albion Ventures LLP for the provision of investment management and administrative functions. There are provisions within the management agreement for the change of Manager under certain circumstances (for more detail, see the management agreement paragraph on page 21). In addition, the Manager has demonstrated to the Board that there is no undue reliance placed upon any one individual within Albion Ventures LLP.

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

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

Environment

The management and administration of Crown Place VCT PLC is undertaken by the Manager. Albion Ventures LLP recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by its activities.

Employees

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

Directors

The Directors who held office throughout the year, and their interests in the shares of the Company (together with those of their immediate family) as at 30 June 2011 were:

	Shares held as at 30 June 2011	Shares held as at 30 June 2010
Patrick Crosthwaite	16,000	16,000
Rachel Beagles	66,808	45,000
Karen Brade (appointed 8 October 2010)	4,525	–
Vikram Lall	72,743	72,743
Geoffrey Vero (retired 27 September 2010)	n/a	6,000
Sir Andrew Cubie (retired 9 November 2010)	n/a	14,747

There have been no changes in the holdings of the Directors between 30 June 2011 and the date of this report.

Partners and staff of Albion Ventures LLP (the Manager) currently hold 267,613 shares.

No Director has a service contract with the Group.

No options over the share capital, long term incentive or retirement benefits of the Group have been granted to Directors personally, nor does the Group make a contribution to any pension scheme on behalf of the Directors. Further details regarding the Directors' remuneration are shown on page 29.

Directors' indemnity

Each Director has entered into a deed of indemnity with the Company pursuant to which, the Company agrees, subject to the provisions of the Companies Act 2006 and the limitations set out in each deed, to indemnify each Director against any liability arising out of any claim made against him or her in relation to the performance of his or her duties as a Director of the Company. A copy of each deed of indemnity entered into by the Company for each Director is available at the Registered Office of the Company.

Re-election of Directors

Directors' retirement and re-election is subject to the Articles of Association and the Combined Code on Corporate Governance. At the forthcoming Annual General Meeting, Patrick Crosthwaite will retire and offer himself for re-election.

Management agreement

The management agreement can be terminated by either party on 12 months' notice. Under this agreement, the Manager also provides secretarial and administrative services to the Company. The management agreement is subject to earlier termination in the event of certain breaches or on the insolvency of either party.

Under the terms of the management agreement, the Manager is paid an annual fee equal to 1.75 per cent of the net asset value of the Company plus £50,000 fee per annum for administrative and secretarial services. The fee is payable quarterly in arrears. Total normal running costs, including the management fee, are limited to 3.5 per cent. of the net asset value.

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

Management performance incentive

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

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

If the target return is achieved, the Manager is entitled to twenty per cent of the excess return.

There is no performance fee due to the Manager for the year ended 30 June 2011 (2010: nil).

Evaluation of the Manager

The Board, through the Audit and Risk committee has evaluated the remuneration and performance of the Manager based on the returns generated by the Company, the maintenance of the 70 per cent. investment requirement for Venture Capital Trust status, the long term prospects of the current investments, a review of the management agreement

Directors' report and enhanced business review continued

and the services provided therein, and by benchmarking the performance and remuneration of the Manager to other VCT managers. The Board believes that it is in the interests of shareholders as a whole, and of the Company, to continue the appointment of the Manager for the forthcoming year.

Valuation of investments

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

Investments quoted on recognised exchanges such as AIM are valued at the closing bid price.

Investment and co-investment

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

Auditor

During 2007 the Audit and Risk committee undertook a tendering exercise for provision of audit services. As a result of this process, PKF (UK) LLP were appointed as Auditor with effect from 2008. The Audit and Risk committee annually reviews and evaluates the standard and quality of service provided by the Auditor, as well as value for money in the provision of these services. A resolution to re-appoint PKF (UK) LLP as Auditor will be proposed at the forthcoming Annual General Meeting on 9 November 2011.

Supplier payment policy

The Group's policy is to pay all supplier invoices within 30 days of the invoice date, or as otherwise agreed. The creditor days as at 30 June 2011 are 27 days (2010: 67). There were no overdue trade creditors at 30 June 2011 (2010: nil).

Annual General Meeting

The Annual General Meeting will be held at The City of London Club, 19 Old Broad Street, London, EC2N 1DS at 12 noon on 9 November 2011. The Notice of the Annual General Meeting is at the end of this document.

The proxy form enclosed with this Annual Report and Financial Statements permits shareholders to disclose votes 'for', 'against' and 'withheld'. A 'vote withheld' is not a vote in law and will not be counted in the proportion of the votes for and against the resolution.

The summary of proxies lodged at the Annual General Meeting will be published at www.albion-ventures.co.uk within the 'Our Funds' section by clicking on Crown Place VCT PLC.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting for which shareholder approval is required in order to comply either with the Companies Act or the Listing Rules of the Financial Services Authority.

Continuation as a venture capital trust

Ordinary resolution number 6 proposes the continuation of the Company as a venture capital trust. Under the terms of the Company's Articles of Association, members have the opportunity, every five years, to confirm that they wish the Company to continue as a venture capital trust. Otherwise the Board is required to make proposals for the reorganisation, reconstruction or the orderly liquidation and winding up of the Company. The last such vote took place in 2006.

Electronic and web communications

Ordinary resolution number 7 will request authority to send all documents, notices and information to shareholders by electronic means (as such term is defined in the Financial Services Authority's Disclosure and Transparency Rules) including by means of a website and in all electronic forms. With effect from 20 January 2007 the Companies Act 2006 introduced new provisions enabling companies to communicate with shareholders by electronic and/or website communication. A company is allowed to send documents to a shareholder in electronic form (subject to consent of the shareholders) via a website. Before the Company can communicate with a shareholder by means of website communication:

(a) an ordinary resolution of the shareholders of the Company authorising the use of electronic communications is required under the Financial Services Authority's Disclosure and Transparency Rules; and

(b) the relevant shareholder must be asked individually by the Company to agree that the Company may send or supply documents or information to him or her by means of a website.

The Company must have received a positive response in order for consent to electronic communications to have been given. The Company will notify the shareholder (either by post, or by other permitted means) when a relevant document or information is placed on the website and a shareholder retains the right to request a hard copy version of the document or information.

These new provisions should lead to administrative cost savings in the future and the Company plans to contact shareholders individually for their consent to receive communications from the Company via its website or to elect to receive communications either electronically or in hard copy.

Power to allot shares

Ordinary resolution number 8 will request the authority to allot up to an aggregate nominal amount of £835,091 representing approximately 10 per cent. of the issued Ordinary share capital of the Company as at the date of this report.

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

This resolution replaces the authority given to the Directors at the Annual General Meeting in 2010. The authority sought at the forthcoming Annual General Meeting will expire 18 months from the date that this resolution is passed or at the conclusion of the next Annual General Meeting of the Company, whichever is earlier.

Dis-application of pre-emption rights

Special resolution number 9 will request authority for Directors to allot equity securities for cash without first being required to offer such securities to existing members. This will include the sale on a non pre-emptive basis of any shares the Company holds in treasury for cash. The authority relates to up to £835,091 of nominal capital representing 10 per cent. of the issued Ordinary share capital of the Company as at the date of this report.

This resolution replaces the authority given to the Directors at the Annual General Meeting in 2010. The authority sought at the Annual General Meeting will expire 18 months from the date this resolution is passed or at the conclusion of the next Annual General Meeting of the Company, whichever is earlier. Members should note that this resolution also relates to treasury shares.

Purchase of own shares

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

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

This resolution would renew the 2010 authority, which was in similar terms. During the financial year under review, the Company purchased 861,875 Ordinary shares of 10 pence each for cancellation, for an aggregate consideration of £252,000 including stamp duty, representing 1.2 per cent. of the issued share capital of the Company as at 30 June 2010.

This resolution replaces the authority given to the Directors at the Annual General Meeting in 2010. The authority sought at the Annual General Meeting will expire 18 months from the date this resolution is passed or at the conclusion of the next Annual General Meeting of the Company, whichever is the earlier. Members should note that this resolution also relates to treasury shares.

Treasury shares

Under the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (the "Regulations"), shares purchased by the Company out of distributable profits can be held as treasury shares, which may then be cancelled or sold for cash. The authority sought by these resolutions are intended to apply equally to shares to be held by the Company as treasury shares in accordance with the Regulations.

Special resolution number 11 will request the authority to permit Directors to sell treasury shares at the higher of the prevailing share price and the price bought in at.

Recommendation

The Board believes that the passing of the resolutions above are in the best interest of the Company and its shareholders as a whole and accordingly, unanimously recommends that you vote in favour of these resolutions, as the Directors intend to do in respect of their own beneficial shareholdings of 160,076 shares.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' report and enhanced business review, the Directors' remuneration report and the Financial Statements in accordance with applicable law and regulations. They are also responsible for ensuring that the Annual Report includes

Directors' report and enhanced business review continued

information required by the Listing Rules of the Financial Services Authority.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors are required to prepare the Group Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union and have elected to prepare the parent company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these Financial Statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the Group Financial Statements have been prepared in accordance with IFRSs as adopted by the European Union;
- state, with regard to the parent Company Financial Statements, whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, to disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements and other information included in annual reports may differ from legislation in other jurisdictions.

The Directors confirm, to the best of their knowledge:

- that the Group Financial Statements, which have been prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and
- that the management report included within the Chairman's statement, Manager's report and Directors' report and enhanced business review include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The names and functions of all the Directors are stated on page 9.

Disclosure of information to the Auditor
In the case of each of the persons who are Directors of the Company at the date of approval of this report:

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

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

By Order of the Board

Albion Ventures LLP
Company Secretary
1 King's Arms Yard
London, EC2R 7AF
7 October 2011

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 May 2010.

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

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

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

Application of the principles of the code

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

Board of Directors

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

Geoffrey Vero retired from the Board on 27 September 2010 and Andrew Cubie retired from the Board on 9 November 2010. Karen Brade was elected to the Board on 8 October 2010.

Since all Directors are non-executive and day-to-day management responsibilities are sub-contracted to the Manager, the Company does not have a Chief Executive Officer.

The Directors have a range of business and financial skills which are relevant to the Company; these are described in the Board of Directors section on page 9. Directors are provided with key information on the Company's activities, including regulatory and statutory requirements, and internal controls, by the Manager. The Board has direct access to secretarial advice and compliance services by the Manager, who is responsible for ensuring that Board procedures are followed and applicable procedures complied with. All Directors are able to take independent professional advice in furtherance of their duties if necessary. In accordance with the Combined Code, the Company has in place Directors' and Officers' Liability Insurance.

The Board met four times during the year ended 30 June 2011 as part of its regular programme of Board meetings. In addition, and in accordance with best practice, a further meeting took place without the Manager present. All of the Directors attended each meeting. A sub-committee comprising at least two Directors met twice during the year to allot shares issued under the Dividend Reinvestment Scheme. In addition, a sub-committee of the Board comprising at least two Directors met to finalise matters relating to the Albion VCTs Linked Top Up Offer, to allot shares under the Offer and to approve revisions to the Company's allocation agreement that arose as a result of Albion Ventures LLP being appointed to manage SPARK VCT PLC and SPARK VCT 2 PLC (renamed Kings Arms Yard VCT PLC and Kings Arms Yard VCT 2 PLC).

The Chairman ensures that all Directors receive in a timely manner, all relevant management, regulatory and financial information. The Board receives and considers reports regularly from the Manager and other key advisers and ad hoc reports and information are supplied to the Board as required. The Board has a formal schedule of matters reserved for it and the agreement between the Company and its Manager sets out the matters over which the Manager has authority and limits beyond which Board approval must be sought.

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

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

Statement of corporate governance continued

Committees' and Directors' performance evaluation

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

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

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

Directors are offered training, both at the time of joining the Board and on other occasions where required. The Board also undertakes a proper and thorough evaluation of its committees on an annual basis.

In light of the structured performance evaluation, the performance of Patrick Crosthwaite, who is subject to re-election at the forthcoming Annual General Meeting, is considered by the remainder of the Board to be effective and reflects his strong commitment to the role and he is recommended for re-appointment.

Remuneration committee

Since the Company has no executive directors, the detailed Directors' Remuneration disclosure requirements set out in Listing Rules 12.43A (a), 12.43A (b) and 12.43A (c) as they relate to Combined Code Provisions B.1 to B.2, B1.1 to B1.6, and B2.1 to B2.4 are not relevant. During the year a Remuneration committee was formed and Patrick Crosthwaite was appointed as the Chairman. One meeting took place during the year.

Audit and Risk committee

The Audit and Risk committee consists of all Directors. Until his retirement on 27 September 2010, Geoffrey Vero was the Chairman of the Audit and Risk committee. Rachel Beagles is now the Chairman of the Audit and Risk committee. The Board considers Rachel Beagles' analytical background at Deutsche Bank AG and her audit committee experience on other quoted companies to be appropriate and to provide the necessary skills required for this role. In accordance with the Code, the members of the Audit and Risk committee have recent and relevant financial experience. The committee met twice during the year ended 30 June 2011; all members attended.

Written terms of reference have been constituted for the Audit and Risk committee, these are as follows:

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

During, and following the year under review, the committee discharged the responsibilities described above. Its activities included:

- formally reviewing the Annual Report and Financial Statements, the Half-yearly Financial Report, the Interim Management Statements and the associated announcements, with particular focus on the main areas requiring judgement and on critical accounting policies;
- reviewing the effectiveness of the internal controls system and examination of the Internal Controls Report produced by the Manager;
- meeting with the external Auditor and reviewing their findings; and
- reviewing the performance of the Manager and making recommendations regarding their re-appointment to the Board.

Statement of corporate governance continued

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

Where non-audit fee levels are considered significant, the committee considers the appropriateness of the independence safeguards put in place by the Auditor. Note 5 details the total fees paid to PKF (UK) LLP in the financial year to 30 June 2011. The committee considers PKF (UK) LLP to be independent of the Company, and that the provision of non-audit services does not threaten the objectivity and independence of the audit. As part of its annual review procedures, the committee has obtained sufficient assurance from their own evaluation and the audit feedback documentation. Based on the assurance obtained, the committee has recommended to the Board that PKF (UK) LLP is reappointed and that a resolution to this effect be proposed at the forthcoming Annual General Meeting.

Nomination committee

The Nomination committee consists of all Directors. Given the size of the Board, this facilitates more effective and efficient communication. Patrick Crosthwaite is Chairman of the committee. The terms of reference of the Nomination committee are to evaluate the balance of skills, experience and time commitment of the current Board members and make recommendations to the Board as and when a particular appointment arises. The Nomination committee met once during the year ended 30 June 2011 to discuss Board succession. The Nomination committee recommended the appointment of Rachel Beagles as Audit and Risk Committee Chairman and the appointment of Karen Brade as a Director.

The Directors and Manager felt that they had the appropriate industry contacts to recommend a number of appropriately qualified people for the vacancy created by Sir Andrew Cubie's retirement, being aware of costs associated with employing headhunters.

It is the policy of the Company, as detailed in the Articles of Association, for one third of the Board of Directors to be re-elected each year in rotation. In accordance with the recommendations of the AIC Code, Directors who have served the Company for longer than nine years are subject to annual re-election. The terms and conditions of Directors' appointment are available for inspection at the Annual General Meeting.

Internal control

In accordance with principle C.2 of the Combined Code, the Board has an established process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place throughout the year and continues to be subject to regular review by the Board in accordance with the Internal Control Guidance for Directors in the Combined Code published in September 1999 and updated in 2005 (the "Turnbull guidance"). The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage, rather than eliminate the risks of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board's monitoring covers all controls, including financial, operational and compliance controls, and risk management. The Board receives each year from the Manager a formal report, which details the steps taken to monitor the areas of risk, including those that are not directly the responsibility of the Manager, and which reports the details of any known internal control failures. Steps are, and continue to be taken to embed the system of internal control and risk management into the operations and culture of the Company and its key suppliers, and to deal with areas of improvement which come to the Manager's and the Board's attention.

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

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

- segregation of duties between the preparation of valuations and recording into the accounting records;
- independent third party valuations of the asset-backed investments within the portfolio are undertaken annually;
- reviews of valuations are carried out by the Managing Partner and reviews of financial reports are carried out by the Operations Partner of Albion Ventures LLP;
- bank and stock reconciliations are carried out monthly by the Manager in accordance with FSA requirements;
- all published financial reports are reviewed by Albion Ventures LLP Compliance department;
- the Board reviews financial information; and
- a separate Audit and Risk committee of the Board reviews published financial information.

As the Board has delegated the investment management and administration to Albion Ventures LLP, the Board feels that it is not necessary to have its own internal audit function. Instead, the Board had access to Littlejohn LLP, which, as internal auditor

Statement of corporate governance continued

for Albion Ventures LLP undertakes periodic examination of the business processes and controls environment at Albion Ventures LLP, and ensures that any recommendations to implement improvements in controls are carried out. During the year the Board had access to internal audit reports prepared by Littlejohn LLP. The Board will continue to monitor its system of internal control in order to provide assurance that it operates as intended.

Going concern

In accordance with the "Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009" issued by the Financial Reporting Council, the Board has assessed the Company's operation as a going concern. The Company has adequate cash and liquid resources for the foreseeable future. The portfolio of investments is well diversified in terms of sector, and the major cash outflows of the Company (namely investments, buy-backs and dividends) are within the Company's control. Accordingly, after making diligent enquiries the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing the accounts.

The Board's assessment of liquidity risk and details of the Company's policies for managing its capital and financial risks are shown in note 18. The Company's business activities, together with details of its performance are shown in the Directors' report and enhanced business review.

Conflicts of interest

Directors review the disclosure of conflicts of interest annually, with changes reviewed and noted at the beginning of each Board meeting. A Director who has potential conflicts of interest has two independent Directors authorise and acknowledge those conflicts. Procedures to disclose and authorise conflicts of interest have been adhered to throughout the year.

Capital structure and Articles of Association

Details regarding the Company's capital structure, substantial interests and Directors' powers to buy and issue shares are detailed in full on pages 17 and 23 of the Directors' report and enhanced business review. The Company is not party to any significant agreements that may take effect, alter or terminate upon a change of control of the Company following a takeover bid. Any amendments to the Company's Articles of Association are by way of a special resolution subject to ratification by shareholders.

Relationships with shareholders

During the year the Board has actively sought shareholder opinion as part of the Albion Ventures LLP shareholders' survey. Questionnaires were sent to all of the shareholders of the Albion VCTs. Of the shareholders that replied, 72 per cent. were satisfied or very satisfied with their returns and 47 per cent. intended to hold their shares indefinitely. Dividend yield was ranked as the most common feature that investors were looking for in a venture capital trust. A total of 64 per cent. of shareholders who responded would consider investing in future offerings from Albion Ventures. The Board wishes to thank shareholders who took part in the survey and will bear in mind their findings in their development of the Company's strategy.

The Company's Annual General Meeting on 9 November 2011 will be used as an opportunity to communicate with investors. The Board, including the Chairman of the Audit and Risk committee, will be available to answer questions at the Annual General Meeting. At the Annual General Meeting, the level of proxies lodged on each resolution, the balance for and against the resolution, and the number of votes withheld, are announced after the resolution has been voted on by a show of hands.

The Annual General Meeting will also include a presentation from the Manager on the portfolio and on the Company, and a presentation from an investee company.

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

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

Tel: 0871 664 0300 (calls cost 10p per minute plus network extras. Lines are open 8.30am-5.30pm, Mon-Fri and calls may be recorded)

Email: ssd@capitaregistrars.com

Specific enquiries relating to the performance of the Fund should be directed to Albion Ventures LLP:

Tel: 020 7601 1850 (lines are open 9.00am-5.30pm, Mon-Fri and calls may be recorded)

Email: info@albion-ventures.co.uk

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

Statement of compliance

With the exception of having a Senior Independent Director, the Directors consider that the Company has complied throughout the year ended 30 June 2011 with all the relevant provisions set out in Section 1 of the Code, and with the AIC Code of Corporate Governance. The Company continues to comply with the Code as at the date of this report.

By Order of the Board

Patrick Crosthwaite
Chairman
7 October 2011

Directors' remuneration report

Introduction

This report is submitted in accordance with Section 420 of the Companies Act 2006. The report also meets the relevant rules of the Listing Rules of the Financial Services Authority and describes how the Board has applied the principles relating to the Directors' remuneration. As required by the Act, a resolution to approve the report will be proposed at the Annual General Meeting.

UNAUDITED INFORMATION

Remuneration committee

The Remuneration committee comprises all of the Directors, with Patrick Crosthwaite as Chairman. There was one meeting during the year at which the committee reviewed the salaries paid to Directors in the context of salaries paid to other Directors of Venture Capital Trusts, the reduction of the number of Directors on the Board and the workloads undertaken by Directors.

The committee agreed the following increases in the annual salaries of Directors with effect from 1 March 2011:

Director	Role	Previous annual salary (£)	New annual salary (£)
Patrick Crosthwaite	Chairman	18,500	21,000
Rachel Beagles	Chairman of the Audit and Risk committee	16,250	19,000
Vikram Lall	Director	16,250	17,500
Karen Brade	Director (appointed 8 October 2010)	–	17,500
Geoffrey Vero	Director (retired 27 September 2010)	16,250	–
Sir Andrew Cubie	Director (retired 9 November 2010)	16,250	–
		83,500	75,000

Directors' remuneration policy

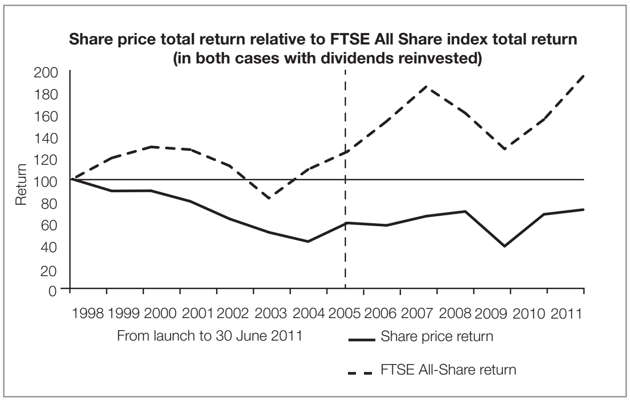
The Company's policy is that fees payable to Directors should reflect their expertise, responsibilities and time spent on Company matters. In determining the level of Directors' remuneration, market equivalents are considered in comparison to the overall activities and size of the Company.

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

Performance graph

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

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



Source: Albion Ventures LLP

Albion Ventures LLP was appointed Manager in 2005.

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

Service contracts

None of the Directors has a service contract with the Company.

The Company's Articles of Association provide for the resignation and, if approved, re-election of the Directors every three years at the Annual General Meeting. At the forthcoming Annual General Meeting Patrick Crosthwaite will retire and be proposed for re-election.

Directors' remuneration report continued

AUDITED INFORMATION

Directors' remuneration

The following items have been audited.

The following table shows an analysis of the remuneration of individual Directors, who were in office during the year, exclusive of National Insurance:

	Fees £'000	Year ended 30 June 2011 Expenses £'000	Total £'000
Patrick Crosthwaite	19	–	19
Rachel Beagles	17	–	17
Karen Brade (appointed 8 October 2010)	12	–	12
Sir Andrew Cubie (retired 9 November 2010)	6	–	6
Vikram Lall	17	1	18
Geoffrey Vero (retired 27 September 2010)	4	–	4
	75	1	76

	Fees £'000	Year ended 30 June 2010 Expenses £'000	Total £'000
Patrick Crosthwaite	19	–	19
Rachel Beagles	16	–	16
Sir Andrew Cubie	16	1	17
Vikram Lall	16	1	17
Geoffrey Vero	16	-	16
	83	2	85

The Company does not confer any share options, long term incentives or retirement benefits to any Director, nor does it make a contribution to any pension scheme on behalf of the Directors.

Each Director of the Company was remunerated personally, through the Manager's payroll, recharged to the Company.

In addition to Directors' remuneration, the Group paid an annual premium in respect of Directors' and Officers' Liability Insurance of £15,105 (2010: £15,750).

By Order of the Board

Albion Ventures LLP
Company Secretary
1 King's Arms Yard
London, EC2R 7AF
7 October 2011

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

We have audited the Financial Statements of Crown Place VCT Plc for the year ended 30 June 2011 which comprise the Consolidated statement of comprehensive income, the Consolidated and Company balance sheets, the Consolidated statement of changes in equity, the Company reconciliation of movements in shareholders' funds, the Consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in the preparation of the Group Financial Statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial accounting framework that has been applied in the preparation of the Parent Company Financial Statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group and Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion:

- the Financial Statements give a true and fair view of the state of the Group's and the Parent Company's affairs as at 30 June 2011 and of the Group's profit for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company Financial Statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group Financial Statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Directors' report and enhanced business review for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the information given in the Statement of corporate governance set out on pages 25 to 28 of the Annual Report is in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook issued by the Financial Services Authority (information about internal control and risk management systems in relation to financial reporting processes and about share capital structures) is consistent with the Financial Statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company Financial Statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- that a Statement of corporate governance has been prepared by the Company.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 28, in relation to going concern;
- the part of the Statement of corporate governance relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to the shareholders by the Board on Directors' remuneration.

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

7 October 2011

Consolidated statement of comprehensive income

		Year ended 30 June 2011			Year ended 30 June 2010		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Profits on investments	2	**–**	**1,089**	**1,089**	–	1,421	1,421
Investment income and deposit interest	3	**1,157**	**–**	**1,157**	903	–	903
Investment management fees	4	**(109)**	**(327)**	**(436)**	(108)	(324)	(432)
Other expenses	5	**(236)**	**–**	**(236)**	(306)	–	(306)
Profit before taxation		**812**	**762**	**1,574**	489	1,097	1,586
Taxation	6	**–**	**–**	**–**	–	–	–
Profit and total comprehensive income for the year		**812**	**762**	**1,574**	489	1,097	1,586
Basic and diluted return per Ordinary share (pence)*	8	**1.11**	**1.04**	**2.15**	0.68	1.52	2.20

* *excluding treasury shares*

The accompanying notes on pages 38 to 53 form an integral part of these Financial Statements.

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

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

Consolidated balance sheet

	Note	30 June 2011 £'000	30 June 2010 £'000
Non-current assets			
Investments	9	**21,172**	19,092
Current assets			
Trade and other receivables less than one year	12	**102**	68
Cash and cash equivalents	16	**4,550**	5,513
		4,652	5,581
Total assets		**25,824**	24,673
Current liabilities			
Trade and other payables	13	**(243)**	(260)
Non-current assets			
Trade and other receivables greater than one year	12	**80**	–
Net assets		**25,661**	24,413
Equity attributable to equityholders			
Ordinary share capital	14	**8,350**	7,918
Share premium		**1,259**	32
Capital redemption reserve		**1,058**	972
Unrealised capital reserve		**(4,712)**	(5,966)
Special reserve		**–**	46,318
Treasury shares reserve		**(2,849)**	(2,849)
Realised capital reserve		**2,460**	(23,165)
Revenue reserve		**20,095**	1,153
Total equity shareholders' funds		**25,661**	24,413
Basic and diluted net asset value per share (pence)*	15	**33.65**	33.94

* *excluding treasury shares*

The accompanying notes on pages 38 to 53 form an integral part of these Financial Statements.

These Financial Statements were approved by the Board of Directors, and authorised for issue on 7 October 2011 and were signed on its behalf by

Patrick Crosthwaite
Chairman

Company number: 03495287

Company balance sheet

	Note	30 June 2011 £'000	30 June 2010 £'000
Fixed assets			
Fixed asset investments	9	**21,172**	19,092
Investment in subsidiary undertakings	11	**16,444**	15,013
		37,616	34,105
Current assets			
Trade and other debtors less than one year	12	**102**	68
Cash and cash equivalents	16	**4,257**	5,400
		4,359	5,468
Total assets		**41,975**	39,573
Creditors: amounts falling due within one year	13	**(16,394)**	(15,160)
Non-current assets			
Trade and other debtors greater than one year	12	**80**	–
Net assets		**25,661**	24,413
Capital and reserves			
Ordinary share capital	14	**8,350**	7,918
Share premium		**1,259**	32
Capital redemption reserve		**1,058**	972
Unrealised capital reserve		**(3,325)**	(6,011)
Special reserve		**–**	46,318
Treasury shares reserve		**(2,849)**	(2,849)
Realised capital reserve		**2,407**	(23,218)
Revenue reserve		**18,761**	1,251
Shareholders' funds		**25,661**	24,413
Basic and diluted net asset value per share (pence)*	15	**33.65**	33.94

* *excluding treasury shares*

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

The accompanying notes on pages 38 to 53 form an integral part of these Financial Statements.

These Financial Statements were approved by the Board of Directors, and authorised for issue on 7 October 2011 and were signed on its behalf by

Patrick Crosthwaite
Chairman

Company number: 03495287

Consolidated statement of changes in equity

	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Unrealised capital reserve* £'000	Special reserve* £'000	Treasury shares reserve* £'000	Realised capital reserve* £'000	Revenue reserve* £'000	Total £'000
As at 1 July 2010	7,918	32	972	(5,966)	46,318	(2,849)	(23,165)	1,153	24,413
Profit and total comprehensive income for the year	–	–	–	218	–	–	544	812	1,574
Transfer of previously unrealised losses on sale of investments	–	–	–	1,036	–	–	(1,036)	–	–
Dividends paid in year	–	–	–	–	–	–	–	(1,819)	(1,819)
Purchase of own shares for cancellation (including costs)	(86)	–	86	–	(252)	–	–	–	(252)
Issue of equity (net of costs)	518	1,227	–	–	–	–	–	–	1,745
Transfer from special reserve to revenue reserve	–	–	–	–	(19,949)	–	–	19,949	–
Transfer from special reserve to realised capital reserve	–	–	–	–	(26,117)	–	26,117	–	–
As at 30 June 2011	**8,350**	**1,259**	**1,058**	**(4,712)**	**–**	**(2,849)**	**2,460**	**20,095**	**25,661**
As at 1 July 2009	7,965	14,438	902	(7,616)	32,099	(2,849)	(21,163)	1,012	24,788
Profit and total comprehensive income for the year	–	–	–	761	–	–	336	489	1,586
Transfer of previously unrealised losses on sale of investments	–	–	–	889	–	–	(889)	–	–
Dividends paid in year	–	–	–	–	–	–	(1,449)	(362)	(1,811)
Purchase of own shares for cancellation (including costs)	(70)	–	70	–	(205)	–	–	–	(205)
Issue of equity (net of costs)	23	32	–	–	–	–	–	–	55
Cancellation of share premium account	–	(14,438)	–	–	14,438	–	–	–	–
Costs of cancellation of share premium account	–	–	–	–	(14)	–	–	14	–
As at 30 June 2010	7,918	32	972	(5,966)	46,318	(2,849)	(23,165)	1,153	24,413

* Included within these reserves is an amount of £14,994,000 (2010: £15,491,000) which is considered distributable. The special reserve has been treated as distributable in determining the amounts available for distribution.

The special reserve allows the Company, amongst other things, to facilitate the payment of dividends earlier than would otherwise have been possible as transfers can be made from this reserve to the realised capital reserve to offset gross losses on disposal of investments and to the revenue reserve.

Company reconciliation of movements in shareholders' funds

	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Unrealised capital reserve* £'000	Special reserve* £'000	Treasury shares reserve* £'000	Realised capital reserve* £'000	Revenue reserve* £'000	Total £'000
As at 1 July 2010	7,918	32	972	(6,011)	46,318	(2,849)	(23,218)	1,251	24,413
Return for the year	–	–	–	1,650	–	–	544	(620)	1,574
Transfer of previously unrealised losses on sale of investments	–	–	–	1,036	–	–	(1,036)	–	–
Dividends paid in year	–	–	–	–	–	–	–	(1,819)	(1,819)
Purchase of own shares for cancellation (including costs)	(86)	–	86	–	(252)	–	–	–	(252)
Issue of equity (net of costs)	518	1,227	–	–	–	–	–	–	1,745
Transfer from special reserve to revenue	–	–	–	–	(19,949)	–	–	19,949	–
reserve Transfer from special reserve to realised capital reserve	–	–	–	–	(26,117)	–	26,117	–	–
As at 30 June 2011	**8,350**	**1,259**	**1,058**	**(3,325)**	**–**	**(2,849)**	**2,407**	**18,761**	**25,661**
As at 1 July 2009	7,965	14,438	902	(7,525)	32,099	(2,849)	(21,216)	974	24,788
Return for the year	–	–	–	625	–	–	336	625	1,586
Transfer of previously unrealised losses on sale of investments	–	–	–	889	–	–	(889)	–	–
Dividends paid in year	–	–	–	–	–	–	(1,449)	(362)	(1,811)
Purchase of own shares for cancellation (including costs)	(70)	–	70	–	(205)	–	–	–	(205)
Issue of equity (net of costs)	23	32	–	–	–	–	–	–	55
Cancellation of share premium account	–	(14,438)	–	–	14,438	–	–	–	–
Costs of cancellation of share premium account	–	–	–	–	(14)	–	–	14	–
As at 30 June 2010	7,918	32	972	(6,011)	46,318	(2,849)	(23,218)	1,251	24,413

* Included within these reserves is an amount of £14,994,000 (2010: £15,491,000) which is considered distributable. The special reserve has been treated as distributable in determining the amounts available for distribution.

The special reserve allows the Company, amongst other things, to facilitate the payment of dividends earlier than would otherwise have been possible as transfers can be made from this reserve to the realised capital reserve to offset gross losses on disposal of investments and to the revenue reserve.

Consolidated cash flow statement

	Note	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
Operating activities			
Investment income received		**945**	773
Deposit interest received		**56**	86
Dividend income received		**287**	–
Administration fees paid		**–**	(50)
Investment management fees paid		**(431)**	(522)
Other cash payments		**(256)**	(268)
Cash generated from operations		**601**	19
Tax recovered		**–**	–
Net cash flows from operating activities	17	**601**	19
Cash flows from investing activities			
Purchase of non-current asset investments		**(4,126)**	(3,095)
Disposal of non-current asset investments		**2,898**	1,264
Purchase of current asset investments		**–**	(2,217)
Disposal of current asset investments		**–**	5,017
Net cash flows from investing activities		**(1,228)**	**969**
Cash flows from financing activities			
Issue of share capital (net of issue costs)		**1,671**	–
Cost of issue of share capital		**–**	(16)
Equity dividends paid (net of costs of dividend reinvestment scheme)		**(1,743)**	(1,739)
Purchase of Ordinary shares for cancellation		**(264)**	(192)
Net cash flows used in financing activities		**(336)**	**(1,947)**
Decrease in cash and cash equivalents		**(963)**	**(959)**
Cash and cash equivalents at the start of the year		**5,513**	**6,472**
Cash and cash equivalents at the end of the year	16	**4,550**	5,513

Notes to the Financial Statements

1. Accounting policies

The following policies refer to the Group and the Company except where noted. References to International Financial Reporting Standards ('IFRS') relate to the Group Financial Statements and UK GAAP relate to the Company Financial Statements.

Basis of accounting

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') adopted for use in the European Union (and therefore comply with Article 4 of the EU IAS regulation), in the case of the Group, and in accordance with UK GAAP in the case of the Company.

Both the Group and the Company Financial Statements also apply the Statement of Recommended Practice: "Financial Statements of Investment Companies and Venture Capital Trusts" ('SORP') issued by the Association of Investment Companies ("AIC") in January 2009, in so far as this does not conflict with IFRS. The Financial Statements have been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS and UK GAAP. These Financial Statements are presented in Sterling to the nearest thousand. Accounting policies have been applied consistently in current and prior periods.

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

- **IFRS 7 Financial instruments: Disclosure** (effective for annual periods beginning on or after 1 July 2011)
- **IFRS 9 Financial instruments: Recognition and measurement** (effective for annual periods beginning on or after 1 January 2013)
- **IAS 24 Related party disclosures** (effective for annual periods beginning on or after 1 January 2011)
- **IFRS 10 Consolidated Financial Statements** (effective for annual periods beginning on or after 1 January 2013)
- **IFRS 11 Joint Arrangements** (effective for annual periods beginning on or after 1 January 2013)
- **IFRS 12 Disclosure of Interest in Other Entities** (effective for annual periods beginning on or after 1 January 2013)
- **IFRS 13 Fair Value Measurement** (effective for annual periods beginning on or after 1 January 2013)
- **IFRIC 14 Prepayments of a minimum funding requirement** (effective for annual periods beginning on or after 1 January 2011)

The above International Accounting Standards and interpretations have not been applied in this Annual Report and Financial Statements and are not expected to have any material impact on the financial statements although some changes may be required to the format of the Financial Statements and disclosures.

Basis of consolidation

The Group consolidated Financial Statements incorporate the Financial Statements of the Company for the year ended 30 June 2011 and the entities controlled by the Company (its subsidiaries), for the same period. Where necessary, adjustments are made to the Financial Statements of subsidiaries to bring the accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

As permitted by Section 408 of the Companies Act 2006, the Company has not presented its own profit and loss account. The amount of the Company's profit before tax for the year dealt with in the accounts of the Group is £1,574,000 (2010: £1,586,000).

Segmental reporting

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

Business combinations

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

Estimates

The preparation of the Group's and Company's Financial Statements requires estimates, assumptions and judgements to be made, which affect the reported results and balances. Actual outcomes may differ from these estimates, with a consequential impact on the results of future periods. Those estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are those used to determine the fair value of investments at fair value through the profit or loss.

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

Notes to the Financial Statements continued

1. **Accounting policies continued**

Non-current asset investments

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

In accordance with IAS 39 'Financial Instruments: Recognition and Measurement', and FRS 26 'Financial Instruments: Recognition and Measurement', quoted and unquoted equity, debt issued at a discount and convertible bonds are designated as fair value through profit or loss ("FVTPL"). Investments listed on recognised exchanges are valued at the closing bid prices at the end of the accounting period. Unquoted investments' fair value is determined by the Directors in accordance with the International Private Equity and Venture Capital Valuation Guidelines (IPEVCV guidelines).

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

Fair value movements on equity investments and gains and losses arising on the disposal of investments are reflected in the capital column of the Statement of comprehensive income in accordance with the AIC SORP. Realised gains or losses on the sale of investments will be reflected in the realised capital reserve, and unrealised gains or losses arising from the revaluation of investments will be reflected in the unrealised capital reserve.

Warrants and unquoted equity derived instruments

Warrants and unquoted equity derived instruments are only valued if their exercise or contractual terms would allow them to be exercised as at the balance sheet date, and if there is additional value to the Company in exercising or converting as at the balance sheet date. Otherwise these instruments are held at nil value. The valuation techniques used are those used for the underlying equity investment.

Unquoted loan stock

Unquoted loan stock (excluding debt issued at a discount and convertible bonds) is classified as loans and receivables in accordance with IAS 39 and FRS 26 and carried at amortised cost using the Effective Interest Rate method less impairment. Movements in the amortised cost relating to interest income are reflected in the revenue column of the Statement of comprehensive income, and hence are reflected in the revenue reserve, and movements in respect of capital provisions are reflected in the capital column of the Statement of comprehensive income and are reflected in the realised capital reserve following sale, or in the unrealised capital reserve on revaluation.

For all unquoted loan stock, fully performing, renegotiated, past due or impaired, the Board considers that the fair value is equal to or greater than the security value of these assets. For unquoted loan stock, the amount of the impairment is the difference between the asset's cost and the present value of estimated future cash flows, discounted at the effective interest rate. The future cash flows are estimated based on the fair value of the security held less estimated selling costs.

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

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

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

It is not the Group or the Company's policy to exercise control or significant influence over investee companies. Therefore in accordance with the exemptions under IAS 28 "Investments in associates" and FRS 9 "Associates and joint ventures", those undertakings in which the Group or Company holds more than 20 per cent. of the equity are not regarded as associated undertakings.

Investment income

Quoted and unquoted equity income

Dividend income is included in revenue when the investment is quoted ex-dividend.

Unquoted loan stock income

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

Bank interest income

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

Investment management fees, performance incentive fees and other expenses

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

Issue costs

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

Notes to the Financial Statements continued

1. Accounting policies continued

Taxation

Taxation is applied on a current basis in accordance with IAS 12 "Income taxes" and FRS 16 "Current tax". Taxation associated with capital expenses is applied in accordance with the SORP. Deferred taxation is provided in full on temporary differences and timing differences, that result in an obligation at the balance sheet date to pay more tax or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the Financial Statements. Temporary differences arise from differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for taxation purposes. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which unused tax losses and credits can be utilised.

Dividends

In accordance with IAS 10 and FRS 21 "Events after the balance sheet date", dividends are accounted for in the period in which the dividend has been paid or approved by shareholders.

Reserves

Share premium reserve

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

Capital redemption reserve

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

Unrealised capital reserve

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

Special reserve

The cancellation of the share premium account has created a special reserve that can be used to fund market purchases and subsequent cancellation of own shares, to cover gross realised losses, and for other distributable purposes.

Treasury shares reserve

This reserve accounts for amounts by which the Company's distributable reserves are diminished through the repurchase of the Company's own shares for treasury purposes.

Realised capital reserve

The following are disclosed in this reserve:

- gains and losses compared to cost on the realisation of investments;
- expenses, together with the related taxation effect, charged in accordance with the above policies; and
- dividends paid to equity holders.

Notes to the Financial Statements continued

2. Profits on investments

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
Unrealised (losses)/gains on non-current asset investments held at fair value through profit or loss account	**(10)**	941
Unrealised reversal of impairments/(impairments) on non-current asset investments held at amortised cost	**228**	(180)
Unrealised gains on non-current asset investments	**218**	761
Realised gains on non-current asset investments held at fair value through profit or loss account	**587**	552
Realised gains on non-current asset investments held at amortised cost	**284**	25
Realised gains on current asset investments held at fair value through profit or loss account	**–**	83
Realised gains on current and non-current asset investments	**871**	660
	1,089	1,421

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

3. Investment income and deposit interest

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
Income recognised on investments held at fair value through profit or loss		
UK dividend income	**287**	4
Interest on convertible bonds and debt issued at a discount	**18**	–
	305	4
Income recognised on investments held at amortised cost		
Return on loan stock investments	**795**	811
Bank deposit interest	**57**	88
	852	899
	1,157	903

Interest income earned on impaired investments at 30 June 2011 amounted to £47,000 (2010: £315,000). These investments are all held at amortised cost.

4. Investment management fees

	Year ended 30 June 2011			Year ended 30 June 2010		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
Investment management fee	**109**	**327**	**436**	108	324	432

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

Notes to the Financial Statements continued

5. Profit before taxation is stated after charging:

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
Directors' remuneration	**75**	83
National insurance on Directors' remuneration	**7**	7
Auditor's remuneration:		
– audit of financial statements (inclusive of VAT)	**27**	26
– the auditing of accounts of associates of the Company pursuant to legislation (inclusive of VAT)	**6**	6
Other expenses	**121**	184
	236	306

Further information regarding Directors' remuneration can be found in the Directors' remuneration report on page 29.

6. Taxation

	Year ended 30 June 2011			Year ended 30 June 2010		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
UK corporation tax (charge)/credit	**–**	**–**	**–**	–	–	–

The tax charge for the year shown in the Statement of comprehensive income is lower than the standard rate of corporation tax of 28 per cent. to 31 March 2011 and 26 per cent. from 1 April 2011. (2010: 28 per cent.). The differences are explained below:

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
Profit on ordinary activities before taxation	**1,574**	1,586
Profit on ordinary activities multiplied by the standard rate of corporation tax (28 per cent. to 31 March 2011: 26 per cent. from 1 April 2011.)	**(428)**	(444)
Effect of capital gains not subject to taxation	**300**	398
Effect of income not subject to taxation	**79**	1
Utilisation of tax losses	**49**	45
	–	–

No provision for deferred tax has been made in the current or prior accounting period. The Company and Group have not recognised a deferred tax asset of £2,216,000 (2010: £1,931,000) in respect of unutilised management expenses and non-trading deficits as it is not considered sufficiently probable that there will be taxable profits against which to utilise these expenses in the foreseeable future. The Group has not recognised a further deferred tax asset of £2,415,000 (2010: £3,117,000) in respect of unutilised management expenses and deficits arising from non-trading relationships which would only be used if its subsidiaries made significant profits.

Notes to the Financial Statements continued

7. Dividends

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
First dividend paid on 6 November 2009 (1.25 pence per share)	–	905
Second dividend paid on 9 April 2010 (1.25 pence per share)	–	906
First dividend paid on 30 November 2010 (1.25 pence per share)	899	
Second dividend paid on 31 March 2011 (1.25 pence per share)	920	–
	1,819	1,811

In addition to the dividends paid above, the Board has declared a first dividend for the year ending 30 June 2012, of 1.25 pence per Crown Place VCT PLC share (to be paid out of revenue profits). This will be paid on 30 November 2011 to shareholders on the register as at 4 November 2011. The total dividend will be approximately £953,000.

8. Basic and diluted return per share

	Year ended 30 June 2011			Year ended 30 June 2010		
	Revenue	Capital	Total	Revenue	Capital	Total
Return attributable to equity shares (£'000)	812	762	1,574	489	1,097	1,586
Weighted average shares (excluding treasury shares)		73,413,178			72,321,482	
Return attributable per Ordinary share (pence) (basic and diluted)	1.11	1.04	2.15	0.68	1.52	2.20

The return per share has been calculated excluding treasury shares of 7,260,410 (2010: 7,260,410).

There are no convertible instruments, derivatives or contingent share agreements in issue, and therefore no dilution affecting the return per share. The basic return per share is therefore the same as the diluted return per share.

9. Non-current asset investments

	30 June 2011 £'000	30 June 2010 £'000
Group and Company		
Qualifying unquoted equity and preference shares	7,141	6,900
Qualifying quoted equity	763	971
Qualifying equity derived instruments	–	98
Discounted debt and convertible loan stock	839	–
Qualifying unquoted loan stock	12,340	10,862
Non-qualifying quoted equity	8	10
Non-qualifying unquoted loan stock	81	251
	21,172	19,092

Notes to the Financial Statements continued

9. Non-current asset investments continued

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

	£'000
Opening valuation as at 1 July 2009	15,878
Purchases at cost	3,236
Disposal proceeds	(1,410)
Realised gains	577
Movement in loan stock accrued income	50
Unrealised gains	761
Closing valuation as at 30 June 2010	19,092
Movement in loan stock accrued income	
Opening movement in loan stock accrued income	128
Interest restructuring	38
Movement in loan stock accrued income	50
Closing movement in loan stock accrued income	216
Movement in unrealised losses	
Opening accumulated unrealised losses	(7,616)
Interest restructuring	(38)
Movement in unrealised gains	761
Transfer of previously unrealised losses to realised reserves on disposal	889
Closing accumulated unrealised losses	(6,004)
Historic cost basis	
Opening book cost	23,367
Purchases at cost	3,236
Sales at cost	(1,723)
Closing book cost	24,880

Notes to the Financial Statements continued

9. Non-current asset investments continued

Non-current asset investments held at fair value through profit or loss total £8,751,000 (2010: £7,979,000) and include convertible bonds and debt with a carrying value of £431,000 at 30 June 2011 which have been re-presented from the amortised cost to fair value category in the accounts having previously been designated at fair value through profit or loss on initial recognition. Investments held at amortised cost total £12,421,000 (2010: £11,113,000).

Loan stocks (including those carried at fair value through profit and loss) with a fixed interest rate total £13,260,000 (2010: £10,953,000). Loan stocks with a floating rate of interest total £nil (2010: £160,000).

The Directors believe that the carrying value of loan stock valued using amortised cost is not materially different to fair value. The Company does not hold any assets as the result of the enforcement of security during the year, and believes that the carrying values for both impaired and past due assets are covered by the value of security held for these loan stock investments.

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

A schedule of material disposals which took place in the year is shown on page 14.

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

Investment valuation methodology	30 June 2011 £'000	30 June 2010 £'000
Cost (reviewed for impairment)	**1,341**	845
Net asset value supported by third party or desktop valuation	**1,127**	1,722
Recent investment price	**697**	1,643
Earnings multiple	**3,427**	2,788
Revenue Multiple	**1,388**	–
	7,980	6,998

The unquoted equity instruments had the following movements between investment methodologies between 30 June 2010 and 30 June 2011:

Change in valuation methodology (2010 to 2011)	Value as at 30 June 2011 £'000	Explanatory note
Recent investment price to revenue multiple	1,026	Industry benchmarks available
Cost (reviewed for impairment) to recent investment price	159	More recent information available
Cost (reviewed for impairment) to earnings multiple	84	Industry benchmarks available
Cost (reviewed for impairment) to revenue multiple	237	Industry benchmarks available
Earnings multiple to revenue multiple	99	Temporary trading losses

The valuation method used will be the most appropriate valuation methodology for an investment within its market, with regard to the financial health of the investment and the September 2009 IPEVCV Guidelines. The Directors believe that, within these parameters, there are no other possible methods of valuation which would be reasonable as at 30 June 2011.

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

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

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

Notes to the Financial Statements continued

9. Non-current asset investments continued

The unquoted investments held at fair value through profit or loss (level 3) had the following movements in the year to 30 June 2011:

	30 June 2011 £'000	30 June 2010 £'000
Opening balance	**6,998**	4,924
Additions	**1,298**	1,325
Disposal proceeds	**(1,381)**	(343)
Realised gains	**545**	356
Debt/equity swap	**–**	78
Representation of convertible debt	**338**	–
Unrealised gains on equity investments	**182**	658
Closing balance	**7,980**	6,998

IFRS 7 requires the Directors to consider the impact of changing one or more of the inputs used as part of the valuation process to reasonable possible alternative assumptions. The valuation methodology applied to 39 per cent. of the unquoted fair value investments (by valuation) is based on third party independent evidence, recent investment price and cost. The Directors believe that changes to reasonable possible alternative input assumptions for the valuation of the remainder of the portfolio would lead to a significant change in the fair value of the portfolio. The impact of these changes could result in an increase in the valuation of the equity investments by £760,000 or a decrease in the valuation of equity investments by £790,000.

10. Significant interests

The principal activity of the Group is to select and hold a portfolio of investments in unquoted securities. Although the Company, through the Manager, will, in some cases, be represented on the board of the investee company, it will not take a controlling interest or become involved in the management of a portfolio company. The size and structure of the companies with unquoted securities may result in certain holdings in the portfolio representing a participating interest without there being any partnership, joint venture or management consortium agreement.

The Company has interests of greater than 20 per cent. of the nominal value of any class of the allotted shares in the investee companies as at 30 June 2011 as described below:

Company	**Country of incorporation**	**Principal activity**	**% class and share type**	**% total voting rights**
ELE Advanced Technologies Limited	Great Britain	Manufacturer of precision engineering components for the industrial gas turbine, aerospace and automotive markets	74.3% B Ordinary	48.3%
House of Dorchester Limited	Great Britain	Chocolate manufacturer	33.2% B Ordinary	23.3%
Tuscan Energy Group Limited*	Great Britain	In administration	42.5% C Ordinary	1.5%
Uctal Limited (formerly Unique Communications Limited)	Great Britain	TV production company	56.7% B Ordinary/A Preference and B Preference	24.2%

* Carried at nil as at 30 June 2011.

The investments listed above are held as part of an investment portfolio, and their value to the Company is as part of a portfolio of investments. Therefore these investments are not considered to be associated undertakings as permitted by IAS 28 and FRS 9.

Notes to the Financial Statements continued

11. Investments in subsidiary undertakings

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

	30 June 2010 CP1 VCT PLC £'000	30 June 2010 CP2 VCT PLC £'000	30 June 2010 Total £'000
Carrying value as at 1 July 2009	6,636	8,513	15,149
Movement in subsidiary net assets	(64)	(72)	(136)
Carrying value as at 30 June 2010	6,572	8,441	15,013

The subsidiary companies currently hold cash and intercompany balances.

Both CP1 VCT PLC and CP2 VCT PLC are wholly owned by Crown Place VCT PLC as follows:

	30 June 2011 CP1 VCT PLC	30 June 2011 CP2 VCT PLC
Nominal value of shares held	**£6,382,746**	**£8,219,350**
Percentage of authorised share capital in issue	**57.8%**	**59.8%**
Percentage of total voting rights held	**100%**	**100%**

	30 June 2010 CP1 VCT PLC	30 June 2010 CP2 VCT PLC
Nominal value of shares held	£6,382,746	£8,219,350
Percentage of authorised share capital in issue	57.8%	59.8%
Percentage of total voting rights held	100%	100%

12. Trade and other receivables/debtors

	30 June 2011 Group £'000	30 June 2011 Company £'000	30 June 2010 Group £'000	30 June 2010 Company £'000
Trade and other receivables/debtors less than one year	**102**	**102**	68	68
Trade and other receivables/debtors greater than one year	**80**	**80**	–	–
	182	**182**	68	68

13. Trade and other payables/creditors

	30 June 2011 Group £'000	30 June 2011 Company £'000	30 June 2010 Group £'000	30 June 2010 Company £'000
Amounts falling due within one year:				
Amounts due to subsidiary undertakings	**–**	**16,166**	–	14,940
Other payables	**53**	**53**	161	161
Accruals	**190**	**175**	99	59
	243	**16,394**	260	15,160

Notes to the Financial Statements continued

14. Called up share capital

	30 June 2011 £'000	30 June 2010 £'000
Authorised		
140,000,000 Ordinary shares of 10p each (2010: 140,000,000)	**14,000**	14,000
Allotted, called up and fully paid		
83,509,177 Ordinary shares of 10p each (2010: 79,177,624)	**8,350**	7,918
Allotted, called up and fully paid excluding treasury shares		
76,248,767 Ordinary shares of 10p each (2010: 71,917,214)		

The Company repurchased for cancellation 861,875 (2010: 697,446) Ordinary shares during the year at a total cost of £252,000 (2010: £205,000) representing 1.2 per cent. of the shares in issue as at 1 July 2010. The shares purchased for cancellation were funded from the special reserve. The total number of shares held in treasury as at 30 June 2011 was 7,260,410 (2010: 7,260,410) representing 8.7 per cent. of the shares in issue as at 30 June 2011.

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

Allotment date	Number of shares allotted	Aggregate nominal value of shares £'000	Issue price per share pence per share	Net consideration received £'000	Opening mid market price per share on allotment pence per share
30 November 2010	107,925	11	33.80	36	29.00
31 March 2011	115,328	12	33.43	38	30.00
	223,253	23		74	

Under the terms of the Albion VCTs Linked Top Up Offer (which closed on 16 May 2011), the following Ordinary shares of nominal value 10 pence were issued during the year:

Allotment date	Number of shares allotted	Aggregate nominal value of shares £'000	Issue price per share pence per share	Net consideration received £'000	Opening mid market price per share on allotment pence per share
7 January 2011	1,828,380	182	35.80	619	28.50
22 March 2011	1,833,102	183	35.40	614	30.00
5 April 2011	1,204,732	120	35.40	404	29.00
16 May 2011	103,961	11	34.90	34	29.00
	4,970,175	496		1,671	

Notes to the Financial Statements continued

15. Basic and diluted net asset value per Ordinary share

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

	30 June 2011	30 June 2010
Net asset value per share attributable (pence)	**33.65**	33.94

The net asset value per share at the year end is calculated in accordance with the Articles of Association and is based upon total shares in issue (less treasury shares) of 76,248,767 shares (2010: 71,917,214) as at 30 June 2011.

There are no convertible instruments, derivatives or contingent share agreements in issue. The Company's policy is to sell treasury shares at a price greater than the purchase price hence the net asset value per share on a diluted basis would be equal to or greater than the basic net asset value per share, depending on the actual price achieved for selling the treasury shares.

16. Analysis of changes in cash during the year

	30 June 2011		30 June 2010	
	Group £'000	**Company £'000**	Group £'000	Company £'000
Opening cash balances	**5,513**	**5,400**	6,255	6,472
Net cash flow	**(963)**	**(1,143)**	(742)	(1,072)
Closing cash balances	**4,550**	**4,257**	5,513	5,400

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

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
Revenue return before tax	**812**	489
Capitalised expenses	**(327)**	(324)
Decrease/(increase) in accrued amortised loan stock interest	**132**	(50)
(Increase)/decrease in receivables	**(3)**	7
(Increase) in payables	**(13)**	(103)
Net cash flow from operating activities	**601**	19

18. Capital and financial instruments risk management

The following policies are with reference to both the Company and the Group except where the 'Company' is used below.

The Group's maximum permitted gearing is £24,708,000 (2010: £23,514,000) and as at 30 June 2011, the Group's gearing was nil (2010: nil). The Group's policy on gearing is described in more detail on page 18 of the Directors' report and enhanced business review.

The Group's capital comprises Ordinary shares as described in note 14. The Company is permitted to buy back its own shares for cancellation or treasury purposes, and this is described in more detail on page 23 of the Directors' report and enhanced business review.

The Group's financial instruments comprise equity and loan stock investments in unquoted companies, equity in AIM quoted companies, cash balances, debtors and creditors which arise from its operations. The main purpose of these financial instruments is to generate revenue and capital appreciation for the Group's operations. The Group has no gearing or other financial liabilities apart from short term creditors. The Group does not use any derivatives for the management of its balance sheet.

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

- Investment (or market) risk (which comprises investment price and cash flow interest rate risk);
- credit risk; and
- liquidity risk.

The Board regularly reviews and agrees policies for managing each of these risks. There have been no changes in the nature of the risks that the Group has faced during the past year, and apart from where noted below, there have been no changes in the objectives, policies or processes for managing risks during the past year. The key risks are summarised as follows:

Notes to the Financial Statements continued

18. Capital and financial instruments risk management continued

Investment risk

As a venture capital trust, it is the Group's specific nature to evaluate and control the investment risk of its portfolio in unquoted and in quoted companies, details of which are shown on page 11. Investment risk is the exposure of the Group to the revaluation and devaluation of investments. The main driver of investment risk is the operational and financial performance of the investee companies and the dynamics of market quoted comparators. The Manager receives management accounts from investee companies, and members of the investment management team often sit on the boards of unquoted investee companies; this enables the close identification, monitoring and management of investment risk.

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

The Board monitors the prices at which sales of investments are made to ensure that profits to the Group are maximised, and that valuations of investments retained within the portfolio appear sufficiently prudent and realistic compared to prices being achieved in the market for sales of unquoted investments.

The maximum investment risk as at the balance sheet date is the value of the non-current and current asset investment portfolio which is £21,172,000 (2010: £19,092,000). Non-current and current asset investments form 83 per cent. of the net asset value as at 30 June 2011 (2010: 78 per cent.).

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

Investment price risk

Investment price risk is the risk that the fair value of future investment cash flows will fluctuate due to factors specific to an investment instrument or to a market in similar instruments. To mitigate the investment price risk for the Group as a whole, the strategy of the Group is to invest in a broad spread of industries with approximately two-thirds of the unquoted investments comprising debt securities, which, owing to the structure of their yield and the fact that they are usually secured, have a lower level of price volatility than equity. Details of the industries in which investments have been made are contained in the Portfolio of investments section on page 11 and in the Manager's report.

The valuation method used will be the most appropriate valuation methodology for an investment within its market, with regard to the financial health of the investment and the September 2009 IPEVCV Guidelines.

As required under IFRS 7 and FRS 29, the Board is required to illustrate by way of a sensitivity analysis, the degree of exposure to market risk. The Board considers that the value of the non-current and current asset investment portfolio is sensitive to a 10 per cent. change based on the current economic climate. The impact of a 10 per cent. change has been selected as this is considered reasonable given the current level of volatility observed both on a historical basis and future expectations.

The sensitivity of a 10 per cent. (2010: 10%) increase or decrease in the valuation of the non-current and current asset investments (keeping all other variables constant) would increase or decrease the net asset value and return for the year by £2,117,200 (2010: £1,909,000).

Cash flow interest rate risk

It is the Group's policy to accept a degree of interest rate risk on its financial assets through the effect of interest rate changes. On the basis of the Group's analysis, it is estimated that a rise of half a percentage point in all interest rates would have increased total return before tax for the year by approximately £19,000. On the basis of the Company's analysis, it is considered that further falls in interest rates would not have a significant impact.

The weighted average interest rate applied to the Group's fixed rate assets during the year was approximately 5.6 per cent. (2010: 6.3 per cent.). The weighted average period to maturity for the fixed rate assets is approximately 2.5 years (2010: 2.7 years).

Notes to the Financial Statements continued

18. Capital and financial instruments risk management continued

Cash flow interest rate risk continued

The Group's financial assets and liabilities as at 30 June 2011, all denominated in pounds sterling, consist of the following:

	30 June 2011				30 June 2010			
	Fixed rate £'000	**Floating rate £'000**	**Non-interest £'000**	**Total £'000**	Fixed rate £'000	Floating rate £'000	Non-interest £'000	Total £'000
Unquoted loan stock (including convertible loan stock and discounted bonds)	**13,260**	**–**	**–**	**13,260**	10,953	160	–	11,113
Unquoted equity	**–**	**–**	**7,141**	**7,141**	–	–	6,998	6,998
Quoted equity	**–**	**–**	**771**	**771**	–	–	981	981
Receivables	**–**	**–**	**182**	**182**	–	–	68	68
Payables	**–**	**–**	**(243)**	**(243)**	–	–	(260)	(260)
Cash	**–**	**4,550**	**–**	**4,550**	–	5,513	–	5,513
Net assets	**13,260**	**4,550**	**7,851**	**25,661**	10,953	5,673	7,787	24,413

The Company's financial assets and liabilities as at 30 June 2011, all denominated in pounds sterling, consist of the following:

	30 June 2011				30 June 2010			
	Fixed rate £'000	**Floating rate £'000**	**Non-interest £'000**	**Total £'000**	Fixed rate £'000	Floating rate £'000	Non-interest £'000	Total £'000
Unquoted loan stock (including convertible loan stock and discounted bonds)	**13,260**	**–**	**–**	**13,260**	10,953	160	–	11,113
Unquoted equity	**–**	**–**	**23,585**	**23,585**	–	–	22,011	22,011
Quoted equity	**–**	**–**	**771**	**771**	–	–	981	981
Debtors	**–**	**–**	**182**	**182**	–	–	68	68
Current liabilities	**(16,166)**	**–**	**(228)**	**(16,394)**	(14,940)	–	(220)	(15,160)
Cash	**–**	**4,257**	**–**	**4,257**	–	5,400	–	5,400
Net assets	**(2,906)**	**4,257**	**24,310**	**25,661**	(3,987)	5,560	22,840	24,413

Credit risk

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

The Manager evaluates credit risk on loan stock and other similar instruments prior to investment, and as part of its ongoing monitoring of investments. In doing this, it takes into account the extent and quality of any security held. Typically loan stock instruments have a first fixed charge or a fixed and floating charge over the assets of the investee company in order to mitigate the gross credit risk. The Manager receives management accounts from investee companies, and members of the investment management team often sit on the boards of unquoted investee companies; this enables the close identification, monitoring and management of investment-specific credit risk.

Bank deposits are held with banks which have a Moody's credit rating of at least 'A'. The Group has an informal policy of limiting counterparty banking exposure to a maximum of 20 per cent. of net asset value for any one counterparty.

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

The Group's total gross credit risk at 30 June 2011 was limited to £13,260,000 (2010: £11,113,000) of unquoted loan stock instruments and £4,550,000 (2010: £5,513,000) of cash deposits with banks.

As at the balance sheet date, the cash held by the Group is held with the Royal Bank of Scotland plc, Lloyds TSB Bank Plc, Scottish Widows Bank plc and Standard Life Cash Savings (part of Barclays Bank plc). Credit risk on cash transactions is mitigated by transacting with counterparties that are regulated entities subject to prudential supervision, with high credit ratings assigned by international credit-rating agencies.

Notes to the Financial Statements continued

18. Capital and financial instruments risk management continued

Credit risk continued

The cost, impairment and carrying value of impaired loan stocks at 30 June 2011 and 30 June 2010 are as follows:

	30 June 2011			30 June 2010		
	Cost £'000	**Impairment £'000**	**Carrying value £'000**	Cost £'000	Impairment £'000	Carrying value £'000
Impaired loan stock	**3,040**	**(1,403)**	**1,637**	6,875	(1,702)	5,173

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

Liquidity risk

Liquid assets are held as cash on current account and cash on deposit or short term money market account. Under the terms of its Articles, the Group has the ability to borrow up to the amount of its adjusted capital and reserves of the latest published audited consolidated balance sheet, which amounts to £24,708,000 (2010: £23,514,00) as at 30 June 2011.

The Group has no committed borrowing facilities as at 30 June 2011 (2010: nil) and had cash balances of £4,550,000 (2010: £5,513,000) (Company £4,257,000; 2010: £5,400,000). The main cash outflows are for new investments, dividends and share buy backs, which are within the control of the Group. The Manager formally reviews the cash requirements of the Group on a monthly basis, and the Board on a quarterly basis, as part of its review of management accounts and forecasts.

All of the Group's financial liabilities are short term in nature and total £243,000 (2010: £260,000) for the year to 30 June 2011 (Company: 30 June 2011; £16,394,000; 30 June 2010: £15,160,000). An amount of £16,166,000 (2010: £14,940,000) which is included within Company's creditors, relates to intercompany balances and is not considered to carry liquidity risk.

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

Redemption date	**Fully performing loan stock £'000**	**Past due loan stock* £'000**	**Impaired loan stock £'000**	**Renegotiated loan stock £'000**	**Total £'000**
Less than one year	**171**	**813**	**360**	**364**	**1,708**
1-2 years	**881**	**3,805**	**–**	**–**	**4,686**
2-3 years	**419**	**705**	**179**	**316**	**1,619**
3-5 years	**3,461**	**439**	**1,098**	**129**	**5,127**
More than 5 years	**–**	**120**	**–**	**–**	**120**
	4,932	**5,882**	**1,637**	**809**	**13,260**

The carrying value of loan stock investments at 30 June 2010, analysed by expected maturity dates is follows:

Redemption date	Fully performing loan stock £'000	Past due loan stock* £'000	Impaired loan stock £'000	Renegotiated loan stock £'000	Total £'000
Less than one year	385	–	219	–	604
1-2 years	1,679	–	1,002	–	2,681
2-3 years	345	1,081	2,541	–	3,967
3-5 years	1,823	627	1,284	–	3,734
More than 5 years	–	–	127	–	127
	4,232	1,708	5,173	–	11,113

*Of the loan stock categorised as past due, 100 per cent. (2010: 76 per cent.) is in respect of loan stocks where interest and capital arrangements have been temporarily changed through discussions with the Manager.

Notes to the Financial Statements continued

18. Capital and financial instruments risk management continued

Liquidity risk continued

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

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

Loan stock with a carrying value of £600,000 had loan stock interest past due of less than 12 months.

Loan stock with a carrying value of £4,891,000 had loan stock interest past due greater than 12 months

Loan stock with a carrying value of £391,000 had capital past due up to 8 months. Interest on this loan stock was received at a rate of 14.17 per cent. in accordance with agreed contractual terms.

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

Fair values of financial assets and financial liabilities

All the Group's financial assets and liabilities as at 30 June 2011 are stated at fair value as determined by the Directors, with the exception of loans and receivables (excluding debt and convertible loan stock) included within investments, which are carried at amortised cost, as permitted by IAS 39. In the opinion of the Directors, the amortised cost of loan stock is not materially different to the fair value of the loan stock. There are no financial liabilities other than short term trade and other payables. The Group's financial liabilities are all non-interest bearing. It is the Directors' opinion that the book value of the financial liabilities is not materially different to the fair value and all are payable within one year, and that the Group is subject to low financial risk as a result of having nil gearing and positive cash balances.

19. Post balance sheet events

Since 30 June 2011 the Company has completed the following material transactions:

- Investment of £54,000 in Helveta Limited completed in July 2011
- Investment of £28,000 in Rostima Holdings Limited completed in July 2011
- Investment of £147,000 in Oakland Care Centre Limited completed in July and August 2011
- Investment of £141,000 in Alto Prodotto Limited completed in August 2011
- Investment of £44,000 in The Stanwell Hotel Limited completed in August 2011

20. Contingencies and guarantees

There were no contingencies for, or guarantees by, the Group or Company as at 30 June 2011 (2010: nil).

As at 30 June 2011 Crown Place VCT PLC had the following financial commitments:

- £95,000 for Regenerco Renewable Energy Limited
- £570,000 to the Oakland Care Centre Limited
- £100,000 to the Stanwell Hotel Limited

21. Related party transactions

The Manager, Albion Ventures LLP, could be considered to be a related party by virtue of the fact that it is party to a management agreement with the Company (details disclosed on page 21 of this report). During the year, services of a total value of £486,000 (2010: £482,000) were purchased by the Company from Albion Ventures LLP; this includes £436,000 investment management fee and £50,000 administration fee. At the financial year end, the amount due to Albion Ventures LLP disclosed as accruals and deferred income was £124,000 (2010: £118,000).

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

During the year the Company raised new funds through the Albion VCTs Linked Top Up Offer as detailed in note 14. The total cost of the issue of these shares was 5.5% of the sums subscribed. Of these costs, an amount of £3,450 was paid to the Manager, Albion Ventures LLP in respect of receiving agent services. There were no sums outstanding in respect of receiving agent services at the year end.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Crown Place VCT PLC (the "Company") will be held at 12 noon on 9 November 2011 at The City of London Club, 19 Old Broad Street, London, EC2N 1DS for the following purposes:

To consider and, if thought fit, to pass the following resolutions, of which numbers 1 to 8 will be proposed as ordinary resolutions and numbers 9 to 11 as special resolutions.

Ordinary business

1. To receive and adopt the accounts and the reports of the Directors and Auditor for the year ended 30 June 2011.

2. To re-appoint PKF (UK) LLP as Auditor of the Company to hold office from the conclusion of the meeting to the conclusion of the next meeting at which the accounts are laid.

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

4. To approve the Directors' Remuneration Report for the year ended 30 June 2011.

5. To re-elect Patrick Crosthwaite as a Director of the Company.

Special business

6. To continue as a venture capital trust until the Annual General Meeting of the Company in 2016 at which time a further resolution regarding the continuation of the Company shall be proposed.

7. That the Company be authorised to send all documents, notices and information to shareholders by electronic means (as such term is defined in the Financial Services Authority's Disclosure and Transparency Rules) including by means of a website and in all electronic forms.

8. The Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to allot shares in the Company up to a maximum aggregate nominal amount of £835,091 (which comprises 10 per cent. of the Ordinary share capital) such authority to expire on 9 May 2013, but so that the Company may, before the expiry of such period, make an offer or agreement which would or might require shares to be allotted after the expiry of such period and the Directors may allot shares pursuant to such an offer or agreement as if the authority had not expired; and all unexercised authorities previously granted to the Directors to allot relevant securities be, and are hereby, revoked.

9. That subject to and conditional on the passing of resolution number 8, the Directors be empowered, pursuant to section 570 of the Act, to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by resolution number 8 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

    (a) in connection with an offer of such securities by way of rights issue, open offer;

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

    (c) otherwise than pursuant to the sub-paragraphs above, in respect of the Ordinary shares, to an aggregate nominal amount of £835,091 (equal to 10 per cent. of the Ordinary share capital);

    and shall expire 18 months from the date of this resolution, or at the conclusion of the next Annual General Meeting, whichever is earlier, save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power had not expired.

    In this resolution, "rights issue" means an offer of equity securities open for acceptance for a period fixed by the Directors to holders on the register on a fixed record date in proportion as nearly as may be to their respective holdings, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with any fractional entitlements or legal or practical difficulties under the laws of, or the requirement of any recognised regulatory body or any stock exchange in, any territory.

Notice of Annual General Meeting continued

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(2)(b) of the Act as if in the first paragraph of the resolution the words "pursuant to the authority conferred by resolution number 8" were omitted.

10. That, subject to and in accordance with the Company's Articles of Association, the Company be generally and unconditionally authorised to make one or more market purchases (within the meaning of Section 693(4) of the Act) of Ordinary shares of 10p each in the capital of the Company ("Ordinary shares") on such terms as the Directors think fit, and where such shares are held as treasury shares, the Company may use them for the purposes set out in section 727 of the Act, provided that:

    (a) the maximum aggregate number of shares authorised to be purchased is 12,518,025 Ordinary shares (representing approximately 14.99 per cent of the issued Ordinary shares as at the date of this Notice);

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

    (c) the maximum price, exclusive of any expenses that may be paid for each Ordinary share is an amount equal to the higher of: (a) 105 per cent of the average of the middle market quotations as derived from the London Stock Exchange Daily Official List, for a share over the five business days immediately preceding the day on which the Ordinary share is purchased; and (b) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003;

    (d) the authority hereby conferred shall, unless previously revoked or varied, expire at the conclusion of the next Annual General Meeting of the Company or eighteen months from the date of the passing of this resolution, whichever is earlier; and

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

    Under the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003, shares purchased by the Company out of distributable profits can be held as treasury shares, which may then be cancelled or sold for cash. The authority sought by this special resolution number 10 is intended to apply equally to shares to be held by the Company as treasury shares in accordance with the Regulations.

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

    BY ORDER OF THE BOARD

Albion Ventures LLP
Company Secretary
Registered Office
1 King's Arms Yard, London EC2R 7AF
7 October 2011

Notice of Annual General Meeting continued

Notes

1. Members entitled to attend, speak and vote at the Annual General Meeting ("AGM") may appoint a proxy or proxies (who need not be a member of the Company) to exercise these rights in their place at the meeting. A member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares. Proxies may only be appointed by completing and returning the Form of Proxy enclosed with this Notice to Capita Registrars, PXS, 34 Beckenham Road, Beckenham BR3 4TU.

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

   To be effective the Form of Proxy must be completed in accordance with the instructions and received by the Registrars of the Company by 5pm on 7 November 2011.

   In accordance with good governance practice, the Company is offering shareholders use of an online service, offered by the Company's registrar, Capita Registrars, at www.capitashareportal.com. Shareholders can use this service to vote or appoint a proxy online. The same voting deadline of 5pm on 7 November 2011 applies as if you were using your Personalised Voting Form to vote or appoint a proxy by post to vote for you. Shareholders will need to use the unique personal identification Investor Code that is printed on their Form of Proxy. Shareholders should not show this information to anyone unless they wish to give proxy instructions on their behalf.

2. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the 'Act') to enjoy information rights (a "Nominated Person") may, under an agreement between him or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. The statement of rights of members in relation to the appointment of proxies in note 1 above does not apply to Nominated Persons. The rights described in that note can only be exercised by members of the Company.

3. To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), members must be registered in the register of members of the Company at 5pm on 7 November 2011 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

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

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

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

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

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

9. As at 7 October 2011 (being the latest practicable date prior to the publication of this Notice), the Company's issued share capital consists of 83,509,177 Ordinary shares. The Company holds 7,260,410 shares in treasury. Therefore, the total voting rights in the Company as at 7 October 2011 are 76,248,767.

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Crown Place VCT PLC

ALBION VENTURES