Crown Place VCT PLC

Annual Report and Financial Statements for the year ended 30 June 2022

2022

AlbionCapital

Contents

Page

Company information

Company name
Crown Place VCT PLC (the "Company")

Company number
03495287

Directors
Penny Freer, Chairman
James Agnew
Pam Garside
Ian Spence

Country of incorporation
United Kingdom

Legal form
Public Limited Company

Manager, company secretary, AIFM and registered office
Albion Capital Group LLP
1 Benjamin Street
London, EC1M 5QL

Registrar
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol, BS99 6ZZ

Auditor
BDO LLP
55 Baker Street
London, W1U 7EU

Corporate broker
Panmure Gordon (UK) Limited
One New Change
London, EC4M 9AF

Taxation adviser
Philip Hare & Associates LLP
6 Snow Hill
London, EC1A 2AY

Legal adviser
Bird & Bird LLP
12 New Fetter Lane
London, EC4A 1JP

Depositary
Ocorian Depositary (UK) Limited
Level 5, 20 Fenchurch Street
London, EC3M 3BY

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

Shareholder information
For help relating to dividend payments, shareholdings and share certificates please contact Computershare Investor Services PLC:
Tel: 0370 873 5857 (UK national rate call, lines are open 8.30 am – 5.30 pm; Mon-Fri, calls are recorded)
Website: www.investorcentre.co.uk

Shareholders can access holdings and valuation information regarding any of their shares held with Computershare by registering on Computershare's website.
Shareholders can also contact the Chairman directly on crownchair@albion.capital

Financial adviser information
For enquiries relating to the performance of the Company and information for financial advisers please contact the Business Development team at Albion Capital Group LLP:
Tel: 020 7601 1850 (lines are open 9.00 am – 5.30 pm; Mon-Fri, calls are recorded)
Email: info@albion.capital
Website: www.albion.capital

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

Investment policy

The Company invests in a broad portfolio of smaller, unquoted growth businesses across a variety of sectors including higher risk technology companies. Investments take the form of equity or a mixture of equity and loans.

Whilst allocation of funds is determined by the investment opportunities which are available, efforts are made to ensure that the portfolio is diversified both in terms of sector and stage of maturity of investee businesses. Funds held pending investment or for liquidity purposes will be held principally as cash on deposit.

Risk diversification and maximum exposures

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

The Company's maximum exposure in relation to gearing is restricted to the amount of its adjusted share capital and reserves. The Directors do not have any intention of utilising long-term gearing.

Financial calendar

Record date for first interim dividend	4 November 2022
Annual General Meeting	Noon on 28 November 2022
Payment date of first interim dividend	30 November 2022
Announcement of half-yearly results for the six months ending 31 December 2022	February 2023
Payment date of second interim dividend (subject to Board approval)	31 March 2023

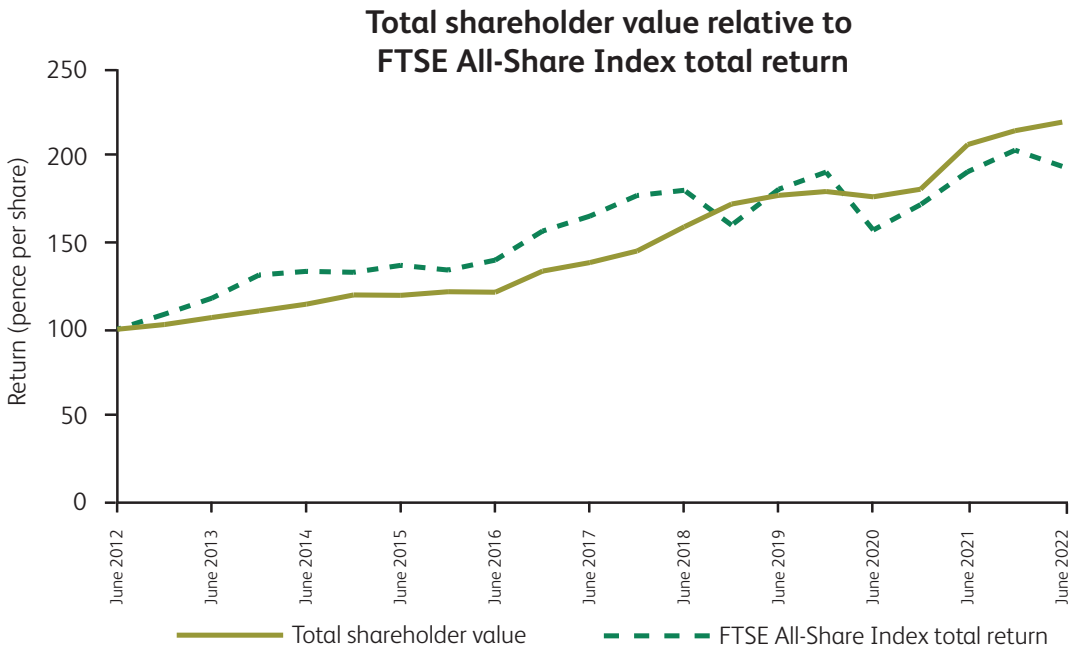
Financial highlights

33.70p Net asset value per share as at 30 June 2022

2.12p Increase in total shareholder value for the year ended 30 June 2022†

6.10% Total uplift on opening net asset value per share†

3.21p Total tax-free dividends per share paid during the year ended 30 June 2022



Source: Albion Capital Group LLP

Methodology: The total shareholder value, including original amount invested (rebased to 100) from 1 July 2012, assuming that dividends were re-invested at net asset value of the Company at the time that the shares were quoted ex-dividend. Transaction costs are not taken into account.

†These are considered APMs, see notes 1 and 2 on page 12 of the Strategic report for further explanation.

Financial highlights continued

	30 June 2022 pence per share		30 June 2021 pence per share	
Opening net asset value		**34.79**		33.14
Capital return	***1.95***		*5.58*	
Revenue return/(loss)	***0.14***		*(0.03)*	
Total return		**2.09**		5.55
Dividends paid		**(3.21)**		(3.61)
Impact from share capital movements		**0.03**		(0.29)
Closing net asset value		**33.70**		34.79

Shareholder return and shareholder value	(pence per share)
Shareholder return from launch to April 2005:	
Total dividends paid to 6 April 2005[i]	24.93
Decrease in net asset value	(56.60)
Total shareholder return to 6 April 2005	(31.67)
Shareholder return from April 2005 to 30 June 2022 (period that Albion Capital has been investment manager):	
Total dividends paid	41.62
Decrease in net asset value	(9.70)
Total shareholder return from April 2005 to 30 June 2022	31.92
Shareholder value since launch:	
Total dividends paid to 30 June 2022[i]	66.55
Net asset value as at 30 June 2022	33.70
Total shareholder value as at 30 June 2022	100.25

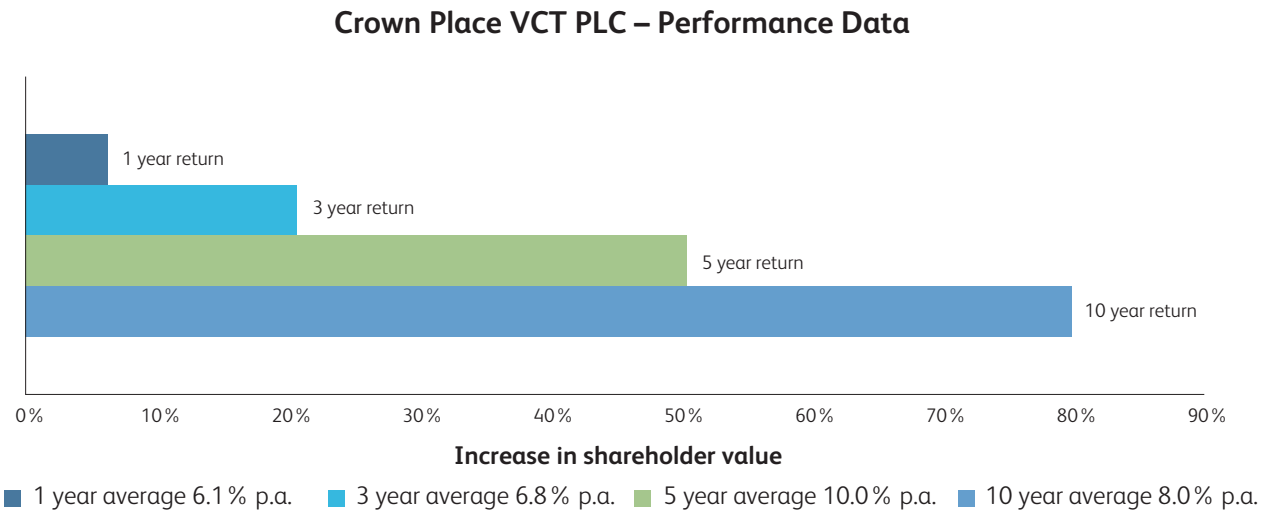
Notes

(i) Prior to 6 April 1999, Venture Capital Trusts were able to add 20 per cent. to dividends and figures for the period up until 6 April 1999 are included at the gross equivalent rate actually paid to shareholders.

A more detailed breakdown of the dividends paid per year can be found at www.albion.capital/funds/CRWN under the 'Dividend History' section.

In addition to the dividends paid above, the Board has declared a first interim dividend for the year ending 30 June 2023 of 0.84 pence per share payable on 30 November 2022 to shareholders on the register on 4 November 2022.

Financial highlights continued



The graph above shows the one year, three year, five year and ten year total return to shareholders. This return comprises dividends paid and the change in net asset value over the relevant periods.

Chairman's statement

Penny Freer
Chairman

Introduction

I am pleased to report an increase in total shareholder value of 2.12 pence per share for the year, representing a 6.1% uplift on the opening net asset value. The Company continues to benefit from the positive performance of its portfolio companies, particularly its healthcare and software businesses, many of which have shown growth over the past year, despite the high levels of inflation, both in the UK and across the world, rising interest rates, the Russian invasion of Ukraine and the ongoing uncertainty of the Covid-19 pandemic. Although it is still unclear how long the economy will be impacted by these ongoing disruptions and in spite of the uncertainty faced, we have seen continuing resilience from our portfolio.

Results and dividends

As at 30 June 2022, the net asset value ("NAV") was £85.8 million or 33.70 pence per share compared with £77.7 million or 34.79 pence per share at 30 June 2021. The continuing progress of a number of our portfolio companies is discussed later in this statement and in the Strategic report on page 11.

In line with the dividend policy targeting payment equivalent to around 5% of NAV per annum, the Company paid ordinary dividends of 1.71 pence per share during the year to 30 June 2022, which equates to 4.9% of the opening NAV. In addition to this, following a number of disposals in 2021, the Company paid a special dividend of 1.50 pence per share, resulting in total dividends of 3.21 pence per share for the year ended 30 June 2022 (30 June 2021: 3.61 pence per share).

The Board is pleased to declare a first interim dividend for the year ending 30 June 2023 of 0.84 pence per share, representing 2.5% of the prevailing NAV, to be paid on 30 November 2022 to shareholders on the register on 4 November 2022.

For those that wish to take it, an opportunity remains to re-invest their dividends in the Company via the Dividend Reinvestment Scheme ("DRIS"). Shareholders can elect for the DRIS via the registrar's website at www.investorcentre.co.uk. Please note that shareholders who hold their shares in CREST will need to contact their CREST service provider.

Investment realisations

The positive return for the year was largely driven by a number of successful exits which generated total proceeds of £7.4 million for the Company. During the year the Company completed the sales of:

Portfolio company	Proceeds (£'000)	Return on cost
Credit Kudos	2,352	5.2 x
Phrasee	2,162	3.5 x
MyMeds&Me	1,476	3.4 x
MPP Global Solutions	730	1.3 x
Innovation Broking	278	10.3 x

Further details on the investment realisations during the year can be found in the table on page 30.

Investment performance and progress

Many of our portfolio companies have performed well despite the global uncertainties faced, and this has contributed to the total uplift in value of £6.4 million to the Company's investments for the year.

Cantab Research (trading as Speechmatics) and The Voucher Market (trading as WeGift) have both been revalued after externally led funding rounds, resulting in uplifts of £0.5 million each. Elliptic continues to trade well both within the UK and in the US; the Company also had a successful external funding round during the year resulting in an uplift of £0.4 million. Other investments with uplifts in the year include Radnor House

> The Company has been an active investor during the year with more than £7.7 million invested in new and existing portfolio companies

> The Company paid total dividends of 3.21 pence per share for the year ended 30 June 2022

(£0.4 million), Beddlestead (£0.4 million) and The Evewell (£0.3 million), all of which continue to trade well. However, our investments in Concirrus (£0.8 million) and Avora (£0.2 million) were written down following difficult trading conditions, in part because of the Covid-19 pandemic. We have also written-off our investment in Xperiome (£0.2 million) which went into administration.

The Company has been an active investor during the year with more than £7.7 million invested in new and existing portfolio companies. Alongside the other Albion managed VCTs, the Company has invested £2.0 million in four new portfolio companies, all of which are expected to require further investment as the companies continue to grow:

- £0.7 million into PeakData, a provider of insights and analytics to pharmaceutical companies;
- £0.7 million into PerchPeek, a digital relocation platform;
- £0.5 million into Ophelos, an autonomous debt resolution platform; and
- £0.1 million into Regulatory Genome Development, a provider of machine readable structured regulatory content.

A further £5.7 million was invested into 16 existing portfolio companies, of which the largest were: £1.0 million into Oviva; £0.8 million into TransFICC; £0.7 million into Cantab Research (trading as Speechmatics); £0.6 million into Seldon Techologies; and £0.5m into Gravitee.

A review of the business and future prospects is included in the Strategic report on page 11.

A full list of the Company's investments and disposals, including their movements in value for the year, can be found in the Portfolio of investments section on pages 27 to 29.

Risks and uncertainties

The UK is experiencing its highest level of inflation in decades, rising interest rates, and uncertainty over the future course, and global impact, of Russia's invasion of Ukraine, in addition to the risks around Covid-19. Our investment portfolio, while concentrated mainly in the technology and healthcare sectors, remains diversified in terms of both sub-sector and stage of maturity and, importantly, we believe it to be appropriately valued. While we would expect these valuations to be robust within the tolerance of normal market fluctuations, the potential, but unknown, scale of any further adverse events arising out of the increasingly volatile geopolitical backdrop remain a major risk factor.

A detailed review of risk management is set out on pages 17 to 20 of the Strategic report.

Sunset Clause

In 2015 a VCT "sunset clause" was introduced as a requirement of an EU state aid notification. This provides that income tax relief will no longer be given to subscriptions made on or after 6 April 2025, unless the legislation is amended to make the scheme permanent or the "sunset clause" is extended. The Chancellor of the Exchequer has announced that VCTs will extend

beyond 2025, but at this stage the duration of the extension is not known.

Our Manager, Albion Capital Group LLP (Albion Capital), continues to work alongside the VCT industry, to demonstrate to Government the importance of VCTs as a source of early-stage capital to support entrepreneurs creating innovative growth businesses employing thousands of people throughout the UK.

Share buy-backs

It remains the Board's primary objective to maintain sufficient resources for investment in existing and new portfolio companies and for the continued payment of dividends to shareholders. The Board's policy is to buy back shares in the market, subject to the overall constraint that such purchases are in the Company's interest. Given the stability of the portfolio and the Company's current cash position, the Board has decided that there will be no limit on the level of share buy-backs.

It is the Board's intention for such buy-backs to be in the region of a 5% discount to net asset value, so far as market conditions and liquidity permit.

Albion VCTs' Top Up Offers

Your Board, in conjunction with the boards of other VCTs managed by Albion Capital, launched prospectus top up Offers of new Ordinary shares on 6 January 2022. The Company announced on 31 January 2022 that it would exercise its over-allotment facility, bringing the total amount to be raised to £12 million. On 2 March 2022 the Offers were fully subscribed and closed. The Board was pleased to see the high level of demand for the Company's shares from existing and new shareholders.

As recently announced, the Company intends to participate in the Albion VCTs Top Up Offers 2022/23. Full details of the Offers will be contained in a prospectus that is expected to be published in October 2022 and will be available on the Albion Capital website (www.albion.capital).

The proceeds raised by the Company pursuant to the Offers are added to the liquid resources available for investment, positioning the Company to take advantage of investment opportunities over the next two to three years. Details on the share allotments during the year can be found in note 15.

Annual General Meeting

Based on the success of last year's live webcast AGM, the Board has decided to adopt a virtual format for the AGM again this year. The AGM will be held at noon on 28 November 2022 via the Lumi platform. Information on how to participate in the virtual AGM can be found on the Manager's website www.albion.capital/vct-hub/agms-events.

The Board welcome questions from shareholders at the AGM and shareholders will be able to ask questions using the Lumi platform during the AGM. Alternatively, shareholders can email their questions to crownchair@albion.capital prior to the AGM.

Shareholders' views are important, and the Board encourages shareholders to vote on the resolutions.

Further details on the format and business to be conducted at the AGM can be found in the Directors' report on pages 40 and 41 and in the Notice of the Meeting on pages 77 to 80.

Shareholder seminar

The Board is pleased to report that the next Shareholders Seminar will be held in person at the Royal College of Surgeons, Lincoln's Inn Field, London on 23 November 2022 and the Board will be delighted to see as many shareholders as possible at the event. The Board and Manager are keen to interact with shareholders and look forward to sharing with you further portfolio updates, as well as answering any questions. Places are limited and to reserve a place please email info@albion.capital with subject heading "Shareholders Seminar" and include your full name. You will receive an email confirmation of your place, subject to availability.

More details are available on the Albion Capital website: www.albion.capital.

Outlook

The Board is encouraged by the positive results for the year just ended in what are challenging times. Despite the high levels of inflation in the UK and across the world, rising interest rates, an increasingly volatile geopolitical and economic backdrop, and the longer-term impact of the pandemic, the Board believes the Company, through its investments, has the potential to deliver long term value to our shareholders.

Penny Freer
Chairman
3 October 2022

Strategic report

Crown Place VCT PLC (the "Company") is a Venture Capital Trust and its investment policy can be found on page 3.

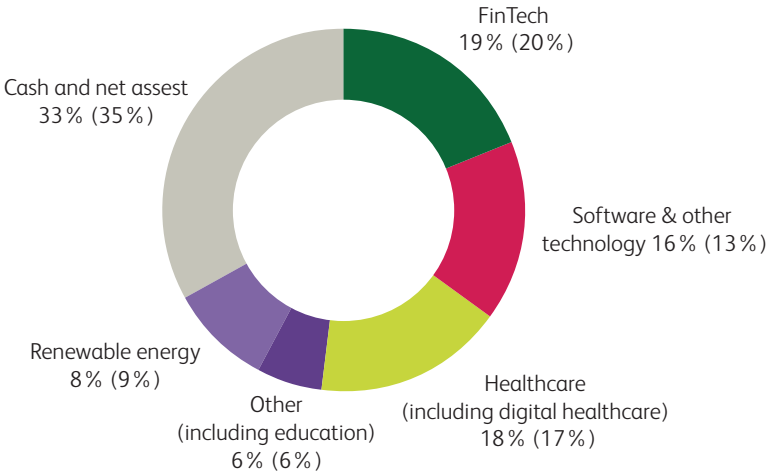
Business model

The Company operates as a Venture Capital Trust. This means that the Company has no employees and has outsourced the management of all its operations to Albion Capital Group LLP, including secretarial and administrative services. Further details of the Management agreement can be found on page 13 and 14 of this report.

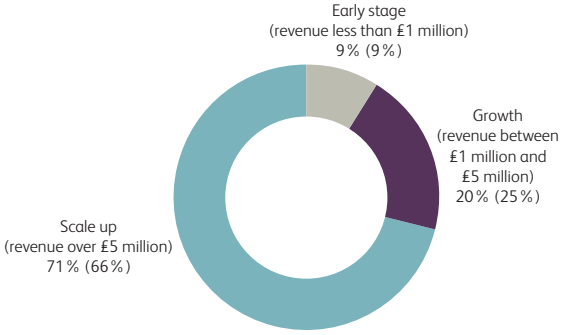
Current portfolio sector allocation

The following pie charts show the split of the portfolio valuation as at 30 June 2022 by: sector; stage of investment; and number of employees. This is a useful way of assessing how the Company and its portfolio is diversified across sector, portfolio companies' maturity measured by revenues and their size measured by the number of people employed. Details of the principal investments made by the Company are shown in the Portfolio of investments on pages 27 to 29.

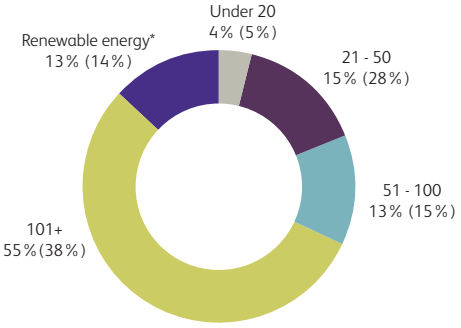
Portfolio analysis by sector



Portfolio analysis by stage of investment



Portfolio analysis by number of employees



*Renewable energy investments have no employees
Comparatives for 30 June 2021 are in brackets

Direction of portfolio

The analysis of the Company's investment portfolio shows that it is well diversified and evenly spread across the FinTech, healthcare, other software and technology, renewable energy, and education sectors.

Due to the share allotments under the 2021/22 Prospectus Top Up Offer, and the portfolio company exits in the year, cash is a significant proportion of the portfolio at 33%. These funds will be invested predominantly into higher growth technology companies, and therefore the shift away from asset based companies will continue. The Company has a significant speciality in healthcare, FinTech and software investing, which account for 53% of the net asset value of the Company.

Results and dividends

	£'000
Revenue return for the year ended 30 June 2022	325
Capital return for the year ended 30 June 2022	4,564
Total return for the year ended 30 June 2022	**4,889**
Special dividend of 1.50 pence per share paid on 30 November 2021	(3,331)
First interim dividend of 0.87 pence per share paid on 30 November 2021	(1,932)
Second interim dividend of 0.84 pence per share paid on 31 March 2022	(2,134)
Unclaimed dividends	13
Transferred to reserves	**(2,495)**
Net assets as at 30 June 2022	85,839
Net asset value as at 30 June 2022 (pence per share)	**33.70**

The Company paid dividends totalling 3.21 pence per share during the year ended 30 June 2022 (2021: 3.61 pence per share). The dividend objective of the Board is to provide shareholders with a regular dividend flow. The Board declared a first interim dividend for the year ending 30 June 2023 of 0.84 pence per share. This dividend will be paid on 30 November 2022 to shareholders on the register on 4 November 2022.

As shown in the Company's Income statement on page 59, the total return for the year was 2.09 pence per share (2021: 5.55 pence per share). Investment income has increased to £853,000 (2021: £820,000). This is a result of Radnor House repaying previously capitalised interest and the Evewell Group paying interest. The revenue return has benefitted from the increased percentage of investment management fees and performance incentive fees allocated to the realised capital reserve, to better align with the Board's expectation that over the long term the majority of the Company's investment returns will be in the form of capital gains. Consequently, there is a net revenue gain to shareholders of £324,000 (2021: loss of £63,000). Further information can be found in the Notes to the Financial Statements on pages 63 to 76.

The gain on investments for the year was £6,386,000 (2021: gain of £13,016,000). The key drivers of this gain are detailed in the Chairman's statement on pages 7 to 9. The net asset value has decreased to 33.70 pence per share (2021: 34.79 pence per share), which can be seen on the Balance sheet on page 60. This decrease in net asset value was primarily due to the payment of 3.21 pence per share of dividends during the year, including a special dividend of 1.50 pence per share. A full analysis of the Portfolio of investments can be seen on pages 27 to 29.

The cash flow for the Company has been a net inflow of £598,000 for the year (2021: £3,460,000), reflecting disposal proceeds, loan stock income, and the issue of new Ordinary shares under the Top Up Offer, offset by dividends paid, ongoing expenses, new investments and the buy-back of shares.

Review of the business and future changes

A review of the Company's business during the year is set out in the Chairman's statement on pages 7 to 9.

There is a continuing focus on growing the healthcare (including digital healthcare) and software and other technology sectors. The majority of these investment returns are delivered through equity and capital gains and therefore we expect our investment income to continually reduce in future years.

Details of significant events which have occurred since the end of the financial year are listed in note 19. Details of transactions with the Manager are shown in note 5.

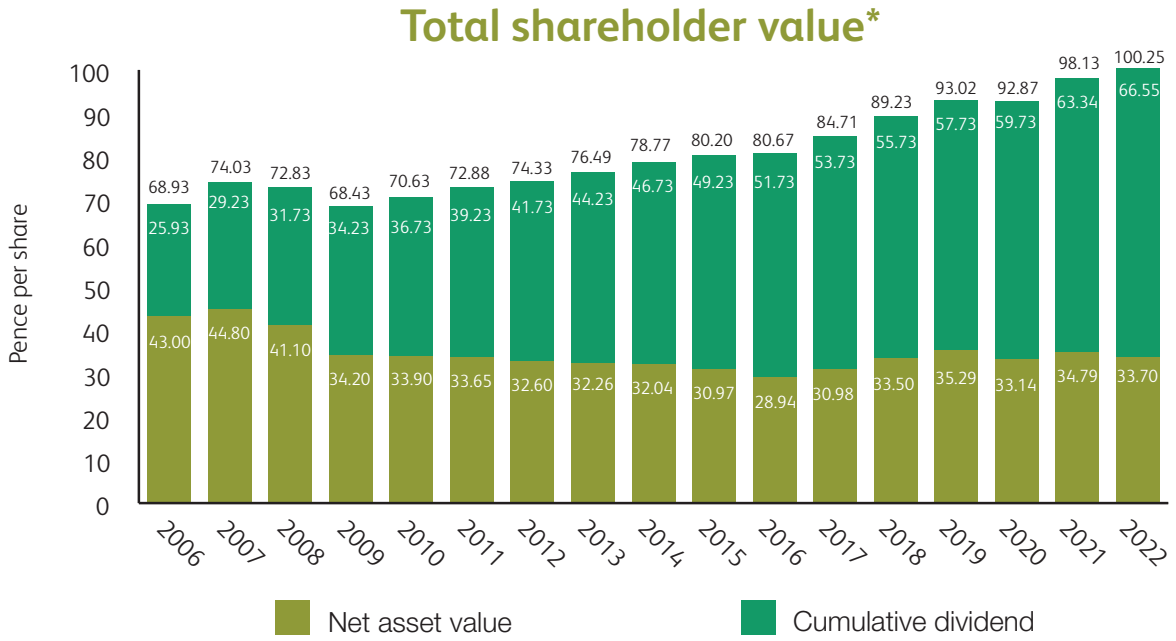
Future prospects

The Company's financial results for the year to 30 June 2022 demonstrates that the portfolio remains well balanced across sectors and risk classes, and is largely weathering the ongoing global issues caused as a result of high levels of inflation, rising interest rates, the Russian invasion of Ukraine, and persisting impacts of the pandemic. Although there remains much uncertainty, the Manager has a strong pipeline of investment opportunities in which the Company's cash can be deployed. The Board considers that the current portfolio and the pipeline of opportunities should enable the Company to maintain a predictable stream of dividend payments to shareholders, as well as delivering long term growth for shareholders.

Key Performance Indicators ("KPIs") and Alternative Performance Measures ("APMs")

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

1. Increase in total shareholder value



*Total shareholder value is net asset value plus cumulative dividends

Total shareholder value increased by 2.12 pence per share to 100.25 pence per share (2021: 98.13) for the year ended 30 June 2022.

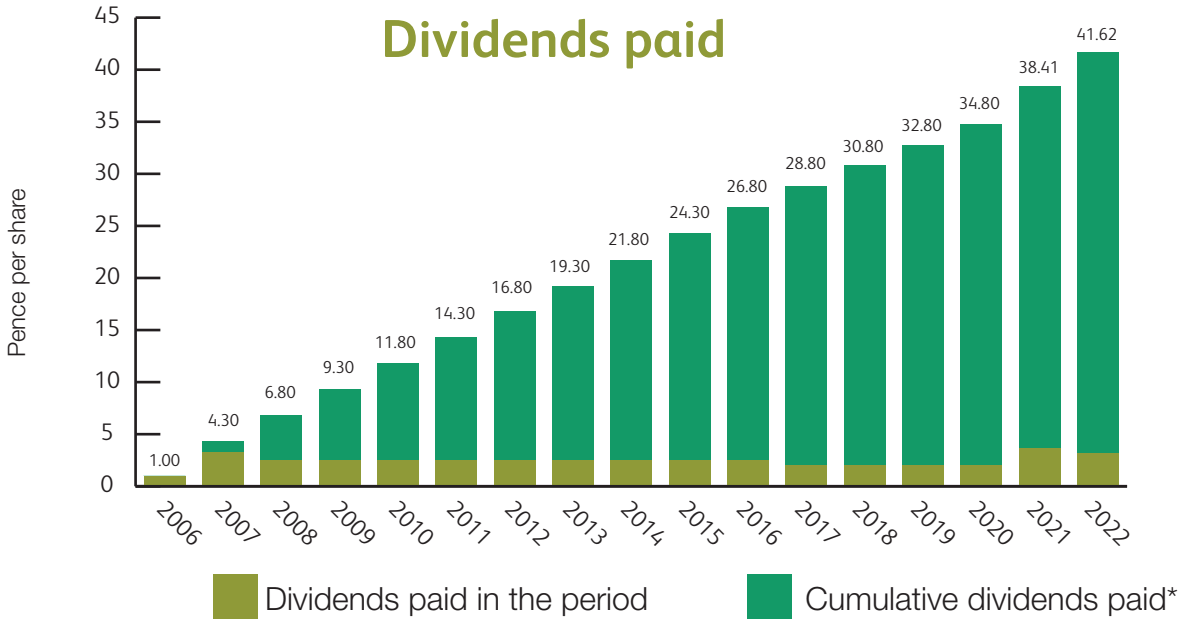
2. Shareholder return in the year †

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
6.6%	7.1%	4.5%	1.5%	14.0%	14.6%	11.3%	(0.4%)	15.9%	6.10%

Source: Albion Capital Group LLP

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

3. Dividend distributions



*Since Albion Capital Group LLP appointed Manager in April 2005

The Company's annual dividend target is 5% of opening net asset value. Dividends paid in respect of the year ended 30 June 2022 were 3.21 pence per share (2021: 3.61 pence per share), which included a special dividend of 1.50 pence per share (2021: special dividend of 2.00 pence per share). Cumulative dividends paid since launch (on 18 January 1998) amount to 66.55 pence per share.

4. Ongoing charges

The ongoing charges ratio for the year ended 30 June 2022 was 2.18 per cent. (2021: 2.25 per cent.). The ongoing charges ratio has been calculated using The Association of Investment Companies' ("AIC") recommended methodology. This figure shows shareholders the total recurring annual running expenses (including investment management fees charged to capital reserve, but excluding any performance incentive fees) as a percentage of the average net assets attributable to shareholders. The Directors expect the ongoing charges ratio for the year ahead to remain stable at approximately 2.2 per cent.

5. VCT compliance*

The investment policy is designed to ensure that the Company continues to qualify and is approved as a VCT by HMRC. In order to maintain its status under Venture Capital Trust legislation, a VCT must comply on a continuing basis with the provisions of Section 274 of the Income Tax Act 2007, details of which are provided in the Directors' report on 38 and 39.

The relevant tests to measure compliance have been carried out and independently reviewed for the year ended 30 June 2022. These showed that the Company has complied with all tests and continues to do so.

*VCT compliance is not a numerical measure of performance and thus cannot be defined as an APM.

Gearing

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

Operational arrangements

The Company has delegated the investment management of the portfolio to the Manager, which is authorised and regulated by the Financial Conduct Authority. The Manager also provides company secretarial and other accounting and administrative support to the Company.

Management agreement

Under the terms of the Management agreement, the Manager is paid an annual fee equal to 1.75 per cent. of the net asset value of the Company plus a £50,000 fee per annum for administrative and secretarial services. Total normal running costs, including the management fee, are limited to 3.0 per cent. of the net asset value. In some instances, the Manager is entitled to an

arrangement fee, payable by a portfolio company in which the Company invests, in the region of 2.0 per cent. of the investment made, and also monitoring fees where the Manager has a representative on the portfolio company's board.

Further details of fees paid to the Manager can be found in note 5.

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

Management performance incentive fee

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. Under the incentive arrangements, the Company will pay an incentive fee to the Manager of an amount equal to 20% of such excess return that is calculated for each financial year.

The target level requires that the growth of the aggregate of the net asset value per share and dividends paid by the Company or declared by the Board and approved by the shareholders during the relevant period (both revenue and capital), compared with the previous accounting date, exceeds the average base rate of the Royal Bank of Scotland plc plus 2.0 per cent. If the target return is not achieved in a period, the cumulative shortfall is carried forward to the next accounting period and has to be made up before an incentive fee becomes payable.

For the year ended 30 June 2022, 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 amounted to 37.14 pence per share, compared to a hurdle of 36.00 pence per share. As a result, a performance incentive fee of £584,000 is payable to the Manager (2021: £823,000).

Evaluation of the Manager

The Board has evaluated the performance of the Manager based on:

- the returns generated by the Company;
- the continuing achievement of the 80% qualifying holdings investment requirement for VCT status;
- the long term prospects of the current portfolio of investments;
- the management of treasury, including use of buy-backs and participation in fund raising;
- a review of the Management agreement and the services provided therein; and
- benchmarking the performance of the Manager to other service providers including the performance of other VCTs that the Manager is responsible for managing.

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.

Alternative Investment Fund Managers Directive ("AIFMD")

The Board appointed the Manager as the Company's AIFM in 2014 as required by the AIFMD. The Manager is a full-scope Alternative Investment Fund Manager under the AIFMD. Ocorian Depositary (UK) Limited is the appointed Depositary and oversees the custody and cash arrangements and provides other AIFMD duties with respect to the Company.

Companies Act 2006 Section 172 Reporting

Under Section 172 of the Companies Act 2006, the Board has a duty to promote the success of the Company for the benefit of its members as a whole in both the long and short term, having regard to the interests of other stakeholders in the Company, such as suppliers, and to do so with an understanding of the impact on the community and environment and with high standards of business conduct, which includes acting fairly between members of the Company.

The Board is very conscious of these wider responsibilities in the ways it promotes the Company's culture and ensures, as part of its regular oversight, that the integrity of the Company's affairs is foremost in the way the activities are managed and promoted. This includes regular engagement with the wider stakeholders of the Company and being alert to issues that might damage the Company's standing in the way that it operates. The Board works very closely with the Manager in reviewing how stakeholder issues are handled, ensuring good governance and responsibility in managing the Company's affairs, as well as visibility and openness in how the affairs are conducted.

The Company is an externally managed investment company with no employees, and as such has nothing to report in relation to employee engagement but does keep close attention to how the Board operates as a cohesive and competent unit. The Company has no customers in the traditional sense and, therefore, there is also nothing to report in relation to relationships with customers.

The table below sets out the stakeholders the Board considers most relevant, details how the Board has engaged with these key stakeholders and the effect of these considerations on the Company's decisions and strategies during the year.

Stakeholder	Engagement with Stakeholder	Decision outcomes based on engagement
Shareholders	The key methods of engaging with Shareholders are as follows: • Annual General Meeting ("AGM") • Shareholder seminar • Annual report, Half-yearly financial report, and Interim management statements • RNS announcements for all key decisions including the publication of a Prospectus • Albion Capital website, social media pages, as well as publishing Albion News shareholder magazine.	• Shareholders' views are important and the Board encourages Shareholders to exercise their right to vote on the resolutions at the AGM. The Company's AGM is typically used as an opportunity to communicate with investors, including through a presentation made by the investment management team. In light of the Covid-19 pandemic, the Board took the decision to update the Company's Articles of Association to allow for virtual/hybrid events in order for the 2021 AGM to be live streamed for Shareholders. Following last year's success and the overwhelming positive feedback from shareholders, the Board has decided that this year's AGM will again be held as a virtual event to facilitate shareholder participation. This year's AGM will use the Lumi platform, which will allow Shareholders to ask questions and vote during the AGM. • Shareholders are also encouraged to attend the annual Shareholders' Seminar. Last year's event took place on 12 November 2021. The seminar included Quantexa and Healios sharing insights into their businesses and also presentations from Albion executives on some of the key factors affecting the investment outlook, as well as a review of the past year and the plans for the year ahead. Representatives of the Board attend the seminar. The Board considers this an important interactive event and invites shareholders to attend this year's event scheduled for 23 November 2022 at the Royal College of Surgeons. To reserve a place, email info@albion.capital. • The Board recognises the importance to Shareholders of maintaining a share buy-back policy, in order to provide market liquidity, and considered this when establishing the current policy. The Board closely monitors the discount to the net asset value to ensure this is in the region of 5%. • The Board seeks to create value for Shareholders by generating strong and sustainable returns to provide shareholders with regular dividends and the prospect of capital growth. The Board takes this into consideration when making the decision to pay dividends to Shareholders. The variable dividend policy has been enacted, and has resulted in a dividend yield of 4.9% on opening net asset value. In addition to the regular dividend policy, a special dividend of 1.50 pence per share was paid on 30 November 2021. A total of 3.21 pence of dividends were paid during the year, which was 9.2% of the opening net asset value. • During the year, the decision to publish a Prospectus was taken, in order to raise funds for deployment into new and existing portfolio companies. The Board carefully considered whether further funds were required, whether the VCT tests would continue to be met, and whether it would be in the interest of Shareholders, before agreeing to publish the Prospectus. On allotment, an issue price formula based on the prevailing net asset value was used to ensure there was no dilution to existing Shareholders. • Cash management and liquidity of the Company are key quarterly discussions amongst the Board, with focus on deployment of cash for future investments, dividends and share buy-backs. • Shareholders can contact the Chairman using the email crownchair@albion.capital.

Stakeholder	Engagement with Stakeholder	Decision outcomes based on engagement
Suppliers	The key suppliers with regular engagement from the Manager are: • Corporate broker • VCT taxation adviser • Depositary • Registrar • Auditor • Lawyer	• The Manager is in regular contact with the suppliers and the contractual arrangements with all the principal suppliers to the Company are reviewed regularly and formally once a year, alongside the performance of the suppliers in acquitting their responsibilities. • The Board reviews the performance of the providers annually in line with the Manager, and was satisfied with their performance.
Manager	The performance of Albion Capital Group LLP is essential to the long term success of the Company, including achieving the investment policy and generating returns to shareholders, as well as the impact the Company has on Environment, Social and Governance practice.	• The Manager meets with the Board at least quarterly to discuss the performance of the Company, and is in regular contact in between these meetings, e.g. to share investment papers for new and follow-on investments. All strategic decisions are discussed in detail and minuted, with an open dialogue between the Board and the Manager. • The performance of the Manager in managing the portfolio and in providing company secretarial, administration and accounting services is reviewed in detail each year, which includes reviewing comparator engagement terms and portfolio performance. Further details on the evaluation of the Manager, and the decision to continue the appointment of the Manager for the forthcoming year, can be found in this report. • During the year, the Board has reviewed the current Management Agreement, and a new agreement was signed which updated the agreement for new regulatory requirements, such as GDPR and AIFMD, but did not change any commercial terms with the Manager. • Details of the Manager's responsibilities can be found in the Statement of corporate governance on pages 43 to 48.
Portfolio companies	The portfolio companies are considered key stakeholders, not least because they are principal drivers of value for the Company. However, as discussed in the Environmental, Social and Governance ("ESG") section on pages 21 to 23, the portfolio companies' impact on their stakeholders is also important to the Company.	• The Board aims to have a diversified portfolio in terms of sector and stage of investment. Further details of this can be found in the pie charts on page 10. • In most cases, an Albion executive has a place on the board of a portfolio company, in order to help with both business operation decisions, as well as good ESG practices. • The Manager ensures good dialogue with portfolio companies, and often puts on events in order to help portfolio companies benefit from the Albion network.
Community and environment	The Company, with no employees, has no effect itself on the community and environment. However, as discussed above, the portfolio companies' ESG impact is extremely important to the Board.	• The Board receives reports on ESG factors within its portfolio from the Manager as it is a signatory of the UN Principles for Responsible Investment ("UN PRI"). Further details of this are set out in the ESG report. ESG, without its specific definition, has always been at the heart of the responsible investing that the Company engages in and in how the Company conducts itself with all of its stakeholders.

Environmental, Social and Governance ("ESG")

The Board and the Company's Manager, Albion Capital Group LLP, take ESG very seriously and more detail can be found on this in the ESG report on pages 21 to 23.

Social and community issues, employees and human rights

The Board recognises the requirement under section 414C of the Companies Act 2006 (the "Act") to detail information about social and community issues, employees and human rights; including any policies it has in relation to these matters and effectiveness of these policies. As an externally managed investment company with no employees, the Company has no formal policies in these matters, however, it is at the core of its responsible investment strategy as detailed above.

General Data Protection Regulation

The General Data Protection Regulation has the objective of unifying data privacy requirements across the European Union, GDPR forms part of the UK law after Brexit, now known as UK GDPR. The Manager continues to take action to ensure that the Manager and the Company are compliant with the regulation.

Further policies and statements

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

- Environment;
- Global greenhouse gas emissions;
- Anti-bribery;
- Anti-facilitation of tax evasion; and
- Diversity.

These are set out in the Directors' report on page 39.

Risk management

The Board carries out a regular review of the risk environment in which the Company operates, together with changes to the environment and individual risks. The Board also identifies emerging risks which might impact on the Company. In the period the most noticeable risks have been the emergence of rising inflation, caused in part as a result of the Russian invasion of Ukraine, whilst the pandemic has continued to impact on mobility, public health and have an adverse influence on the economy. The full impact of these risks are likely to continue to be uncertain for some time.

The Directors have carried out a robust assessment of the Company's principal risks and uncertainties, and explain how they are being mitigated as follows.

Risk	Possible consequence	Risk assessment during the year	Risk management
Investment, performance and valuation risk	The risk of investment in poor quality businesses, which could reduce the returns to shareholders and could negatively impact on the Company's current and future valuations. By nature, smaller unquoted businesses, such as those that qualify for Venture Capital Trust purposes, are more volatile than larger, long-established businesses. The Company's investment valuation methodology is reliant on the accuracy and completeness of information that is issued by portfolio companies. In particular, the Directors may not be aware of or take into account certain events or circumstances which occur after the information issued by such companies is reported.	Increased in the year due to the heightened economic and geo-political issues as referred to in the Chairman's statement.	To reduce this risk, the Board places reliance upon the skills and expertise of the Manager and its track record over many years of making successful investments in this segment of the market. In addition, the Manager operates a formal and structured investment appraisal and review process, which includes an Investment Committee, comprising investment professionals from the Manager for all investments, and at least one external investment professional for investments greater than £1 million in aggregate across all the Albion managed VCTs. The Manager also invites and takes account of comments from non-executive Directors of the Company on matters discussed at the Investment Committee meetings. Investments are actively and regularly monitored by the Manager (investment managers normally sit on portfolio company boards), including the level of diversification in the portfolio, and the Board receives detailed reports on each investment as part of the Manager's report at quarterly board meetings. The Board and Manager regularly review the deployment of investments and cash resources available to the Company in assessing liquidity required for servicing the Company's buy-backs, dividend payments and operational expenses. The decision to issue a Prospectus for the 2021/22 Top-Up was due to careful analysis of these factors.

Risk	Possible consequence	Risk assessment during the year	Risk management
			The unquoted investments held by the Company are designated at fair value through profit or loss and valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines updated in 2018. These guidelines set out recommendations, intended to represent current best practice on the valuation of venture capital investments. The valuation takes into account all known material facts up to the date of approval of the Financial Statements by the Board.
VCT approval risk	The Company must comply with section 274 of the Income Tax Act 2007 which enables its investors to take advantage of tax relief on their investment and on future returns. Breach of any of the rules enabling the Company to hold VCT status could result in the loss of that status.	No change in the year	To reduce this risk, the Board has appointed the Manager, which has a team with significant experience in Venture Capital Trust management, used to operating within the requirements of the Venture Capital Trust legislation. In addition, to provide further formal reassurance, the Board has appointed Philip Hare & Associates LLP as its taxation adviser, who report quarterly to the Board to independently confirm compliance with the Venture Capital Trust legislation, to highlight areas of risk and to inform on changes in legislation. Each investment in a new portfolio company is also pre-cleared with our professional advisers or H.M. Revenue & Customs. The Company monitors closely the extent of qualifying holdings and addresses this as required.
Regulatory and compliance risk	The Company is listed on The London Stock Exchange and is required to comply with the rules of the Financial Conduct 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.	No change in the year	Board members and the Manager have experience of operating at senior levels within or advising quoted companies. In addition, the Board and the Manager receive regular updates on new regulation from its auditor, lawyers and other professional bodies. The Company is subject to compliance checks through the Manager's compliance officer, and any issues arising from compliance or regulation are reported to its own board every two months. These controls are also reviewed as part of the quarterly Board meetings, and also as part of the review work undertaken by the Manager's compliance officer. The report on controls is also evaluated by the internal auditors.
Operational and internal control risk (including cyber and data security)	The Company relies on a number of third parties, in particular the Manager, for the provision of investment management and administrative functions. Failures in key systems and controls within the Manager's business could put assets of the Company at risk or result in reduced or inaccurate information being passed to the Board or to shareholders.	No change in the year	The Company and its operations are subject to a series of rigorous internal controls and review procedures exercised throughout the year. The Board receives reports from the Manager on its internal controls and risk management, including on matters relating to cyber security. The Audit and Risk Committee reviews the Internal Audit Reports prepared by the Manager's internal auditors, Azets and has access to their internal audit partner to whom it can ask specific detailed questions in order to satisfy itself that the Manager has strong systems and controls in place including those in relation to business continuity and cyber security.

Risk	Possible consequence	Risk assessment during the year	Risk management
			Ocorian Depositary (UK) Limited is the Company's Depositary, appointed to oversee the custody and cash arrangements and provide other AIFMD duties. The Board reviews the quarterly reports prepared by Ocorian Depositary (UK) Limited to ensure that the Manager is adhering to its policies and procedures as required by the AIFMD. In addition, the Board annually reviews the performance of its key service providers, particularly the Manager, to ensure they continue to have the necessary expertise and resources to deliver the Company's investment objective and policy. The Manager and other service providers have also demonstrated to the Board that there is no undue reliance placed upon any one individual.
Economic, political and social risk	Changes in economic conditions, including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events, and other factors could substantially and adversely affect the Company's prospects in a number of ways. This also includes risks of social upheaval, including from infection and population re-distribution, as well as economic risk challenges as a result of healthcare pandemics/infection.	Increased in the year, due to the high levels of inflation, rising interest rates and the geopolitical risks from the invasion of Ukraine.	The Company invests in a diversified portfolio of companies across a number of industry sectors and in addition often invests in a mixture of instruments in portfolio companies and has a policy of minimising any external bank borrowings within portfolio companies. At any given time, the Company has sufficient cash resources to meet its operating requirements, including share buy-backs and follow-on investments. In common with most commercial operations, exogenous risks over which the Company has no control are always a risk and the Company does what it can to address these risks where possible, not least as the nature of the investments the Company makes are long term. The Board and Manager are continuously assessing the resilience of the portfolio, the Company and its operations and the robustness of the Company's external agents, as well as considering longer term impacts on how the Company might be positioned in how it invests and operates. Ensuring liquidity in the portfolio to cope with exigent and unexpected pressures on the finances of the portfolio and the Company is an important part of the risk mitigation in these uncertain times. The portfolio is structured as an all-weather portfolio with c.60 companies which are diversified as discussed above. Exposure is relatively small to at-risk sectors that include leisure, hospitality, retail and travel.
Liquidity risk	The Company may not have sufficient cash available to meet its financial obligations. The Company's portfolio is primarily in smaller unquoted companies, which are inherently illiquid as there is no readily available market, and thus it may be difficult to realise their fair value at short notice.	No change in the year	To reduce this risk, the Board reviews the Company's three year cash flow forecasts on a quarterly basis. These include potential investment realisations (which are closely monitored by the Manager), Top Up Offers, dividend payments and operational expenditure. This ensures that there are sufficient cash resources available for the Company's liabilities as they fall due.

Risk	Possible consequence	Risk assessment during the year	Risk management
Environmental, social and governance ("ESG") risk	An insufficient ESG policy could lead to an increased negative impact on the environment, including the Company's carbon footprint. Non-compliance with reporting requirements could lead to a fall in demand from investors, reputational damage and penalties. Climate risks could also negatively impact on the value of portfolio investments.	Increased, due to the new guidance issued on climate change reporting and increased importance to stakeholders.	The Manager is a signatory of the UN PRI and the Board is kept appraised of the evolving ESG policies at quarterly Board meetings. Full details of the specific procedures and risk mitigation can be found in the ESG report on pages 21 to 23. These procedures ensure that this increased risk continues to be mitigated where possible. Whilst the Company itself has limited impact on climate change, due to no employees nor greenhouse gas emissions, the Board works closely with the Manager to ensure the Manager themselves are working towards reducing their impact on the environment, and that the Manager takes account of ESG factors, including climate change, when making new investment decisions. With specific respect to the Company, a key operation is increasing the use of electronic communications with Shareholders, where that preference has been specified.

Viability statement

In accordance with the FRC UK Corporate Governance Code published in 2018 and provision 36 of the AIC Code of Corporate Governance, the Directors have assessed the prospects of the Company over three years to 30 June 2025. The Directors believe that three years is a reasonable period in which they can assess the ability of the Company to continue to operate and meet its liabilities as they fall due. This is the period used by the Board as part of its strategic planning process, which includes: the estimated timelines for finding, assessing and completing investments; the potential impact of any new regulations; and the availability of cash.

The Board has carried out a robust assessment of the principal and emerging risks facing the Company, including those that could threaten its business model, future performance, solvency or liquidity, and focused on the major factors which affect the economic, regulatory and political environment. The Board carefully assessed, and were satisfied with, the risk management processes in place to avoid or reduce the impact of these risks. The Board has carried out robust stress testing of cashflows which included assessing the resilience of portfolio companies, including the requirement for any future financial support, and evaluating the impact of high inflation, both within the Company and within its portfolio.

The Board has additionally considered the ability of the Company to comply with the ongoing conditions to ensure it maintains its VCT qualifying status under its current investment policy. As a result of the Board's quarterly valuation reviews, it has concluded that the portfolio is well balanced and geared towards delivering long term growth and strong returns to shareholders.

The Board has concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period to 30 June 2025. The Board is mindful of the ongoing risks and will continue to ensure that appropriate safeguards are in place, in addition to monitoring the quarterly cashflow forecasts to ensure the Company has sufficient liquidity.

This Strategic report of the Company for the year ended 30 June 2022 has been prepared in accordance with the requirements of section 414A of the Companies Act 2006 (the "Act"). The purpose of this report is to provide Shareholders with sufficient information to enable them to assess the extent to which the Directors have performed their duty to promote the success of the Company in accordance with Section 172 of the Act.

For and on behalf of the Board

Penny Freer
Chairman
3 October 2022

Environmental, Social and Governance ("ESG") report

The Company's Manager, Albion Capital Group LLP, takes the concept of sustainable and responsible investment seriously for existing investments and in reviewing new investment opportunities. In turn, the Board is kept appraised of ESG issues in connection with both the portfolio and in how Company affairs are conducted more generally as a regular part of Board oversight.

The Manager is a signatory of the United Nations Principles for Responsible Investment ("UN PRI"). The UN PRI is the world's leading proponent of responsible investment, working to understand the investment implications of ESG factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.

The Board and Albion Capital Group LLP recognise that applying the following six Principles for Responsible Investment better aligns investors with broader objectives of society:

Principle 1: to incorporate ESG issues into investment analysis and decision-making processes.

Principle 2: to be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3: to seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: to promote acceptance and implementation of the Principles within the investment industry.

Principle 5: to work together to enhance our effectiveness in implementing the Principles.

Principle 6: to report on our activities and progress towards implementing the Principles.

The Board and the Manager have exercised conscious principles in making responsible investments throughout the life of the Company, not least in providing finance for promising companies in a variety of important sectors such as technology, healthcare and renewable energy. In making the investments, the Manager is directly involved in the oversight and governance of these investments, including ensuring standards of reporting and visibility on business practices, all of which are reported to the Board of the Company. By its nature, not least in making qualifying investments which fulfil the criteria set by HMRC, the Company has focused on sustainable and longer-term investment propositions, some of which will grow and serve important societal demands. One of the most important drivers of performance is the quality of the investment portfolio, which goes beyond the individual valuations and examines the prospects of each of the portfolio companies, as well as the sectors in which they operate – all requiring a longer-term view.

In the nature of venture capital investment, the Manager is more intimately involved in the affairs of portfolio companies than might be the case for funds invested in listed securities. As such, the Manager is in a position to influence good governance and behaviour in the portfolio companies, many of which are relatively small companies without the support of a larger company's administration and advisory infrastructure. The Company adheres to the principles of the AIC Code of Corporate Governance and is also aware of other governance and corporate conduct guidance which it meets as far as practical, including in the constitution of a diversified and independent Board capable of providing constructive challenge.

The Manager incorporates ESG considerations into its investment process. These form part of its process to create value for investors and develop sustainable long-term strategies for portfolio companies. The Manager reports ESG criteria to the UN PRI when required and to the Board quarterly. The Manager is a member of VentureESG steering committee, a global network of fund managers that drives application of ESG principles for early stage technology investors and companies.

ESG principles are integrated at the pre-investment, investment and exit stages. This is reflected in transparency of reporting, governance principles adopted by the Company and the portfolio companies, and increasingly in the positive environmental or socially impactful nature of investments made. The Manager, where relevant, considers climate-specific issues in its investment policies and activities.

Environmental, Social and Governance ("ESG") report continued

The Manager has long held the belief that returns are optimised by investing in sustainable businesses with positive societal and environmental outcomes, which forms an important aspect of the investment process:

Stage 1 - Screening

- Check company activity with **Albion Capital Group LLP's exclusion list**

Stage 2 - Due diligence

- **ESG Due Diligence Questionnaire** completed pre-investment
- ESG summary added to investment committee paper & **reviewed at IC**
- ESG terms added to the Shareholders Agreement

Stage 3 - Monitoring

- Leverage portfolio **company board & platform function** to implement ESG initiatives
- Collect information on ESG developments annually via **ESG Balanced Score Card (BSC)*** and include in internal review meetings when significant developments have taken place

Stage 4 - Follow-ons

- **Reassess ESG** risks & opportunities during each round of funding
- Use new funding round to check for improvements

Exits

- **Support** the company in demonstrating to potential investors how ESG risks have been mitigated and opportunities realised
- To the extent possible, ensure that good ESG practices remain in place following exit

* The ESG BSC contains sustainability metrics against which a portfolio company is assessed in order to determine sustainability risks and opportunities, and track progress over time. As the Company is a minority investor in early stage technology companies, the Manager has not set ESG Key Performance Indicators for its portfolio companies. The Manager's role is to guide portfolio company leadership and share best practice methods across the venture capital industry.

Pre-investment stage

An exclusion list is used to rule out investments in unsustainable areas, or in areas which might be perceived as socially detrimental. ESG due diligence is performed on each potential portfolio company to identify any sustainability risks associated with the investment. Identified sustainability risks are ranked from low to high and are reported to the relevant investment committee. The investment committee considers each potential investment. If sustainability risks are identified, mitigations are assessed and, if necessary, mitigation plans are put in place. If this is not deemed sufficient, the committee would consider the appropriate level and structure of funding to balance the associated risks. If this is not possible, investment committee approval will not be provided, and the investment will not proceed.

The Manager's standard copy of the investment deal documents includes a sustainability clause that reinforces individual portfolio company's commitment to driving principles of ESG as it scales.

Investment stage

An ESG clause is integrated into the shareholders agreement for all new investments. The clause outlines the portfolio company's commitment to combine economic success with ecological and social success.

All new and existing portfolio companies are asked to report against an ESG BSC annually. The ESG BSC contains a number of sustainability factors against which a portfolio company is assessed in order to determine the potential sustainability risks and opportunities arising from the investment. The ESG BSCs form part of the Manager's internal review meetings alongside discussions around other risk factors, and any outstanding issues are addressed in collaboration with the portfolio companies' senior management.

Exit stage

The Manager aims to ensure that good ESG practices remain in place following exit. For example, by ensuring that the portfolio company creates a self-sustaining ESG management system during our period of ownership, wherever feasible.

The Manager's ESG initiatives

The Manager incorporates ESG for its internal operations, a breakdown of its ESG considerations are as follows:

Environmental – The Manager is committed to ensuring that the environmental impacts of its business operations are positive and as far as possible, any negative impact is mitigated.

Social – The Manager aims to conduct its business in a socially responsible manner, to contribute to the communities in which it operates and to respect the needs of its employees and all of its stakeholders.

Governance – The Manager seeks to conduct all of its business activities in an honest, ethical and socially responsible manner and these values underpin its business model and strategy.

Overview of the Manager's ESG activity in 2022:

Environmental

- Net Zero carbon emissions target set by 2030
- Measuring carbon footprint (Scope 1, Scope 2, Scope 3 excluding investments) using third party software
- Biochar carbon removal offsets purchased
- Supporting local environmental action

Social

- Working with Fair HQ, an expert consultancy to establish diversity and inclusion practices includes an annual employee 'belonging survey'
- Diversity mission statement published
- Future VC, a paid internship offered

Governance

- Updated ESG for investment process
- Regular ESG updates for VCT boards
- The Manager has become a signatory of Supporting Women Code
- Actively promoting ESG within the industry

Signatories

The Manager is a signatory of UN Principles for Responsible Investment (UN PRI) and commits to the six key principles to incorporate ESG issues into investment practice.

The Manager is a member of VentureESG steering committee, a community-based non-profit initiative from VCs for VCs to push the industry on ESG best practice. Today the group includes 300 venture funds and 90 limited partners from across the globe, who work to make ESG a standard part of the due diligence, portfolio stewardship and internal fund management.

The Manager is a proud signatory of the Investing in Women Code, and commits to adopt internal practices that aim to improve female entrepreneurs' access to the tools, resources and finance required to scale their companies.

The Board of Directors

The Board provides a wide range of relevant experience and skills and good diversity in its membership. Each member of the Board has demonstrated sufficient time capacity to meet the commitments required in preparing for, attending and participating in periodic board meetings and for all the activities that take place between formal board meetings as an important part of the process of oversight and constructive challenge from an independent board of an investment company. The Board works closely together and reviews succession and allocation of responsibilities on a regular basis.

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

Penny Freer (appointed 31 October 2014), Chairman, has a background in investment banking and extensive experience at Board level. From 2000 to 2004 she led Robert W Baird's UK equities division; prior to this she spent 8 years at Credit Lyonnais Securities where she headed the small and mid-cap equities business. She is Chairman of AP Ventures LLP. She is also Chairman of The Henderson Smaller Companies Investment Trust plc and interim Chairman of Empresaria Group PLC.

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

Pam Garside (appointed 1 March 2019), is an experienced healthcare investor, expert in digital health and an advisor to government, NHS and private sector organisations in the UK and US. She is a Fellow of the Judge Business School at the University of Cambridge and a member of the Investment Committee of Cambridge Enterprise, the technology transfer company of the University. She is Chairman of Cambridge Angels, a board member of several other healthcare companies and co-chair of the Cambridge Health Network.

Ian Spence (appointed 1 May 2020), is highly experienced in the technology sector, having researched and advised companies in this industry for over 20 years. He began his career as a journalist at the Investors Chronicle before moving into investment banking where, over the next 13 years working for Granville, Robert W Baird, Bridgewell and Altium, he developed a specialisation as a highly-regarded technology analyst. During this time, he was twice voted TechMARK Analyst of the Year. In 2007, he founded Megabuyte, which has grown to be one of the most respected and widely read sources of financial and corporate intelligence in the European technology sector. Ian is Chairman of the company and has an extensive network across the European technology sector and beyond.

All Directors are members of the Audit and Risk Committee and James Agnew is Chairman.

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

All Directors are members of the Remuneration Committee and Pam Garside is Chairman.

James Agnew is the Senior Independent Director.

The Manager

AlbionCapital

Albion Capital Group LLP, is authorised and regulated by the Financial Conduct Authority and is the Manager of Crown Place VCT PLC. Established in 1996, Albion Capital are an independent investment firm providing investors with access to entrepreneurs who build enduring businesses.

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

Will Fraser-Allen, BA (Hons), FCA, is the managing partner of Albion Capital and chairs the investment committee. He is chairman of the VCT Association and sits on the Venture Capital Committee of the BVCA. He joined Albion in 2001, became deputy managing partner in 2009 and managing partner in 2019. He has over 20 years' experience investing in healthcare, leisure, media and technology enabled businesses. Prior to joining Albion, Will qualified as a chartered accountant and has a BA in History from Southampton University.

Patrick Reeve, MA, FCA, was formerly the managing partner of Albion Capital and became chairman in 2019. He is a director of Albion Technology and General VCT, Albion Enterprise VCT and Albion Development VCT. He is also a director of the Association of Investment Companies. He joined Close Brothers Group plc in 1989 before establishing Albion Capital (formerly Albion Ventures LLP) in 1996. Prior to Close he qualified as a chartered accountant before joining Cazenove & Co. He has an MA in Modern Languages from Oxford University.

Dr. Andrew Elder, MA, FRCS, initially practised as a neurosurgeon before starting his career in investment. He now focuses on medical technologies, digital health, and the life-science sector. He is head of healthcare investing and became deputy managing partner in 2019. He joined Albion Capital in 2005 and became a partner in 2009. He graduated with an MA plus Bachelors of Medicine and Surgery from Cambridge University and practised as a surgeon for six years. He is a Fellow of the Royal College of Surgeons (England).

Valerie Aelbrecht, MSc, MSc, joined the AlbionVC B2B Software team in 2022. She started her VC career at Cherry Ventures, after having been a founder and operator for 8 years in the foodtech space. Valerie exited her dark kitchen business in 2019, and stayed on for a while to streamline the operations of the joint venture – which is where she saw the potential of tech in workflow automation and supply chain management. She continued her operator journey as a freelance consultant and advisor to a variety of businesses. She is passionate about creating more opportunities for female entrepreneurs, and co-runs The JV Network, an investment network bringing female founders & investors together. She holds an MSc in Applied Economics from the University of Antwerp, Belgium, and an MSc in International Business Management & Entrepreneurship from Kingston University.

Lauren Apostolidis, BA (Hons), is responsible for driving the growth and engagement of Albion's Talent X platform, focusing on expanding the value of Albion's networks to increase the success of Albion VCT portfolio companies. Previously, as Platform Lead for workspace accelerator, Huckletree, she built and managed the support network of ambassadors and investors to help connect founders across the workspaces to key individuals in the ecosystem. She built relevant programming and connection opportunities for the start ups and also ran an in-house accelerator for underrepresented founders who were looking to raise their Seed round. Prior to this, she managed Fintech partnerships at Thomson Reuters (Refinitiv, now part of LSEG).

Adam Chirkowski, MA (Hons), is focused on new B2B and ClimateTech investments. He is an investment director at Albion Capital who has invested across a number of sectors including digital infrastructure, healthcare and renewable energy. He graduated from Nottingham University with a first-class degree in Industrial Economics and a Masters in Corporate Strategy and Governance. Prior to joining Albion in 2013, he spent five years working in corporate finance at Rothschild.

Emil Gigov, BA (Hons), FCA, has been an early-stage investor for over 20 years, supporting more than 30 companies spanning software technology, advanced manufacturing, education, and healthcare. More recently he has focused on B2B SaaS businesses across a range of sectors including data management, fintech and marketing technologies. He joined Albion Capital in 2000 and became a partner in 2009. He graduated from the European Business School, London, with a BA (Hons) Degree in European Business Administration.

Dr. Molly Gilmartin BA, joined Albion Capital from McKinsey & Company where she focused on healthcare systems, services and technologies. Prior to McKinsey, Molly was Chief Commercial Officer of Induction Healthcare Group which completed an IPO on AIM in 2019 and provided digital tools for healthcare professionals and patients to deliver care more efficiently and effectively. Before Induction, she was a founding team member of Pando, a messaging and workflow tool for doctors, and an NHS Clinical Entrepreneur as a medical doctor. She is now an investment manager at Albion Capital, focused on health technology investing with an emphasis on digital tools and technologies that can drive better outcomes for patients through more efficient delivery of care and better clinical research.

Vikash Hansrani, BA (Hons), FCA, oversees the finance and administration of the funds under Albion Capital's management. He qualified as a chartered accountant with RSM Tenon plc and latterly worked in its corporate finance team before joining Albion in 2010 where he is currently operations partner for the group. He has a BA in Accountancy & Finance from Nottingham Business School.

Gita Kler, BSc, is an analyst at Albion Capital, where she amalgamates her diverse experiences to help the fund build a state-of-the-art platform to support the growth of Albion's portfolio companies. She brings over five years of experience working in start-ups, and national and multinational corporations across healthtech, fintech and e-commerce. Prior to joining Albion Capital, Gita helped build a Dutch re-commerce start-up, where she managed data analytics in close conjunction with finance, marketing, and technology. She has also been on both sides of acquisition deals and has helped companies drive process improvements, implement software solutions and gain visibility over their day-to-day and month-to-month performance. Gita holds a BSc in Economics and Finance from the University of Amsterdam and is pursuing a Master's in Management of Information Systems and Digital Innovation at the LSE.

Ed Lascelles, BA (Hons), heads up the technology investment team at Albion, focusing on B2B software and disruptive tech services. He joined Albion Capital in 2004 having started his career advising public companies during the 'dotcom' boom, and became a partner in 2009. He graduated from University College London with a first-class honours' degree in Philosophy.

Paul Lehair, MSc, MA, joined Albion Capital in 2019 with 10 years of experience in tech start-ups and investment banking. He joined Albion Capital from Citymapper where he was Finance Director for five years having joined when the company had less than ten employees. He also worked in business operations at Viagogo and in M&A TMT at Citigroup. He is an investment director at Albion Capital specialising in technology investing. He holds a dual Masters' degree in European Political Economy from the London School of Economics and Political Science and Sciences Po Paris.

Catriona McDonald, BA (Hons), joined Albion Capital in 2018 from Goldman Sachs where she worked on IPOs, M&A and leveraged buyouts in New York and London. Her time in banking gave her experience of implementing proven systems and running detailed analysis. She is now an investment director at Albion Capital specialising in technology investing. She graduated from Harvard University, majoring in Economics.

Kibriya Rahman, MMath, joined the AlbionVC technology investment team in 2022. The former consultant brings experience gained over a seven-year career in corporate strategy to his role as an investor. He helped to lead the commercial growth strategy at the small business lender Funding Circle and made up part of a team launching and scaling new digital products for Formula 1. Before this, he worked at OC&C Strategy Consultants where he delivered on strategy and due diligence projects. Kibriya graduated from Oxford University with an MMath degree.

Jane Reddin, BA (Hons), is a partner at Albion Capital. She helps the Albion VCTs invest in strong founders, by assessing leadership potential, and accelerating the scaling of Albion's portfolio companies. In her 25 year career, she has transacted over 500 senior hires, built international, new-market and fund teams and helped over 70 start-ups build high performing teams. Prior to Albion, she spent six years as Talent Advisor at Balderton Capital and then co-founded The Talent Stack, a talent management consulting company for start-ups. She joined Albion in 2021 and became partner in 2022. The talent platform she is developing at Albion Capital enables the sharing of talent and leadership development expertise with Albion's early-stage community. She graduated from Durham University with a BA in French and German.

Dr. Christoph Ruedig, MBA, practiced radiology and strategy consulting before becoming an investor in healthcare. He joined Albion Capital in 2011 and became a partner in 2014. At Albion he focuses on digital health, with investments ranging from clinical trial software to chronic disease management. Prior to joining Albion, he worked at General Electric UK, where he was responsible for mergers and acquisitions in healthcare, following a role in venture capital with 3i plc. He holds a degree in medicine from Ludwig-Maximilians University, Munich, and an MBA from INSEAD.

Nadine Torbey, MSc, BEng, joined Albion Capital in 2018 from Berytech Fund Management, one of the first VC funds in the Middle East. She has been a venture capitalist for seven years and her investing experience includes: AI/Data Platforms and Infrastructure, CX, Digital Networks and Hardware. She is an investment director at Albion Capital specialising in technology investing. She graduated from the American University of Beirut with a BSc in Electrical and Computer Engineering and followed this with an MSc in Innovation Management and Entrepreneurship from Brown University.

Robert Whitby-Smith, BA (Hons), FCA, has been in venture capital for 16 years following a background in corporate finance at KPMG, Credit Suisse First Boston, and ING Barings, after qualifying as a chartered accountant. He joined Albion Capital in 2005, became a partner in 2009 and specialises in software investing. He graduated from Reading University with a BA (Hons) in History.

Jay Wilson, MBA, MMath, comes from an advisory background and is focused on partnering with management teams. He joined Albion Capital in 2019 from Bain & Company, where he had been a consultant since 2016 and is an investment director at Albion specialising in technology investing. Prior to this he graduated from the London Business School with an MBA having spent eight years as a broker at ICAP Securities.

Marco Yu, PhD, MRICS, specialises in energy related investment and has in-depth knowledge and understanding of energy generation, distribution, balancing, storage as well as servicing the sector. Marco is an investment director at Albion Capital, has a first-class degree in economics from Cambridge, a PhD in construction economics from UCL and has led over 20 investments to date. Prior to joining Albion in 2007, he qualified as a Chartered Surveyor with Bouygues (UK), and advised on large capital projects with EC Harris.

Portfolio of investments

Portfolio company	Activity	% voting rights	% voting rights of Albion* managed companies	At 30 June 2022 Cost £'000	At 30 June 2022 Value £'000	At 30 June 2021 Cost £'000	At 30 June 2021 Value £'000	Change in value for the year** £'000
Quantexa	Network analytics platform to detect financial crime	1.7	11.7	**1,797**	**10,119**	1,797	10,090	**29**
Proveca	Reformulation of medicines for children	6.1	49.9	**974**	**3,908**	974	3,929	**(21)**
Oviva	A technology enabled service business in medical nutritional therapy (MNT)	1.9	12.2	**1,766**	**3,332**	781	2,463	**(116)**
Chonais River Hydro	Owner and operator of a 2 MW hydro-power scheme in the Scottish Highlands	14.0	50.0	**1,549**	**3,297**	1,549	3,090	**207**
Radnor House School (TopCo)	Independent school for children aged 2 -18 years	8.7	48.3	**1,592**	**3,130**	1,592	2,767	**363**
Cantab Research (T/A Speechmatics)	Provider of low footprint automated speech recognition software	1.8	14.4	**1,521**	**2,423**	779	1,164	**517**
The Evewell Group	Operator and developer of women's health centres focusing on fertility	5.1	33.0	**1,240**	**2,415**	894	1,734	**335**
Gharagain River Hydro	Owner and operator of a 1 MW hydro-power scheme in the Scottish Highlands	15.0	50.0	**1,116**	**1,807**	1,116	1,658	**149**
Elliptic Enterprises	Provider of anti-money laundering services to digital asset institutions	0.8	5.9	**1,114**	**1,529**	724	737	**402**
Gravitee Topco (T/A Gravitee.io)	API management platform	4.4	29.3	**1,140**	**1,432**	608	608	**292**
Black Swan Data	Data analysis that supports corporate decision making	2.7	24.4	**1,298**	**1,355**	962	1,151	**(132)**
The Voucher Market (T/A WeGift)	A cloud platform that enables corporates to purchase digital gift cards	1.8	8.7	**828**	**1,308**	828	828	**480**
TransFICC	A provider of a connectivity solution, connecting financial institutions with trading venues via a single API	2.9	17.8	**1,066**	**1,275**	220	220	**209**
Threadneedle Software Holdings (T/A Solidatus)	Provider of data lineage software	2.0	11.5	**1,239**	**1,239**	1,239	1,239	**–**
Beddlestead	Developer and operator of a dedicated wedding venue	8.2	49.0	**1,060**	**1,203**	1,060	844	**359**
Egress Software Technologies	Encrypted email and file transfer service provider	0.9	24.7	**306**	**1,102**	306	1,064	**38**
Healios	Provider of an online platform delivering family centric psychological care	2.6	17.5	**688**	**1,081**	688	1,081	**–**
NuvoAir Holdings	Digital therapeutics and decentralised clinical trials for respiratory conditions	1.7	11.2	**707**	**1,040**	555	555	**333**
Seldon Technologies	Software company that enables enterprises to deploy Machine Learning models in production	2.2	14.0	**1,039**	**1,039**	424	424	**–**
uMotif	A patient engagement and data capture platform for use in research	3.3	20.2	**1,022**	**912**	1,022	1,062	**(150)**
The Street by Street Solar Programme	Owns and operates photovoltaic systems on domestic properties	4.4	50.0	**461**	**829**	461	809	**20**

Portfolio of investments continued

Portfolio company	Activity	% voting rights	% voting rights of Albion* managed companies	At 30 June 2022 Cost £'000	At 30 June 2022 Value £'000	At 30 June 2021 Cost £'000	At 30 June 2021 Value £'000	Change in value for the year** £'000
Locum's Nest	Provides a technology solution for the management of locum doctors for the NHS	4.1	25.6	**482**	**817**	400	424	**311**
Arecor Therapeutics PLC	Development of biopharmaceuticals through the application of a formulation technology platform	0.8	5.5	**290**	**760**	290	544	**216**
Panaseer	Provider of cyber security services	1.4	11.4	**510**	**753**	510	753	**–**
Convertr Media	Digital lead generation software	4.3	26.6	**680**	**711**	680	705	**6**
PeakData	Provides insights and analytics to pharmaceutical companies about therapeutic areas	1.5	11.2	**685**	**709**	–	–	**24**
PerchPeek	Digital relocation platform	2.0	11.6	**672**	**672**	–	–	**–**
Koru Kids	Online marketplace connecting parents and nannies	1.6	9.3	**421**	**610**	338	373	**154**
Regenerco Renewable Energy	Generator of renewable energy from roof top solar installations	3.4	50.0	**344**	**562**	344	548	**14**
Aridhia Informatics	Healthcare informatics and analysis provider	2.3	21.6	**442**	**539**	442	402	**137**
Ophelos	Autonomous debt resolution platform	2.0	12.3	**521**	**521**	–	–	**–**
Alto Prodotto Wind	Owns and operates community scale wind energy projects	4.1	50.0	**284**	**479**	307	498	**15**
InCrowd Sports	Developer of mobile apps for professional sports clubs	2.5	17.8	**318**	**451**	318	432	**19**
Accelex Technology	Data extraction and analytics technology for private capital markets	2.4	16.5	**433**	**433**	222	222	**–**
MHS 1	Education	6.9	48.8	**481**	**402**	481	403	**(1)**
Cisiv	Software and services for non-interventional clinical trials	3.0	29.6	**278**	**402**	278	267	**135**
Brytlyt	GPU database	2.3	14.8	**396**	**396**	396	396	**–**
Oxsensis	Developer and producer of high temperature sensors	1.9	26.9	**439**	**240**	386	382	**(195)**
Limitless Technology	Provider of a customer service platform powered by the crowd and machine learning technology	1.5	11.0	**412**	**237**	412	453	**(216)**
Imandra	Provider of automated software testing and an enhanced learning experience for artificial neural networks	1.1	8.1	**155**	**234**	106	324	**(139)**
DySIS Medical	Medical devices for the detection of cervical cancer	1.4	10.1	**1,038**	**224**	1,038	289	**(65)**
AVESI	Owns and operates photovoltaic systems on domestic properties	3.8	50.0	**123**	**162**	123	163	**(1)**
uMedeor (T/A uMed)	A middleware technology platform that enables life science organisations to conduct medical research programmes	1.4	9.5	**152**	**152**	152	152	**–**
Regulatory Genome Development	Provider of machine readable structured regulatory content	0.8	4.9	**116**	**116**	–	–	**–**
Zift Channel Solutions	Business collaboration and communication solutions	0.6	6.5	**321**	**108**	321	90	**18**
Mirada Medical	Developer of medical imaging software	2.0	15.0	**511**	**87**	511	–	**87**
Greenenerco	Owns and operates a 500kW wind project	1.9	50.0	**48**	**84**	52	87	**3**

Portfolio of investments continued

Portfolio company	Activity	% voting rights	% voting rights of Albion* managed companies	At 30 June 2022 Cost £'000	At 30 June 2022 Value £'000	At 30 June 2021 Cost £'000	At 30 June 2021 Value £'000	Change in value for the year** £'000
memsstar	Refurbisher and manufacturer of MEMS and semiconductor fabrication equipment	3.0	44.7	**64**	**45**	64	63	**(18)**
Symetrica	A designer and manufacturer of radiation detection equipment	0.2	5.0	**50**	**40**	50	40	**–**
Kew Green VCT (Stansted)	Operator of a Holiday Inn Express hotel at Stansted Airport	2.0	50.0	**22**	**29**	22	1	**28**
Concirrus	A software provider bringing real-time behavioural data analytics to the marine and transport insurance industries	1.6	10.4	**831**	**29**	755	755	**(802)**
Palm Tree Technology	Software company	0.2	0.7	**102**	**6**	102	6	**–**
Forward Clinical (T/A Pando)	A secure mobile communication and collaboration platform in healthcare	1.5	9.2	**184**	**3**	184	5	**(2)**
Abcodia	Validation and discovery of serum biomarkers	1.7	19.5	**315**	**1**	315	2	**(1)**
Avanti Communications Group PLC	Supplier of satellite communications	0.1	0.1	**136**	**1**	136	1	**–**
Avora	Developer of software to improve decision making through augmented analytics & machine learning	2.8	16.7	**510**	**–**	510	193	**(193)**
Other holdings				**422**	**380**	422	380	**–**
Total fixed asset investments				**36,711**	**57,170**	29,246	46,870	**2,848**

* Albion Capital Group LLP
** As adjusted for additions and disposals between the two accounting periods
The comparative cost and valuations for 30 June 2021 do not reconcile to the Annual Report and Financial Statements for the year ended 30 June 2021 as the above list does not include brought forward investments that were fully disposed of in the year.

Portfolio of investments continued

Realisations in the year to 30 June 2022	Cost £'000	Opening carrying value £'000	Disposal proceeds £'000	Total realised gain/(loss) £'000	Gain/(loss) on opening value £'000
Disposals:					
Credit Kudos	454	454	2,352	1,898	1,898
Phrasee	617	1,606	2,162	1,545	556
MyMeds&Me	440	569	1,476	1,036	907
MPP Global Solutions	550	550	730	180	180
Innovation Broking Group	27	194	278	251	84
Xperiome	360	239	–	(360)	(239)
Sandcroft Avenue	172	10	–	(172)	(10)
Loan stock repayments, escrow adjustments and other:					
Oxsensis	147	147	166	19	19
Alto Prodotto Wind	22	33	33	11	–
Greenenerco	3	5	5	2	–
Escrow adjustments and other*	–	–	45	45	45
Total fixed asset investment realisations	**2,792**	**3,807**	**7,247**	**4,455**	**3,440**

* These comprise fair value movements on deferred consideration on previously disposed investments and expenses which are incidental to the purchase or disposal of an investment.

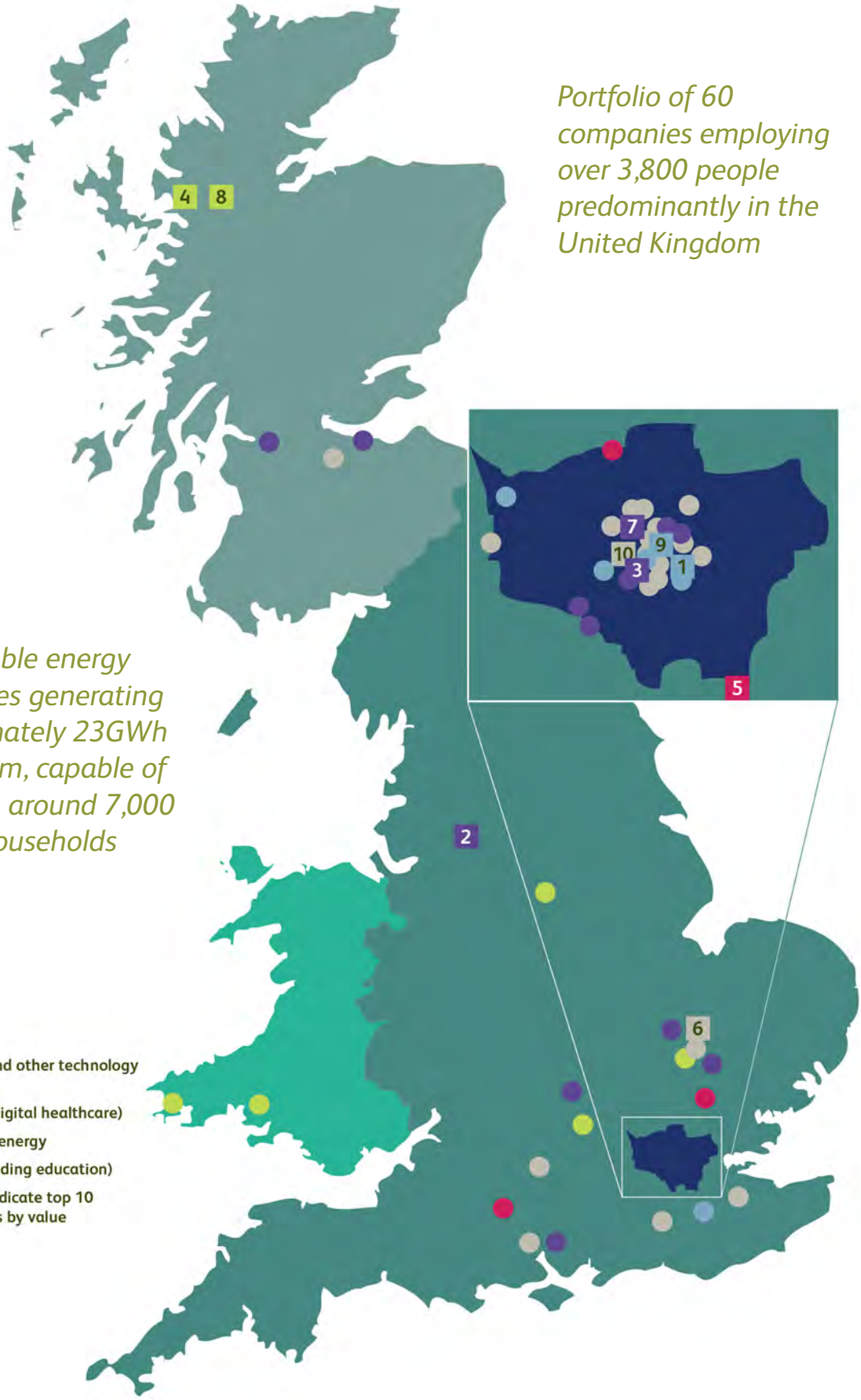
Total change in value of investments for the year	**2,848**
Movement in loan stock accrued interest	(92)
Unrealised gains sub-total	**2,756**
Realised gains in current year	3,440
Unwinding of discount on deferred consideration	190
Total gains on investments as per Income statement	**6,386**

Portfolio companies

Geographical locations

Portfolio of 60 companies employing over 3,800 people predominantly in the United Kingdom

7 renewable energy companies generating approximately 23GWh per annum, capable of powering around 7,000 typical households



Portfolio companies continued

The top ten portfolio companies by value are as follows:

1. Quantexa

Quantexa has developed an analytics platform which offers entity resolution, network analytics and automated decisioning at massive scale in real time. This capability is used to fight financial crime and reduce fraud. Quantexa now counts many of the world's largest banks, insurers and governments among its clients.

Audited results: year to 31 March 2021	£'000	Investment information	£'000
Turnover	30,307	Income recognised in the year	–
LBITDA	(9,077)	Total cost	1,797
Loss before tax	(9,516)	Total valuation	10,119
Net assets	22,890	Voting rights	1.7%
Basis of valuation	Cost and price of recent investment (reviewed for impairment or uplift)	Voting rights of all Albion managed companies	11.7%
		Year of initial investment	2017

Website: www.quantexa.com

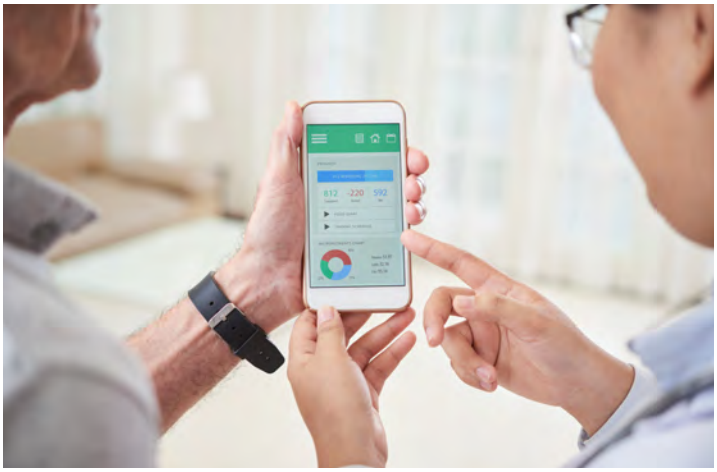
2. Proveca

Proveca is a specialty pharmaceutical company focused on children's medicines. The company is addressing a significant need in developing drugs that are specifically formulated for children, taking advantage of a supportive regulatory regime and market protection throughout Europe. Its first product for chronic drooling was launched in 2017. It has a pipeline of drugs focused on neurology, immunology and cardiovascular.

Website: www.proveca.co.uk

Filleted audited results: year to 31 July 2021	£'000	Investment information	£'000
Net liabilities	(2,731)	Income recognised in the year	–
Basis of valuation	Revenue multiple	Total cost	974
		Total valuation	3,908
		Voting rights	6.1%
		Voting rights of all Albion managed companies	49.9%
		Year of initial investment	2012

Portfolio companies continued



Website: www.oviva.com

3. Oviva

Oviva is the category leader in Europe for digital, reimbursed dietetic care. The company sells digital and technology-led services solutions for conditions such as diabetes and obesity. It consistently demonstrates best-in-class outcomes helping its clients reduce costs and improve patient well-being. It is active in the UK, Germany, France and Switzerland.

Audited results: year to 31 December 2021	£'000
Turnover	7,531
LBITDA	(9,468)
Loss before tax	(10,396)
Net assets	61,700
Basis of valuation	Cost and price of recent investment (reviewed for impairment or uplift)

Investment information	£'000
Income recognised in the year	–
Total cost	1,766
Total valuation	3,332
Voting rights	1.9%
Voting rights of all Albion managed companies	12.2%
Year of initial investment	2016

Website: www.greenhighland.co.uk

4. Chonais River Hydro

Chonais Hydro is a 2MW hydropower scheme near Loch Carron in the Scottish Highlands. It is a run-of-river scheme, taking water from a small river via an intake on the mountainside. The scheme is low visual impact with the only visible components being a small intake and a powerhouse, both of which are built using local material. It generates enough electricity to power about 2,000 homes. It benefits from inflation-protected renewable subsidies for a period of 20 years. The scheme was commissioned in 2014 and has been generating successfully since.

Filleted audited results: year to 30 September 2021	£'000
Net liabilities	(163)
Basis of valuation	Third party valuation – discounted cash flow

Investment information	£'000
Income recognised in the year	72
Total cost	1,549
Total valuation	3,297
Voting rights	14.0%
Voting rights of all Albion managed companies	50.0%
Year of initial investment	2013

Website: Radnor-sevenoaks.org

5. Radnor House School (TopCo)

Radnor House operates a co-educational independent school near Sevenoaks, Kent. The school is growing strongly with over 500 children on the roll and further capacity to expand. Significant further investment has been made into the school's facilities to enable it to deliver a personalised education experience to each student. The curriculum and co-curricular activities are designed to give each child a wide range of academic and other skills in a supportive and nurturing environment.

Audited results: year to 31 August 2021	£'000
Turnover	7,548
EBITDA	622
Loss before tax	(850)
Net assets	12,205
Basis of valuation	Third party valuation – earnings multiple

Investment information	£'000
Income recognised in the year	295
Total cost	1,592
Total valuation	3,130
Voting rights	8.7%
Voting rights of all Albion managed companies	48.3%
Year of initial investment	2015

Website: www.speechmatics.com

6. Cantab Research (T/A Speechmatics)

Speechmatics provides advanced speech recognition software. Their technology can automatically transcribe any voice or audio assets from any live or recorded media and convert it into text in real time with leading accuracy across a wide range of languages. The software can be deployed using small footprint language models, which allow the speech to text processing to be performed at high accuracy both on premise and on device, as well as in the cloud. Albion VCTs invest alongside existing investors (IQ Capital and leading Cambridge angels) to accelerate growth.

Audited results: year to 31 December 2021	£'000
Turnover	9,533
LBITDA	(5,008)
Loss before tax	(5,244)
Net assets	1,353
Basis of valuation	Cost and price of recent investment (reviewed for impairment or uplift)

Investment information	£'000
Income recognised in the year	–
Total cost	1,521
Total valuation	2,423
Voting rights	1.8%
Voting rights of all Albion managed companies	14.4%
Year of initial investment	2019

7. The Evewell Group

The Evewell owns and operates private pay women's health centres of excellence with one on Harley Street and one in Hammersmith (which opened in 2022) both focusing on fertility and IVF treatment but uniquely also covering all aspects of a woman's gynaecological health.

Website: www.evewell.com

Filleted audited results: year to 31 December 2021	£'000
Net liabilities	(978)
Basis of valuation	Cost and price of recent investment (reviewed for impairment or uplift)

Investment information	£'000
Income recognised in the year	212
Total cost	1,240
Total valuation	2,415
Voting rights	5.1%
Voting rights of all Albion managed companies	33.0%
Year of initial investment	2017

Website: www.greenhighland.co.uk

8. Gharagain River Hydro

Gharagain River Hydro is a 1MW hydropower scheme near Loch Carron in the Scottish Highlands, about 3 miles from Chonais Hydro. It is a run-of-river scheme with the same design as Chonais Hydro. It generates enough electricity to power about 1,000 homes. It benefits from inflation-protected renewable subsidies for a period of 20 years. The scheme was commissioned in 2014 and has been generating successfully since.

Filleted audited results: year to 30 September 2021	£'000
Net assets	175
Basis of valuation	Third party valuation – discounted cash flow

Investment information	£'000
Income recognised in the year	36
Total cost	1,116
Total valuation	1,807
Voting rights	15.0%
Voting rights of all Albion managed companies	50.0%
Year of initial investment	2013

Website: www.elliptic.co

9. Elliptic Enterprises

Elliptic provides Anti Money Laundering services to digital asset institutions, e.g. crypto exchanges and banks, enabling them to detect financial crime and comply with emerging regulations. Elliptic is considered a key regulatory partner and spends considerable time liaising and advising the FCA, SEC and other state and regional regulators globally.

Audited results: year to 31 March 2021	£'000
Turnover	4,359
LBITDA	(6,849)
Loss before taxation	(6,898)
Net assets	7,686
Basis of valuation	Cost and price of recent investment (reviewed for impairment or uplift)

Investment information	£'000
Income recognised in the year	–
Total cost	1,114
Total valuation	1,529
Voting rights	0.8%
Voting rights of all Albion managed companies	5.9%
Year of initial investment	2019

Website: www.gravitee.io

10. Gravitee Topco (T/A Gravitee.io)

Gravitee is an open sources API management platform that enables enterprises to manage their APIs through their lifecycle (from design to publishing to controlling access and security).

First accounts not yet filed at Companies House	
Basis of valuation	Cost and price of recent investment (reviewed for impairment or uplift)

Investment information	£'000
Income recognised in the year	–
Total cost	1,140
Total valuation	1,432
Voting rights	4.4%
Voting rights of all Albion managed companies	29.3%
Year of initial investment	2021

Directors' report

The Directors submit their Annual Report and the audited Financial Statements of Crown Place VCT PLC (the "Company") for the year ended 30 June 2022. The Statement of corporate governance on pages 43 to 48 forms a part of the Directors' report.

BUSINESS REVIEW

Principal activity and status

The principal activity of the Company is that of a Venture Capital Trust. It has been approved by H.M. Revenue & Customs ("HMRC") as a Venture Capital Trust in accordance with Part 6 of the Income Tax Act 2007 and in the opinion of the Directors, the Company has conducted its affairs so as to enable it to continue to obtain such approval. In order to maintain its status under Venture Capital Trust legislation, a VCT must comply on a continuing basis with the provisions of Section 274 of the Income Tax Act 2007 and further details of this can be found on pages 38 and 39 of this Directors' report. As with previous years, formal approval for the year ended 30 June 2022 is subject to review should there be any subsequent enquiry under corporation tax self-assessment.

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

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

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 15.

Ordinary shares represent 100 per cent. of the total share capital and voting rights. The Ordinary shares are designed for individuals who are seeking, over the long term, investment exposure to a diversified portfolio of unquoted investments. The investments are spread over a number of sectors, to produce a regular and predictable source of income, combined with the prospect of longer term capital growth.

All Ordinary shares (except for treasury shares which have no rights to a dividend and no voting rights) rank *pari passu* for dividend and voting purposes. Each Ordinary share is currently entitled to one vote. The Directors are not aware of any restrictions on the transfer of shares or on voting rights.

Shareholders are entitled to receive dividends and are entitled to the return of capital on winding up or other return of capital based on the surpluses attributable to the shares.

Issue and buy-back of Ordinary shares

During the year, the Company issued a total of 38,403,745 Ordinary shares, of which 34,719,211 Ordinary shares were issued under the Albion VCTs' Top Up Offers and 3,684,534 Ordinary shares were issued under the Company's Dividend Reinvestment Scheme (details of which can be found on www.albion.capital/funds/CRWN under the Dividend Reinvestment Scheme section).

Your Board, in conjunction with the boards of other VCTs managed by Albion Capital Group LLP, launched prospectus top up offers of new Ordinary shares on 6 January 2022. The Company announced on 31 January 2022 that it would exercise its over-allotment facility, bringing the total amount to be raised to £12 million. On 2 March 2022 the offers were fully subscribed and closed to further applications.

The Company operates a policy of buying back shares either for cancellation or for holding in treasury. Details regarding the current buy-back policy can be found on page 9 of the Chairman's statement. Details on share buy-backs during the year can be found in note 15.

Substantial interests and shareholder profile

As at 30 June 2022 and the date of this report, the Company was not aware of any beneficial interest exceeding 3 per cent. of the voting rights (2021: none). There have been no disclosures in accordance with Disclosure Guidance and Transparency Rule 5 made to the Company during the year ended 30 June 2022 and to the date of this report.

Results and dividends

Detailed information on the results and dividends for the year ended 30 June 2022 can be found in the Strategic report on page 11.

Future developments

Details on the future developments of the Company can be found in the Strategic report on page 11.

Going concern

In accordance with the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued by the Financial Reporting Council ("FRC") in 2014, and the subsequent updated Going concern, risk and viability guidance issued by the FRC due to Covid-19 in 2020, the Board has assessed the Company's operation as a going concern. The Company has sufficient cash and liquid resources, its portfolio of investments is well diversified in terms of sector, and the major cash outflows of the Company (namely investments, buy-backs and dividends) are within the Company's control. Cash flow forecasts are discussed quarterly at Board level with regards to going concern. The cash flow forecasts have been stress tested to allow for higher levels of inflation, in addition to the ongoing

impact of Covid-19. Accordingly, after making diligent enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence over a period of at least twelve months from the date of approval of the Financial Statements. For this reason, the Directors have adopted the going concern basis in preparing the accounts. The Directors do not consider there to be any material uncertainty over going concern.

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 17. The Company's business activities, together with details of its performance are shown in the Strategic report and this Directors' report.

Post balance sheet events

Details of material events that have occurred since 30 June 2022 are shown in note 19.

Principal risks and uncertainties

A summary of the principal risks faced by the Company is set out on pages 17 to 20 of the Strategic report and in note 17.

VCT regulation

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

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

(2) At least 80 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 70 per cent. by HMRC value of its total qualifying holdings must have been represented throughout the year by holdings of 'eligible shares'. Investments made before 6 April 2018 from funds raised before 6 April 2011 are excluded from this requirement;

(4) At least 30 per cent. of funds raised in accounting periods beginning on or after 6 April 2018 must be invested in qualifying holdings by the anniversary of the end of the accounting period in which the funds were raised;

(5) At the time of investment, or addition to an investment, the Company's holdings in any one company (other than another VCT) must not have exceeded 15 per cent. by HMRC value of its investments;

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

(7) The Company's shares, throughout the year, must have been listed on a regulated European market;

(8) An investment in any company must not cause that company to receive more than £5 million in State aid risk finance in the 12 months up to the date of the investment, nor more than £12 million in total (the limits are £10 million and £20 million respectively for a 'knowledge intensive' company);

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

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

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

These tests drive a spread of investment risk through preventing holdings of more than 15 per cent. by HMRC value in any portfolio company. The tests have been carried out and independently reviewed for the year ended 30 June 2022. The Company has complied with all tests and continues to do so.

'Qualifying holdings' include shares or securities (including unsecured loans with a five year or greater maturity period) in companies which have a permanent establishment in the UK and operate a 'qualifying trade' wholly or mainly in the United Kingdom. The investment must bear a sufficient level of risk to meet a risk-to-capital condition. Eligible shares must comprise at least 10% by HMRC value of the total of the shares and securities that the Company holds in any one portfolio company. 'Qualifying trade' excludes, amongst other sectors, dealing in property or shares and securities, insurance, banking and agriculture. Details of the sectors in which the Company is invested can be found in the pie chart on page 10.

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

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

As at 30 June 2022, the HMRC value of qualifying investments (which includes a 12 month disregard for disposals since 30 June 2021) was 96.76% (2021: 95.57%). The HMRC value of the qualifying investments is not necessarily the same as the fair value presented in the financial statements. The Board continues to monitor this and all the VCT qualification requirements very carefully in order to ensure that all requirements are met and that qualifying investments comfortably exceed the current minimum threshold of 80%, which is required for the Company to continue to benefit from VCT tax status. The Board and Manager are confident that the qualifying requirements can be met during the course of the year ahead.

Environment

The management and administration of the Company is undertaken by the Manager. Albion Capital Group LLP recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by its activities. Initiatives designed to minimise the Company's impact on the environment include recycling, favouring digital over printing and reducing energy consumption. Further details can be found in the Environmental, Social and Governance ("ESG") report on pages 21 to 23.

Global greenhouse gas emissions

The Company qualifies as a low energy user with regards to greenhouse gas emissions, producing less than 40,000kWh of energy, and therefore is not required to report emissions from the operations of the Company, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic report and Directors' reports) Regulations 2013, including those within our underlying investment portfolio. Therefore, the Company is outside of the scope of Streamlined Energy Carbon Reporting.

Anti-bribery

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

Albion Capital Group LLP conducts due diligence on the anti-bribery policies and procedures of all portfolio companies.

Anti-facilitation of tax evasion

The Company has a zero tolerance approach with regards to the facilitation of criminal tax evasion and has put in place a robust risk assessment procedure to ensure compliance. The Board reviews this policy and the prevention procedures in place for all associates on a regular basis.

Diversity

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

More details on the Directors can be found in the Board of Directors section on page 24.

Packaged Retail and Insurance-based Investment Products ("PRIIPs")

Investors should be aware that the PRIIPs Regulation requires the Manager, as PRIIP manufacturer, to prepare a Key Information Document ("KID") in respect of the Company. This KID must be made available by the Manager to retail investors prior to them making any investment decision and is available on the Company's webpage on the Manager's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by the law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

Alternative Investment Fund Managers Directive ("AIFMD")

Under the Alternative Investment Fund Manager Regulations 2013 (as amended) the Company is a UK AIF and the Manager is a full scope UK AIFM. Ocorian Depositary (UK) Limited provides depositary services under the AIFMD.

Material changes to information required to be made available to investors of the Company

The AIFMD outlines the required information which has to be made available to investors prior to investing in an AIF and directs that material changes to this information be disclosed in the Annual Report of the AIF. There were no material changes in the year.

Assets of the Company subject to special arrangements arising from their illiquid nature

There are no assets of the Company which are subject to special arrangements arising from their illiquid nature.

Remuneration (unaudited)

The Manager has a remuneration policy which meets the requirements of the AIFMD Remuneration Code and associated Financial Conduct Authority guidance. The remuneration policy together with the remuneration disclosures for the AIFM's most recent reporting period are available on the Company's webpage on the Manager's website.

Employees

The Company is managed by Albion Capital Group LLP and hence has no employees. The Board consists solely of non-executive Directors, who are considered key management personnel.

Directors

The Directors who held office throughout the year, and their interests in the shares of the Company (together with those of their immediate family) are shown in the Directors' remuneration report on page 49.

Directors' indemnity

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

Re-election of Directors

Directors' re-election is subject to the Articles of Association and the UK Corporate Governance Code. The AIC Code recommends that all Directors submit themselves for re-election annually, therefore in accordance with the AIC Code, Penny Freer, James Agnew, Pam Garside and Ian Spence will offer themselves for re-election.

Advising ordinary retail investors

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

Investment and co-investment

The Company co-invests with other Albion Capital Group LLP managed Venture Capital Trusts and funds. Allocation of investments is on the basis of an allocation agreement which is based, inter alia, on the ratio of funds available for investment and the HMRC VCT qualifying tests.

Auditor

The Audit and Risk Committee annually reviews and evaluates the standard and quality of service provided by the Auditor, as well as value for money in the provision of these services. A resolution to re-appoint BDO LLP will be put to the Annual General Meeting.

There have been significant changes in the market for the provision of audit services, particularly for listed companies. As a result, there have been increases in the levels of audit fees being charged to listed companies and further pressure on fees is likely in future years. The Board continues to believe that the Company's auditor provides a good and competitively priced service for the audit of the Company.

Annual General Meeting

The Company's Annual General Meeting ("AGM") will be held at noon on 29 November 2022 via the Lumi platform. Information on how to participate in the live webcast can be found on the Manager's website at www.albion.capital/vct-hub/agms-events.

The AGM will include a presentation from the Manager, the answering of questions received from shareholders and the formal business of the AGM, which includes voting on the resolutions proposed by the Board by way of a poll. Registration details for the webcast will be emailed to shareholders and will be available at www.albion.capital/vct-hub/agms-events prior to the AGM.

The Board welcomes questions from shareholders at the AGM and shareholders will be able to ask questions using the Lumi platform during the AGM. Alternatively, shareholders can email their questions to crownchair@albion.capital prior to the AGM.

Shareholders will be able to vote during the AGM using the Lumi platform. Shareholders are encouraged to complete and return proxy cards in advance of the AGM but those participating in the AGM will be able to cast their votes through the Lumi platform once the Chairman declares the poll open.

The results of the poll held at the AGM will be announced through a Regulatory Information Service and will be published on the Company's webpage on the Manager's website at www.albion.capital/funds/CRWN as soon as reasonably practicable following the AGM.

Shareholders' views are important, and the Board encourages shareholders to vote on the resolutions. You can cast your vote by using the proxy form enclosed with this Annual Report or electronically at www.investorcentre.co.uk/eproxy. The Board has carefully considered the business to be approved at the AGM and recommends shareholders to vote in favour of all the resolutions being proposed.

Full details of the business to be conducted at the AGM are given in the Notice of the Meeting on pages 77 to 80.

The ordinary business resolutions 1 to 8 include receiving and adopting the Company's accounts, to approve the Directors'

remuneration report, to re-elect all Directors, and to re-appoint BDO LLP as auditor for the next year end and to fix their remuneration.

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

Resolutions number 9 to 11 replace the authorities given to the Directors at the Annual General Meeting in 2021. The authorities sought at the forthcoming Annual General Meeting will expire 15 months from the date that the resolution is passed or at the conclusion of the next Annual General Meeting of the Company, whichever is earlier.

Authority to allot shares

Ordinary resolution number 9 will request the authority to allot up to an aggregate nominal amount of £581,047 representing approximately 20 per cent. of the issued Ordinary share capital of the Company as at the date of this report.

The Directors' current intention is to allot shares under the Dividend Reinvestment Scheme and any Albion VCTs' Top Up Offers. The Company currently holds 35,822,916 Ordinary shares in treasury which represents 12.3 per cent. of the total Ordinary share capital in issue as at 30 June 2022.

Disapplication of pre-emption rights

Special resolution number 10 will request the authority for the 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 a maximum aggregate of £581,047 of the nominal value of the share capital representing approximately 20 per cent. of the issued Ordinary share capital of the Company as at the date of this report.

Purchase of own shares

Special resolution number 11 will request the authority to purchase a maximum of 43,549,523 shares representing 14.99 per cent. of the Company's issued Ordinary share capital at, or between, the minimum and maximum prices specified in resolution 11. Shares bought back under this authority may be cancelled.

The Board believes that it is helpful for the Company to continue to have the flexibility to buy its own shares and this resolution seeks authority from shareholders to do so. Details of share buy-backs during the year can be found in note 15.

Recommendation

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

Disclosure of information to the Auditor

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

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

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

By Order of the Board

Albion Capital Group LLP
Company Secretary
1 Benjamin Street
London, EC1M 5QL
3 October 2022

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Company's Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP") (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 of the profit or loss for the Company 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 they have been prepared in accordance with UK GAAP, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare a Strategic report, a Directors' report and Directors' remuneration report which comply with the requirement of the Companies Act 2006.

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

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

Website publication

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

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

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

The Directors confirm, to the best of their knowledge:

- The Financial Statements have been prepared in accordance with UK GAAP and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- The Annual Report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board

Penny Freer
Chairman
3 October 2022

Statement of corporate governance

Background

The Financial Conduct Authority requires all companies listed on a regulated market to disclose how they have applied the principles and complied with the provisions of the UK Corporate Governance Code (the "Code") issued by the Financial Reporting Council ("FRC") in 2018.

The Board has considered the Principles and Provisions of the AIC Code of Corporate Governance ("AIC Code"). The AIC Code addresses the Principles and Provisions set out in the Code, as well as setting out additional Provisions on issues that are of specific relevance to the Company and other investment companies. Closed-ended investment companies have particular factors which have an impact on their governance arrangements, principally from four features: outsourcing their day to day activities to external service providers and being governed by boards of non-executive directors; the importance of the Manager in the outsourcing compared to a typical supplier; having no executive directors or employees and consequently no executive remuneration packages; and no customers in the traditional sense, only shareholders.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to shareholders. The Company has complied with the Principles and Provisions of the AIC Code.

The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the Code to make them relevant for investment companies.

Board of Directors

The Board consists solely of non-executive Directors. Penny Freer is the Chairman and James Agnew is the Senior Independent Director. All Directors are non-executive and day-to-day management responsibilities are sub-contracted to the Manager.

Penny Freer, James Agnew, Pam Garside and Ian Spence are considered independent Directors.

The Board does not have a policy of limiting the tenure of any Director as the Board does not consider that a Director's length of service reduces their ability to act independently of the Manager.

The AIC Code requires that all Directors submit themselves for re-election annually. Therefore, in accordance with the AIC Code, Penny Freer, James Agnew, Pam Garside and Ian Spence will offer themselves for re-election.

The Directors have a range of business and financial skills, including serving on the boards of other companies, which are relevant to the Company; these are described in the Board of Directors section on page 24. All of the Directors have demonstrated that they have sufficient time, skill and experience to acquit their Board responsibilities and to work together effectively. 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 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. The Company has in place Directors' & Officers' Liability Insurance.

The Directors have considered diversity in relation to the composition of the Board and have concluded that its membership is diverse in relation to gender, experience and balance of skills. Further details on the recruitment of new Directors can be found in the Nomination Committee section on page 46.

The Board met four times during the year as part of its regular programme of Board meetings. In accordance with best practice, a meeting also took place without the Manager present. All Directors attended each meeting. A sub-committee of the Board comprising at least two Directors met during the year to allot shares issued under the Dividend Reinvestment Scheme and the Albion VCTs' Top Up Offers and also met during the year to approve the terms and contents of the Offers document under the Albion VCTs' Prospectus Top Up Offers 2021/22. There is regular contact between individual members of the Board. Representatives of the Manager attend all Board meetings and participate in Board discussions, other than on matters where there might be a perceived conflict of interest between the Manager and the Company.

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

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

- the appointment, evaluation, remuneration and removal of the Manager;
- the consideration and approval of future developments or changes to the investment policy, including risk and asset allocation;
- consideration of corporate strategy and corporate events that arise;
- application of the principles of the AIC Code, corporate governance and internal control;
- review of sub-committee recommendations, including the recommendation to shareholders for the appointment and remuneration of the Auditor;
- approving the Annual Report and Financial Statements, the Half-yearly Financial Report, the Interim Management Statements (which the Company will continue to publish), net asset value updates (where required), and the associated announcements;
- approval of the dividend policy and payments of appropriate dividends to shareholders;
- the performance of the Company, including monitoring of the discount of share price to the net asset value;
- share buy-back and treasury share policies;
- participation in dividend re-investment schemes and Top Up Offers; and
- monitoring shareholder profile and considering shareholder communications.

Given the size, nature and complexity of the Company, the Board considers it unnecessary to establish a Management Engagement Committee.

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

Committees' and Directors' performance evaluation

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

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

The evaluation process has identified that the Board works well together and has the right balance of independence, skills, experience and knowledge for the effective governance of the Company. The Board considers any skills gaps in existence and takes action to remedy these where necessary.

Directors are offered training, both at the time of joining the Board and on other occasions where required. The Directors attend external courses and industry events which provides further experience to help them fulfil their responsibilities. The Board also undertakes a proper and thorough evaluation of its Committees on an annual basis.

In light of the structured performance evaluation, Penny Freer, James Agnew, Pam Garside and Ian Spence, who are subject to re-election at the forthcoming Annual General Meeting, are considered to be effective Directors and demonstrate a strong commitment to the role. The Board believes it to be in the best interest of the Company to re-appoint these Directors at the forthcoming Annual General Meeting and has nominated them for re-election accordingly. For more details on the specific background, skills and experience of each Director, please see the Board of Directors section on page 24.

Remuneration Committee

The Remuneration Committee consists of all Directors and Pam Garside is the Chairman. The Committee meets annually to review both Directors' responsibilities and salaries against the market. The Committee held one formal meeting during the year, which was fully attended by all the members of the Committee.

All Directors sit on the Remuneration Committee as their balance of skills and knowledge are relevant to the Committee's responsibilities. The terms of reference for the Remuneration Committee can be found on the Company's webpage on the Manager's website at www.albion.capital/funds/CRWN in the Corporate Governance section.

Audit and Risk Committee

The Audit and Risk Committee consists of all Directors and James Agnew is the Chairman. In accordance with the AIC Code, members of the Audit and Risk Committee have recent and relevant financial experience, as well as experience relevant to the sector. Given the size of the Board and the complexity of the business, Penny Freer is both Chairman of the Board and a member of the Audit and Risk Committee as her background, skills and experience are relevant for the Committee's responsibilities. The Committee met twice during the year ended 30 June 2022 and all members attended.

Written terms of reference have been constituted for the Audit and Risk Committee and can be found on the Company's

webpage on the Manager's website at www.albion.capital/funds/CRWN in the Corporate Governance section.

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

- formally reviewing the Annual Report and Financial Statements, the Half-yearly Financial Report 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;
- reviewing the performance of the Manager and making recommendations regarding their re-appointment to the Board;
- highlighting the key risks and specific issues relating to the Financial Statements including the reasonableness of valuations, compliance with accounting standards and UK law, corporate governance and listing and disclosure rules as well as going concern and viability statements. These issues were addressed through detailed review, discussion and challenge by the Board of these matters, as well as by reference to underlying technical information to back-up the discussions. Taking into account risk factors that impact on the Company both as reflected in the annual accounts and in a detailed risk matrix, both of which are reviewed periodically in detail, including in the context of emerging risks;
- advising the Board on whether the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy; and
- reporting to the Board on how it has discharged its responsibilities.

The Board, and particularly the Audit and Risk Committee, monitors closely developments in the provision of audit services and is aware that the costs of rendering audit services from most audit firms are increasing significantly, with more pressure on those firms who provide services to listed companies and for those companies operating in a regulated environment. The Board is satisfied from discussions with the current audit firm and from scrutiny of what is happening elsewhere, that BDO LLP continues to provide the Company with an independent and expert review of its financial reporting from an audit firm with significant experience in the sector and on a competitive fee base for the work required in reporting on an extensive portfolio of unquoted investments.

The Committee also examines going concern and viability statements, using financial projections provided by the Manager on the Company and by examining the liquidity in the Company's portfolio, including cash and realisable investments, the committed costs of the Company and where liquidity might be found if required. The Audit and Risk Committee also receives regular reports on compliance with VCT status, which is subject to various internal controls and external review when investment commitments are made.

Financial Statements

The Audit and Risk Committee has initial responsibility for reviewing the Financial Statements and reporting on any significant issues that arise in relation to the audit of the Financial Statements as outlined below. The Audit and Risk Committee considered whether these issues were properly considered at the planning stage of the audit and the issues were discussed with the external Auditor prior to the completion of the audit of the Financial Statements. No major conflicts arose between the Audit and Risk Committee and the external Auditor in respect of their work during the period.

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

The valuation of the Company's investments

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

Revenue recognition

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

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

Relationship with the external Auditor

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

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

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

In order to form a view of the effectiveness of the external audit process, the Audit and Risk Committee took into account information from the Manager regarding the audit process, the formal documentation issued to the Audit and Risk Committee and the Board by the external Auditor as well as feedback given in a meeting without the Manager present, regarding the external audit for the year ended 30 June 2022, and assessments made by individual Directors.

In 2017, the Audit and Risk Committee undertook a tendering exercise for the provision of audit services. As a result of this process, BDO LLP was retained as Auditor. BDO LLP first acted as Auditor for the year ended 30 June 2008 and this will be year 15 of their tenure. In order to safeguard the quality of the audit team, the audit engagement partner is rotated every five years. This year is the second year that Peter Smith has acted as audit engagement partner and rotation will take place before the year ended 30 June 2026. 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.

The Audit and Risk Committee also has an annual meeting with the external Auditor, without the Manager present, at which pertinent questions are asked to help the Audit and Risk Committee determine if the Auditor's skills match all the relevant and appropriate criteria.

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

Nomination Committee

The Nomination Committee consists of all Directors and Penny Freer is the Chairman. All Directors sit on the Nomination Committee as their balance of skills and knowledge are relevant to the Committee's responsibilities. 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 Board's policy on the recruitment of new Directors is to attract a range of backgrounds, skills and experience and to ensure that appointments are made on the grounds of merit against clear and objective criteria and bear in mind gender and other diversity within the Board. The Board is also mindful of the importance of creating good working relationships within the Board and with external agents. The Nomination Committee reviews succession planning regularly which includes considering tenure of existing Board members, including the Chairman, and any potential skills gaps that might need to be addressed when board membership changes.

The Nomination Committee held one formal meeting during the year, which was fully attended by all the members of the Committee at the time the meeting was held.

Terms of reference for the Nomination Committee can be found on the Company's webpage on the Manager's website at www.albion.capital/funds/CRWN in the Corporate Governance section. The terms and conditions of Directors' appointment are available for inspection at the Annual General Meeting.

Internal control

In accordance with the AIC Code, the Board has an established process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place throughout the year and continues to be subject to regular review by the Board in accordance with the FRC guidance "Risk Management, Internal Control and Related Financial and Business Reporting". The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage, rather than eliminate the risks of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board, assisted by the Audit and Risk Committee, monitors 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 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 Audit and Risk Committee's attention.

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

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

- segregation of duties between the preparation of valuations and recording into the accounting records;
- independent third party valuations of the majority of asset-based investments within the portfolio are undertaken annually;
- reviews of valuations are carried out by the Valuation Committee and reviews of financial reports are carried out by the operations partner of Albion Capital Group LLP;
- bank reconciliations are carried out monthly by the Manager;
- all published financial reports are reviewed by Albion Capital Group LLP's compliance department;
- the Board reviews financial information; and
- a separate Audit and Risk Committee of the Board reviews financial information (including the valuations) due to be published.

As the Board has delegated the investment management and administration to Albion Capital Group LLP, the Board feels that it is not necessary to have its own internal audit function. Instead, the Board has access to Azets, which, as internal auditor for Albion Capital Group LLP from 2021, undertakes periodic examination of the business processes and controls environment at Albion Capital Group LLP; and ensures that any recommendations to implement improvements in controls are carried out. During the year, the Audit and Risk Committee and the Board reviewed internal audit reports prepared by Azets. The Board will continue to monitor its system of internal control in order to provide assurance that it operates as intended.

In addition to this, Ocorian Depositary (UK) Limited, the Company's external Depositary, provides cash monitoring, asset verification, and oversight services to the Company and reports to the Board on a quarterly basis. The Board and the Audit and Risk Committee will continue to monitor its system of internal control in order to provide assurance that it operates as intended.

Conflicts of interest

Directors review the disclosure of conflicts of interest quarterly, with any changes reviewed and noted at the beginning of each Board meeting. A Director who has conflicts of interest has two independent Directors authorise those conflicts, and is excluded from discussions or decisions regarding 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 powers to buy and issue shares are detailed in full on page 37 of the Directors' report. The Company is not party to any significant agreements that may take effect, alter or terminate upon a change of control of the Company following a takeover bid.

Any amendments to the Company's Articles of Association are by way of a special resolution subject to ratification by shareholders.

Relationships with shareholders and other stakeholders

The Company's Annual General Meeting is on 28 November 2022. The Annual General Meeting typically includes a presentation from the Manager on the portfolio and on the Company, as well as answering questions that shareholders may have. The AGM will be held virtually.

Shareholders are also encouraged to attend the annual Shareholders' Seminar. This year's event is scheduled for 23 November 2022, at the Royal College of Surgeons, Lincoln's Inn Field, London. More details will shortly be available on the Albion Capital website. The seminar includes some of the portfolio companies sharing insights into their businesses and presentations from Albion executives on some of the key factors affecting the investment outlook, as well as a review of the past year and the plans for the year ahead. Representatives of the Board attend the seminar.

Shareholders and financial advisers are able to obtain information on holdings and performance using the contact details provided on page 2.

The Company's share buy-back programme operates in the market through brokers. In order to sell shares, as they are quoted on the London Stock Exchange, investors should approach their broker to undertake the sale. Banks may be able to assist shareholders with a referral to a broker within their banking group. More information on share buy-backs can be found in the Chairman's statement on page 9.

Statement of compliance

The Directors consider that the Company has complied throughout the year ended 30 June 2022 with all the relevant provisions set out in the AIC Code issued in 2019. By reporting against the AIC Code, the Board are meeting their obligations in relation to the 2018 UK Corporate Governance Code (and associated disclosure requirements under paragraph 9.8.6 of the Listing Rules). The Directors also consider that they are complying with their statutory responsibilities and other regulatory provisions which have a bearing on the Company.

For and on behalf of the Board

Penny Freer
Chairman
3 October 2022

Directors' remuneration report

Introduction

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

An ordinary resolution will be proposed at the Annual General Meeting of the Company to be held on 28 November 2022 for the approval the Directors' remuneration report as set out below.

The current Remuneration Policy was approved by shareholders (96.90% of shareholders voted for the resolution, 3.10% against the resolution and of the total votes cast, 359,910, being 0.18% of total voting rights, were withheld) at the Annual General Meeting held on 26 November 2020, and it will remain in place for a three year period. It will next be put to shareholders at the 2023 AGM.

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

Annual statement from the Chairman of the Remuneration Committee

The Remuneration Committee comprises all Directors, with Pam Garside as Chairman.

The Remuneration Committee met after the year end to review Directors' responsibilities and fees against the market and concluded that the current level of remuneration, which was last increased in 2021, remained appropriate and so proposed no increase for the forthcoming year.

Directors' remuneration policy

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

None of the Directors have a service contract with the Company, and as such there is no policy on termination payments. There is no notice period and no payments for loss of office were made during the period. On being appointed to the Board, Directors receive a letter from the Company setting out the terms of their appointment and their specific duties and responsibilities. The Company is managed by Albion Capital Group LLP and has no employees. The Board consists solely of non-executive Directors, who are considered key management personnel.

The current maximum aggregate level of Directors' remuneration is £150,000 per annum which is fixed by the Company's Articles of Association.

The AIC Code requires that all Directors submit themselves for re-election annually, therefore in accordance with the AIC Code, Penny Freer, James Agnew, Pam Garside and Ian Spence will offer themselves for re-election.

Shareholders' views in respect of Directors' remuneration are regarded highly and the Board encourages shareholders to communicate their thoughts to the Board, which it takes into account where appropriate when formulating its policy. At the last Annual General Meeting, 98.60% of shareholders voted for the resolution approving the Directors' remuneration report, 1.40% of shareholders voted against the resolution and of the total votes cast, 106,703 were withheld (being 0.05% of total voting rights), which shows significant shareholder support.

Directors interests

The following items have been audited.

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

	Shares held as at 30 June 2022	Shares held as at 30 June 2021
Penny Freer	**95,386**	59,610
James Agnew	**83,987**	76,448
Pam Garside	**98,256**	89,437
Ian Spence	**35,434**	32,254
	313,063	257,749

There have been no changes in the holdings of the Directors between 30 June 2022 and the date of this report.

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

The following items have not been audited.

Albion Capital Group LLP, its partners and staff hold a total of 1,943,989 shares in the Company as at 30 June 2022.

Annual report on remuneration

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

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

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

Directors' remuneration

The following items have been audited.

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

	Year ended 30 June 2022 £	Year ended 30 June 2021 £	Year ended 30 June 2020 £	**Percentage change 2021 to 2022 %**	Percentage change 2020 to 2021 %
Penny Freer	**26,625**	23,500	22,000	**13**	7
James Agnew	**24,875**	23,000	22,750	**8**	1
Karen Brade (retired 30 September 2019)	**–**	–	5,750	**n/a**	n/a
Pam Garside	**23,125**	22,000	22,000	**5**	–
Richard Huntingford (retired 30 September 2020)	**–**	6,000	24,000	**n/a**	(75)
Ian Spence (appointed 1 May 2020)	**23,125**	22,000	3,667	**5**	500
	97,750	96,500	100,167	**1**	(3)

The base remuneration of each of the Directors' positions has increased during the year. The Committee agreed to raise the fee for the Chairman to £27,500 from £24,000, the Chairman of the Audit Committee to £25,500 from £23,000 and all other Directors to £23,500 from £22,000. The change in remuneration took place from 1 October 2021. The changes from 2020 to 2021 are due to Richard Huntingford's fees being pro-rated as he resigned part way through the prior year and Ian Spence's fees being pro-rated in 2020 as he joined the Board part way through that year. There have been no other changes in remuneration of each Director in the year.

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

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

The Directors' collective total remuneration for the year ending 30 June 2023 is expected to be £100,000.

In addition to Directors' remuneration, the Company paid an annual premium in respect of Directors' and Officers' Liability Insurance of £23,142 (2021: £20,495).

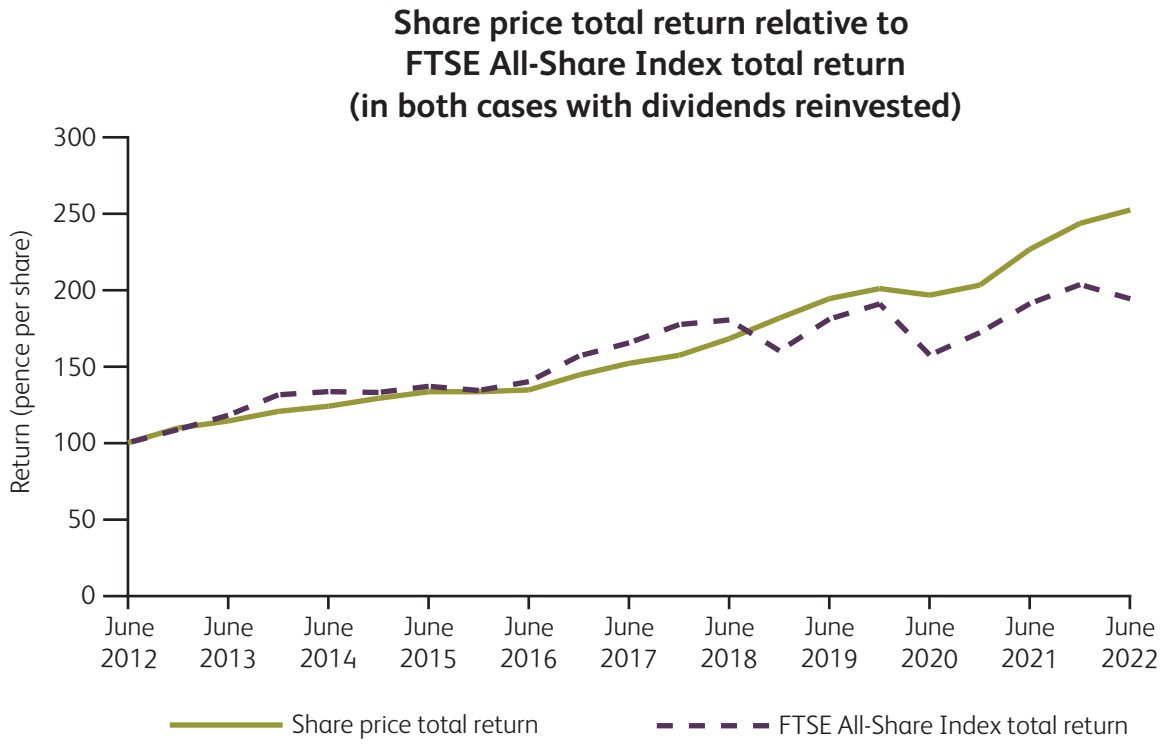
Service contracts

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

Performance graph

The graph that follows shows the Company's share price total return against the FTSE All-Share Index total return over the previous ten years, in both instances with dividends reinvested. The Directors consider the FTSE All-Share Index to be the most appropriate benchmark for the Company as it contains a large range of sectors within the UK economy similar to a generalist VCT. 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.



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

Directors' pay compared to distribution to shareholders

	2022 £'000	2021 £'000	2020 £'000	**Percentage change 2021 to 2022**	Percentage Change 2020 to 2021
Total dividend distribution to shareholders	**7,384**	7,314	3,814	**1.0%**	91.8%
Share buybacks	**2,212**	1,738	937	**27.3%**	85.5%
Total Directors' fees*	**98**	97	100	**1.0%**	(3.0%)

* As part of the Board's succession planning, the Director's fees for 2021 include a three-month period where a new Director had been appointed to the Board before the retirement of one of the Directors.

For and on behalf of the Board

Penny Freer
Chairman
3 October 2022

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Crown Place VCT PLC (the 'Company') for the year ended 30 June 2022 which comprise the income statement, the balance sheet, the statement of changes in equity, the statement of cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)*.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were appointed by the Board of Directors on 31 March 2008 to audit the financial statements for the year ending 31 March 2008 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 15 years, covering the years ending 31 March 2008 to 30 June 2022. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the VCT compliance reports during the year and as at year end and reviewing their calculations to check that the Company was meeting its requirements to retain VCT status;
- Consideration of the Company's expected future compliance with VCT legislation, the absence of bank debt, contingencies and commitments and any market or reputational risks;
- Reviewing the forecasted cash flows that support the Directors' assessment of going concern, challenging assumptions and judgements made in the forecasts, and assessing them for reasonableness. In particular, we considered the available cash resources relative to the forecast expenditure which was assessed against the prior year for reasonableness;
- Evaluating Management's assessment of the impact of market volatility and uncertainty, including as a result of the impact of inflation;
- Calculating financial ratios to ascertain the financial health of the Company.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

		2022	2021
Key audit matters	Valuation of unquoted investments	✓	✓
Materiality	*Company financial statements as a whole* £1.48m (2021: £1.35m) based on 2% (2021: 2%) of net assets adjusted to exclude fundraising during the year		

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter	How the scope of our audit addressed the key audit matter
Valuation of unquoted investments (Notes 2 and 11 to the financial statements) There is a high level of estimation uncertainty involved in determining the unquoted investment valuations; consisting of both equity and loan stock instruments. The Investment Manager's fee is based on the value of the net assets of the fund, as shown in note 5. As the Investment Manager is responsible for valuing investments for the financial statements, there is a potential risk of overstatement of investment valuations by management override.	For a sample of loans held at fair value we: • Vouched security held to confirmation statements and Depositary stock sheet. • Considered the assumption that fair value is not significantly different to cost by challenging the assumption that there is no significant movement in the market interest rate since acquisition and considering the "unit of account" concept. • Reviewed the treatment of accrued redemption premium/other fixed returns in line with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts (Issued in April 2021). For a sample of the unquoted investment portfolio, we performed the following: • Considered whether the valuation methodology is the most appropriate in the circumstances under the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines. Where there has been a change in valuation methodology from prior year, we assessed whether the change was appropriate. • Considered the change in market multiples and discount applied from prior year to see if these were supported by the performance of the underlying investment. • Checked that the valuation was based on recent financial information and reviewed the arithmetic accuracy of the valuation. For investments based on valuations using net assets, cost (where the investment was recently acquired), the price of a recent investment or an offer to acquire the investee company, we checked the cost, net assets or third party offer to supporting evidence, reviewed the calibration of fair value and considered the Investment Manager's determination of whether there were any reasons why the valuation and the valuation methodology was not appropriate at 30 June 2022. This is particularly pertinent in those circumstances where the impact of COVID-19, rising inflation, the war in the Ukraine and the resulting impact may call into question whether the price of recent investment remains reflective of fair value.

Key Audit Matter	How the scope of our audit addressed the key audit matter
Valuation of unquoted investments (Notes 2 and 11 to the financial statements) (continued)	For a sample of investments valued with reference to more subjective techniques, we: • Re-performed the calculation of the investment valuation • Checked and benchmarked key inputs and estimates to independent information from our own research and against metrics from the most recent management accounts of the investee companies • Challenged the consistency and appropriateness of adjustments made to such market data in establishing the revenue, cash flow or earnings multiple applied in arriving at the valuations adopted by considering the individual performance of investee companies against plan and relative to the peer group, the market and sector in which the investee company operates and other factors as appropriate • Where a valuation has been performed by a third party management's expert, we have assessed the competence and capabilities of that expert, the quality of their work and their qualifications, as well as challenging the basis of inputs and assumptions used by the expert. We have also considered any updates for subsequent information to the valuation made by the investment manager and obtained appropriate evidence for those changes • Where appropriate, we performed sensitivity analysis on the valuation calculations where there is sufficient evidence to suggest reasonable alternative inputs might exist **Key observations** Based on the procedures performed we consider the investment valuations to be appropriate considering the level of estimation uncertainty.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Company financial statements	
	2022 £	2021 £
Materiality	£1,480,000	£1,350,000
Basis for determining materiality	2% of net assets adjusted to exclude fundraising during the year	2% of net assets adjusted to exclude fundraising during the year
Rationale for the benchmark applied	In setting materiality, we have had regard to the nature and disposition of the investment portfolio. Given that the VCT's portfolio is comprised of largely unquoted investments which would typically have a wider spread of reasonable alternative possible valuations, we have applied a percentage of 2% of adjusted net asset value.	
Performance materiality	£1,110,000	£1,010,000
Basis for determining performance materiality	75% of materiality The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

Lower testing threshold

We determined that for Revenue return before tax, a misstatement of less than materiality for the financial statements as a whole, could influence users of the financial statements as it is a measure of the Company's performance of income generated from its investments after expenses. As a result, we determined a lower testing threshold for those items impacting revenue return of £110,000 (2021: £118,000) based on 5% of expenditure (2021: 5%).

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £74,000 (2021: £27,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required

to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified; and • The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate.
Other Code provisions	• Directors' statement on fair, balanced and understandable; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems; and • The section describing the work of the audit committee.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or • the 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.

Responsibilities of Directors

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006, the FCA listing and DTR rules, the principles of the UK Corporate Governance Code, industry practice represented by the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("the SORP") and updated in February 2018 with consequential amendments and the applicable financial reporting framework. We also considered the Company's qualification as a VCT under UK tax legislation.

Our procedures included:

- obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management and those charged with governance relating to the existence of any non-compliance with laws and regulations including fraud occurring within the Company and its operations; and
- obtaining the VCT compliance reports prepared by management's expert during the year and as at year end and reviewing their calculations to check that the Company was meeting its requirements to retain VCT status; and
- reviewing minutes of board meetings and legal correspondence and invoices throughout the period for instances of non-compliance with laws and regulations and fraud.

We assessed the susceptibility of the financial statement to material misstatement including fraud and considered the fraud risk areas to be the valuation of unquoted investments and management override of controls.

Our tests included, but were not limited to:

- The procedures set out in the Key Audit Matters section above;
- Obtaining independent evidence to support the ownership of investments;
- Recalculating investment management fees in total;
- Obtaining independent confirmation of bank balances; and
- Testing journals which met a defined risk criteria by agreeing to supporting documentation and evaluating whether there was evidence of bias by the Investment Manager and Directors that represented a risk of material misstatement due to fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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.

Peter Smith (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

3 October 2022

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

Income statement

	Note	Year ended 30 June 2022 Revenue £'000	Capital £'000	Total £'000	Year ended 30 June 2021 Revenue £'000	Capital £'000	Total £'000
Gain on investments	3	**–**	**6,386**	**6,386**	–	13,016	13,016
Investment income	4	**853**	**–**	**853**	820	–	820
Investment Manager's fees	5	**(137)**	**(1,822)**	**(1,959)**	(497)	(1,490)	(1,987)
Other expenses	6	**(391)**	**–**	**(391)**	(386)	–	(386)
Profit/(loss) on ordinary activities before tax		**325**	**4,564**	**4,889**	(63)	11,526	11,463
Tax on ordinary activities	8	**–**	**–**	**–**	–	–	–
Profit/(loss) and total comprehensive income attributable to shareholders		**325**	**4,564**	**4,889**	(63)	11,526	11,463
Basic and diluted earnings per Ordinary share (pence)*	10	**0.14**	**1.95**	**2.09**	(0.03)	5.58	5.55

* adjusted for treasury shares

The accompanying notes on pages 63 to 76 form an integral part of these Financial Statements.

The total column of this Income statement represents the profit and loss account of the Company. The supplementary revenue and capital columns are prepared under guidance published by The Association of Investment Companies.

Balance sheet

	Note	30 June 2022 £'000	30 June 2021 £'000
Fixed asset investments	11	**57,170**	50,454
Current assets			
Trade and other receivables	13	**1,869**	1,213
Cash and cash equivalents		**28,024**	27,426
		29,893	28,639
Total assets		**87,063**	79,093
Payables: amounts falling due within one year			
Trade and other payables less than one year	14	**(1,224)**	(1,443)
Total assets less current liabilities		**85,839**	77,650
Equity attributable to equity holders			
Called up share capital	15	**2,905**	2,521
Share premium		**35,522**	23,011
Unrealised capital reserve		**20,384**	18,643
Realised capital reserve		**12,729**	9,905
Other distributable reserve		**14,299**	23,570
Total equity shareholders' funds		**85,839**	77,650
Basic and diluted net asset value per share (pence)*	16	**33.70**	34.79

* excluding treasury shares

The accompanying notes on pages 63 to 76 form an integral part of these Financial Statements.

These Financial Statements were approved by the Board of Directors, and authorised for issue on 3 October 2022 and were signed on its behalf by

Penny Freer
Chairman

Company number: 03495287

Statement of changes in equity

	Called up share capital £'000	Share premium £'000	Unrealised capital reserve £'000	Realised capital reserve* £'000	Other distributable reserve* £'000	Total £'000
As at 1 July 2021	**2,521**	**23,011**	**18,643**	**9,905**	**23,570**	**77,650**
Profit and total comprehensive income	**–**	**–**	**2,756**	**1,808**	**325**	**4,889**
Transfer of previously unrealised gains on disposal of investments	**–**	**–**	**(1,015)**	**1,015**	**–**	**–**
Dividends paid	**–**	**–**	**–**	**–**	**(7,384)**	**(7,384)**
Purchase of shares for treasury (including costs)	**–**	**–**	**–**	**–**	**(2,212)**	**(2,212)**
Issue of equity	**384**	**12,834**	**–**	**–**	**–**	**13,218**
Cost of issue of equity	**–**	**(323)**	**–**	**–**	**–**	**(323)**
As at 30 June 2022	**2,905**	**35,522**	**20,384**	**12,729**	**14,299**	**85,839**
As at 1 July 2020	2,200	13,366	12,032	4,990	32,685	65,273
Profit/(loss) and total comprehensive income	–	–	11,564	(38)	(63)	11,463
Transfer of previously unrealised gains on disposal of investments	–	–	(4,953)	4,953	–	–
Dividends paid	–	–	–	–	(7,314)	(7,314)
Purchase of shares for treasury (including costs)	–	–	–	–	(1,738)	(1,738)
Issue of equity	321	9,874	–	–	–	10,195
Cost of issue of equity	–	(229)	–	–	–	(229)
As at 30 June 2021	2,521	23,011	18,643	9,905	23,570	77,650

* Included within these reserves is an amount of £24,165,000 (2021: £28,289,000) which is considered distributable.

The nature of each reserve is described in note 2 on page 64.

Statement of cash flows

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Cash flow from operating activities		
Loan stock income received	**671**	1,033
Deposit interest received	**17**	2
Dividend income received	**64**	13
Investment Manager's fees paid	**(2,162)**	(1,110)
Other cash payments	**(390)**	(398)
Corporation tax paid	**–**	–
Net cash flow from operating activities	**(1,800)**	(460)
Cash flow from investing activities		
Purchase of fixed asset investments*	**(7,510)**	(8,326)
Disposal of fixed asset investments*	**6,643**	11,156
Net cash flow from investing activities	**(867)**	2,830
Cash flow from financing activities		
Issue of share capital	**11,710**	8,789
Cost of issue of equity**	**(36)**	(20)
Equity dividends paid***	**(6,176)**	(6,106)
Purchase of own shares for treasury (including costs)	**(2,233)**	(1,573)
Net cash flow from financing activities	**3,265**	1,090
Increase in cash and cash equivalents	**598**	3,460
Cash and cash equivalents at the start of the year	**27,426**	23,966
Cash and cash equivalents at the end of the year	**28,024**	27,426

* Purchases and disposals detailed above do not agree to note 11 due to restructuring of investments, conversion of convertible loan stock and settlement receivables and payables.

** The cost of issue of equity does not agree to the Statement of changes in equity due to prospectus fundraising amounts being received net of fees.

*** The equity dividends paid shown in the cash flow are different to the dividends disclosed in note 9 as a result of the non-cash effect of the Dividend Reinvestment Scheme.

Notes to the Financial Statements

1. Basis of preparation

The Financial Statements have been prepared in accordance with applicable United Kingdom law and accounting standards, including Financial Reporting Standard 102 ("FRS 102"), and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP") issued by The Association of Investment Companies ("AIC"). The Financial Statements have been prepared on a going concern basis and further details can be found in the Directors' report on pages 37 and 38.

The preparation of the Financial Statements requires management to make judgements and estimates that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The most critical estimates and judgements relate to the determination of carrying value of investments at Fair Value Through Profit and Loss ("FVTPL") in accordance with FRS 102 sections 11 and 12. The Company values investments by following the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines as updated in 2018 and further detail on the valuation techniques used are outlined in note 2 below.

Company information is shown on page 2.

2. Accounting policies

Fixed asset investments

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed, and its performance evaluated on a fair value basis, in accordance with a documented investment policy, and information about the portfolio is provided internally on that basis to the Board.

In accordance with the requirements of FRS 102, those undertakings in which the Company holds more than 20 per cent. of the equity as part of an investment portfolio are not accounted for using the equity method. In these circumstances the investment is measured at FVTPL.

Upon initial recognition (using trade date accounting) investments, including loan stock, are classified by the Company as FVTPL and are included at their initial fair value, which is cost (excluding expenses incidental to the acquisition which are written off to the Income statement).

Subsequently, the investments are valued at 'fair value', which is measured as follows:

- Investments listed on recognised exchanges are valued at their bid prices at the end of the accounting period or otherwise at fair value based on published price quotations;
- Unquoted investments, where there is not an active market, are valued using an appropriate valuation technique in accordance with the IPEV Guidelines. Indicators of fair value are derived using established methodologies including earnings multiples, revenue multiples, the level of third party offers received, cost or price of recent investment rounds, net assets and industry valuation benchmarks. Where price of recent investment is used as a starting point for estimating fair value at subsequent measurement dates, this has been benchmarked using an appropriate valuation technique permitted by the IPEV guidelines.
- In situations where cost or price of recent investment is used, consideration is given to the circumstances of the portfolio company since that date in determining fair value. This includes consideration of whether there is any evidence of deterioration or strong definable evidence of an increase in value. In the absence of these indicators, the investment in question is valued at the amount reported at the previous reporting date. Examples of events or changes that could indicate a diminution include:
    - the performance and/or prospects of the underlying business are significantly below the expectations on which the investment was based;
    - a significant adverse change either in the portfolio company's business or in the technological, market, economic, legal or regulatory environment in which the business operates; or
    - market conditions have deteriorated, which may be indicated by a fall in the share prices of quoted businesses operating in the same or related sectors.

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 other distributable reserve when a share becomes ex-dividend.

Current assets and payables

Receivables (including debtors due after more than one year), payables and cash are carried at amortised cost, in accordance with FRS 102. Debtors due after more than one year meet the definition of a financing transaction held at amortised cost, and interest will be recognised through capital over the credit period using the effective interest method. There are no financial liabilities other than payables.

2. Accounting policies (continued)

Investment income

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 when the Company's right to receive payment and expect settlement is established. Where interest is rolled up and/or payable at redemption then it is recognised as income unless there is reasonable doubt as to its receipt.

Bank interest income

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

Investment management fee, performance incentive fee and other expenses

All expenses have been accounted for on an accruals basis. Expenses are charged through the other distributable reserve except the following which are charged through the realised capital reserve:

- 90 per cent. of management fees and 100 per cent. of performance incentive fees, if any, are allocated to the realised capital reserve. This has changed from 75 per cent. for both management fees and performance fees in the year ended 30 June 2021, to better align with the Board's expectation that over the long term the majority of the Company's investment returns will be in the form of capital gains; and
- expenses which are incidental to the purchase or disposal of an investment are charged through the realised capital reserve.

Taxation

Taxation is applied on a current basis in accordance with FRS 102. Current tax is tax payable (refundable) in respect of the taxable profit (tax loss) for the current period or past reporting periods using the tax rates and laws that have been enacted or substantively enacted at the financial reporting date. Taxation associated with capital expenses is applied in accordance with the SORP.

Deferred tax is provided in full on all timing differences at the reporting date. Timing differences are differences between taxable profits and total comprehensive income as stated in the Financial Statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the Financial Statements. As a VCT the Company has an exemption from tax on capital gains. The Company intends to continue meeting the conditions required to obtain approval as a VCT in the foreseeable future. The Company therefore, should have no material deferred tax timing differences arising in respect of the revaluation or disposal of investments and the Company has not provided for any deferred tax.

Share capital and reserves

Called up share capital

This accounts for the nominal value of the Company's shares.

Share premium

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

Capital redemption reserve

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

Unrealised capital reserve

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

Realised capital reserve

The following are disclosed in this reserve:

- gains and losses compared to cost on the realisation of investments or permanent diminution in value (including gains recognised on the realisation of investment where consideration is deferred and not distributable as a matter of law);
- finance income in respect of the unwinding of the discount on deferred consideration that is not distributable as a matter of law;
- expenses, together with the related taxation effect, charged in accordance with the above policies; and
- dividends paid to equity holders where paid out by capital.

Other distributable reserve

The special reserve, treasury share reserve and the revenue reserve were combined in 2012 to form a single reserve named other distributable reserve.

This reserve accounts for movements from the revenue column of the Income statement, the payment of dividends, the buy-back of shares and other non-capital realised movements.

Dividends

Dividends by the Company are accounted for in the period in which the dividend is paid or approved at the Annual General Meeting.

Segmental reporting

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

3. Gain on investments

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Unrealised gain on fixed asset investments	**2,756**	11,564
Realised gain on fixed asset investments	**3,440**	1,368
Unwinding of discount on deferred consideration	**190**	84
	6,386	13,016

4. Investment income

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Loan stock interest	**763**	806
UK dividend income	**74**	13
Bank deposit interest	**16**	1
	853	820

5. Investment Manager's fees

	Year ended 30 June 2022			Year ended 30 June 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	**137**	**1,238**	**1,375**	291	873	1,164
Performance incentive fee	**–**	**584**	**584**	206	617	823
	137	**1,822**	**1,959**	497	1,490	1,987

Further details of the Management agreement under which the investment manager's fee is paid are given in the Strategic report on pages 13 and 14.

During the year, services of a total value of £1,425,000 (2021: £1,214,000) were purchased by the Company from Albion Capital Group LLP (Albion Capital) comprising £1,375,000 of management fees (2021: £1,164,000) and £50,000 of administration fees (2021: £50,000). There is a performance incentive fee of £584,000 payable this year (2021: £823,000). At the financial year end, the amount due to Albion Capital in respect of these services disclosed as accruals and deferred income was £971,500 (administration fee accrual: £12,500, management fee accrual £375,000, performance incentive fee £584,000) (2021: £1,173,500).

Albion Capital is, from time to time, eligible to receive an arrangement fee and monitoring fees from portfolio companies. During the year ended 30 June 2022 fees of £121,000 attributable to the investments of the Company were received pursuant to these arrangements (2021: £223,000).

Albion Capital, its partners and staff holds 1,943,989 Ordinary shares in the Company as at 30 June 2022.

The Company entered into an offer agreement relating to the Offers with the Company's investment manager, Albion Capital, pursuant to which Albion Capital received a fee of 2.5 per cent. of the gross proceeds of the Offers and out of which Albion Capital paid the costs of the Offers, as detailed in the Prospectus.

6. Other expenses

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Directors' fees (including NIC)	**107**	105
Auditor's remuneration for statutory audit services (excluding VAT)	**40**	37
Other administrative expenses	**244**	244
	391	386

7. Directors' fees

The amounts paid to (or on behalf of) the Directors during the year are as follows:

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Directors' fees	**98**	97
National insurance	**9**	8
	107	105

The Company's key management personnel are the Directors. Further information regarding Directors' remuneration can be found in the Directors' remuneration report on pages 49 to 51.

8. Tax on ordinary activities

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
UK corporation tax charge	**–**	–

Factors affecting the tax charge	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Return on ordinary activities before taxation	**4,889**	11,463
Tax charge on return at the average companies rate of 19.0% (2021: 19.0%)	**929**	2,178
Factors affecting the charge:		
Non-taxable gains	**(1,213)**	(2,473)
Income not taxable	**(14)**	(2)
Unutilised management expenses	**298**	297
	–	–

The tax charge for the year shown in the Income statement is lower than the average standard rate of corporation tax of 19.0 per cent. (2021: 19.0 per cent.). The differences are explained above.

Notes

(i) Venture Capital Trusts are not subject to corporation tax on capital gains.

(ii) Tax relief on expenses charged to capital has been determined by allocating tax relief to expenses by reference to the applicable corporation tax rate and allocating the relief between revenue and capital in accordance with the SORP.

(iii) No provision for deferred tax has been made in the current or prior accounting period. The Company has excess management expenses of £20,279,000 (2021: £18,700,000) that are available for offset against future profits. A deferred tax asset of £3,853,000 (2021: £3,553,000) has not been recognised in respect of these losses as they will be recoverable only to the extent that the Company has sufficient future taxable profits.

9. Dividends

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Special dividend of 1.50 pence per share paid on 30 November 2021 (30 October 2020 – 2.00 pence per share)	**3,331**	3,940
First interim dividend of 0.87 pence per share paid on 30 November 2021 (30 November 2020 – 0.83 pence per share)	**1,932**	1,642
Second interim dividend of 0.84 pence per share paid on 31 March 2022 (31 March 2021 – 0.78 pence per share)	**2,134**	1,744
Unclaimed dividends	**(13)**	(12)
	7,384	7,314

In addition to the dividends paid above, the Board has declared a first interim dividend for the year ending 30 June 2023 of 0.84 pence per share. This will be paid on 30 November 2022 to shareholders on the register on 4 November 2022. The total dividend will be approximately £2,139,000. All dividends are paid from the other distributable reserve.

During the year, unclaimed dividends older than twelve years of £13,000 (2021: £12,000) were returned to the Company in accordance with the terms of the Articles of Association and have been accounted for on an accruals basis.

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

	Year ended 30 June 2022			Year ended 30 June 2021		
	Revenue	Capital	Total	Revenue	Capital	Total
Return/(loss) attributable to equity shares (£'000)	**325**	**4,564**	**4,889**	(63)	11,526	11,463
Weighted average shares (adjusted for treasury shares)		**234,049,617**			206,558,772	
Return/(loss) attributable per Ordinary share (pence) (basic and diluted)	**0.14**	**1.95**	**2.09**	(0.03)	5.58	5.55

The return/(loss) per share has been calculated after adjusting for treasury shares of 35,822,916 (2021: 28,895,986).

There are no convertible instruments, derivatives or contingent share agreements in issue so basic and diluted return/(loss) per share are the same.

11. Fixed asset investments

Investments held at fair value through profit or loss	30 June 2022 £'000	30 June 2021 £'000
Unquoted equity and preference shares	**47,449**	41,381
Quoted equity	**760**	544
Loan stock	**8,961**	8,529
	57,170	50,454

	30 June 2022 £'000	30 June 2021 £'000
Opening valuation	**50,454**	41,621
Purchases at cost	**7,675**	8,326
Disposal proceeds	**(7,247)**	(12,281)
Realised gains	**3,440**	1,452
Movement in loan stock accrued income	**92**	(228)
Unrealised gains	**2,756**	11,564
Closing valuation	**57,170**	50,454
Movement in loan stock accrued income		
Opening accumulated loan stock accrued income	**50**	278
Movement in loan stock accrued income	**92**	(228)
Closing accumulated loan stock accrued income	**142**	50
Movement in unrealised gains		
Opening accumulated unrealised gains	**18,576**	11,965
Transfer of previously unrealised gains to realised reserves on disposal of investments	**(1,015)**	(4,953)
Movement in unrealised gains	**2,756**	11,564
Closing accumulated unrealised gains	**20,317**	18,576
Historic cost basis		
Opening book cost	**31,828**	29,378
Purchases at cost	**7,675**	8,326
Disposals at cost	**(2,792)**	(5,876)
Closing book cost	**36,711**	31,828

Purchases and disposals detailed above do not agree to the Statement of cash flows due to restructuring of investments, conversion of convertible loan stock and settlement receivables and payables.

The Company does not hold any assets as the result of the enforcement of security during the period, 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.

11. Fixed asset investments (continued)

Unquoted fixed asset investments are valued in accordance with the IPEV guidelines as follows:

Investment valuation methodology	30 June 2022 £'000	30 June 2021 £'000
Cost and price of recent investment (reviewed for impairment or uplift)	**37,393**	26,279
Revenue multiple	**7,801**	13,146
Third party valuation – discounted cash flow	**7,221**	6,853
Third party valuation – earnings multiple	**3,159**	2,768
Net assets	**791**	801
Earnings multiple	**45**	63
	56,410	49,910

When using the cost or price of a recent investment in the valuations the Company looks to 're-calibrate' this price at each valuation point by reviewing progress within the investment, comparing against the initial investment thesis, assessing if there are any significant events or milestones that would indicate the value of the investment has changed and considering whether a market-based methodology (i.e. using multiples from comparable public companies) or a discounted cashflow forecast would be more appropriate.

The main inputs into the calibration exercise, and for the valuation models using multiples, are revenue, EBITDA and revenue multiples (based on the most recent revenue, EBITDA or earnings achieved and equivalent corresponding revenue, EBITDA or earnings multiples of comparable companies), quality of earnings assessments and comparability difference adjustments. Revenue multiples are often used, rather than EBITDA or earnings, due to the nature of the Company's investments, being in growth and technology companies which are not normally expected to achieve profitability or scale for a number of years. Where an investment has achieved scale and profitability the Company would normally then expect to switch to using an EBITDA or earnings multiple methodology.

In the calibration exercise and in determining the valuation for the Company's equity instruments, comparable trading multiples are used. In accordance with the Company's policy, appropriate comparable companies based on industry, size, developmental stage, revenue generation and strategy are determined and a trading multiple for each comparable company identified is then calculated. The multiple is calculated by dividing the enterprise value of the comparable group by its revenue, EBITDA or earnings. The trading multiple is then adjusted for considerations such as illiquidity, marketability and other differences, advantages and disadvantages between the portfolio company and the comparable public companies based on company specific facts and circumstances.

Fair value investments had the following movements between investment methodologies between 30 June 2021 and 30 June 2022:

Change in investment valuation methodology (2021 to 2022)	Value as at 30 June 2022 £'000	Explanatory note
Revenue multiple to cost and price of recent investment (reviewed for impairment or uplift)	**4,189**	Recent funding round
Cost and price of recent investment (reviewed for impairment or uplift) to revenue multiple	**26**	More appropriate valuation methodology

The valuation will be the most appropriate valuation methodology for an investment within its market, with regard to the financial health of the investment and the IPEV Guidelines. The Directors believe that, within these parameters, there are no other possible methods of valuation which would be more appropriate as at 30 June 2022.

11. Fixed asset investments (continued)

FRS 102 and the SORP requires the Company to disclose the inputs to the valuation methods applied to its investments measured at fair value through profit or loss in a fair value hierarchy. The table below sets out fair value hierarchy definitions using FRS 102 s.11.27.

Fair value hierarchy	Definition
Level 1	Unadjusted quoted prices in an active market
Level 2	Inputs to valuations are from observable sources and are directly or indirectly derived from prices
Level 3	Inputs to valuations not based on observable market data

Unquoted equity, preference shares and loan stock are all valued according to Level 3 valuation methods.

The Company's investments measured at fair value through profit or loss (Level 3) had the following movements:

	30 June 2022 £'000	30 June 2021 £'000
Opening balance	**49,910**	41,621
Additions*	**7,675**	8,246
Disposal proceeds*	**(7,202)**	(12,281)
Realised gains	**3,395**	1,452
Unrealised gains	**2,540**	11,310
Accrued loan stock interest	**92**	(228)
Investments transferred to level 1	**–**	(210)
Closing balance	**56,410**	49,910

* Additions and disposals do not agree to the cash flow due to loan stock conversions and non-cash consideration.

FRS 102 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. 65 per cent. of the portfolio of investments consisting of equity and loan stock is based on recent investment price, net assets and cost, and as such the Board believe that changes to reasonable possible alternative input assumptions (by adjusting the earnings and revenue multiples) for the valuation of the remainder of the portfolio could lead to a significant change in the fair value of the portfolio. Therefore, for the remainder of the portfolio, the Board has adjusted the inputs for a number of the largest portfolio companies (by value) resulting in a total coverage of 84 per cent. of the portfolio of investments. The main inputs considered for each type of valuation is as follows:

Valuation technique	Portfolio company sector	Input	Base case*	Change in input	Change in fair value of investments (£'000)	Change in NAV (pence per share)
Revenue multiple	Healthcare (including digital healthcare)	Revenue multiple	5.2x	+0.5x	366	0.14
				-0.5x	(366)	(0.14)
Third party valuation – discounted cash flow	Renewable energy	Discount factor	5.5%	+0.5%	(198)	(0.08)
				-0.5%	217	0.09
Third party valuation – earnings multiple	Other (including education)	Earnings multiple	22.5x	+0.3x	235	0.09
				-0.3x	(235)	(0.09)
Third party valuation – discounted cash flow	Renewable energy	Discount factor	5.5%	+0.5%	(56)	(0.02)
				-0.5%	59	0.02

* As detailed in the accounting policies on page 63, the base case is based on market comparables, discounted where appropriate for marketability, in accordance with the IPEV guidelines.

The impact of these changes could result in an overall increase in the valuation of the equity investments by £877,000 (1.8%) or a decrease in the valuation of equity investments by £855,000 (1.8%).

12. Significant interests

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

The Company has no interests of greater than 20 per cent. of the nominal value of any class of the allotted shares in the portfolio companies as at 30 June 2022.

13. Current assets

Trade and other receivables	30 June 2022 £'000	30 June 2021 £'000
Prepayments and accrued income	**34**	30
Deferred consideration under one year	**510**	48
Deferred consideration over one year	**1,325**	1,135
	1,869	1,213

The deferred consideration over one year relates to the sale of G.Network Communications in December 2020. These proceeds are receivable in January 2024, and have been discounted to present value at the prevailing market rate, including a provision for counterparty risk. This constitutes a financing transaction, and has been accounted for using the policy disclosed in note 2.

The Directors consider that the carrying amount of receivables is not materially different to their fair value.

14. Payables: amounts falling due within one year

	30 June 2022 £'000	30 June 2021 £'000
Accruals and deferred income	**1,061**	1,264
Trade payables	**163**	179
	1,224	1,443

The Directors consider that the carrying amount of payables is not materially different to their fair value.

15. Called up share capital

Allotted, called up and fully paid	£'000
252,120,092 Ordinary shares of 1 penny each at 30 June 2021	2,521
38,403,745 Ordinary shares of 1 penny each issued during the year	384
290,523,837 Ordinary shares of 1 penny each at 30 June 2022	**2,905**
28,895,986 Ordinary shares of 1 penny each held in treasury at 30 June 2021	(289)
6,926,930 Ordinary shares of 1 penny each purchased during the year to be held in treasury	(69)
35,822,916 Ordinary shares of 1 penny each held in treasury at 30 June 2022	**(358)**
Voting rights of 254,700,921 Ordinary shares of 1 penny each at 30 June 2022	**2,547**

The Company purchased 6,926,930 Ordinary shares for treasury (2021: 5,834,356) during the year at a total cost of £2,212,000 (2021: £1,738,000).

The total number of shares held in treasury as at 30 June 2022 was 35,822,916 (2021: 28,895,986) representing 12.3 per cent. of the shares in issue as at 30 June 2022.

15. Called up share capital (continued)

Under the terms of the Dividend Reinvestment Scheme Circular dated 26 February 2009, the following new Ordinary shares of nominal value 1 penny each were allotted during the year:

Allotment date	Number of shares allotted	Aggregate nominal value of shares (£'000)	Issue price (pence per share)	Net invested (£'000)	Opening market price on allotment (pence per share)
30 November 2021	2,546,864	25	33.25	829	31.80
31 March 2022	1,137,670	11	32.92	356	31.40
	3,684,534			**1,185**	

Under the terms of the Albion VCTs' Prospectus Top Up Offers 2021/22, the following new Ordinary shares of nominal value 1 penny each were issued during the year:

Allotment date	Number of shares allotted	Aggregate nominal value of shares (£'000)	Issue price (pence per share)	Net consideration received (£'000)	Opening market price on allotment (pence per share)
25 February 2022	2,622,491	26	34.30	886	32.20
25 February 2022	1,032,741	10	34.50	349	32.20
25 February 2022	27,010,348	270	34.70	9,139	32.20
31 March 2022	1,838,353	18	33.80	606	31.40
11 April 2022	575,304	6	33.50	190	31.40
11 April 2022	22,320	–	33.60	7	31.40
11 April 2022	1,617,654	16	33.80	533	31.40
	34,719,211			**11,710**	

16. Basic and diluted net asset value per share

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

	30 June 2022	30 June 2021
Net asset value per share (pence)	**33.70**	34.79

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 (adjusted for treasury shares) of 254,700,921 shares as at 30 June 2022 (2021: 223,224,106).

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

17. Capital and financial instruments risk management

The Company's capital comprises Ordinary shares as described in note 15. The Company is permitted to buy back its own shares for cancellation or treasury purposes, and this is described in more detail on page 41 of the Directors' report.

The Company's financial instruments comprise equity and loan stock investments in unquoted companies, deferred receipts on disposal of fixed asset investments, cash balances, receivables and payables which arise from its operations. The main purpose of these financial instruments is to generate revenue and capital appreciation for the Company's operations. The Company has no gearing or other financial liabilities apart from short term payables. The Company does not use any derivatives for the management of its Balance sheet.

17. Capital and financial instruments risk management (continued)

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

- Market and investment 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 Company 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 below:

Market risk

As a Venture Capital Trust, it is the Company's specific nature to evaluate the market risk of its portfolio in unquoted companies, details of which are shown on pages 27 to 30. Market risk is the exposure of the Company to the revaluation and devaluation of investments as a result of macroeconomic changes. The main driver of market risk is the dynamics of market quoted comparators, as well as the financial and operational performance of portfolio companies. The Board seeks to reduce this risk by having a spread of investments across a variety of sectors. More details on the sectors the Company invests in can be found in the pie chart on page 10.

The Manager and the Board formally review market 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 Company 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.

Under FRS 102 the Board is required to illustrate by way of a sensitivity analysis the extent to which the assets are exposed to market risk. The Board considers that the value of the fixed asset investment portfolio is sensitive to a change of 10% based on the current economic climate. The impact of a 10% change has been selected as this is considered reasonable given the current level of volatility observed. When considering the appropriate level of sensitivity to be applied, the Board has considered both historic performance and future expectations.

The sensitivity of a 10% increase or decrease in the valuation of the fixed asset investment portfolio (keeping all other variables constant) would increase or decrease the net asset value and return for the year by £5,717,000. Further sensitivity analysis on fixed asset investments is included in note 11.

Investment risk (including investment price risk)

Investment risk (including 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. The management of risk within the venture capital portfolio is addressed through careful investment selection, by diversification across different industry segments, by maintaining a wide spread of holdings in terms of financing stage and by limitation of the size of individual holdings. The Manager receives management accounts from portfolio companies and members of the investment management team often sit on the boards of unquoted portfolio companies; this enables the close identification, monitoring and management of investment risk. The Directors monitor the Manager's compliance with the investment policy, review and agree policies for managing this risk and monitor the overall level of risk on the portfolio on a regular basis.

Valuations are based on the most appropriate valuation methodology for an investment within its market, with regard to the financial health of the investment and the IPEV Guidelines. Details of the industries in which investments have been made are contained in the pie chart in the Strategic report on page 10.

The maximum investment risk on the balance sheet date is the value of the fixed asset investment portfolio which is £57,170,000 (2021: £50,454,000). Fixed asset investments form 67% of the net asset value on 30 June 2022 (2021: 65%).

More details regarding the classification of fixed asset investments are shown in note 11.

17. Capital and financial instruments risk management (continued)

Interest rate risk

It is the Company's policy to accept a degree of interest rate risk on its financial assets through the effect of interest rate changes. On the basis of the Company's analysis, it is estimated that a rise of half a percentage point in all interest rates would have increased total return before tax for the year by approximately £139,000 (2021: £128,000). Furthermore, it was considered that a material fall in interest rates below current levels during the year would have been unlikely.

The weighted average interest rate applied to the Company's fixed rate assets during the year was approximately 10.1 per cent. (2021: 4.5 per cent.). The weighted average period to maturity for the fixed rate assets is approximately 2.1 years (2021: 2.7 years).

The Company's financial assets and liabilities, all denominated in pounds sterling, consist of the following:

	30 June 2022				30 June 2021			
	Fixed rate £'000	**Floating rate £'000**	**Non-interest £'000**	**Total £'000**	Fixed rate £'000	Floating rate £'000	Non-interest £'000	Total £'000
Loan stock	**7,527**	**–**	**1,434**	**8,961**	8,000	–	529	8,529
Equity	**–**	**–**	**48,209**	**48,209**	–	–	41,925	41,925
Receivables*	**–**	**–**	**1,835**	**1,835**	–	–	1,183	1,183
Payables	**–**	**–**	**(1,224)**	**(1,224)**	–	–	(1,443)	(1,443)
Cash	**–**	**28,024**	**–**	**28,024**	–	27,426	–	27,426
	7,527	**28,024**	**50,254**	**85,805**	8,000	27,426	42,194	77,620

* The receivables do not reconcile to the Balance sheet as prepayments are not included in the above table.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Company is exposed to credit risk through its receivables, investment in 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. For loan stock investments made prior to 6 April 2018, which account for 86.5 per cent. of loan stock by value, typically loan stock instruments have a fixed or floating charge, which may or may not have been subordinated, over the assets of the portfolio company in order to mitigate the gross credit risk.

The Manager receives management accounts from portfolio companies, and members of the investment management team often sit on the boards of unquoted portfolio companies; this enables the close identification, monitoring and management of investment-specific credit risk.

Bank deposits are held with banks with high credit ratings assigned by international credit rating agencies. The Company 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 Company's total gross credit risk at 30 June 2022 was limited to £8,961,000 (2021: £8,529,000) of loan stock instruments, £28,024,000 (2021: £27,426,000) of cash deposits with banks and £1,835,000 (2021: £1,183,000) of deferred consideration and receivables.

At the balance sheet date, the cash held by the Company was held with Lloyds Bank Plc, Scottish Widows Bank plc (part of Lloyds Banking Group), National Westminster Bank plc, Societe Generale S.A, Bank of Montreal and Barclays Bank plc. Credit risk on cash transactions was mitigated by transacting with counterparties that are regulated entities subject to prudential supervision, with high credit ratings assigned by international credit-rating agencies.

17. Capital and financial instruments risk management (continued)

The credit profile of loan stock is described under liquidity risk shown below.

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

Liquidity risk

Liquid assets are held as cash on current short term deposit accounts. Under the terms of its Articles, the Company has the ability to borrow up to the amount of its adjusted capital and reserves of the latest published audited Balance sheet, which amounts to £83,700,000 (2021: £72,360,000) as at 30 June 2022.

The Company has no committed borrowing facilities as at 30 June 2022 (2021: nil) and had cash balances of £28,024,000 (2021: £27,426,000). The main cash outflows are for new investments, dividends and share buy-backs, which are within the control of the Company. The Manager formally reviews the cash requirements of the Company on a monthly basis, and the Board on a quarterly basis, as part of its review of management accounts and forecasts.

All of the Company's financial liabilities are short term in nature and total £1,224,000 (2021: £1,443,000) as at 30 June 2022.

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

	30 June 2022				30 June 2021			
Redemption date	**Fully performing £'000**	**Past due £'000**	**Valued below cost £'000**	**Total £'000**	Fully performing £'000	Past due £'000	Valued below cost £'000	Total £'000
Less than one year	**4,704**	**1,374**	**410**	**6,488**	2,534	381	411	3,326
1-2 years	**94**	**–**	**–**	**94**	1,037	845	1	1,883
2-3 years	**116**	**–**	**–**	**116**	30	–	–	30
3-5 years	**1,238**	**–**	**–**	**1,238**	1,975	–	–	1,975
5 + years	**1,025**	**–**	**–**	**1,025**	1,315	–	–	1,315
Total	**7,177**	**1,374**	**410**	**8,961**	6,891	1,226	412	8,529

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

The cost of loan stock investments valued below cost is £681,000 (2021: £681,000).

The Company does not hold any assets as the result of the enforcement of security during the period, and believes that the carrying values for both those valued below cost and past due assets are covered by the value of security held for these loan stock investments.

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

Fair values of financial assets and financial liabilities

All the Company's financial assets and liabilities as at 30 June 2022 are stated at fair value as determined by the Directors, with the exception of receivables (including debtors due after more than one year), and payables and cash which are carried at amortised cost, in accordance with FRS 102. There are no financial liabilities other than payables. The Company'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.

18. Contingencies and guarantees

As at 30 June 2022, the Company had no financial commitments in respect of investments (2021: £nil).

There are no contingencies or guarantees of the Company as at 30 June 2022 (2021: £nil).

19. Post balance sheet events

Since 30 June 2022 the Company has completed the following material investment transactions:

- Investment of £1,017,000 into a new portfolio company, a Software as a Service (SaaS) based global financial orchestration platform;
- Investment of £618,000 into a new portfolio company, who develop single-cell sequencing solutions;
- Investment of £505,000 into a new portfolio company, a SaaS platform to measure and manage human risk for enterprises; and
- Investment of £432,000 into a new portfolio company, a platform providing digital neurorehabilitation.

On 21 September 2022 the Company announced that it intends to launch prospectus top up offers of new ordinary shares for subscription in the 2022/2023 and 2023/2024 tax years. Full details of the Offers will be contained in a prospectus that is expected to be published in October 2022 and will be available on the Albion Capital website (www.albion.capital).

20. Related party transactions

Other than transactions with the Manager as disclosed in note 5, and the Directors' remuneration disclosed in the Directors' remuneration report on page 50, there are no other related party transactions or balances requiring disclosure.

Notice of Annual General Meeting

SHAREHOLDERS SHOULD TAKE NOTE THAT THIS WILL BE A VIRTUAL AGM AND FURTHER DETAILS WILL BE MADE AVAILABLE AT WWW.ALBION.CAPITAL/VCT-HUB/AGMS-EVENTS.

Notice is hereby given that the Annual General Meeting of Crown Place VCT PLC (the "Company") will be held virtually at noon on 28 November 2022 at the registered office of the Company at 1 Benjamin Street, London EC1M 5QL for the purposes of considering and, if thought fit, passing the following resolutions, of which resolutions 1 to 9 will be proposed as ordinary resolutions and resolutions 10 and 11 will be proposed as special resolutions.

Ordinary business

1. To receive and adopt the Company's accounts for the year ended 30 June 2022 together with the Strategic report and the reports of the Directors and Auditor.
2. To approve the Directors' Remuneration Report for the year ended 30 June 2022.
3. To re-elect Penny Freer as a Director of the Company.
4. To re-elect James Agnew as a Director of the Company.
5. To re-elect Pam Garside as a Director of the Company.
6. To re-elect Ian Spence as a Director of the Company.
7. To re-appoint BDO LLP as Auditor of the Company to hold office from the conclusion of the meeting to the conclusion of the next meeting at which the accounts are to be laid.
8. To authorise the Directors to agree the Auditor's remuneration.

Special business

9. **Authority to allot shares**

   That the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to allot Ordinary shares in the capital of the Company ("Ordinary shares") up to an aggregate nominal amount of £581,047 (which comprises approximately 20 per cent. of the Company's issued Ordinary shares as at the date of this Notice) provided that this authority shall expire 15 months from the date that this resolution is passed, or, if earlier, at the conclusion of the next Annual General Meeting of the Company, but so that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or convert securities into shares pursuant to such an offer or agreement as if this authority had not expired.

10. **Authority for the disapplication of pre-emption rights**

    That, subject to the authority and conditional on the passing of resolution number 9, 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 9 and/or sell Ordinary shares held by the Company as treasury shares for cash as if section 561(1) of the Act did not apply to any such allotment or sale.

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

    This power shall expire 15 months from the date that this resolution is passed or, if earlier, the conclusion of the next Annual General Meeting of the Company, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if this power had not expired.

11. Authority to purchase own shares

That, subject to and in accordance with the Company's Articles of Association, the Company be generally and unconditionally authorised, pursuant to and in accordance with section 701 of the Act, to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary shares, on such terms as the Directors think fit, provided always that:

(a) the maximum aggregate number of Ordinary shares hereby authorised to be purchased is 43,549,523 or, if lower, such number of Ordinary shares as shall equal 14.99 per cent. of the issued Ordinary share capital of the Company at the date of the passing of this resolution;

(b) the minimum price which may be paid for an Ordinary share shall be 1 penny;

(c) the maximum price, exclusive of any expenses, which may be paid for a share shall be an amount equal to the higher of (a) 105% of the average of the middle market quotations for the share, as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the date on which the 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, varied or renewed, expire 15 months from the date that this resolution is passed or, if earlier, at the conclusion of the next Annual General Meeting; and

(e) the Company may enter into a contract or contracts to purchase shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

By Order of the Board

Albion Capital Group LLP
Company Secretary
Registered Office
1 Benjamin Street
London, EC1M 5QL
3 October 2022

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

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 AGM. A member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares. Proxies may only be appointed by:

   - completing and returning the Form of Proxy enclosed with this Notice to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY; or
   - going to www.investorcentre.co.uk/eproxy and following the instructions provided there; or
   - by having an appropriate CREST message transmitted, if you are a user of the CREST system (including CREST personal members).

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

   To be effective the Form of Proxy must be completed in accordance with the instructions and received by the Registrars of the Company by noon on 24 November 2022.

   In accordance with good governance practice, the Company is offering shareholders use of an online service, offered by the Company's registrar, Computershare Investor Services, at www.investorcentre.co.uk/eproxy. Shareholders can use this service to vote or appoint a proxy online. The same voting deadline of noon on 24 November 2022 applies as if you were using your Personalised Voting Form to vote or appoint a proxy by post to vote for you. Shareholders who hold their shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company's registrar not later than 48 hours before the start of the meeting. Instructions on how to vote through CREST can be found by accessing the following website: www.euroclear.com/CREST. Shareholders should not show this information to anyone unless they wish to give proxy instructions on their behalf.

2. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 ("the Act") to enjoy information rights (a "Nominated Person") may, under an agreement between him or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

   The statement of rights of members in relation to the appointment of proxies in note 1 above does not apply to Nominated Persons. The rights described in that note can only be exercised by members of the Company.

3. To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), members must be registered in the register of members of the Company at noon on 24 November 2022 (or, in the event of any adjournment, on the date which is two business days before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this AGM and any adjournment(s) by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent by noon on 24 November 2022. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

   CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK and Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

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

6. A copy of this Notice, and other information regarding the meeting, as required by section 311A of the Act, is available from www.albion.capital/funds/CRWN under the 'Fund reports' section.

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

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

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

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

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

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

12. As at 30 September 2022 being the latest practicable date prior to the publication of this Notice, the Company's issued share capital consists of 290,523,837 Ordinary shares with a nominal value of 1 penny each. The Company also holds 35,822,916 Ordinary shares in treasury. Therefore, the total voting rights in the Company as at 30 September 2022 are 254,700,921.

aic

A member of the Association
of Investment Companies

This report is printed on Revive 100 Offset a totally recycled paper produced using 100% recycled waste at a mill that has been awarded the ISO 14001 certificate for environmental management. The pulp is bleached using a totally chlorine free (TCF) process.

AlbionCapital