

Half-yearly Financial Report
for the six months to
31 December 2008
(unaudited)

08

Crown Place
VCT PLC

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Company Information

Company number	3495287
Directors	Patrick Crosthwaite, Chairman Rachel Beagles Sir Andrew Cubie Vikram Lall Geoffrey Vero
Investment manager	Albion Ventures LLP (previously Close Ventures Limited) 10 Crown Place London, EC2A 4FT Fax: 020 7422 7849 www.albion-ventures.co.uk
Secretary and registered office	Albion Ventures LLP (previously Close Ventures Limited) 10 Crown Place London, EC2A 4FT
Registrar	Capita Registrars plc Northern House Woodsome Park Fenay Bridge Huddersfield, HD8 0LA
Registered auditors	PKF (UK) LLP Farringdon Place 20 Farringdon Road London, EC1M 3AP
Taxation adviser	PricewaterhouseCoopers LLP 1 Embankment Place London, WC2N 6RH

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

Shareholder information	<p>For help relating to dividend payments, shareholdings and share certificates please contact Capita Registrars plc: Tel: 0871 664 0300 (calls cost 10p per minute plus network extras) Email: ssd@capitaregistrars.com Website: www.capitaregistrars.com</p> <p>For enquiries relating to the performance of the Fund please contact Albion Ventures LLP: Tel: 020 7422 7830 Email: enquiries@albion-ventures.co.uk Website: www.albion-ventures.co.uk</p>
IFA information	<p>Independent financial advisors with questions please contact Albion Ventures LLP: Tel: 08442 579 722 (calls cost 4p per minute plus network extras) Email: enquiries@albion-ventures.co.uk Website: www.albion-ventures.co.uk</p>

Investment Objectives

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

Financial Calendar

Record date for second dividend (subject to approval from HM Revenue & Customs)	Estimated March 2009
Payment of second dividend	Estimated April 2009
Financial year end	30 June 2009

Financial Highlights

	Six months to 31 December 2008 (pence per share)	Six months to 31 December 2007 (pence per share)	Year to 30 June 2008 (pence per share)
Net asset value per share	36.29	43.56	41.11
Dividends paid	1.25	1.25	2.50
Revenue return per share	0.53	0.74	1.27
Capital return per share	(4.14)	(0.86)	(2.67)

Shareholder returns and shareholder value

	Proforma(i) Murray VCT PLC	Proforma(i) Murray VCT 2 PLC	Crown Place VCT PLC†
Shareholder returns from launch to April 2005 (date that Albion Ventures (previously Close Ventures) was appointed investment manager):			
Dividends paid to 6 April 2005 (ii)	30.36	30.91	24.93
Decrease in net asset value	(69.90)	(64.50)	(56.60)
Total shareholder return to 6 April 2005	(39.54)	(33.59)	(31.67)
Shareholder return from April 2005 to 31 December 2008:			
Total dividends paid	6.02	7.00	8.05
Decrease in net asset value	(4.27)	(4.62)	(7.11)
Total shareholder return to 31 December 2008	1.75	2.38	0.94
Shareholder value since launch:			
Total dividends paid to 31 December 2008 (i)	36.38	37.91	32.98
Net asset value as at 31 December 2008	25.83	30.88	36.29
Total shareholder value as at 31 December 2008	62.21	68.79	69.27
Current annual dividend objective*:			
Pence per share	1.78	2.13	2.50
Percentage yield on net asset value	6.9%	6.9%	6.9%

* Subject to investment performance

(i) The proforma shareholder returns presented above are based on the dividends paid to shareholders before the merger and the pro-rata net asset value per share and pro-rata dividends per share paid to 31 December 2008 since the merger. This pro-forma is based upon the proportion of shares received by Murray VCT PLC (now renamed CP1 VCT PLC) and Murray VCT 2 PLC (now renamed CP2 VCT PLC) shareholders at the time of the merger with Crown Place VCT PLC on 13 January 2006.

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

† Formerly Murray VCT 3 PLC

In addition to the dividends paid above, the Board has declared a second dividend for the year ending 30 June 2009, of 1.25 pence per Crown Place VCT PLC share (0.25 pence to be paid out of revenue profits and 1.00 pence out of realised capital gains), subject to approval from HM Revenue & Customs. The record date and payment date for this dividend will be announced on the London Stock Exchange RNS Service.

Interim Management Report

Results

In the six months to 31 December 2008, the Company's net asset value per share declined by 12% from 41.1 pence to 36.3 pence. In the same period, the FTSE All Share Index fell by 22%. The reduction in net asset value was largely due to a downward revaluation of the investment portfolio, as well as a reduction in investment income and deposit interest as a result of the sharp fall in interest rates. During the period, the Company made a revenue profit after tax of £390,000 and a capital loss after tax of £3,028,000 resulting in a total loss after tax of £2,638,000 or 3.6 pence per share.

Dividends

The Company's policy is to pay regular and predictable dividends to investors out of revenue income and realised capital gains. The first dividend in the current financial year of 1.25 pence per share was paid to shareholders on 8 August 2008. Subject to the performance of the investment portfolio, the Board aims to maintain the current annualised dividend distribution of 2.5 pence per share going forward.

The Directors have declared a second dividend of 1.25 pence per Crown Place VCT PLC share (of which 0.25 pence is to be paid from revenue and 1.00 pence out of realised capital gains), subject to approval from HM Revenue & Customs. The record date and payment date for this dividend will be announced on the London Stock Exchange RNS Service.

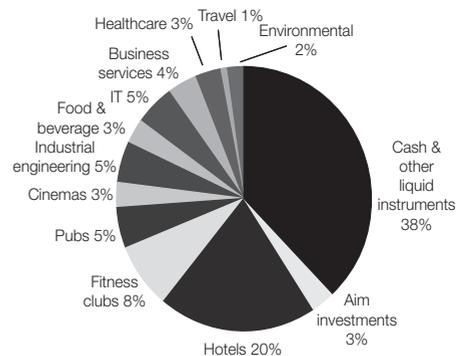
Portfolio review

During the half year, the Company made new and follow-on investments totalling £1.3 million. In September 2008, the Company invested £250,000 in Prime Care Holdings Limited, a provider of domiciliary care based in East Sussex. The domiciliary care sector is a £2.4 billion industry showing attractive growth rates, and is very fragmented. Prime Care Holdings has won a number of awards in recognition of the quality of service it provides. The Company also invested £76,000 in Ivivo Limited, a developer of medical imaging software and £260,000 in Bravo Inns II Limited, an owner and operator of freehold pubs. Following the period end, an investment of £210,000 was made in Forth Photonics Limited, a medical device company that designs, develops, manufactures and markets imaging systems for the non-invasive, in-vivo detection of cancerous and pre-cancerous lesions. No investments were sold during the period.

Overall, the existing investment portfolio, which is well diversified, is holding up reasonably well against the background of worsening global economic conditions. An important element of this is that, apart from the investments made prior to the change in Manager in 2005, which total £2 million on current valuations, the majority of investee companies have no bank gearing. In addition, many of them are in areas of the economy that still have residual growth prospects. The slowdown in consumer spending has had some impact on the hotel and health and fitness investments in the portfolio, which has been reflected in their valuations, while the cinemas continue to trade well. Several of the technology investments, such as Blackbay Limited and Rostima Limited, have made significant progress during the period and are on course to deliver shareholder value in the longer term.

The following is the sector split of the portfolio by valuation as at 31 December 2008:

Split of investment portfolio by sector



As at 31 December 2008, the Group held cash balances and other liquid investments of £9,963,000.

Change in Manager

On 23 January 2009, the business of Close Ventures Limited ("Close Ventures"), the Manager of Crown Place VCT PLC was acquired by Albion Ventures LLP ("Albion Ventures") from Close Brothers Group plc ("Close Brothers Group"). Albion Ventures has been formed by the executive directors of Close Ventures Limited; Close Brothers Group will continue to have an interest in the business of Albion Ventures.

Interim Management Report (continued)

Your Board agreed that the Company's management contract should be novated from Close Ventures to Albion Ventures on the same terms as the current agreement. The investment approach of Albion Ventures and the investment policy of the Company remain unchanged, with a continued emphasis on building up a broad portfolio of investee companies with no bank borrowings and the maintenance of a strong dividend yield. The Boards of the other VCTs managed by Close Ventures have similarly agreed that the management contracts of these companies be novated to Albion Ventures. Albion Ventures currently has funds under management of approximately £220 million.

As a result of this change, the Company Secretary has changed to Albion Ventures LLP. The Company name will remain unchanged.

Recovery of historic VAT

As a result of intensive lobbying by the Association of Investment Companies, the welcome review by HM Revenue & Customs in July 2008 of the position regarding the exemption of management fees from VAT has meant that the Manager has been able to reclaim VAT that it had previously charged to the VCT.

Following discussions between the Board and the Manager regarding the reclaim of historic VAT, £369,000 has been recognised in the accounts in respect of the repayment. Further details regarding this claim, and its disclosure, are shown in note 4 to the Half-yearly Financial Report. With effect from 1 October 2008, all management and administration fees charged to the VCT are considered exempt from VAT.

Related Party Transactions

Details of material related party transactions for the reporting period can be found in note 13 to this Half-yearly Financial Report.

Risks and Uncertainties

The negative outlook for the UK economy continues to be the key risk affecting your Company and, as mentioned above, we are beginning to see the effects of this in certain sectors of the portfolio. Nevertheless, the portfolio as a whole remains cash generative, while only a few investments have external bank borrowings. This leads the Board to anticipate that, although valuations may continue to come under further pressure in the short term, over

the longer term, the current reductions in value represent value deferred rather than value permanently lost. Other key risks and uncertainties remain unchanged and are as detailed on page 20 of the Annual Report and Financial Statements for the year ended 30 June 2008. These include investment risk, venture capital trust approval risk, compliance risk, internal control risk, reliance upon third party risk and financial risk.

Dividend Reinvestment Scheme

I draw shareholders' attention to the introduction of a Dividend Reinvestment Scheme whereby shareholders may elect to reinvest future dividends by subscribing for New Ordinary Shares. Benefits to individual shareholders arising on participation in the Dividend Reinvestment Scheme include:

- income tax relief on the reinvestment at the rate of 30 per cent. (VCT investments cannot exceed £200,000 in one tax year to be able to obtain this relief and new shares need to be held for at least five years);
- any gains arising on disposal of shares in a VCT will be exempt from tax (any loss will not be an allowable capital loss); and
- any future dividends on the new shares are not subject to income tax.

The Circular dated 26 February 2009 which is enclosed with this Half-Yearly Financial Report, 'Introduction of a Dividend Reinvestment Scheme', details the mechanics of this Scheme.

Discount management and share buy-backs

It is the Board's policy to buy back shares in the market, subject to the overall constraint that such purchases are in the Company's interest, including the maintenance of sufficient resources for investment in existing and new investee companies. The Company bought back 663,650 shares for cancellation during the period at an average price of 32.8 pence per share. The weighted average share price discount to net asset value was 13.2%. However, given the high level of volatility and the adverse movements apparent in all markets, the discount to net asset value per share at which shares are bought back will widen from that applied historically.

Interim Management Report (continued)

Outlook

The UK economy is now officially in recession, but the length and severity is difficult to predict. In the short term, the decline in interest rates to historically unprecedented low levels will reduce the income generated by the Company's cash resources. Nevertheless, we believe that your Company's policy of ensuring that it has a first charge wherever possible over investee companies' assets, will help to mitigate the adverse effects of the severe economic downturn. In addition, your Company's substantial

cash resources will enable it to take advantage of attractive investment opportunities driven by the lower valuations now becoming apparent. The Board views VCTs as a long term savings product and in this context, despite the near-term pressure caused by the deterioration in the economy, the Directors consider that the Company remains well positioned to deliver long term shareholder value.

Patrick Crosthwaite

Chairman

26 February 2009

Responsibility Statement

The Directors have chosen to prepare this Half-yearly Financial Report for the Group in accordance with International Financial Reporting Standards ("IFRS"). The Directors of the Company as at 26 February 2009 are shown in the Company Information section on page 2.

In preparing the summarised financial statements for the period to 31 December 2008, we the Directors, confirm that to the best of our knowledge:

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

- (c) the summarised financial statements give a true and fair view in accordance with IFRS of the assets, liabilities, financial position and of the profit and loss of the Group for the period and comply with IFRS and Companies Act 1985 and 2006; and
- (d) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

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

By order of the Board

Patrick Crosthwaite
Chairman

26 February 2009

Portfolio of Investments as at 31 December 2008

The following is a list of fixed asset investments with a carrying/fair value as at 31 December 2008:

Investment name	Nature of business	% voting rights	% voting rights of AVL* managed companies	At 31 December 2008		At 30 June 2008	
				Investment to date at cost £'000	Total carrying/fair value £'000	Investment to date at cost £'000	Total carrying/fair value £'000
Unquoted investments							
The Crown Hotel Harrogate Limited	Owner and operator of the Crown Hotel, Harrogate	15.0%	50.0%	2,976	2,184	2,976	2,463
Kensington Health Clubs Limited	Operator of a health and fitness club in West London	8.1%	50.0%	1,789	1,201	1,750	1,715
Sky Hotel Heathrow Limited	Owner and operator of the Stanwell Hotel at Heathrow Airport	13.2%	50.0%	1,400	1,183	1,400	1,400
Kew Green VCT (Stansted) Limited	Owner and operator of the Express by Holiday Inn at Stansted Airport	2.0%	50.0%	1,000	965	1,000	1,078
ELE Advanced Technologies Limited	Manufacturer of precision engineering components for the industrial gas turbine, aerospace and automotive markets	48.3%	48.3%	1,050	969	1,050	891
House of Dorchester Limited	Chocolate manufacturer	23.3%	23.3%	490	829	490	880
The Charnwood Pub Company (Hotels) Limited	Owner and manager of public houses and hotels	14.5%	50.0%	1,008	736	945	723
Chichester Holdings Limited	Drinks distributor to the travel sector	9.1%	50.0%	600	696	600	696
Tower Bridge Health Clubs Limited	Operator of a health and fitness club in central London	9.5%	50.0%	591	553	591	663
Blackbay Limited	Provider of mobile data solutions for the logistics and field service sectors	3.9%	32.9%	451	485	451	522
CS (Brixton) Limited	Cinema owner and operator	9.6%	50.0%	375	415	375	412
Helveta Limited	Provider of software solutions, traceability and inventory analysis to the timber industry	3.5%	23.4%	360	370	285	232
Dexela Limited	Developer of medical imaging technology for the early detection of breast cancer	4.2%	37.3%	295	300	110	115
The Dunedin Pub Company VCT Limited	Freehold pub owner and operator	7.8%	50.0%	390	272	390	380
Rostima Limited	Provider of workforce management solutions software	4.1%	29.4%	327	268	279	213
Lowcosttravelgroup Limited	Online travel business	3.5%	13.9%	330	257	330	353
Prime Care Holdings Limited	Provider of domiciliary care services	6.0%	33.9%	250	254	-	-
Bravo Inns II Limited	Freehold pub owner and operator	3.2%	50.0%	260	251	-	-
The Charnwood Pub Company Limited	Freehold pub owner and operator	3.1%	50.0%	235	215	235	179
GB Pub Company VCT Limited	Freehold pub owner and operator	9.0%	50.0%	396	208	373	268
Xceleron Limited	Provider of a range of drug development services to the life-science industries	3.3%	45.1%	295	202	250	188
RFI Global Services Limited	Provider of conformance testing to the cellular, wireless and smart card industries	2.3%	15.0%	310	186	310	186

Portfolio of Investments as at 31 December 2008

(continued)

Investment name	Nature of business	% voting rights	% of voting rights of AVL* managed companies	At 31 December 2008		At 30 June 2008	
				Investment to date at cost £'000	Total carrying/ fair value £'000	Investment to date at cost £'000	Total carrying/ fair value £'000
Unquoted investments							
Welland Inns VCT (Hotels) Limited	Operator of one freehold hotel in Buckden, Cambridgeshire	9.0%	50.0%	321	173	304	230
Bravo Inns Limited	Freehold pub owner and operator	2.6%	50.0%	230	165	230	169
The Weybridge Club Limited	Owner and operator of a freehold health and fitness club in Weybridge, Surrey	1.2%	50.0%	190	160	190	193
Premier Leisure (Suffolk) Limited	Freehold cinema owner	5.2%	45.0%	420	163	420	280
Welland Inns VCT Limited	Freehold pub owner and operator	3.3%	50.0%	358	161	340	285
Mi-Pay Limited	Provider of mobile payment services	1.2%	15.8%	202	159	140	140
Opta Sports Data Limited	Compiler of sports performance data	1.5%	15.3%	150	158	150	154
Oxsensis Limited	Developer and producer of industrial sensors used in super-high temperature environments	1.6%	22.3%	145	145	145	145
Novello Pub Limited	Freehold pub owner and operator	9.1%	50.0%	258	138	258	157
Sanastro PLC	Financial publisher	16.2%	16.2%	832	113	832	340
CS (Exeter) Limited	Cinema owner and operator	9.6%	50.0%	145	113	145	112
Point 35 Microstructures Limited	Refurbisher of semiconductor fabrication equipment	1.7%	28.1%	130	89	130	105
Ivivo Limited	Developer of medical imaging software	6.9%	45.0%	77	77	–	–
Booth Dispensers Limited	Manufacturer of vending machine components and beer pump coolers	22.8%	22.8%	227	75	227	204
Process Systems Enterprise Limited	Provider of process systems modelling solutions	0.8%	15.9%	100	67	100	100
Vibrant Energy Surveys Limited	Surveyor of energy performance in buildings	1.3%	9.7%	240	67	180	180
River Bourne Health Club Limited	Operator of a health and fitness club in Chertsey, Surrey	5.5%	50.0%	110	56	110	121
Driver Hire Investment Limited	Supplier of temporary drivers	2.7%	2.7%	436	49	436	106
Evolutions Television Limited	Provider of TV post production services	0.3%	49.9%	50	48	50	51
CS (Norwich) Limited	Cinema owner and operator	3.8%	50.0%	60	42	60	62
Red-M Group Limited	Service and software provider	1.8%	10.7%	295	30	211	36
Resorthoppa Limited	Global airport transfer service	2.7%	45.0%	125	19	125	125
Palm Tree Technology PLC	Software company	0.6%	2.1%	102	15	102	111
PSCA International Limited	Magazine publisher	–	–	129	–	129	130
Forward Media Limited	Provider of radio broadcast services	5.2%	5.2%	500	–	500	3
Other investments valued at nil				21,010	15,281	19,704	17,096
				3,085	–	3,085	–
				24,095	15,281	22,789	17,096

Portfolio of Investments as at 31 December 2008

(continued)

Investment name	Nature of business	% voting rights	% voting rights of AVL* managed companies	At 31 December 2008		At 30 June 2008	
				Investment to date at cost £'000	Total carrying/ fair value £'000	Investment to date at cost £'000	Total carrying/ fair value £'000
AIM quoted investments							
Avanti Communications Group plc	Supplier of satellite communications	0.8%	0.8%	542	403	542	632
Cello Group plc	Market researcher, brand advertising and direct marketing	0.9%	0.9%	340	110	340	248
Augean PLC	Waste management	0.5%	0.5%	593	260	593	232
Avanti Screenmedia Group plc	Supplier of retail television services	1.0%	1.0%	81	3	81	3
				1,556	776	1,556	1,115
Total fixed asset investments				25,651	16,057	24,345	18,211

* AVL is Albion Ventures LLP

The following is a list of current asset investments with a carrying/fair value as at 31 December 2008.

Investment name	Maturity	At 31 December 2008		At 30 June 2008	
		Investment to date at cost £'000	Total carrying/ fair value £'000	Investment to date at cost £'000	Total carrying/ fair value £'000
Non-qualifying investments					
Nationwide Building Society floating rate note	7 July 2009	2,718	2,711	2,718	2,686
Lloyds Banking Group plc Euro commercial paper	30 June 2009	3,835	3,897	–	–
		6,553	6,608	2,718	2,686

Summary Consolidated Income Statement

	Notes	Unaudited six months to 31 December 2008			Unaudited six months to 31 December 2007			Audited year to 30 June 2008		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses on investments	2	–	(3,232)	(3,232)	–	(476)	(476)	–	(1,818)	(1,818)
Investment income and deposit interest	3	622	–	622	986	–	986	1,714	–	1,714
Investment management fees		(63)	(187)	(250)	(87)	(260)	(347)	(167)	(502)	(669)
Recovery of VAT	4	92	277	369	–	–	–	–	–	–
Other expenses		(147)	–	(147)	(160)	–	(160)	(307)	–	(307)
Profit/(loss) before taxation		<u>504</u>	<u>(3,142)</u>	<u>(2,638)</u>	<u>739</u>	<u>(736)</u>	<u>3</u>	<u>1,240</u>	<u>(2,320)</u>	<u>(1,080)</u>
Taxation		(114)	114	–	(176)	85	(91)	(283)	304	21
Profit/(loss) for the period		<u>390</u>	<u>(3,028)</u>	<u>(2,638)</u>	<u>563</u>	<u>(651)</u>	<u>(88)</u>	<u>957</u>	<u>(2,016)</u>	<u>(1,059)</u>
Basic and diluted return/(loss) per Ordinary share (pence)*	6	0.53	(4.14)	(3.61)	0.74	(0.86)	(0.12)	1.27	(2.67)	(1.40)

*(excluding Treasury shares)

The accompanying notes on pages 17 to 24 form an integral part of this Half-yearly Financial Report.

This consolidated income statement has been reclassified to show losses on investments at the top of the income statement as noted in the accounting policies note on page 17.

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

The consolidated income statements include the results of the subsidiaries CP1 VCT PLC and CP2 VCT PLC.

Comparative figures have been extracted from the interim accounts for the six month period ended 31 December 2007 and the statutory accounts for the year ended 30 June 2008.

Summary Consolidated Balance Sheet

	Notes	Unaudited 31 December 2008 £'000	Audited 30 June 2008 £'000
Non-current assets			
Investments	7	16,057	18,211
Current assets			
Trade and other receivables		713	308
Current asset investments		6,608	2,686
Current tax asset		–	53
Cash and cash equivalents		3,354	9,237
		10,675	12,284
Total assets		26,732	30,495
Current liabilities			
Trade and other payables		(333)	(321)
Net assets		26,399	30,174
Equity attributable to equityholders			
Ordinary share capital	8	8,000	8,066
Share premium		14,422	14,422
Capital redemption reserve		860	793
Own shares held		(2,849)	(2,849)
Realised capital reserve		(17,252)	(17,206)
Unrealised capital reserve		(9,885)	(6,645)
Special reserve		32,202	32,421
Revenue reserve		901	1,172
Total equity shareholders' funds		26,399	30,174
Net asset value per share (pence)*		36.3	41.1

**(excluding Treasury shares)*

The consolidated balance sheets include the balance sheets of the subsidiaries CP1 VCT PLC and CP2 VCT PLC.

The accompanying notes on pages 17 to 24 form an integral part of this Half-yearly Financial Report.

Comparative figures have been extracted from the statutory accounts for the year ended 30 June 2008.

These financial statements were agreed by the Board of Directors, and authorised for issue on 26 February 2009 and were signed on its behalf by

Patrick Crosthwaite

Chairman

Summary Company Balance Sheet

	Notes	Unaudited 31 December 2008 £'000	Audited 30 June 2008 £'000
Fixed assets			
Fixed asset investments	7	16,057	18,211
Investment in subsidiary undertakings		15,089	15,059
		<u>31,146</u>	<u>33,270</u>
Current assets			
Trade and other debtors		712	302
Current asset investments		6,608	2,686
Current tax asset		–	53
Cash at bank and in hand		3,236	6,548
		<u>10,556</u>	<u>9,589</u>
Total assets		41,702	42,859
Current liabilities			
Trade and other creditors		(15,303)	(12,685)
Net assets		26,399	30,174
Equity attributable to equityholders			
Ordinary share capital	8	8,000	8,066
Share premium		14,422	14,422
Capital redemption reserve		860	793
Own shares held		(2,849)	(2,849)
Realised capital reserve		(17,252)	(17,206)
Unrealised capital reserve		(9,885)	(6,645)
Special reserve		32,202	32,421
Revenue reserve		901	1,172
Total equity shareholders' funds		26,399	30,174
Net asset value per share (pence)*		36.3	41.1

*(excluding Treasury shares)

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

The accompanying notes on pages 17 to 24 form an integral part of this Half-yearly Financial Report.

Comparative figures have been extracted from the statutory accounts for the year ended 30 June 2008.

These financial statements were approved by the Board of Directors, and authorised for issue on 26 February 2009 and were signed on its behalf by

Patrick Crosthwaite

Chairman

Summary Consolidated Statement of Changes in Equity (unaudited)

	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Own shares held £'000	Realised capital reserve* £'000	Unrealised capital reserve £'000	Special reserve* £'000	Revenue reserve* £'000	Total £'000
As at 30 June 2008	8,066	14,422	793	(2,849)	(17,206)	(6,645)	32,421	1,172	30,174
Purchase of own shares for cancellation (including costs)	(66)	–	66	–	–	–	(219)	–	(219)
Capitalised management and performance fees (net of tax)	–	–	–	–	(73)	–	–	–	(73)
Capitalised VAT recoverable on management and performance fees	–	–	–	–	277	–	–	–	277
Net realised gains on investments during the period	–	–	–	–	8	–	–	–	8
Movement in unrealised depreciation during the period	–	–	–	–	–	(3,240)	–	–	(3,240)
Revenue profit for the period	–	–	–	–	–	–	–	390	390
Dividends paid in the period	–	–	–	–	(257)	–	–	(661)	(918)
As at 31 December 2008	<u>8,000</u>	<u>14,422</u>	<u>860</u>	<u>(2,849)</u>	<u>(17,252)</u>	<u>(9,885)</u>	<u>32,202</u>	<u>901</u>	<u>26,399</u>
As at 1 July 2007	8,392	14,422	468	(2,849)	(11,193)	(9,558)	33,686	1,006	34,374
Purchase of own shares for cancellation (including costs)	(326)	–	326	–	–	–	(1,265)	–	(1,265)
Capitalised management and performance fees (net of tax)	–	–	–	–	(197)	–	–	–	(197)
Net realised losses on investments during the year	–	–	–	–	(4,731)	–	–	–	(4,731)
Movement in unrealised appreciation during the year	–	–	–	–	–	2,913	–	–	2,913
Revenue profit for the year	–	–	–	–	–	–	–	957	957
Dividends paid in the year	–	–	–	–	(1,085)	–	–	(791)	(1,876)
As at 30 June 2008	<u>8,066</u>	<u>14,422</u>	<u>793</u>	<u>(2,849)</u>	<u>(17,206)</u>	<u>(6,645)</u>	<u>32,421</u>	<u>1,172</u>	<u>30,174</u>
As at 1 July 2007	8,392	14,422	468	(2,849)	(11,193)	(9,558)	33,686	1,006	34,374
Purchase of own shares for cancellation (including costs)	(146)	–	146	–	–	–	(581)	–	(581)
Capitalised management and performance fees (net of tax)	–	–	–	–	(175)	–	–	–	(175)
Net realised gains on investments during the period	–	–	–	–	258	–	–	–	258
Movement in unrealised depreciation during the period	–	–	–	–	–	(734)	–	–	(734)
Revenue profit for the period	–	–	–	–	–	–	–	563	563
Dividends paid in the period	–	–	–	–	(340)	–	–	(604)	(944)
As at 31 December 2007	<u>8,246</u>	<u>14,422</u>	<u>614</u>	<u>(2,849)</u>	<u>(11,450)</u>	<u>(10,292)</u>	<u>33,105</u>	<u>965</u>	<u>32,761</u>

*Included within these reserves is an amount of £12,093,000 (30 June 2008: £12,620,000; 31 December 2007: £18,839,000) which is considered distributable. The special reserve has been treated as distributable in determining the reserves available for distribution.

The consolidated statement of changes in equity for the Group also represents the Company's reconciliation of movements in shareholders' funds.

Summary Consolidated Cash Flow Statement

	Note	Unaudited six months to 31 December 2008 £'000	Unaudited six months to 31 December 2007 £'000	Audited year to 30 June 2008 £'000
Operating activities				
Investment income received		591	599	1,858
Deposit interest received		183	213	396
Administration fees paid		(27)	(29)	(59)
Investment management fees paid		(288)	(565)	(900)
Other cash payments		(123)	(89)	(212)
Cash generated from operations		336	129	1,083
Taxation				
Tax received/(paid)		52	(52)	(52)
Net cash flows from operating activities	9	388	77	1,031
Cash flows from investing activities				
Purchase of investments		(1,282)	(4,949)	(3,434)
Disposal of investments		25	6,690	9,122
Net cash flows from investing activities		(1,257)	1,741	5,688
Management of liquid resources				
Purchase of current asset investments		(3,835)	–	(2,718)
Cash flows from financing activities				
Equity dividends paid		(918)	(944)	(1,876)
Purchase of Ordinary shares for cancellation		(261)	(612)	(1,255)
Net cash flows used in financing activities		(1,179)	(1,556)	(3,131)
(Decrease)/increase in cash and cash equivalents		(5,883)	262	870
Cash and cash equivalents at the start of the period		9,237	8,367	8,367
Cash and cash equivalents at the end of the period	10	3,354	8,629	9,237

Notes to the Summarised Financial Statements for the six months ended 31 December 2008 (unaudited)

1. Accounting policies

The following policies refer to the Group and the Company except where noted. References to International Financial Reporting Standards ('IFRS') relate to the Group financial statements and to Financial Reporting Standards ('FRS') relate to the Company financial statements.

Basis of accounting

The Half-yearly Financial Report has been prepared in accordance with the historical cost convention, modified to include the revaluation of investments and in accordance with International Financial Reporting Standards ('IFRS') adopted for use in the European Union (and therefore comply with Article 4 of the EU IAS regulation), in the case of the Group, and in accordance with Financial Reporting Standards ('FRS') in the case of the Company.

Both the Group and the Company financial statements also apply the Statement of Recommended Practice: "Financial Statements of Investment Trust Companies" ('SORP') issued by the Association of Investment Trust Companies ('AITC') in January 2003 and revised in December 2005, in so far as this does not conflict with IFRS or FRS. The financial statements have been prepared in accordance with those parts of the Companies Act 1985 and 2006 applicable to the companies reporting under IFRS and FRS. The information in this document does not include all of the disclosures required by IFRS and SORP in full annual financial statements, and it should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2008. This Half-yearly Financial Report has been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the year ended 30 June 2008.

These financial statements are presented in Sterling to the nearest thousand. Accounting policies have been applied consistently in current and prior periods.

In order to better reflect the activities of a venture capital trust, and in accordance with the SORP, supplementary information which analyses the Income statement between items of a revenue and capital nature has been presented within the Income statement.

The Directors also consider it more useful to shareholders to separate the capital returns to shareholders and the Special reserve from within the

revenue reserve and have therefore reclassified the comparative reserves on a consistent basis.

Gains or losses on investments have also been reclassified and presented at the top of the Consolidated Income statement. The Directors believe this presentation is more relevant to the Group's activities as a venture capital trust.

Basis of consolidation

The Group consolidated financial statements incorporate the financial statements of the Company for the period ended 31 December 2008 and the entities controlled by the Company (its subsidiaries), for the same period. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

As permitted by Section 230 of the Companies Act 1985, the Company has not presented its own profit and loss account. The amount of the Company's loss for the period dealt with in the accounts of the Group is £2,669,000 (30 June 2008: loss £1,076,000; 31 December 2007: loss £107,000).

Segmental reporting

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

Business combinations

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

Estimates

The preparation of the Group and Company's Half-yearly Financial Report requires estimates, assumptions and judgments to be made, which affect the reported results and balances. Actual outcomes may differ from these estimates, with a consequent impact on the results of future periods. These estimates

Notes to the Summarised Financial Statements for the six months ended 31 December 2008 (unaudited)

1. Accounting policies (continued)

Estimates (continued)

and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are those used to determine the fair value of investments at fair value through profit or loss.

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

Fixed and current asset investments

Quoted and unquoted equity investments

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

Fair value movements on equity investments and gains and losses arising on the disposal of investments are reflected in the capital column of the Income statement in accordance with the AITC SORP. Realised gains or losses on the sale of investments will be reflected in the Realised capital reserve, and unrealised gains or losses arising from the revaluation of investments will be reflected in the Unrealised capital reserve.

Warrants, convertibles and unquoted equity derived instruments

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

Unquoted loan stock and Euro commercial paper

Unquoted loan stock and Euro commercial paper are classified as loans and receivables in accordance with IAS 39 and FRS 26 and carried at amortised cost using

the Effective Interest Rate method ('EIR') less impairment. Movements in the amortised cost relating to interest income are reflected in the revenue column of the Income statement, and hence are reflected in the Revenue reserve, and movements in respect of capital provisions are reflected in the capital column of the Income statement and are reflected in the Realised capital reserve following sale, or in the Unrealised capital reserve on revaluation.

Loan stocks which are not impaired or past due are considered fully performing in terms of contractual interest and capital repayments and the Board does not consider that there is a current likelihood of a shortfall on security cover for these assets. For unquoted loan stock, the amount of the impairment is the difference between the asset's cost and the present value of estimated future cash flows, discounted at the effective interest rate.

Unquoted loan stocks are classified as fixed asset investments in the balance sheet.

Euro commercial paper is classified as a current asset investment in the balance sheet.

Floating rate notes

In accordance with IAS 39 and FRS 26, floating rate notes are designated as fair value through profit or loss ("FVTPL"). Floating rate notes are valued at market bid price at the balance sheet date and are disclosed as current asset investments in the balance sheet.

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

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.

Investment income

Unquoted equity income

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

Notes to the Summarised Financial Statements for the six months ended 31 December 2008 (unaudited)

1. Accounting policies (continued)

Investment income (continued)

Unquoted loan stock and Euro commercial paper income

Fixed returns on debt securities are recognised on a time apportionment basis using an effective interest rate over the life of the financial instrument. Loan stock accrued interest is recognised in the Balance sheet as part of the carrying value of the loans and receivables at the end of each reporting period.

Returns on cash balances are recognised on an accruals basis using the rate agreed with the bank.

Taxation

Taxation is applied on a current basis in accordance with IAS 12 and FRS 16 "Income taxes". Taxation associated with capital expenses is applied in accordance with the SORP. Deferred taxation is provided in full on temporary differences in accordance with IAS 12 and timing differences in accordance with FRS 16, that result in an obligation at the balance sheet date to pay more tax or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Temporary and timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which unused tax losses and credits can be utilised.

Dividends

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

Issue costs

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

Investment management fees, performance incentive fees and other expenses

All expenses have been accounted for on an accruals basis. Expenses are charged through the Revenue column of the Income statement, except for management fees and performance incentive fees which are allocated in part to the capital column of the Income statement, to the extent that these relate to an

enhancement in the value of the investments and in line with the Board's expectation that over the long term 75 per cent. of the Group's investment returns will be in the form of capital gains.

Receivables and payables/debtors and creditors

- Receivables are non-interest bearing, are short term in nature and are accordingly stated at their nominal value, as reduced by appropriate allowances for estimated irrecoverable amounts. The Directors consider that the carrying amount of receivables/debtors is not materially different to their fair value.
- Payables are non-interest bearing and are stated at their nominal value. The Directors consider that the carrying amount of payables/creditors is not materially different to their fair value.

Realised capital reserves

The following are disclosed in this reserve:

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

Unrealised capital reserves

Increases and decreases in the valuation of investments held at the period end are disclosed in this reserve.

Capital redemption reserve

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

Own shares held reserve

This reserve accounts for the reduction in distributable reserves through the repurchase of the Company's own shares for Treasury.

Special reserve

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

Notes to the Summarised Financial Statements for the six months ended 31 December 2008 (unaudited)

2. Losses on investments

	Unaudited six months to 31 December 2008 £'000	Unaudited six months to 31 December 2007 £'000	Audited year to 30 June 2008 £'000
Unrealised losses on non-current asset investments held at fair value through profit and loss account	(2,556)	(1,208)	(3,716)
Net unrealised losses transferred to realised losses in the period	-	235	5,515
Unrealised (losses)/gains on non-current asset investments held at amortised cost	(709)	243	1,145
Unrealised (losses)/gains on non-current asset investments sub-total	(3,265)	(730)	2,944
Unrealised gains/(losses) on current asset investments	25	(4)	(31)
Unrealised (losses)/gains sub-total	(3,240)	(734)	2,913
Realised gains on investments held at fair value through profit and loss account	8	493	784
Net realised losses transferred from unrealised losses in the year	-	(235)	(5,515)
Realised gains/(losses) sub-total	8	258	(4,731)
Total	(3,232)	(476)	(1,818)

Investments valued on an amortised cost basis are unquoted loan stock investments and Euro commercial paper.

Notes to the Summarised Financial Statements for the six months ended 31 December 2008 (unaudited)

3. Investment income and deposit interest

	Unaudited six months to 31 December 2008 £'000	Unaudited six months to 31 December 2007 £'000	Audited year to 30 June 2008 £'000
Income recognised on investments held at fair value through profit and loss			
UK dividend income	37	60	69
Management fees received from equity investments	–	–	3
Floating rate note interest	85	63	144
Bank deposit interest	123	210	441
Other income	9	–	–
	<u>254</u>	<u>333</u>	<u>657</u>
Income recognised on investments held at amortised cost			
Return on loan stock investments	305	653	1,057
Euro Commercial Paper interest	63	–	–
	<u>622</u>	<u>986</u>	<u>1,714</u>

4. Recovery of VAT

HM Revenue & Customs issued a business briefing on 24 July 2008 which permitted the recovery of historic VAT that had been charged on management, performance and administration fees, and which made these fees exempt from VAT with effect from 1 October 2008.

The amount of £369,000 recoverable from the Manager has been recognised as a separate item in the Income statement, allocated between revenue and capital return in the same proportion as that at which the original VAT has been charged. At 31 December 2008, the amount due to Crown Place VCT PLC from Close Ventures Limited in respect of this VAT claim was £369,000. This has been received by the Company since the balance sheet date.

It is possible that further amounts may be recoverable in due course, however, the Directors are at this stage unable to quantify the amounts involved.

Notes to the Summarised Financial Statements for the six months ended 31 December 2008 (unaudited)

5. Dividends

	Unaudited six months to 31 December 2008			Unaudited six months to 31 December 2007			Audited year to 30 June 2008		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
First dividend paid on 28 December 2007 (1.25 pence per share)	-	-	-	604	340	944	604	340	944
Second dividend paid on 25 April 2008 (1.25 pence per share)	-	-	-	-	-	-	187	745	932
First dividend paid on 8 August 2008 (1.25 pence per share)	661	257	918	-	-	-	-	-	-
	661	257	918	604	340	944	791	1,085	1,876

In addition, the Board has declared a second dividend of 1.25 pence per share (0.25 pence to be paid out of revenue profits and 1.00 pence out of realised capital gains). This will be paid subject to HM Revenue & Customs approval. The record date and payment date of this dividend will be announced on the London Stock Exchange RNS service.

6. Basic and diluted return per share

The return per share has been based on the following figures:

	Unaudited six months to 31 December 2008			Unaudited six months to 31 December 2007			Audited year to 30 June 2008		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Return attributable to equity shares (£'000)	390	(3,028)	(2,638)	563	(651)	(88)	957	(2,016)	(1,059)
Weighted average shares in issue (excluding Treasury shares)			73,181,241			76,215,222			75,364,144
Return attributable per equity share (pence)	0.53	(4.14)	(3.61)	0.74	(0.86)	(0.12)	1.27	(2.67)	(1.40)

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

7. Non-current asset investments

	Unaudited 31 December 2008 £'000	Unaudited 30 June 2008 £'000
Investments held at fair value through profit or loss	5,399	7,307
Investments held at amortised cost	10,658	10,904
	16,057	18,211

Notes to the Summarised Financial Statements for the six months ended 31 December 2008 (unaudited)

8. Ordinary share capital

	Unaudited 31 December 2008 £'000	Audited 30 June 2008 £'000
Authorised		
140,000,000 Ordinary shares of 10p each	14,000	14,000
Allotted, called up and fully paid		
80,000,740 Ordinary shares of 10p each (30 June 2008: 80,664,390)	8,000	8,066
Allotted, called up and fully paid excluding Treasury shares		
73,181,241 Ordinary shares of 10p each (30 June 2008: 73,403,980)	7,318	7,340

The Company repurchased for cancellation 663,650 Ordinary shares during the period (year to June 2008: 3,256,044; six months to 31 December 2007: 1,456,436) at a cost of £219,000 (year to June 2008: £1,265,000; six months to 31 December 2007: £581,000). This represented approximately 0.9% of the share capital (excluding Treasury shares) as at 1 July 2008. The shares purchased for cancellation were funded from the special reserve. The total number of shares held in Treasury as at 31 December 2008 was 7,260,410 (30 June 2008: 7,260,410; 31 December 2007: 7,260,410).

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

	Unaudited six months to 31 December 2008 £'000	Unaudited six months to 31 December 2007 £'000	Audited year to 30 June 2008 £'000
Revenue return before tax	504	739	1,240
Capitalised expenses and VAT recovery	90	(260)	(502)
Decrease in accrued amortised loan stock interest	138	232	648
Increase in receivables	(372)	(501)	(114)
Increase/(decrease) in payables	28	(133)	(241)
Net cash inflow from operating activities	388	77	1,031

10. Analysis of changes in cash during the period

	Unaudited six months to 31 December 2008 £'000	Unaudited six months to 31 December 2007 £'000	Audited year to 30 June 2008 £'000
Opening cash balances	9,237	8,367	8,367
Net cash (outflow)/inflow	(5,883)	262	870
	3,354	8,629	9,237

11. Contingencies, guarantees and financial commitments

The Company did not have any contingencies or guarantees as at 31 December 2008 (30 June 2008: nil; 31 December 2007: nil).

Notes to the Summarised Financial Statements for the six months ended 31 December 2008 (unaudited)

12. Post Balance Sheet Events

Since 31 December 2008 the Company has completed the following investments:

- January 2009: Investment in GB Pub Company VCT Limited of £4,000
- January 2009: Investment in Forth Photonics Limited of £210,000
- February 2009: Investment in Xceleron Limited of £15,000
- February 2009: Investment in Vibrant Energy Surveys Limited of £27,000
- February 2009: Investment in the Dunedin Pub Company VCT Limited of £8,000

On 23 January 2009, the business of Close Ventures Limited, the Manager of the VCT was acquired by Albion Ventures LLP from Close Brothers Group plc. Further details regarding this change are shown in the Interim Management Report on page 5.

13. Related Party Transactions

The Manager, Albion Ventures LLP and its predecessor Close Ventures Limited, are considered to be related parties by virtue of the fact that they are/were party to a management agreement from the Company. During the period investment management and administration services of a total value of £275,000 (June 2008: £728,000; December 2007: £376,000) were purchased by the Company from Close Ventures Limited (which was recently acquired by Albion Ventures LLP as described in the Interim Management Report on page 5). At the financial period end, the amount due to Close Ventures LLP, disclosed as accruals, was £236,000 (June 2008: £169,000). The amount due to Crown Place VCT PLC from Close Ventures Limited in respect of historic VAT claims can be found in note 4.

Buy-backs of Ordinary shares during the period were transacted through Winterflood Securities Limited, a subsidiary of Close Brothers Group plc, which, at the time of the transactions, were the ultimate parent company of the Manager. A total of 663,650 shares were purchased at an average price of 32.8 pence per share.

14. Other information

The information set out in the Half-yearly Financial Report does not constitute the Group's statutory accounts for the period ended 31 December 2008 or 31 December 2007 and is unaudited. The financial information for the year ended 30 June 2008 does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. A copy of the statutory accounts for that period has been delivered to the Registrar of Companies. The auditors' report on those accounts was not qualified and did not contain statements under s237 (2) or (3) of the Companies Act 1985.

15. Publication

This Half-yearly Financial Report is being sent to shareholders and copies will be made available to the public at the registered office of the Company and at Companies House. The Half-yearly Financial Report will also be made available to the public via the FSA viewing facility and also electronically at www.albion-ventures.co.uk.

