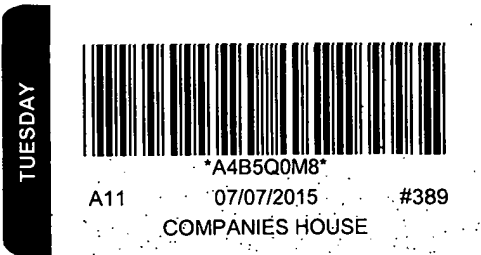


# Triple Point Income VCT plc

## Financial Statements

for the year ended 31 March 2015



Company No: 6421083

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**Financial Summary**

	Year ended 31 March 2015					Year ended 31 March 2014				
	Ord. Shares £'000	A Shares £'000	C Shares £'000	D Shares £'000	Total £'000	Ord. Shares £'000	A Shares £'000	C Shares £'000	D Shares £'000	Total £'000
Net assets	16,649	4,465	13,409	5,198	39,721	15,587	4,215	6,873	-	26,675
Net asset value per share	85.49p	87.01p	99.76p	98.15p	n/a	79.03p	82.15p	98.38p	-	n/a
Net profit/(loss) before tax	1,327	576	127	(9)	2,021	778	141	(21)	-	898
Dividend paid	-	(6.20p)	-	-	n/a	(4.11p)	(5.00p)	-	-	n/a
Earnings/(loss) per share	6.34p	11.06p	0.78p	(0.72p)	n/a	1.72p	2.55p	(2.16p)	-	n/a

Triple Point Income VCT plc ("the Company") is a Venture Capital Trust ("VCT"). The Investment Manager is Triple Point Investment Management LLP ("TPIM" or "Triple Point").

During the year the Company's shareholders approved proposals for a new D Class of Share to be issued. At 31 March 2015 a total of 5,296,574 D Shares had been issued. Since the year end a further 8,405,062 have been issued. The offer closed on 30 April 2015 and in total £13.4 million was raised (net of costs) and 13,701,636 D Shares were issued.

The Strategic Report on pages 2 to 21, the Directors' Report on pages 22 to 31 and the Directors' Remuneration Report on pages 32 to 34 have each been drawn up in accordance with the requirements of English law and liability in respect thereof is also governed by English law. In particular, the responsibility of the Directors for these reports is owed solely to Triple Point Income VCT plc.

The Directors submit to the members their Annual Report and Financial Statements for the Company for the year ended 31 March 2015.

## **Strategic Report**

The Strategic Report, on pages 2 to 21, has been prepared in accordance with the requirements of section 414c of the Companies Act 2006. Its purpose is to inform the members of the Company and help them to assess how the Directors have performed their duty to promote the success of the Company, in accordance with section 172 of the Companies Act 2006.

## **Chairman's Statement**

I am writing to present the Financial Statements for Triple Point Income VCT plc for the year ended 31 March 2015.

### **Ordinary Share Class**

As at 31 March 2015 VCT qualifying investments represented 90% of the Ordinary Fund's investment portfolio. The diversified investment portfolio retained by the Ordinary Share Class continues to perform in line with expectations.

At 31 March 2015 the net asset value stood at 85.49p. Adding back the dividend of 4.11p paid to Ordinary Shareholders last year the net asset value would have been 89.60p per share compared with an approximate average subscription price of 83.6p per share.

The Board has resolved to pay a second dividend to Ordinary Class Shareholders of £973,744 equal to 5p per share which will be paid on 24 July 2015 to shareholders on the register on 10 July 2015.

### **A Share Class**

A Class Shareholders retain exposure to their discrete investment portfolio in the renewable energy sector. As at 31 March 2015 VCT qualifying investments represented 93% of the A Fund's investment portfolio.

At 31 March 2015 the net asset value stood at 87.01p. Adding back the dividends paid to A Class Shareholders of 11.2p per share the net asset value would have been 98.21p per share compared with an approximate average share price at conversion of 86.4p per share.

A dividend was paid to the A Class Shareholders of £318,144, equal to 6.2p per share, on 25 July 2014. The Board has resolved to pay a third dividend to A Class Shareholders of £256,568 equal to 5p per share which will be paid on 24 July 2015 to shareholders on the register on 10 July 2015.

### **Ordinary Share Class and A Share Class**

We are pleased to report that during the year the solar PV companies in which the Company has invested have disposed of a significant proportion of their portfolios of roof-mounted solar systems. The disposal has resulted in an uplift to the valuation of the Company's investments in these investee companies of an aggregate £1.4 million, which is the equivalent of 10.55p per A Share and 4.26p per Ordinary Share. We expect to be able to realise our investments in these companies in the coming months. More information is given in the investment manager's report.

### **C Share Class**

The offer closed on 27 May 2014 and 13,441,438 C Shares were issued.

At 31 March 2015 the C Share Fund had invested £13.1 million into companies investing in small scale hydro electric power projects in Scotland. This has concluded the investment programme for the C Share Fund portfolio.

At 31 March 2015 the net asset value stood at 99.76p per share.

### **D Share Class**

The shareholders approved the proposal for a new share class at a General Meeting on 25 November 2014. At 31 March 2015 a total of 5,296,574 D Shares had been issued. Since the year end a further 8,405,062 D Shares were issued. The offer closed on 30 April 2015 and in total £13.4million has been raised net of costs and 13,701,636 D Shares were issued.

## **Strategic Report - Chairman's Statement**

### *Hydro Investments*

At 31 March 2015 the D Share Fund had invested £7.4 million into companies investing in small scale hydro electric power projects in Scotland. A further £10.8 million has been invested since the year end between the Ordinary Share Fund and the D Share Fund. In order to facilitate these investments the Company utilised a short term borrowing facility to fund part of them prior to the Company's receipt of funds from share allotments and loan repayments. At the date of this report £2.5 million of the loan facility remained outstanding.

### *Risks*

The Board believes that the principal risks currently facing the Company are:

- investment risk associated with holding VCT qualifying investments
- risk of failure to maintain approval as a VCT

The Board and the Investment Manager continue to work to minimise the likelihood and the potential impact of these risks.

### *Outlook*

The Board is pleased with the performance of the Company's portfolio of investments to date, which has continued to perform in line with our expectations, generating stable and steady returns for the VCT, and in particular with the returns that have been generated by the solar companies' asset sale.

Over the coming year our attention will be focused on establishing the D Share Class's portfolio of investments in hydroelectric power for the longer term, and on managing the investment portfolio of the other share classes.

If you have any questions or comments, please do not hesitate to contact Triple Point on 020 7201 8989.



David Frank  
Chairman  
24 June 2015

## ***Strategic Report - Company Strategy and Business Model***

The Directors assess the Company's success in meeting its objectives in relation to returns, stability, VCT qualification and, ultimately, exit.

### ***Performance Update***

Although each Share Class follows the same investment strategy the Company's execution of the strategy varies for each Share Class and therefore the returns may vary.

The Company targets returns for the Ordinary Share Class of 8% to 10% pa including the benefit of tax relief. At a weighted average share price at acquisition or conversion of 83.6p and on a weighted average return this is broadly equivalent to a total target return to investors in 2018 of 90.4p. This compares to a net asset value per share for the Ordinary Share Class at 31 March 2015 of 85.49p which together with a dividend payment of 4.11p, brings the total return at 31 March 2015 to 89.60p. The Ordinary Share Class is expected to exceed its minimum targeted return ahead of the targeted date.

The net asset value per share for the A Share Class at 31 March 2015 stood at 87.01p which together with a dividend payment of 11.2p brings the total return at 31 March 2015 to 98.21p. At launch TP12 (I) VCT plc targeted a return of 9% to 12%. A return of 9% on a weighted average share price at conversion of 86.4p broadly equates to a total target return to investors in 2017 of 97.6p. Therefore the A Share Class has exceeded the minimum targeted return 2 years ahead of plan.

The net asset value per share for the C Share Class at 31 March 2015 stood at 99.76p. The target for the C Share Class is to pay dividends of 5p per share from 2016 for four years, followed by a partial realisation targeted to be 50% after five years, and an ongoing dividend yield of 7% of net asset value for a further nine years.

The net asset value per share for the D Share Class at 31 March 2015 stood at 98.15p. The target for the D Share Class is to pay dividends of 5p per share from 2017 for four years, followed by a partial realisation targeted to be 50% after five years, and an ongoing dividend yield of 7% of net asset value for a further nine years. The D Share Fund invested £7.4 million at 31 March 2015 into companies investing in small scale hydro electric power projects in Scotland.

The Board and the Investment Manager are both committed to ensuring that returns on the investment portfolio are optimised and that the VCT remains fully invested and continues to be managed in line with the Company's investment strategy and risk profile.

The Company's objective has been to build a portfolio of investments which target capital preservation. The Company's qualifying and non-qualifying investments are both meeting this objective. Some of the unquoted investments are showing some small appreciation in line with market valuations, whilst the remainder of the portfolio has maintained its value and is valued at cost.

A review of the performance of the Company's investments during the financial year, the position of the Company at the year end and the outlook for the coming year is contained within the Chairman's statement on pages 2 to 3 and the Investment Manager's Review on pages 11 to 14.

### ***Dividend Policy***

Generally, a VCT must distribute by way of dividend such amount as to ensure that it retains not more than 15% of its income from shares and securities. The Directors aim to maximise tax free distributions to Shareholders of income or realised gains. It is envisaged that the Company will distribute most of its net income each year by way of dividend, subject to liquidity.

### ***Investment Policy***

The Company's Investment Policy as set out in the prospectuses circulated to shareholders is set out below.

At least 70% of the Company's net assets will be invested in unquoted companies. The remaining assets will be exposed either to (i) cash or similar cash-based liquid investments or (ii) investments originated in line with the Company's VCT qualifying investment policy.

## ***Strategic Report - Company Strategy and Business Model***

To comply with VCT Rules, the Company seeks to acquire (and subsequently maintain) a portfolio of VCT qualifying company investments equivalent to a minimum of 70% of the value of its investments over a period not exceeding three years. These VCT qualifying investments are typically in investments ranging between £500,000 and £5,000,000 and encompass businesses with cash generative ability, arising from a niche position or the market in which they operate. No single investment by the Company represents more than 15% of the aggregate value of all the investments of the Company at the time any investment is made or added to. It is possible that investments may be made in more than one company in the same sector.

In seeking to achieve its objectives, the Company invests on the basis of the following conservative principles:

- (a) TPIM seeks investments where robust due diligence has been undertaken;
- (b) TPIM favours investments where there is a high level of access to material financial and other information on an ongoing basis (as a condition for investing in a company, the Company may nominate directors to the boards of investee companies);
- (c) TPIM seeks to minimise the risk of losses when investing through careful analysis of the collateral available to investee companies;
- (d) TPIM targets investments where there is a strong relationship with the key decision makers.

### ***Qualifying Investments***

The Company pursues investments in a range of sectors that meet its investment criteria. The objective is to build a diversified portfolio of unquoted companies which are cash generative and, therefore, capable of producing predictable income for the Company prior to their realisation or exit.

Although investments may be sought in a range of diverse industries, the Company's portfolio will comprise companies with certain characteristics, for example clear commercial and financial objectives, strong contractual customer relationships and, where possible, tangible assets with value. The Company focuses on identifying businesses typically with predictable revenues from a high-quality customer base. Businesses with assets providing valuable security may also be considered. The objective is to reduce the risk of capital value volatility by selecting businesses with stable valuation characteristics and to provide investors with an attractive income stream.

The criteria against which investment targets are assessed will include the following:

- (a) an attractive valuation at the time of the investment;
- (b) managed risk of capital losses;
- (c) predictability and reliability of the company's cash flows;
- (d) the quality of the business's counterparties, suppliers and market position;
- (e) the sector in which the business is active. The Company will focus on sectors where its capital can be used to create growth but not where returns are speculative. Key target sectors include energy, entertainment and social enterprise;
- (f) the quality of the company's assets;
- (g) the opportunity to structure an investment that can produce distributable income;
- (h) the prospect of achieving an exit or refinancing after 5 years.

### ***Non-Qualifying Investments***

The non-qualifying investments consist of cash, cash-based similar liquid investments and investments of a similar profile to the qualifying investments with an expected realisation date which meets the liquidity requirements of the VCT.

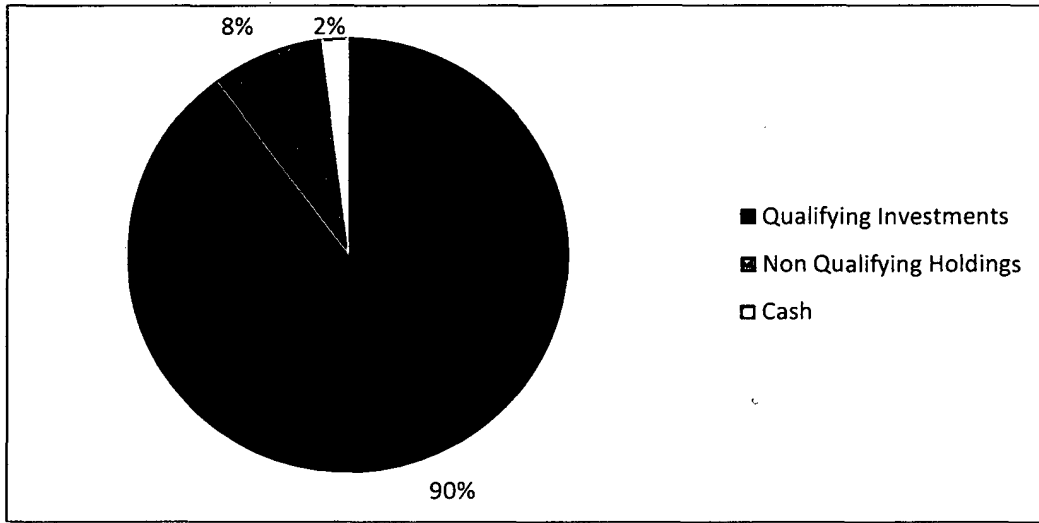
### ***Borrowing Powers***

The Company has utilised direct borrowing as a strategy to manage short term liquidity. To the extent that borrowing is required, the Directors will restrict the borrowings of the Company and exercise all voting and other rights or powers of control over its subsidiary undertakings (if any) to ensure that the aggregate amount of money borrowed by the group, being the Company and any subsidiary undertakings for the time being, (excluding intra-group borrowings), shall not without the previous sanction of an ordinary resolution of the Company exceed 30% of its net asset value at the time of any borrowing. The Company does not intend to utilise borrowing as a strategy for enhancing returns.

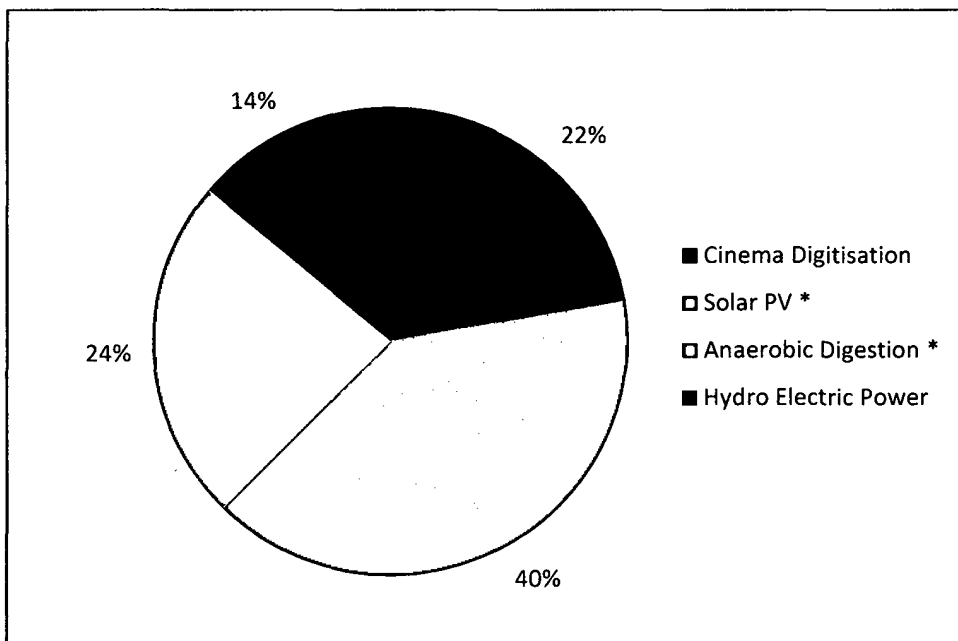
**Strategic Report - Company Strategy and Business Model**

Investment classification for the Ordinary Share Class by asset value and sector value are shown below:

*Investment Portfolio – Ordinary Share Class*



*Qualifying Investments by Sector – Ordinary Share Class*

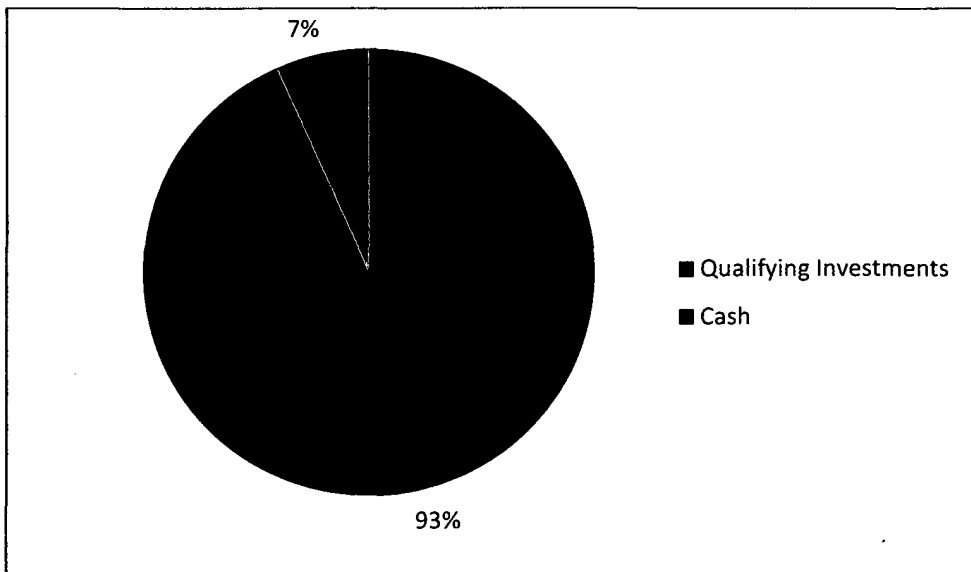


\*Assets held for sale

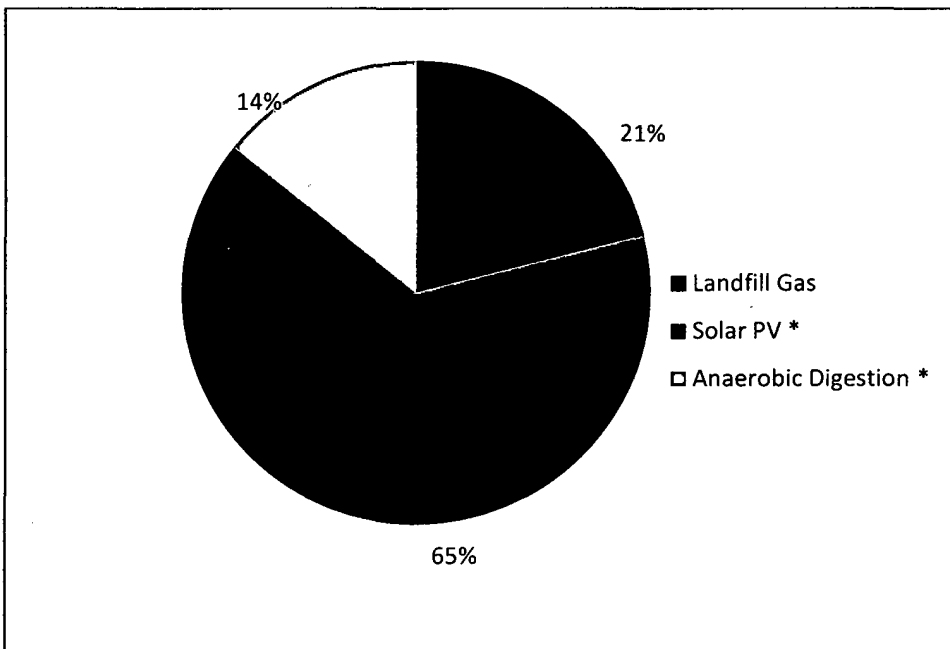
## Strategic Report - Company Strategy and Business Model

Investment classification for the A Share Class by asset value and sector value are shown below:

### Investment Portfolio – A Share Class



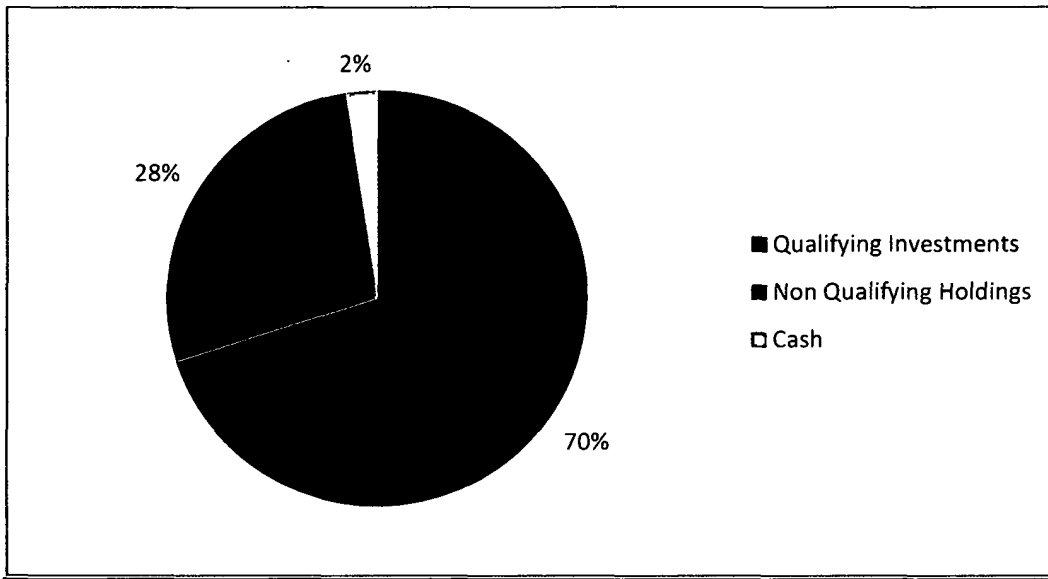
### Qualifying Investments by Sector- A Share Class



\*Assets held for sale

## Strategic Report - Company Strategy and Business Model

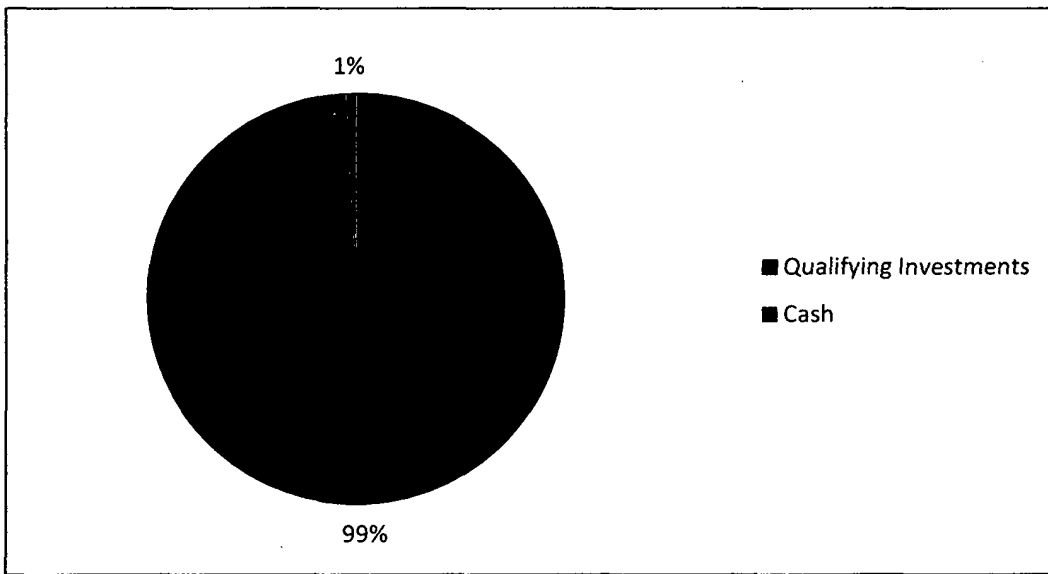
### Investment Portfolio – C Share Class



### Qualifying Investments by Sector- C Share Class

At 31 March 2015 all the C Share Class Qualifying Investments were in Hydro Electric Power.

### Investment Portfolio –D Share Class



### Qualifying Investments by Sector- D Share Class

At 31 March 2015 all the D Share Class Qualifying Investments were in Hydro Electric Power.

## **Strategic Report - Company Strategy and Business Model**

### *VCT Regulation and Tax Benefits*

VCTs were introduced in the Finance Act 1995 to provide a means for private individuals to invest in unquoted companies in the UK. The Finance Act 2004 introduced changes to VCT legislation designed to make VCTs more attractive to investors. The tax benefits available to eligible investors in VCTs include:

- up-front income tax relief of 30%
- exemption from income tax on dividends received
- exemption from capital gains tax on disposals of shares in VCTs.

The Company was provisionally approved as a VCT by Her Majesty's Revenue and Customs. In order to secure final approval the Company must comply with certain requirements on a continuing basis. Within three years from the effective date of provisional approval or later allotment at least 70% of the Company's investments must comprise "qualifying holdings" of which at least 30% must be in eligible ordinary shares.

**VCT qualifying status risk:** the Company is required at all times to observe the conditions laid down in the Income Tax Act 2007 for the maintenance of approved VCT status. The loss of such approval could lead to the Company losing its exemption from corporation tax on capital gains, to investors being liable to pay income tax on dividends received from the Company and, in certain circumstances, to investors being required to repay the initial income tax relief on their investment. The Investment Manager keeps the Company's VCT qualifying status under continual review and reports to the Board on a quarterly basis. The Board has also appointed Robertson Hare LLP to undertake an independent VCT status monitoring role.

### *FCA Regulation*

On 1 April 2014 Triple Point Income VCT plc registered with the Financial Conduct Authority as a small Alternative Investment Fund Manager ("AIFM") under the AIFM Directive.

### *Exit Programme*

The Company is committed to realising its investments and returning funds to Ordinary Shareholders and A Shareholders as soon as practicable after the end of the five year holding period which will be April 2017 for the A Shares and May 2018 for the Ordinary Shares. In relation to the C Share Class the Company is intending to secure a partial realisation after five years but plans to retain its investment in the Hydro companies until 2029. In relation to the D Share Class the Company is intending to secure a partial realisation after five years but plans to retain its investment in the Hydro companies until 2030.

The valuation of and potential exit routes for the Company's portfolio of investments are reviewed and discussed at each Board meeting. The Investment Manager has successfully implemented exit plans for other VCTs under its management.

### *Principal Risk and Risk Management*

The Directors carry out a regular review of the environment in which the Company operates. The main areas of risk identified by them, along with the risks to which the Company is exposed through its operational and investing activities, are detailed below.

**Investment risk:** the Company's VCT qualifying investments are held in small and medium-sized unquoted companies which, by their nature, entail a higher level of risk and lower liquidity than investments in large quoted companies. The Directors and Investment Manager aim to limit the risk attached to the portfolio as a whole by the careful selection and timely realisation of investments, by carrying out rigorous due diligence procedures and by maintaining a spread of holdings in terms of industry sector and geographical location. The Board reviews the investment portfolio with the Investment Manager on a regular basis.

**Financial instrument risk:** Financial Instrument risks are described in note 16.

**Financial risk:** as most of the Company's investments will involve a medium to long-term commitment and will be relatively illiquid, the Directors consider that it is inappropriate to finance the Company's activities through borrowing unless it is to manage short term liquidity. Accordingly a proportion of the Company's assets is maintained in cash or cash equivalents in order to be in a position to take advantage of unquoted investment opportunities as they arise.

## ***Strategic Report - Company Strategy and Business Model***

**Internal control risk:** the Board regularly reviews the system of internal controls, both financial and non-financial, operated by the Company and the Investment Manager. These include controls designed to ensure that the Company's assets are safeguarded and that proper accounting records are maintained.

### ***Share Buy-Back Discount Policy***

The Company has a share buy-back facility, committing to buy back shares at no more than a 10% discount to the prevailing NAV, subject to the Directors' discretion. We will be asking shareholders at the Annual General Meeting to extend the facility for the Company to purchase shares in the market for cancellation.

Shareholders should note that if they sell their shares within five years of subscription they forfeit any tax relief obtained. If you are considering selling your shares please contact TPIM on 020 7201 8989.

### ***Environmental, Social, Employee and Human Rights Issues***

The Company has nothing to report in relation to social, employee or human rights issues. It has no employees and its three directors are Non-Executive.

### ***Gender Diversity***

The Board of Directors comprises 3 male Directors. The Investment Manager has a female managing partner and has 44 employees and members of whom 26 are men and 18 are women.

## **Strategic Report - Investment Manager's Review**

At 31 March 2015, qualifying investments represented 86% of total investments. This includes £13.1 million of funds from the issue of C Shares and £7.4 million of funds from the issue of D Shares both of which have three years from the date the shares were issued to be invested in qualifying investments. If the C Share Fund and D Share Fund are excluded from the calculation then qualifying investments represent 89% of total investments.

The Company retains investments in two companies engaged in cinema digitisation. It has a single holding in an enterprise providing crematorium management, whilst the remaining portfolio of unquoted investments comprises companies all involved in renewable electricity generation from sources including solar PV, anaerobic digestion, landfill gas and hydro electric power. Each of these investments meets the Company's investment criteria, with projected revenues generated by good quality customers and the potential for steady returns.

On 22 March 2015, the companies within the solar PV sector sold a significant proportion of their portfolio of solar assets. This large scale sale of solar assets was the first of its kind in the VCT sector.

The Company first invested in solar generating companies at a time when the Government was looking to accelerate the take-up of solar PV and renewable electricity generation generally in the UK and the businesses in which the Company invested were predominately operating a large portfolio of residential roof-mounted generating stations. Since 2011, solar PV has become a recognised technology in this country with over 500,000 residential solar PV systems now in operation. The solar generating companies therefore had a well established business model and the solar assets had also developed a successful operational track record, making them an attractive prospect for sale, particularly to institutional funds. The latter have shown a greater interest in renewable and solar assets recently, as they seek long life assets with index-linked revenue streams, an advantage identified by the Company a number of years ago.

This institutional appetite, combined with lower discount rates (UK 10 year gilt yields have fallen by over 150 basis points in the last 3 years) enabled the companies to arrange a successful disposal, which has delivered an up-lift to the net asset value of 4.26p per Ordinary Share and 10.55p per A Share.

### **Sector Portfolio**

#### **Cinema Digitisation**

The portfolio for the Ordinary Share Fund includes investments in the cinema digitisation sector. These continue to perform as intended, with the companies benefitting from regular and reliable revenues from their operations in the UK, Germany, Italy and Ireland.

#### **Crematorium Management**

Through the Ordinary Share Class portfolio, the Company has one investment in a business that provides crematory and mercury abatement services for the crematoria of a London Borough.

#### **Solar PV**

The portfolio in the Ordinary and the A Share Class comprises investments in 10 businesses in the solar PV sector which generate renewable electricity from residential solar PV panels. On 22 March 2015, these companies have disposed of a significant part of their portfolios of roof-mounted solar systems.

#### **Anaerobic Digestion**

Within the portfolio for the Ordinary and the A Share Classes, the Company has holdings in three renewable energy businesses, GreenTec Energy Ltd, Katharos Organic Ltd and Biomass Future Generation Ltd. These businesses operate a 1 MW on-farm anaerobic digestion plant, which generates green electricity attracting both Feed-in Tariffs and power export revenues. Feed-in Tariffs provide for a long term RPI-linked revenue stream, consistent with the objectives of the Company. The Company is currently in discussions for a trade sale of these investments.

#### **Landfill Gas**

The A Share Fund also has investments in two small businesses, Craigahulliar Energy Ltd and Aeris Power Ltd; each generates renewable electricity from landfill gas at sites owned respectively by local councils and a large waste management company in Northern Ireland. Both businesses generate electricity for export to the National Grid, earning long term, reliable cash flows through the sale of electricity to a utility company, and through the sale of Renewable Obligation Certificates. The long term cash flows are attractive to potential buyers and will help in the disposals of the portfolios.

## ***Strategic Report - Investment Manager's Review (continued)***

### **Hydro Electric Power**

At 31 March 2015, the Ordinary Share Fund, the C Share Fund and the D Share Fund had investments in the hydroelectric power sector. In the Ordinary Share Fund, Elementary Energy Ltd has funded the construction of a small scale run-of-river site, Abhainn Schalachain River, which was commissioned in January 2015. The C Share Fund had a total of £13.1 million invested in companies engaged in small scale hydro electric power projects in Scotland. One company is currently in the process of constructing a site at Tomdoun, Invergarry, which is scheduled for grid connection in November 2015 and another is constructing three sites, Loch Blair, Allt Dubh and Allt Cheanna Mhuir, which are all situated around Loch Arkaig, to the west of the Great Glen. These sites are also due to be connected to the grid in November 2015. The final company to receive investment is building two projects in Glen Moriston, and has received investment from the D Share Fund.

The D Share Fund has also invested into companies engaged in small scale hydro electric power projects in Scotland. During the year the D Share Fund had invested £7.4 million. Since the year end a further £10.8 million has been invested between the Ordinary Share Fund and the D Share Fund.

### **SME Lending**

The C Share Fund has invested in Broadpoint 2, a Company that is engaged in lending to small businesses in the Hydro Sector.

**Strategic Report - Investment Manager's Review (continued)****Sector Analysis**

The unquoted investments can be analysed as follows:

Industry Sector	Cinema Digitisation	Crematorium Management	Electricity Generation				SME Lending	Total Unquoted Investment
			Solar *	Anaerobic Digestion*	Landfill Gas	Hydro Electric Power		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<i>Investments at 31 March 2014</i>								
Ordinary Shares	3,277	1,138	5,251	3,550	-	2,253	-	15,469
A Ordinary Shares	-	-	2,157	821	890	-	-	3,868
	3,277	1,138	7,408	4,371	890	2,253	-	19,337
<i>Investments made during the period</i>								
Ordinary Shares	-	-	-	-	-	199	-	199
C Ordinary Shares	-	-	-	-	-	10,026	3,250	13,276
D Ordinary Shares	-	-	-	-	-	7,432	-	7,432
	-	-	-	-	-	17,657	3,250	20,907
<i>Investments realised during the period</i>								
Ordinary Shares	-	(150)	-	-	-	-	-	(150)
A Ordinary Shares	-	-	-	(220)	-	-	-	(220)
C Ordinary Shares	-	-	-	-	-	(150)	-	(150)
	-	(150)	-	(220)	-	(150)	-	(520)
<i>Investments re-valued during the period</i>								
Ordinary Shares	42	-	884	-	-	-	-	926
A Ordinary Shares	-	-	541	(1)	-	-	-	540
	42	-	1,425	(1)	-	-	-	1,466
<i>Investments at 31 March 2015</i>								
Ordinary Shares	3,319	988	6,135	3,550	-	2,452	-	16,444
A Ordinary Shares	-	-	2,698	600	890	-	-	4,188
C Ordinary Shares	-	-	-	-	-	9,876	3,250	13,126
D Ordinary Shares	-	-	-	-	-	7,432	-	7,432
<b>Total</b>	<b>3,319</b>	<b>988</b>	<b>8,833</b>	<b>4,150</b>	<b>890</b>	<b>19,760</b>	<b>3,250</b>	<b>41,190</b>
<b>Total investments %</b>	<b>8.06%</b>	<b>2.40%</b>	<b>21.44%</b>	<b>10.08%</b>	<b>2.16%</b>	<b>47.97%</b>	<b>7.89%</b>	<b>100.00%</b>

## ***Strategic Report - Investment Manager's Review (continued)***

### ***Outlook***

The Company has a diversified portfolio of VCT qualifying investments in place, with each share class holding a distinct portfolio. Across the VCT, we continue to work closely with the management teams of the portfolio businesses to ensure that they meet the investment strategy and the Company's objectives.

If you have any questions, please do not hesitate to call Triple Point on 020 7201 8989.



Claire Ainsworth  
Managing Partner  
for Triple Point Investment Management LLP  
24 June 2015

**Strategic Report - Investment Portfolio Summary**

	31 March 2015				31 March 2014			
	Cost		Valuation		Cost		Valuation	
	£'000	%	£'000	%	£'000	%	£'000	%
<b>Unquoted Holdings</b>								
Unquoted qualifying holdings	34,244	84.89	36,109	85.58	17,580	66.61	17,978	67.27
Unquoted non-qualifying holdings	5,113	12.66	5,081	12.04	1,391	5.27	1,359	5.93
Financial assets at fair value through profit or loss	39,357	97.55	41,190	97.62	18,971	71.88	19,337	73.20
Cash and cash equivalents	993	2.45	993	2.38	7,426	28.12	7,426	26.80
	<b>40,350</b>	<b>100.00</b>	<b>42,183</b>	<b>100.00</b>	<b>26,397</b>	<b>100.00</b>	<b>26,763</b>	<b>100.00</b>
<b>Unquoted Qualifying Holdings</b>	£'000	%	£'000	%	£'000	%	£'000	%
<u>Cinema digitisation</u>								
Digima Ltd	1,262	3.13	1,291	3.06	1,262	4.78	1,249	4.67
Digital Screen Solutions Ltd	2,020	5.01	2,028	4.81	2,020	7.65	2,028	7.58
<u>Electricity Generation</u>								
<u>Solar*</u>								
Arraze Ltd	600	1.49	800	1.90	600	2.27	651	2.47
Bandspace Ltd	1,200	2.97	1,650	3.91	1,200	4.55	1,353	5.06
Bridge Power Ltd	725	1.80	968	2.29	725	2.75	778	2.91
Campus Link Ltd	690	1.71	892	2.11	690	2.61	761	2.84
Convertibox Services Ltd	1,000	2.48	1,170	2.77	1,000	3.79	950	3.55
Core Generation Ltd	600	1.49	823	1.95	600	2.27	649	2.46
CMore Energy Ltd	1,000	2.48	1,123	2.66	1,000	3.79	1,069	3.99
Green Energy for Education Ltd	1,000	2.48	1,128	2.67	1,000	3.79	979	3.66
PJC Renewable Energy Ltd	5	0.01	5	0.01	5	0.02	5	0.02
Trym Power Ltd	200	0.50	274	0.65	200	0.76	213	0.81
<u>Anaerobic Digestion*</u>								
Biomass Future Generation Ltd	2,150	5.33	2,150	5.10	2,150	8.14	2,150	8.03
GreenTec Energy Ltd	1,000	2.48	1,000	2.37	1,000	3.79	1,000	3.74
Katharos Organic Ltd	1,000	2.48	1,000	2.37	1,000	3.79	1,000	3.74
<u>Landfill Gas</u>								
Aeris Power Ltd	525	1.30	525	1.24	525	1.99	525	1.96
Craigahulliar Energy Ltd	350	0.87	365	0.87	350	1.33	365	1.36
<u>Hydro Electric Power</u>								
Elementary Energy Ltd	2,060	5.11	2,060	4.88	2,253	8.54	2,253	8.42
Green Highland Allt Choire A Bhalachain (225) Ltd	3,130	7.76	3,130	7.42	-	-	-	-
Green Highland Allt Ladaidh (1148) Ltd	3,500	8.67	3,500	8.30	-	-	-	-
Green Highland Allt Luaidhe (228) Ltd	1,995	4.94	1,995	4.73	-	-	-	-
Green Highland Allt Phocachain (1015) Ltd	3,932	9.74	3,932	9.32	-	-	-	-
Green Highland Renewables (Achnacarry) Ltd	4,300	10.66	4,300	10.19	-	-	-	-
	<b>34,244</b>	<b>84.89</b>	<b>36,109</b>	<b>85.58</b>	<b>17,580</b>	<b>66.61</b>	<b>17,978</b>	<b>67.27</b>

\*Assets held for sale

**Strategic Report - Investment Portfolio Summary**

Unquoted Non-Qualifying Holdings	31 March 2015				31 March 2014			
	Cost		Valuation		Cost		Valuation	
	£'000	%	£'000	%	£'000	%	£'000	%
Broadpoint 2 Ltd	3,420	8.48	3,420	8.11	-	-	-	0.84
<u>Anaerobic Digestion</u>								
Drumnahare Biogas Ltd	-	-	-	-	221	0.84	221	0.84
<u>Crematorium Management</u>								
Furnace Managed Services Ltd	1,020	2.53	988	2.34	1,170	4.43	1,138	4.25
<u>Hydro Electric Power</u>								
Elementary Energy Ltd	392	0.97	392	0.93	-	-	-	-
Green Highland AGNF (385) ST Loan	30	0.07	30	0.07	-	-	-	-
Green Highland Allt Choire A								
Bhalachain (225) Ltd	162	0.40	162	0.38	-	-	-	-
Green Highland Allt Garbh Ltd ST Loan	30	0.07	30	0.07	-	-	-	-
Green Highland Allt Luaidhe (228) Ltd	5	0.01	5	0.01	-	-	-	-
Green Highland Allt Phocachain (1015) Ltd	54	0.13	54	0.13	-	-	-	-
	<u>5,113</u>	<u>12.66</u>	<u>5,081</u>	<u>12.04</u>	<u>1,391</u>	<u>5.27</u>	<u>1,359</u>	<u>5.93</u>

Financial Assets are measured at fair value through profit or loss. The initial best estimate of fair value of these investments that are either quoted or not quoted on an active market is the transaction price (i.e. cost). The fair value of these investments is subsequently measured by reference to the enterprise value of the investee company, which is best deemed to reflect the fair value. Where the Board considers the investee company's enterprise value to remain unchanged since acquisition, investments continue to be held at cost less any loan repayments received. Where the Board considers the investee company's enterprise value has changed since acquisition, investments are held at a value measured using a discounted cash flow model or the value expected to be realised on disposal which is equivalent to fair value.

On 22 March 2015 the companies in the solar PV sector sold a portfolio of assets resulting in an uplift in their valuation for the Company of £1.4 million. At 31 March 2015 these companies are treated as assets held for sale.

## Strategic Report - Investment Portfolio's Ten Largest VCT Unquoted Investments

### Bandspace Ltd\*

Date of first investment	Cost £	Valuation £	Valuation Method	Income recognised by TP Income for the year £'000	Equity Held by TP Income %	Equity Held by TPIM managed funds %
05-Apr-12	1,200,000	1,650,000	Sale price	42	37.03	98.75

#### Summary of Information from Investee Company Financial Statements ending in 2014: £'000

Turnover	373
Earnings before interest, tax, amortisation and depreciation (EBITDA)	288
Profit before tax	57
Net assets before VCT loans	3,221
Net assets	981

**Bandspace Ltd** is a small business that owns a portfolio of roof mounted solar PV systems which have been generating renewable electricity since 2011. The company has stable, long term cash flows as a result of RPI linked revenues supported by the UK Government Feed-in Tariff scheme. It expanded its business with the purchase of additional solar PV systems in both 2012 and 2013.

### Biomass Future Generations Ltd\*

Date of first investment	Cost £	Valuation £	Valuation Method	Income recognised by TP Income for the year £'000	Equity Held by TP Income %	Equity Held by TPIM managed funds %
30-Mar-11	2,150,000	2,150,000	Discounted sale price	74	46.83	96.92

#### Summary of Information from Investee Company Financial Statements ending in 2014: £'000

Turnover	1,272
Earnings before interest, tax, amortisation and depreciation (EBITDA)	375
Profit before tax	96
Net assets before VCT loans	2,847
Net assets	572

**Biomass Future Generation Ltd** has funded the construction of a farm based anaerobic digestion plant in Hertfordshire. The plant is fully operational and utilises agricultural feed stocks, which are converted into a methane rich biogas, in order to produce green electricity using a 1 MW Jenbacher CHP (combined heat and power) engine. The business derives its revenues from the export and sale of the electricity it produces, as well as from Feed-in Tariffs, which it is entitled to in respect of its production of green electricity. These provide the company with 20 years of RPI linked cash flows.

## Strategic Report - Investment Portfolio's Ten Largest VCT Unquoted Investments

<b>Broadpoint 2 Ltd</b>						<b>Equity Held by TPIM managed funds %</b>
<b>Date of first investment</b>	<b>Cost £</b>	<b>Valuation £</b>	<b>Valuation Method</b>	<b>Income recognised by TP Income for the year £'000</b>	<b>Equity Held by TP Income %</b>	
12-Feb-15	3,420,000	3,420,000	Cost	0	93.12	100
<u>Summary of Information from Investee Company Financial Statements:</u>						
None filed						
<b>Broadpoint 2 Limited</b> is a VCT non-qualifying investment which provides finance to small and medium sized enterprises (SMEs).						

<b>Digital Screen Solutions Ltd</b>						
<b>Date of first investment</b>	<b>Cost £</b>	<b>Valuation £</b>	<b>Valuation Method</b>	<b>Income recognised by TP Income for the year £'000</b>	<b>Equity Held by TP Income %</b>	<b>Equity Held by TPIM managed funds %</b>
31-Mar-09	2,020,000	2,028,000	Discounted cashflow	99	24.09	66.92
<u>Summary of Information from Investee Company Financial Statements ending in 2014:</u>						<u>£'000</u>
Turnover						1,715
Earnings before interest, tax, amortisation and depreciation (EBITDA)						1,593
Profit before tax						6
Net assets before VCT loans						4,518
Net assets						981
<b>Digital Screen Solutions Ltd</b> is a provider of cinema digitisation equipment maintaining and operating digital projection equipment in the UK and Italy. During the year, its fully owned subsidiary, 21st Century Cinema Ltd, sold its remaining projectors and was struck off. The remaining parent company now owns a portfolio of 179 screens across the UK and Italy. Digital cinema projection conversion is paid for under the globally recognised Virtual Print Fee model, through which film studios pay for the cost of the deployment over a number of years with the majority of the company's revenues derived ultimately from the six major investment grade Hollywood Studios.						

## Strategic Report - Investment Portfolio's Ten Largest VCT Unquoted Investments

### Elementary Energy Ltd

Date of first investment	Cost £	Valuation £	Valuation Method	Income recognised by TP Income for the year £'000	Equity Held by TP Income %	Equity Held by TPIM managed funds %
18-Mar-13	2,452,000	2,452,000	At cost	200	49.98	49.98

#### Summary of Information from Investee Company Financial Statements ending in 2014:

	£'000
Turnover	0
Earnings before interest, tax, amortisation and depreciation (EBITDA)	(21)
Loss before tax	(13)
Net assets before VCT loans	2,257
Net assets	618

**Elementary Energy Limited** is currently operating a 500kw run-of-river hydro-electric power plant near Fort William. The plant was commissioned in January 2015 and earns Feed-in Tariffs from the generation and export of electricity.

### Green Highland Allt Choire A Bhalachain (225) Ltd

Date of first investment	Cost £	Valuation £	Valuation Method	Income recognised by TP Income for the year £'000	Equity Held by TP Income %	Equity Held by TPIM managed funds %
18-Jul-14	3,292,000	3,292,000	Cost	162	49.90	50.40

#### Summary of Information from Investee Company Financial Statements ending in 2014:

	£'000
Turnover	0
Earnings before interest, tax, amortisation and depreciation (EBITDA)	(7)
Profit before tax	(86)
Net assets before VCT loans	3,073
Net assets	2,125

**Green Highland Allt Choire a Bhalachain (225) Ltd** is currently constructing a 750kw run-of-river hydro-electric power plant located at Tomdoun, Invergarry in the Scottish Highlands. The project started construction in July 2014 and is on schedule to be commissioned in November 2015. The site will earn Feed-in Tariffs from the generation and export of electricity.

## Strategic Report - Investment Portfolio's Ten Largest VCT Unquoted Investments

<b>Green Highland Allt Phocachain (1015) Ltd</b>						
<b>Date of first investment</b>	<b>Cost £</b>	<b>Valuation £</b>	<b>Valuation Method</b>	<b>Income recognised by TP Income for the year £'000</b>	<b>Equity Held by TP Income %</b>	<b>Equity Held by TPIM managed funds %</b>
13-Nov-14	3,986,000	3,986,000	Cost	0	42.70	50.67
<u>Summary of Information from Investee Company Financial Statements</u>						<u>£'000</u>
None filed						
<p><b>Green Highland Allt Phocachain (1015) Ltd</b> was set up to construct two separate run-of-river hydro-electric power plants located in Glen Moriston, Scottish Highlands. The 500kw scheme and the Allt Phocachain 500kw scheme are both scheduled to be commissioned by December 2015. The company will earn Feed-in Tariffs from the generation and export of electricity.</p>						

<b>Green Highland Renewables (Achnacarry) Ltd</b>						
<b>Date of first investment</b>	<b>Cost £</b>	<b>Valuation £</b>	<b>Valuation Method</b>	<b>Income recognised by TP Income for the year £'000</b>	<b>Equity Held by TP Income %</b>	<b>Equity Held by TPIM managed funds %</b>
13-Aug-14	4,300,000	4,300,000	Cost	0	40.65	40.65
<u>Summary of Information from Investee Company Financial Statements</u>						<u>£'000</u>
Turnover						0
Earnings before interest, tax, amortisation and depreciation (EBITDA)						(21)
Profit before tax						(22)
Net assets before VCT loans						8,228
Net assets						3,688
<p><b>Green Highland Renewables (Achnacarry) Ltd</b> is constructing three separate run-of-river hydro-electric power plants located adjacent to Loch Arkaig near Fort William. Having reached financial close in August 2014, the Cheanna Mhuir site (500kw), the Loch Blair site (1,250kw) and the Allt Dubh site (722kw) are all on course to be commissioned in November 2015. The company will earn Feed-in Tariffs from the generation and export of electricity.</p>						

## Strategic Report - Investment Portfolio's Ten Largest VCT Unquoted Investments

### Green Highland Allt Ladaidh (1148) Ltd

Date of first investment	Cost £	Valuation £	Valuation Method	Income recognised by TP Income for the year £'000	Equity Held by TP Income %	Equity Held by TPIM managed funds %
13-Nov-14	3,500,000	3,500,000	Cost	0	35.17	50.24

#### Summary of Information from Investee Company Financial Statements

None filed

**Green Highland Allt Ladaidh (1148) Ltd** was set up to construct a run-of-river hydro-electric power plant near Loch Garry, Invergarry in the Scottish Highlands. The 1300kW Allt Ladaidh scheme started on site during March 2015 and is scheduled to be commissioned by May 2016. The company will earn Feed-in Tariffs and other revenues from the generation and export of electricity.

### Green Highland Allt Luaidhe (228) Ltd

Date of first investment	Cost £	Valuation £	Valuation Method	Income recognised by TP Income for the year £'000	Equity Held by TP Income %	Equity Held by TPIM managed funds %
13-Aug-14	2,000,000	2,000,000	Cost	0	35.18	50.26

#### Summary of Information from Investee Company Financial Statements

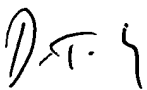
None filed

**Green Highland Allt Luaidhe (228) Ltd** was set up to construct a run-of-river hydro-electric power plant located in Knockie, near Inverness in the Scottish Highlands. The 500kw Allt Luaidhe scheme started on site during January and is scheduled to be commissioned by December 2015. The company will earn Feed-in Tariffs from the generation and export of electricity.

#### \* Assets held for sale

- The investments are a combination of debt and equity.
- Equity holding is equal to the voting rights.

The Strategic Report has been approved by the Board and signed on their behalf by the Chairman.



David Frank  
Chairman  
24 June 2015

## ***Report of the Directors***

The Directors present their Report and the audited Financial Statements for the year ended 31 March 2015.

### ***Details of Directors***

**David Frank** was a partner in Slaughter and May for twenty two years before retiring from the firm in 2008. As well as being the firm's first Practice Partner from 2001 to 2008, his practice involved acting for several venture capital houses, including 3i and Schroder Ventures. He was also involved in several flotations in the venture capital sector, including 3i, Baronsmead and SVG Capital. Since retiring from legal practice, he has established a portfolio of voluntary roles, ranging from a governorship of a hospital to a trusteeship of a community foundation. He has been a Director and Chairman of the Company since 11 November 2010.

**Simon Acland** has over twenty five years' experience in venture capital, primarily at Quester, where he became Managing Director. When Quester was sold in 2007 it had £200m under management and was one of the leading UK venture capital and VCT investment managers. Simon was a director of over 20 companies in Quester's portfolio, many of which achieved successful exits through flotation or trade sales. Simon is also a director of TP70 2010 VCT plc, and various other private companies and charities, and a member of the investment committee of the British Business Bank's Angel Co-Fund.

**Michael Stanes** has been an Investment Director at Heartwood Investment Management, a London-based firm providing investment management and wealth structuring services for high net worth individuals, since 2010. He began his career at Warburg Investment Management (which became Mercury Asset Management) where he ran equity portfolios in London and Tokyo. He then moved to the US where he founded a business on behalf of Merrill Lynch offering equity portfolio management to high net worth individuals. In 2002 he joined Goldman Sachs Asset Management in London running global equity portfolios for a range of institutional and individual clients before joining a new fund management partnership as CEO. Michael was appointed a Director on 21 November 2012.

Simon Acland being a Director of another TPIM managed VCT is not considered independent. Therefore he will retire and offer himself for re-election at the Annual General Meeting to be held on 30 July 2015. Both David Frank and Michael Stanes are considered independent.

The Board has considered provision B.7.2 of the UK Corporate Governance Code (September 2012) and believes that all the Directors continue to be effective and to demonstrate commitment to their roles, the Board and the Company. The Directors are discussed further within the Corporate Governance report on page 26 which demonstrates the Board's compliance with the UK Corporate Governance code.

### ***Activities and Status***

The Company is a Venture Capital Trust and its main activity is investing.

The Company has been provisionally approved as a VCT by HMRC.

The Company is registered in England as a Public Limited Company (Registration number 6421083). The Directors have managed, and intend to continue to manage, the Company's affairs in such a manner as to comply with Section 274 of the Income Tax Act 2007 which grants approval as a VCT.

The Company was not at any time up to the date of this report a close company within the meaning of S439 of the Corporation Tax Act 2010.

### ***Post Balance Sheet Events***

Post balance sheet events are detailed in note 21.

### ***Directors' and Officers' Liability Insurance***

The Company has, as permitted by S233 of the Companies Act 2006, maintained insurance cover on behalf of the Directors and Company Secretary, indemnifying them against certain liabilities which may be incurred by them in relation to their offices with the Company.

## ***Report of the Directors***

### *Matters Covered in the Strategic Report*

Dividends and financial risk management have both been discussed within the Strategic Report on pages 4 and 9.

### *Corporate Governance*

Full details are given in the Corporate Governance Statement, which forms part of this Report of the Directors, and can be found on pages 26 to 30.

### *Management*

TPIM acts as Investment Manager to the Company. The principal terms of the Company's management agreement with TPIM are set out in note 5 to the Financial Statements.

The Board has evaluated the performance of the Investment Manager based on the returns generated since taking on the management of the Fund and a review of the management contract and the services provided in accordance with its terms. As required by the Listing Rules, the Directors confirm that in their opinion the continuing appointment of TPIM as Investment Manager is in the best interests of the shareholders as a whole. In reaching this conclusion the Directors have taken into account the performance of other VCTs managed by TPIM and the service provided by TPIM to the Company.

### *Substantial Shareholdings*

As at the date of this report one disclosure of a major shareholding had been made to the Company under Disclosure and Transparency Rule 5 (Vote Holder and Issuer Notification Rules). On 21 February 2014 the Company was notified that Cazenove Capital Management Limited held 1,439,843 Ordinary Shares which now represents 3.322% of the shares in issue at 31 March 2015.

### *Global Greenhouse Gas Emissions*

The Company has no greenhouse gas emissions to report from the operations of its Company, nor does it have responsibility for any other emission producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

### *Annual General Meeting*

Notice convening the 2015 Annual General Meeting of the Company and a form of proxy in respect of that meeting can each be found at the end of this document.

### *Share Capital, Rights Attaching to the Shares and Restrictions on Voting and Transfer*

The Company had in issue 19,474,883 Ordinary Shares, 5,131,353 A Ordinary Shares, 13,441,438 C Ordinary Shares and 5,296,574 D Ordinary Shares at 31 March 2015 (see note 15). As at that date none of the issued shares was held by the Company as treasury shares. Subject to any suspension or abrogation of rights pursuant to relevant law or the Company's articles of association, the shares confer on their holders (other than the Company in respect of any treasury shares) the following principal rights:

- a) the right to receive out of profits available for distribution such dividends as may be agreed to be paid (in the case of a final dividend in an amount not exceeding the amount recommended by the Board as approved by shareholders in general meeting or in the case of an interim dividend in an amount determined by the Board). All dividends unclaimed for a period of 12 years after having become due for payment are forfeited automatically and cease to remain owing by the Company;
- b) the right, on a return of assets on a liquidation, reduction of capital or otherwise, to share in the surplus assets of the Company remaining after payment of its liabilities *pari passu* with other holders of ordinary shares of that class; and

## ***Report of the Directors***

c) the right to receive notice of and to attend and speak and vote in person or on a poll by proxy at any general meeting of the Company. On a show of hands every member present or represented and voting has one vote and on a poll every member present or represented and voting has one vote for every share of which that member is the holder; the validly executed appointment of a proxy must be received not less than 48 hours before the time of the holding of the relevant meeting or adjourned meeting or, in the case of a poll taken otherwise than at or on the same day as the relevant meeting or adjourned meeting, be received after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll.

These rights can be suspended. If a member, or any other person appearing to be interested in shares held by that member, has failed to comply within the time limits specified in the Company's articles of association with a notice pursuant to S793 of the Companies Act 2006 (notice by a Company requiring information about interests in its shares), the Company can until the default ceases suspend the right to attend and speak and vote at a general meeting and if the shares represent at least 0.25% of their class the Company can also withhold any dividend or other money payable in respect of the shares (without any obligation to pay interest) and refuse to accept certain transfers of the relevant shares.

Shareholders, either alone or with other shareholders, have other rights as set out in the Company's articles of association and in company law.

A member may choose whether his or her shares are evidenced by share certificates (certificated shares) or held in electronic (uncertificated) form in CREST (the UK electronic settlement system). Any member may transfer all or any of his or her shares, subject in the case of certificated shares to the rules set out in the Company's articles of association or in the case of uncertificated shares to the regulations governing the operation of CREST (which allow the Directors to refuse to register a transfer as therein set out); the transferor remains the holder of the shares until the name of the transferee is entered in the register of members. The Directors may refuse to register a share transfer if it is in respect of a certificated share which is not fully paid up or on which the Company has a lien provided that, where the share transfer is in respect of any share admitted to the Official List maintained by the UK Listing Authority, any such discretion may not be exercised so as to prevent dealings taking place on an open and proper basis, or if in the opinion of the Directors (and with the concurrence of the UK Listing Authority) exceptional circumstances so warrant, provided that the exercise of such power will not disturb the market in those shares. Whilst there are no squeeze-out and sell-out rules relating to the shares in the Company's articles of association, shareholders are subject to the compulsory acquisition provisions in S974 to S991 of the Companies Act 2006.

### ***Amendment of Articles of Association***

The Company's articles of association may be amended by the members of the Company by special resolution (requiring a majority of at least 75% of the persons voting on the relevant resolution).

### ***Appointment and Replacement of Directors***

A person may be appointed as a Director of the Company by the shareholders in general meeting by ordinary resolution (requiring a simple majority of the persons voting on the relevant resolution) or by the Directors; no person, other than a Director retiring by rotation or otherwise, shall be appointed or re-appointed a Director at any general meeting unless he is recommended by the Directors or, not less than seven nor more than 42 clear days before the date appointed for the meeting, notice is given to the Company of the intention to propose that person for appointment or re-appointment in the form and manner set out in the Company's articles of association.

Each Director who is appointed by the Directors (and who has not been elected as a Director of the Company by the members at a general meeting held in the interval since his appointment as a Director of the Company) is to be subject to election as a Director of the Company by the members at the first Annual General Meeting of the Company following his or her appointment. At each Annual General Meeting of the Company one third of the Directors for the time being, or if their number is not three or an integral multiple of three the number nearest to but not exceeding one-third, are to be subject to re-election.

The Companies Act allows shareholders in general meeting by ordinary resolution (requiring a simple majority of the persons voting on the relevant resolution) to remove any Director before the expiry of his or her period of office, but without prejudice to any claim for damages which the Director may have for breach of any contract of service between him or her and the Company.

## ***Report of the Directors***

A person also ceases to be a Director if he or she resigns in writing, ceases to be a Director by virtue of any provision of the Companies Act, becomes prohibited by law from being a Director, becomes bankrupt or is the subject of a relevant insolvency procedure, or becomes of unsound mind, or if the Board so decides following at least six months' absence without leave or if he or she becomes subject to relevant procedures under the mental health laws, as set out in the Company's articles of association.

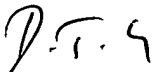
### *Powers of the Directors*

Subject to the provisions of the Companies Act, the memorandum and articles of association of the Company and any directions given by shareholders by special resolution, the articles of association specify that the business of the Company is to be managed by the Directors, who may exercise all the powers of the Company, whether relating to the management of the business or not. In particular, the Directors may exercise on behalf of the Company its powers to purchase its own shares to the extent permitted by shareholders.

### *Auditor*

Grant Thornton UK LLP offers itself for reappointment as auditor. In accordance with S489(4) of the Companies Act 2006 a resolution to reappoint Grant Thornton UK LLP as auditor will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board.



David Frank  
Director  
24 June 2015

## Corporate Governance

The Board of Triple Point Income VCT plc has considered the principles and recommendations of the Association of Investment Companies Code of Corporate Governance (AIC Code 2013) by reference to the Association of Investment Companies Corporate Governance Guide for Investment Companies (AIC Guide). The AIC Code 2013, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code (September 2012), as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The Board considers that reporting against principles and recommendations of the AIC Code 2013, by reference to the AIC Guide, which incorporates the UK Corporate Governance Code (September 2012), will provide improved reporting to shareholders.

The Company is committed to maintaining high standards in corporate governance and has complied with the recommendations of the AIC Code 2013 and the relevant provisions of the UK Corporate Governance Code (September 2012), except as set out at the end of this report in the Compliance Statement.

The Corporate Governance Report forms part of the Report of the Directors.

### Board of Directors

The Company has a Board of three Non-Executive Directors. Since all Directors are Non-Executive and day-to-day management responsibilities are sub-contracted to the Investment Manager, the Company does not have a Chief Executive Officer. The Directors have a range of business and financial skills which are relevant to the Company; these are described on page 22 of this report. Directors are provided with key information on the Company's activities, including regulatory and statutory requirements, by the Investment Manager. The Board has direct access to company secretarial advice and compliance services provided by the Investment Manager which is responsible for ensuring that Board procedures are followed and applicable regulations complied with. All Directors are able to take independent professional advice in furtherance of their duties.

Any appointment of new Directors to the Board is conducted, and appointments made, on merit and with due regard for the benefits of diversity on the Board, including gender. All Directors are able to allocate sufficient time to the Company to discharge their responsibilities.

The Board meets regularly on a quarterly basis, and on other occasions as required, to review the investment performance and monitor compliance with the investment policy laid down by the Board. There is a formal schedule of matters reserved for Board decision and the agreement between the Company and the Investment Manager has authority limits beyond which Board approval must be sought.

The Investment Manager has authority over the management of the investment portfolio, the organisation of custodial services, accounting, secretarial and administrative services. In practice the Investment Manager makes investment recommendations for the Board's approval. In addition all investment decisions involving other VCTs managed by the Investment Manager are taken by the Board rather than the Investment Manager. Other matters reserved for the Board include:

- the consideration and approval of future developments or changes to the investment policy, including risk and asset allocation;
- consideration of corporate strategy;
- approval of any dividend or return of capital to be paid to the shareholders;
- the appointment, evaluation, removal and remuneration of the Investment Manager;
- the performance of the Company, including monitoring the net asset value per share; and
- monitoring shareholder profiles and considering shareholder communications.

The Chairman leads the Board in the determination of its strategy and in the achievement of its objectives. The Chairman is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda and has no involvement in the day to day business of the Company. He facilitates the effective contribution of the Directors and ensures that they receive accurate, timely and clear information and that they communicate effectively with shareholders. The Chairman does not have significant commitments conflicting with his obligations to the Company.

## Corporate Governance

### Board of Directors (continued)

The Company Secretary is responsible for advising the Board on all governance matters. All of the Directors have access to the advice and services of the Company Secretary which has administrative responsibility for the meetings of the Board and its committees. Directors may also take independent professional advice at the Company's expense where necessary in the performance of their duties. As all of the Directors are Non-Executive, it is not considered appropriate to identify a member of the Board as the senior Non-Executive Director of the Company.

The Company's articles of association and the schedule of matters reserved to the Board for decision provide that the appointment and removal of the Company Secretary is a matter for the full Board.

The Company's articles of association require that one third of the Directors should retire by rotation each year and seek re-election at the Annual General Meeting and that Directors newly appointed by the Board should seek re-appointment at the next Annual General Meeting. The Board complies with the requirement of the UK Corporate Governance Code (September 2012) that all Directors are required to submit themselves for re-election at least every three years.

During the period covered by these Financial Statements the following meetings were held:

<b>Directors present</b>	4 Full Board Meetings	2 Audit Committee Meetings
David Frank, Chairman	4	2
Simon Acland	4	2
Michael Stanes	4	2

### Audit Committee

The Board has appointed an audit committee of which David Frank is Chairman, which deals with matters relating to audit, financial reporting and internal control systems. The Committee meets as required and has direct access to Grant Thornton UK LLP, the Company's auditor.

The audit committee safeguards the objectivity and independence of the auditor by reviewing the nature and extent of non-audit services supplied by the external auditor to the Company. The audit committee has reviewed the non-audit service provided by the external auditor, being corporation tax, and does not believe it is sufficient to influence its independence or objectivity due to the fee being an immaterial expense.

When considering whether to recommend the reappointment of the external auditor the audit committee takes into account its current fee tender compared to the external audit fees paid by other similar companies. The audit committee will then recommend to the Board the appointment of an external auditor which is ratified at the Annual General Meeting.

The Auditing Practices Board requires the audit partner to rotate every five years. The audit partner rotated this year, which is a year ahead of the five year requirement. No audit tender has been undertaken since the Company was incorporated.

The effectiveness of the external audit is assessed as part of the Board evaluation conducted annually and by the quality and content of the audit plan provided to the audit committee by the external auditor and the discussions then held on topics raised. The audit committee will challenge the external auditor at the audit committee meeting if appropriate.

## Corporate Governance

### Audit Committee (continued)

The audit committee's terms of reference include the following roles and responsibilities:

- reviewing and making recommendations to the Board in relation to the Company's published Financial Statements and other formal announcements or regulatory returns relating to the Company's financial performance, reviewing significant financial reporting judgements contained in them;
- reviewing and making recommendations to the Board in relation to the Company's internal control (including internal financial control) and risk management systems;
- periodically considering the need for an internal audit function;
- making recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional regulatory requirements;
- monitoring the extent to which the external auditor is engaged to supply non-audit services; and
- ensuring that the Investment Manager has arrangements in place for the investigation and follow-up of any concerns raised confidentially by staff in relation to propriety of financial reporting or other matters.

The committee reviews its terms of reference and effectiveness annually and recommends to the Board any changes required as a result of the review. The terms of reference are available on request from the Company Secretary.

The Board considers that the members of the committee collectively have the skills and experience required to discharge their duties effectively, and that the Chairman of the committee meets the requirements of the UK Corporate Governance Code (September 2012) as to relevant financial experience.

The Company does not have an independent internal audit function as it is not deemed appropriate given the size of the Company and the nature of the Company's business. However, the committee considers annually whether there is a need for such a function and, if there were, would recommend it be established.

In respect of the year ended 31 March 2015, the audit committee discharged its responsibilities by:

- reviewing and approving the external auditor's terms of engagement and remuneration and independence;
- reviewing the external auditor's plan for the audit of the Financial Statements, including identification of key risks and confirmation of auditor independence;
- reviewing TPIM's statement of internal controls operated in relation to the Company's business and assessing those controls in minimising the impact of key risks;
- reviewing periodic reports on the effectiveness of TPIM's compliance procedures;
- reviewing the appropriateness of the Company's accounting policies;
- reviewing the Company's half-yearly results and draft annual Financial Statements prior to Board approval;
- reviewing the external auditor's audit plan document to the audit committee on the annual Financial Statements; and
- reviewing the Company's going concern status.

The audit committee is responsible for considering and reporting on any significant issues that arise in relation to the Financial Statements.

The key areas of risk that have been identified and considered by the audit committee in relation to the business activities and the Financial Statements of the Company are as follows:

- valuation and existence of unquoted investments; and
- compliance with HM Revenue & Customs conditions for maintenance of approved Venture Capital Trust status.

## ***Corporate Governance***

The audit committee relies on the Investment Manager to assess the valuation of unquoted investments and the existence of those investments. The Investment Manager has a director on the board of all the investee companies and meets regularly with the other directors and hence has an oversight of all the investments made. The audit committee have reviewed the valuations and discussed them with both the Investment Manager and the external auditor to confirm the valuation of the unquoted investments and the existence of those investments.

The Investment Manager has confirmed to the audit committee that the conditions for maintaining the Company's status as an approved Venture Capital Trust had been complied with throughout the year. The position is also reviewed by Robertson Hare LLP in its capacity as adviser to the Company on taxation matters.

The audit committee has considered the whole Report and Accounts for the year ended 31 March 2015 and has reported to the Board that it considers them to be fair, balanced and understandable providing the information necessary for shareholders to assess the Company's performance, business model and strategy.

### *Internal Control*

The Directors have overall responsibility for keeping under review the effectiveness of the Company's systems of internal controls. The purpose of these controls is to ensure that proper accounting records are maintained, the Company's assets are safeguarded and the financial information used within the business and for publication is accurate and reliable; such a system can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives. As part of this process an annual review of the internal control systems is carried out. The review covers all material controls including financial, operational and risk management systems. The Directors regularly review financial results and investment performance with the Investment Manager.

The Directors have established an ongoing process designed to meet the particular needs of the Company in identifying, evaluating and managing risks to which it is exposed. The process adopted is one whereby the Directors identify the risks to which the Company is exposed including, among others, market risk, VCT qualifying investment risk and operational risks which are recorded on a risk register. The controls employed to mitigate these risks are identified and the residual risks are rated taking into account the impact of the mitigating factors. The risk register is updated twice a year.

TPIM is engaged to provide administrative including accounting services and retains physical custody of the documents of title relating to investments.

The Directors regularly review the system of internal controls, both financial and non-financial, operated by the Company and the Investment Manager. These include controls designed to ensure that the Company's assets are safeguarded and that proper accounting records are maintained.

Internal control systems include the production and review of quarterly bank reconciliations and management accounts. The VCT is subject to a full annual audit. The auditors are the same auditors as other VCTs managed by the Investment Manager. The Investment Manager's procedures are subject to internal compliance checks.

### *Going Concern*

After making the necessary enquiries, the Directors confirm that they are satisfied that the Company has adequate resources to continue in business for the foreseeable future. The Board receives regular reports from the Investment Manager and the Directors believe that, as no material uncertainties leading to significant doubt about going concern have been identified, it is appropriate to continue to apply the going concern basis in preparing the Financial Statements. The Company has invested £18.2 million into hydro investments. These investments were partly funded by a short term loan facility of £9.8 million, of which £2.5 million is outstanding at the date of this report. This will be repaid with funds derived from the asset sale.

## Corporate Governance

### *Relations with Shareholders*

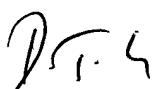
The Board recognises the value of maintaining regular communications with shareholders. In addition to the formal business of the Annual General Meeting, an opportunity is given to all shareholders to question the Board and the Investment Manager on matters relating to the Company's operation and performance. The Board and the Investment Manager will also respond to any written queries made by shareholders during the course of the year and both can be contacted at 18 St Swithin's Lane, London, EC4N 8AD or on 020 7201 8989.

### *Compliance Statement*

The Listing Rules require the Board to report on compliance with the UK Corporate Governance Code (September 2012) provisions throughout the accounting period. With the exception of the limited items outlined below, the Directors consider that the Company has complied throughout the period under review with the provisions set out in the UK Corporate Governance Code (September 2012).

1. New Directors do not receive a full, formal and tailored induction on joining the Board. Such matters are addressed on an individual basis as they arise (B.4.1).
2. Due to the size of the Board and the nature of the Company's business, a formal performance evaluation of the Board, its committees, the individual Directors and the Chairman has not been undertaken. Specific performance issues are dealt with as they arise (B.6.1, B.6.3).
3. The Company does not have a senior Independent Director. The Board does not consider such an appointment appropriate for the Company (A.4.1).
4. The Company conducts a formal review as to whether there is a need for an internal audit function. The Directors do not consider that an internal audit would be an appropriate control for a Venture Capital Trust (C.3.6).
5. As all the Directors are Non-Executive, it is not considered appropriate to appoint a Nomination or Remuneration Committee (B.2.1 and D.2.1).
6. The Audit committee includes three Non-Executive Directors, one of whom is not considered independent. The Board regularly reviews the independence of its Directors but does not consider it appropriate to appoint an additional Director to the Audit committee (C.3.1).

On behalf of the Board



David Frank  
Chairman  
24 June 2015

## ***Directors' Responsibility Statement***

The Directors are responsible for preparing the Strategic Report, the Directors' Report, the Directors' Remuneration Report and the 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 Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. 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 and profit or loss of the Company for that year. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements and the Remuneration report 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 confirm that:

- so far as each of the Directors is aware there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

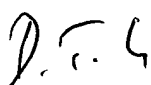
The Directors are responsible for preparing the Annual Report in accordance with applicable law and regulations. The Directors consider the Annual Report and the Financial Statements, taken as a whole, provide the information necessary to assess the Company's performance, business model and strategy and are fair, balanced and understandable.

The Company's Financial Statements are published on the TPIM website, [www.triplepoint.co.uk](http://www.triplepoint.co.uk). The maintenance and integrity of this website is the responsibility of TPIM and not of the Company. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

To the best of our knowledge:

- the Financial Statements, prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the annual report including the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board



David Frank  
Chairman  
24 June 2015

## Directors' Remuneration Report

### Introduction

This report is submitted in accordance with schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008, in respect of the year ended 31 March 2015. This report also meets the Financial Conduct Authority's Listing Rules and describes how the Board has applied the principles relating to Directors' remuneration set out in UK Corporate Governance Code (issued September 2012). The reporting requirements require two sections to be included, a Policy Report and an Annual Remuneration Report which are presented below.

### Directors' Remuneration Policy Report

This statement of the Directors' Remuneration Policy was effective following approval by shareholders at the Annual General Meeting on 24 July 2014. The Board currently comprises three Directors, all of whom are Non-Executive. The Board does not have a separate remuneration committee as the Company has no employees or executive directors. The Board has not retained external advisers in relation to remuneration matters but has access to information about Directors' fees paid by other companies of a similar size and type. No views which are relevant to the formulation of the Directors' remuneration policy have been expressed to the Company by shareholders, whether at a general meeting or otherwise.

The Board's policy is that the remuneration of Non-Executive Directors should reflect the experience of the Board as a whole, be fair and be comparable with that of other relevant Venture Capital Trusts that are similar in size and have similar investment objectives and structures. Furthermore, the level of remuneration should be sufficient to attract and retain the Directors needed to oversee the Company properly and to reflect the specific circumstances of the Company, the duties and responsibilities of the Directors and the value and amount of time committed to the Company's affairs. The articles of association provide that the Directors shall be paid in aggregate a sum not exceeding £100,000 per annum. None of the Directors is eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits in respect of their services as Non-Executive Directors of the Company.

The articles of association provide that Directors shall retire and be subject to re-election at the first Annual General Meeting after their appointment and that any Director who has not been re-elected for three years shall retire and be subject to re-election at the Annual General Meeting. Also any Director not considered independent shall retire each year and offer himself for re-election at the Annual General Meeting. The Directors' service contracts provide for an appointment of twelve months, after which three months' written notice must be given by either party. A Director who ceases to hold office is not entitled to receive any payment other than accrued fees (if any) for past services. The same policies will apply if a new Director is appointed.

Details of each Director's contract are shown below. The Chairman is paid more than the other Directors to reflect the additional responsibilities of that role. There are no other fees payable to the Directors for additional services outside of their contracts.

	Date of Contract	Unexpired term of contract at 31 March 2015	Annual rate of Directors' fees if net assets exceed £25 million £	Annual rate of Directors' fees if net assets are less than £25 million £
David Frank, Chairman	11-Nov-10	None	17,500	15,000
Simon Acland	12-Mar-09	None	15,000	12,500
Michael Stanes	21-Nov-12	None	15,000	12,500

Following the Tender Offer, it was agreed that the Directors' remuneration would increase, in the case of David Frank, to £17,500 and in the case of the other Directors to £15,000 if the Company's net asset value exceeds £25 million. After the C share allotment on 28 March 2014 the net asset value exceeded £25 million and therefore the annual rate of Directors' fees increased to the higher level.

## Directors' Remuneration Report

### Annual Remuneration Report

The remuneration policy described above was implemented on 24 July 2014 after approval at the Annual General Meeting and remains unchanged for a three year period. The Board will review the remuneration of the Directors in line with the VCT industry on an annual basis, if thought appropriate. Otherwise, only a change in role is likely to incur a change in remuneration of any one Director.

### Directors' Remuneration (audited information)

The fees paid to Directors in respect of the year ended 31 March 2015 and the prior year are shown below:

	<b>Emoluments for the year ended 31 March 2015</b>	<b>Emoluments for the year ended 31 March 2014</b>
	£	£
David Frank	17,500	15,000
Simon Acland	15,000	12,500
Michael Stanes	15,000	12,500
	<hr/> 47,500	<hr/> 40,000
Employers' NI contributions	1,261	2,334
<b>Total Emoluments</b>	<hr/> <b>48,761</b>	<hr/> <b>42,334</b>

None of the Directors is eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits in respect of their services as Non-Executive Directors of the Company.

Information required on executive Directors, including the Chief Executive Officer and employees, has been omitted because the Company has neither and therefore it is not relevant.

Directors' emoluments compared to payments to shareholders:

	<b>31 March 2015</b>	<b>31 March 2014</b>
	£'000	£'000
Dividends paid:		
• Ordinary Shareholders	-	813
• A Shareholders	318	256
Share buy-backs	179	47
<b>Total paid to shareholders</b>	<hr/> 497	<hr/> 1,116
<b>Directors' emoluments</b>	<hr/> 48	<hr/> 40

### Directors' Share Interests (audited information)

At 31 March 2015 the Directors held no shares in the Company (2014: none). At 31 March 2015 no other connected parties to the Directors held any shares (2014: none). Since the 31 March 2015 Simon Acland's wife was allotted 48,750 D Class Shares. There have been no other changes in the holdings of the Directors or their connected parties between 31 March 2015 and the date of this report. There are no requirements or restrictions on Directors holding shares in the Company.

## ***Directors' Remuneration Report***

### *Company Performance*

There have been no material trades in the Company's shares in the period under review. Therefore, no performance graph comparing the share price of the Company over the year ended 31 March 2015 with the total return from a notional investment in the FTSE All-Share index over the same period has been included.

No market maker has been appointed and therefore no current bid and offer price is available for the Company's shares. However the Board's policy is to buy back shares from shareholders at a 10% discount to net asset value. The Company will produce a graph of its share performance once there is sufficient activity that the graph would be meaningful to shareholders.

### *Statement of Voting at the Annual General Meeting*

The 2014 Remuneration Report was presented to the Annual General Meeting in July 2014 and received shareholder approval following a vote 97% were in favour and no one abstained.

The 2014 Remuneration Policy was presented to the Annual General Meeting in July 2014 and received shareholder approval following a vote 99% were in favour and 50,293 shares abstained.

### *Statement of the Chairman*

The Directors' fees are fixed at £17,500 for the Chairman and £15,000 for each of the other Directors. Directors' fees will stay at these levels as long as the Company's net asset value remains in excess of £25 million. If net assets fall below £25 million then their fees will reduce to £15,000 for the Chairman and £12,500 for each of the other Directors. The remuneration of the Directors reflects the experience of the Board as a whole and is fair and comparable with that of other relevant Venture Capital Trusts that are similar in size and have similar investment objectives and structures. The fees are sufficient to attract and retain the Directors needed to oversee the Company's affairs.

On behalf of the Board



David Frank  
Chairman  
24 June 2015

## ***Independent Auditor's Report to the Members of Triple Point Income VCT plc***

### **Our opinion on the financial statements is unmodified**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Who are we reporting to:

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.

### **What we have audited**

Triple Point Income VCT plc's financial statements comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Shareholders' Equity, the Statement of Cash Flows and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

### **Our assessment of risk**

In arriving at our opinions set out in this report, we highlight the following risks that are, in our judgement, likely to be most important to users' understanding of our audit.

#### Valuation of unquoted investments

The risk: The objective is to build a diversified portfolio of unquoted companies which are cash generative and, therefore, capable of producing predictable income for the Company prior to their realisation or exit. Unquoted investments amount, by value, to 97.3% of the company's total assets, and are designated as being at fair value through profit or loss. Measurement of the value of an unquoted investment includes significant assumptions and judgements. We therefore identified the valuation of unquoted investments as a significant risk requiring special audit consideration.

Our response: Our audit work included, but was not restricted to, obtaining an understanding of how the valuations were performed by obtaining the underlying models from the investment manager, attending the audit committee meeting to discuss the review process, consideration of whether the valuations were made in accordance with published guidance, in particular the IPEVC valuation guidance, discussions with the investment manager on the choice of valuation methodology and assumptions made, and reviewing and challenging the basis and reasonableness of the assumptions made by the investment manager in conjunction with available supporting information, such as the corroboration of financial inputs to the relevant investee company management accounts or offer letters and testing a sample of other inputs by using our valuation specialists.

The Company's accounting policy on the valuation of unquoted investments is included in the accounting policies in note 2, and its disclosures about unquoted investments held at the year end are included in notes 10 and 11. The Audit Committee also identified and considered the valuation and existence of unquoted investments as a key area of risk in the Corporate Governance Statement on page 23.

#### Revenue recognition

The risk: Revenue consists of interest earned on loans to investee companies and cash balances, and dividend income received from investee companies. Revenue is a key factor in demonstrating the performance of the portfolio and its recognition is a key issue. We therefore identified the recognition of revenue as a significant risk requiring special audit attention.

## **Independent Auditor's Report to the Members of Triple Point Income VCT plc**

Our response: We identified and evaluated the controls relating to revenue recognition and undertook testing of interest income by comparing the actual to expected income, calculated using the interest rates in the loan instruments. We considered reviewed and tested the appropriateness of the accounting policy and whether the accounting policy had been applied correctly. For accrued interest income we reviewed management's assessment of recoverability by checking to post year end receipts and also discussion with management.

The Company's accounting policy on income recognition is included in note 2, and its disclosures about income recognised in the year within note 4.

### **Our application of materiality and an overview of the scope of our audit**

#### Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We determined materiality for the audit of the financial statements as a whole to be £298,000, which is 0.75% of the Company's net assets. This benchmark is considered the most appropriate because net assets, which are primarily composed of the company's investment portfolio, are the key driver for the Company's business. We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality. We also determine a lower level of specific materiality for certain areas such as expenses, investment income, directors' remuneration and related party transactions.

We determined the threshold at which we will communicate misstatements to the audit committee to be £14,900. In addition we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

#### Overview of the scope of our audit

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

We are independent of the Company in accordance with the Auditing Practices Board's Ethical Standards for Auditors, and we have fulfilled our other ethical responsibilities in accordance with those Ethical Standards.

Our audit approach was based on a thorough understanding of the Company's business and is risk-based. The day-to-day management of the Company's investment portfolio, the custody of its investments and the maintenance of the Company's accounting records is outsourced to a third-party service provider. Accordingly, our audit work is focussed on obtaining an understanding of, and evaluating, internal controls at the Company and the third-party service provider, and inspecting records and documents held by the third-party service provider. We undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the design effectiveness of controls over individual systems and the management of specific risks.

### **Other reporting required by regulations**

#### **Our opinion on other matters prescribed by the Companies Act 2006 is unmodified**

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- otherwise misleading.

## ***Independent Auditor's Report to the Members of Triple Point Income VCT plc***

In particular, we are required to report to you if:

- we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable; or
- the annual report does not appropriately disclose those matters that were communicated to the audit committee which we consider should have been disclosed.

Under the Companies Act 2006 we are required 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.

Under the Listing Rules, we are required to review:

- the directors' statement, set out on page 29, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the ten provisions of the UK Corporate Governance Code specified for our review.

### **Responsibilities for the financial statements and the audit**

What an audit of financial statements involves:

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

What the directors are responsible for:

As explained more fully in the Directors' Responsibilities Statement set out on page 31, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

What are we responsible for:

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.



### **Nicholas Page**

Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London  
24 June 2015

## Unaudited Non-Statutory Analysis of - The Ordinary Share Fund

### Statement of Comprehensive Income

	Note	Year ended 31 March 2015			Year ended 31 March 2014		
		Revenue	Capital	Total	Revenue	Capital	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Investment income	4	702	-	702	865	-	865
Realised gain on investments		-	-	-	-	111	111
Unrealised gain on investments		-	926	926	-	224	224
Investment return		702	926	1,628	865	335	1,200
Investment management fees	5	(175)	(58)	(233)	(227)	(76)	(303)
Other expenses		(68)	-	(68)	(119)	-	(119)
Profit before taxation		459	868	1,327	519	259	778
Taxation	8	(99)	13	(86)	(107)	15	(92)
Profit after taxation		360	881	1,241	412	274	686
Total comprehensive income for the year		360	881	1,241	412	274	686
Basic and diluted earnings per share	9	1.84p	4.50p	6.34p	1.03p	0.69p	1.72p

### Balance Sheet

	Note	31 March 2015 £'000	31 March 2014 £'000
<b>Non-current assets</b>			
Financial assets at fair value through profit or loss	10	7,887	15,469
<b>Current assets</b>			
Assets held for sale	11	8,557	-
Receivables	12	33	162
Cash and cash equivalents	13	334	147
		8,924	309
<b>Current liabilities</b>			
Payables		(162)	(191)
Net assets		16,649	15,587
<b>Equity attributable to equity holders</b>			
Net asset value per share	17	85.49p	79.03p

### Statement of Changes in Shareholders' Equity

	31 March 2015 £'000	31 March 2014 £'000
Opening shareholders' funds	15,587	37,193
Purchase of own shares	(179)	(35,132)
Issue of new shares	-	6,855
Conversion of shares	-	6,798
Profit for the year	1,241	686
Dividend paid	-	(813)
Closing shareholders' funds	16,649	15,587

## Unaudited Non-Statutory Analysis of - The Ordinary Share Fund

### Investment Portfolio

	31 March 2015				31 March 2014			
	Cost		Valuation		Cost		Valuation	
	£'000	%	£'000	%	£'000	%	£'000	%
Unquoted qualifying holdings	13,912	88.87	15,064	89.78	14,105	91.43	14,331	91.77
Unquoted non-qualifying holdings	1,412	9.01	1,380	8.23	1,170	7.59	1,138	7.29
Financial assets at fair value through profit or loss	15,324	97.88	16,444	98.01	15,275	99.02	15,469	99.06
Cash and cash equivalents	334	2.12	334	1.99	147	0.98	147	0.94
	<b>15,658</b>	<b>100.00</b>	<b>16,778</b>	<b>100.00</b>	<b>15,422</b>	<b>100.00</b>	<b>15,616</b>	<b>100.00</b>
<b>Unquoted Qualifying Holdings</b>	£'000	%	£'000	%	£'000	%	£'000	%
<u>Cinema digitisation</u>								
Digima Ltd	1,262	8.06	1,291	7.69	1,262	8.18	1,249	8.00
Digital Screen Solutions Ltd	2,020	12.90	2,028	12.09	2,020	13.10	2,028	12.99
<u>Electricity Generation</u>								
<u>Solar*</u>								
Bandspace Ltd	1,200	7.66	1,650	9.83	1,200	7.78	1,353	8.66
Bridge Power Ltd	125	0.80	167	1.00	125	0.81	134	0.86
Campus Link Ltd	690	4.41	892	5.32	690	4.47	761	4.87
Convertibox Services Ltd	1,000	6.39	1,170	6.97	1,000	6.48	950	6.08
C More Energy Ltd	1,000	6.39	1,123	6.69	1,000	6.48	1,069	6.85
Green Energy for Education Ltd	1,000	6.39	1,128	6.72	1,000	6.48	979	6.27
PJC Renewable Energy Ltd	5	0.03	5	0.03	5	0.03	5	0.03
<u>Anaerobic Digestion*</u>								
Biomass Future Generation Ltd	1,550	9.90	1,550	9.24	1,550	10.05	1,550	9.93
GreenTec Energy Ltd	1,000	6.39	1,000	5.96	1,000	6.48	1,000	6.40
Katharos Organic Ltd	1,000	6.39	1,000	5.96	1,000	6.48	1,000	6.40
<u>Hydro Electric Power</u>								
Elementary Energy Ltd	2,060	13.16	2,060	12.28	2,253	14.61	2,253	14.43
	<b>13,912</b>	<b>88.87</b>	<b>15,064</b>	<b>89.78</b>	<b>14,105</b>	<b>91.43</b>	<b>14,331</b>	<b>91.77</b>
<b>Unquoted Non-Qualifying Holdings</b>	£'000	%	£'000	%	£'000	%	£'000	%
<u>Crematorium Management</u>								
Furnace Managed Services Ltd	1,020	6.51	988	5.89	1,170	7.59	1,138	7.29
<u>Hydro Electric Power</u>								
Elementary Energy Ltd	392	2.50	392	2.34	-	-	-	-
	<b>1,412</b>	<b>9.01</b>	<b>1,380</b>	<b>8.23</b>	<b>1,170</b>	<b>7.59</b>	<b>1,138</b>	<b>7.29</b>

\*Assets held for sale

## Unaudited Non-Statutory Analysis of - The A Ordinary Share Fund

### Statement of Comprehensive Income

	Note	Year ended 31 March 2015			Year ended 31 March 2014		
		Revenue	Capital	Total	Revenue	Capital	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Investment income	4	124	-	124	108	-	108
Realised loss on investments		-	(1)	(1)	-	-	-
Unrealised gain on investments		-	541	541	-	87	87
Investment return		124	540	664	108	87	195
Investment management fees	5	(53)	(17)	(70)	(29)	(10)	(39)
Other expenses		(18)	-	(18)	(15)	-	(15)
Profit before taxation		53	523	576	64	77	141
Taxation	8	(12)	4	(8)	(13)	2	(11)
Profit after taxation		41	527	568	51	79	130
Total comprehensive income for the period		41	527	568	51	79	130
Basic and diluted earnings per share	9	0.82p	10.24p	11.06p	1.00p	1.55p	2.55p

### Balance Sheet

	Note	31 March 2015 £'000	31 March 2014 £'000
<b>Non-current assets</b>			
Financial assets at fair value through profit or loss	10	890	3,868
<b>Current assets</b>			
Financial assets held for sale	11	3,298	-
Receivables	12	5	7
Cash and cash equivalents	13	301	377
		3,604	384
<b>Current liabilities</b>			
Payables		(29)	(37)
Net assets		4,465	4,215
<b>Equity attributable to equity holders</b>			
Net asset value per share	17	87.01p	82.15p

### Statement of Changes in Shareholders' Equity

	31 March 2015 £'000	31 March 2014 £'000
Opening shareholders' funds	4,215	4,221
Issue of new shares	-	120
Profit for the year	568	130
Dividend paid	(318)	(256)
Closing shareholders' funds	4,465	4,215

## Unaudited Non-Statutory Analysis of - The A Ordinary Share Fund

### Investment Portfolio

	31 March 2015				31 March 2014			
	Cost		Valuation		Cost		Valuation	
	£'000	%	£'000	%	£'000	%	£'000	%
Unquoted qualifying holdings	3,475	92.03	4,188	93.29	3,475	85.31	3,647	85.92
Unquoted non-qualifying holdings	-	-	-	-	221	5.43	221	5.21
Financial assets at fair value through profit or loss	3,475	92.03	4,188	93.29	3,696	90.74	3,868	91.13
Cash and cash equivalents	301	7.97	301	6.71	377	9.26	377	8.87
	<b>3,776</b>	<b>100.00</b>	<b>4,489</b>	<b>100.00</b>	<b>4,073</b>	<b>100.00</b>	<b>4,245</b>	<b>100.00</b>
<b>Unquoted Qualifying Holdings</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>
<i><u>Electricity Generation</u></i>								
<i><u>Solar*</u></i>								
Arraze Ltd	600	15.89	800	17.82	600	14.73	651	15.34
Bridge Power Ltd	600	15.89	801	17.84	600	14.73	644	15.17
Core Generation Ltd	600	15.89	823	18.33	600	14.73	649	15.29
Trym Power Ltd	200	5.30	274	6.10	200	4.91	213	5.02
<i><u>Anaerobic Digestion*</u></i>								
BioMass Future Generation Ltd	600	15.89	600	13.37	600	14.73	600	14.13
<i><u>Landfill Gas</u></i>								
Aeris Power Ltd	525	13.90	525	11.70	525	12.89	525	12.37
Craigahulliar Energy Ltd	350	9.27	365	8.13	350	8.59	365	8.60
	<b>3,475</b>	<b>92.03</b>	<b>4,188</b>	<b>93.29</b>	<b>3,475</b>	<b>85.31</b>	<b>3,647</b>	<b>85.92</b>
<b>Unquoted Non-Qualifying Holdings</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>
<i><u>Anaerobic Digestion</u></i>								
Drumnahare Biogas Ltd	-	-	-	-	221	5.43	221	5.21
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>221</b>	<b>5.43</b>	<b>221</b>	<b>5.21</b>

\* Assets held for sale

## Unaudited Non-Statutory Analysis of - The C Ordinary Share Fund

### Statement of Comprehensive Income

	Note	Year ended 31 March 2015			Year ended 31 March 2014		
		Revenue	Capital	Total	Revenue	Capital	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Investment income	4	467	-	467	-	-	-
Investment management fees	5	(217)	(72)	(289)	(13)	(5)	(18)
Other expenses		(51)	-	(51)	(3)	-	(3)
Profit/(loss) before taxation		199	(72)	127	(16)	(5)	(21)
Taxation	8	(40)	14	(26)	3	1	4
Profit/(loss) after taxation		159	(58)	101	(13)	(4)	(17)
Total comprehensive income for the period		159	(58)	101	(13)	(4)	(17)
Basic and diluted profit/(loss) per share	9	1.22p	(0.44p)	0.78p	(1.70p)	(0.46p)	(2.16p)

### Balance Sheet

	Note	31 March 2015 £'000	31 March 2014 £'000
<b>Non current assets</b>			
Financial assets at fair value through profit or loss	10	13,126	-
<b>Current assets</b>			
Receivables	12	65	1
Cash and cash equivalents	13	331	6,902
		396	6,903
<b>Current liabilities</b>			
Payables		(113)	(30)
Net assets		13,409	6,873
<b>Equity attributable to equity holders</b>			
Net asset value per share	17	99.76p	98.38p

### Statement of Changes in Shareholders' Equity

	31 March 2015 £'000	31 March 2014 £'000
Opening shareholders' funds	6,873	-
Issue of new shares	6,435	6,890
Profit/(loss) for the year	101	(17)
Closing shareholders' funds	13,409	6,873

## Unaudited Non-Statutory Analysis of - The C Ordinary Share Fund

### Investment Portfolio

	31 March 2015				31 March 2014			
	Cost		Valuation		Cost		Valuation	
	£'000	%	£'000	%	£'000	%	£'000	%
Unquoted qualifying holdings	9,430	70.07	9,430	70.07	-	-	-	-
Unquoted non-qualifying holdings	3,696	27.45	3,696	27.45	-	-	-	-
Financial assets at fair value through profit or loss	13,126	97.52	13,126	97.52	-	-	-	-
Cash and cash equivalents	331	2.48	331	2.48	6,902	100.00	6,902	100.00
	<b>13,457</b>	<b>100.00</b>	<b>13,457</b>	<b>100.00</b>	<b>6,902</b>	<b>100.00</b>	<b>6,902</b>	<b>100.00</b>
<b>Unquoted Qualifying Holdings</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>
<i>Hydro Electric Power</i>								
Green Highland Allt Choire A Bhalachain (225) Ltd	3,130	23.26	3,130	23.26	-	-	-	-
Green Highland Allt Phocachain (1015) Ltd	2,000	14.86	2,000	14.86	-	-	-	-
Green Highland Renewables (Achnacarry) Ltd	4,300	31.95	4,300	31.95	-	-	-	-
	<b>9,430</b>	<b>70.07</b>	<b>9,430</b>	<b>70.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unquoted Non-Qualifying Holdings</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>
Broadpoint 2 Ltd	3,420	25.41	3,420	25.41	-	-	-	-
<i>Hydro Electric Power</i>								
Green Highland AGNF (385) ST Loan	30	0.22	30	0.22	-	-	-	-
Green Highland Allt Choire A Bhalachain (225) Ltd	162	1.20	162	1.20	-	-	-	-
Green Highland Allt Garbh Ltd ST Loan	30	0.22	30	0.22	-	-	-	-
Green Highland Allt Phocachain (1015) Ltd	54	0.40	54	0.40	-	-	-	-
	<b>3,696</b>	<b>27.45</b>	<b>3,696</b>	<b>27.45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Unaudited Non-Statutory Analysis of - The D Ordinary Share Fund

### Statement of Comprehensive Income

	Note	Year ended 31 March 2015			Year ended 31 March 2014		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment income	4	20	-	20	-	-	-
Investment management fees	5	(15)	(5)	(20)	-	-	-
Other expenses		(9)	-	(9)	-	-	-
Loss before taxation		(4)	(5)	(9)	-	-	-
Taxation	8	1	1	2	-	-	-
Loss after taxation		(3)	(4)	(7)	-	-	-
Loss and total comprehensive income for the year		(3)	(4)	(7)	-	-	-
Basic and diluted loss per share	9	(0.28p)	(0.44p)	(0.72p)	-	-	-

### Balance Sheet

	Note	31 March 2015 £'000	31 March 2014 £'000
<b>Non current assets</b>			
Financial assets at fair value through profit or loss	10	7,432	-
<b>Current assets</b>			
Receivables	12	62	-
Cash and cash equivalents	13	27	-
		89	-
<b>Current liabilities</b>			
Payables		(2,323)	-
Net assets		5,198	-
<b>Equity attributable to equity holders</b>			
		5,198	-
Net asset value per share	17	98.15p	-

### Statement of Changes in Shareholders' Equity

	31 March 2015 £'000	31 March 2014 £'000
Opening shareholders' funds	-	-
Issue of new shares	5,205	-
Loss for the year	(7)	-
Closing shareholders' funds	5,198	-

**Unaudited Non-Statutory Analysis of - The D Ordinary Share Fund****Investment Portfolio**

	31 March 2015				31 March 2014			
	Cost		Valuation		Cost		Valuation	
	£'000	%	£'000	%	£'000	%	£'000	%
Unquoted qualifying holdings	7,427	99.57	7,427	99.57	-	-	-	-
Unquoted non-qualifying holdings	5	0.07	5	0.07	-	-	-	-
Financial assets at fair value through profit or loss	7,432	99.64	7,432	99.64	-	-	-	-
Cash and cash equivalents	27	0.36	27	0.36	-	-	-	-
	<b>7,459</b>	<b>100.00</b>	<b>7,459</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unquoted Qualifying Holdings</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>
<i>Hydro Electric Power</i>								
Green Highland Allt Ladaidh (1148) Ltd	3,500	46.92	3,500	46.92	-	-	-	-
Green Highland Allt Luaidhe (228) Ltd	1,995	26.75	1,995	26.75	-	-	-	-
Green Highland Allt Procachain (1015) Ltd	1,932	25.90	1,932	25.90	-	-	-	-
	<b>7,427</b>	<b>99.57</b>	<b>7,427</b>	<b>99.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unquoted Non-Qualifying Holdings</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>
<i>Hydro Electric Power</i>								
Green Highland Allt Luaidhe (228) Ltd	5	0.07	5	0.07	-	-	-	-
	<b>5</b>	<b>0.07</b>	<b>5</b>	<b>0.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Statement of Comprehensive Income**

For the year ended 31 March 2015

	Note	Year ended 31 March 2015			Year ended 31 March 2014		
		Rev. £'000	Cap. £'000	Total £'000	Rev. £'000	Cap. £'000	Total £'000
<b>Income</b>							
Investment income	4	1,313	-	1,313	973	-	973
(Loss)/gain arising on the disposal of investments during the year		-	(1)	(1)	-	111	111
Gain arising on the revaluation of investments at the year end		-	1,467	1,467	-	311	311
Investment return		<u>1,313</u>	<u>1,466</u>	<u>2,779</u>	<u>973</u>	<u>422</u>	<u>1,395</u>
<b>Expenses</b>							
Investment management fees	5	460	152	612	269	91	360
Financial and regulatory costs		23	-	23	30	-	30
General administration		15	-	15	30	-	30
Legal and professional fees	6	54	-	54	37	-	37
Directors' remuneration	7	48	-	48	40	-	40
Interest payable		6	-	6	-	-	-
Operating expenses		<u>606</u>	<u>152</u>	<u>758</u>	<u>406</u>	<u>91</u>	<u>497</u>
Profit before taxation		707	1,314	2,021	567	331	898
Taxation	8	<u>(150)</u>	<u>32</u>	<u>(118)</u>	<u>(117)</u>	<u>18</u>	<u>(99)</u>
Profit after taxation		<u>557</u>	<u>1,346</u>	<u>1,903</u>	<u>450</u>	<u>349</u>	<u>799</u>
Total comprehensive income for the year		557	1,346	1,903	450	349	799
Basic and diluted earnings per share	9	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>

The total column of this statement is the Statement of Comprehensive Income of the Company prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The supplementary revenue return and capital columns have been prepared in accordance with the Association of Investment Companies Statement of Recommended Practice (AIC SORP 2009).

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

This Statement of Comprehensive Income includes all recognised gains and losses.

The accompanying notes are an integral part of these statements.

## Balance Sheet

at 31 March 2015

	Note	31 March 2015 £'000	31 March 2014 £'000
<b>Non-current assets</b>			
Financial assets at fair value through profit or loss	10	<u>29,335</u>	<u>19,337</u>
<b>Current assets</b>			
Assets held for sale	11	11,855	-
Receivables	12	165	170
Cash and cash equivalents	13	<u>993</u>	<u>7,426</u>
		<u>13,013</u>	<u>7,596</u>
Total Assets		<u>42,348</u>	<u>26,933</u>
<b>Current liabilities</b>			
Payables and accrued expenses	14	2,511	158
Current taxation payable		<u>116</u>	<u>100</u>
		<u>2,627</u>	<u>258</u>
Net Assets		<u><u>39,721</u></u>	<u><u>26,675</u></u>
<b>Equity attributable to equity holders of the parent</b>			
Share capital	15	434	318
Share redemption reserve		451	449
Share premium		32,405	20,875
Special distributable reserve		6,997	7,502
Capital reserve		(1,573)	(2,919)
Revenue reserve		<u>1,007</u>	<u>450</u>
Total equity		<u><u>39,721</u></u>	<u><u>26,675</u></u>

The statements were approved by the Directors and authorised for issue on 24 June 2015 and are signed on their behalf by:



David Frank  
Chairman  
24 June 2015

Company registration number 6421083.

The accompanying notes are an integral part of this statement.

**Statement of Changes in Shareholders' Equity**

For the year ended 31 March 2015

	Issued Capital £'000	Share Redemption Reserve £'000	Share Premium £'000	Special Distributable Reserve £'000	Capital Reserve £'000	Revenue Reserve £'000	Total £'000
<b>Year ended 31 March 2015</b>							
Opening balance	318	449	20,875	7,502	(2,919)	450	26,675
Issue of new shares	118	-	11,530	(8)	-	-	11,640
Purchase of own shares	(2)	2	-	(179)	-	-	(179)
Dividends paid	-	-	-	(318)	-	-	(318)
Transactions with owners	116	2	11,530	(505)	-	-	11,143
Profit for the year	-	-	-	-	1,346	557	1,903
Total comprehensive income for the year	-	-	-	-	1,346	557	1,903
Balance at 31 March 2015	434	451	32,405	6,997	(1,573)	1,007	39,721
Capital reserve consists of:							
Investment holding gains					1,833		
Other realised losses					(3,406)		
					<u>(1,573)</u>		
<b>Year ended 31 March 2014</b>							
Opening balance	545	21	3,696	43,389	(3,268)	317	44,700
Issue of new shares	191	-	17,179	-	-	-	17,370
Purchase of own shares	(428)	428	-	(35,125)	-	-	(35,125)
Conversion of B shares	10	-	-	(10)	-	-	-
Dividend paid	-	-	-	(752)	-	(317)	(1,069)
Transactions with owners	(227)	428	17,179	(35,887)	-	(317)	(18,824)
Profit for the year	-	-	-	-	349	450	799
Total comprehensive income for the year	-	-	-	-	349	450	799
Balance at 31 March 2014	318	449	20,875	7,502	(2,919)	450	26,675
Capital reserve consists of:							
Investment holding gains					366		
Other realised losses					(3,285)		
					<u>(2,919)</u>		

The capital reserve represents the proportion of Investment Management fees charged against capital and realised/unrealised gains or losses on the disposal/revaluation of investments. The capital reserve, share redemption reserve and share premium reserve are not distributable. The special distributable reserve was created on court cancellation of the share premium account. The revenue and special distributable reserve are distributable by way of dividend.

**Statement of Cash Flows**

For the year ended 31 March 2015

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
<b>Cash flows from operating activities</b>		
Profit before taxation	2,021	898
Loss/(gain) arising on the disposal of investments during the period	1	(111)
(Gain) arising on the revaluation of investments at the period end	(1,467)	(311)
Cashflow generated by operations	555	476
Decrease in receivables	5	37
Increase/(decrease) in payables	2,353	(25)
Taxation	(102)	(72)
Net cash flows from operating activities	<u>2,811</u>	<u>416</u>
<b>Cash flow from investing activities</b>		
Purchase of financial assets at fair value through profit or loss	(20,907)	(2,508)
Proceeds of sale of financial assets at fair value through profit or loss	520	16,746
Decrease in amounts receivable on the disposal of investments	-	3,056
Net cash flows from investing activities	<u>(20,387)</u>	<u>17,294</u>
<b>Cash flows from financing activities</b>		
Issue of new shares	11,640	17,377
Purchase of own shares	(179)	(35,132)
Dividends paid	(318)	(1,069)
Net cash flows from financing activities	<u>11,143</u>	<u>(18,824)</u>
Net decrease in cash and cash equivalents	<u>(6,433)</u>	<u>(1,114)</u>
<b>Reconciliation of net cash flow to movements in cash and cash equivalents</b>		
Opening cash and cash equivalents	7,426	8,540
Net decrease in cash and cash equivalents	(6,433)	(1,114)
Closing cash and cash equivalents	<u>993</u>	<u>7,426</u>

The accompanying notes are an integral part of these statements.

## **Notes to the Financial Statements**

### **1. Corporate Information**

The Financial Statements of the Company for the year ended 31 March 2015 were authorised for issue in accordance with a resolution of the Directors on 24 June 2015.

The Company was admitted for listing on the London Stock Exchange on 6 February 2008.

The Company is incorporated and domiciled in Great Britain and registered in England and Wales. The address of its registered office, which is also its principal place of business, is 18 St Swithin's Lane, London EC4N 8AD.

The Company's Financial Statements are presented in Pounds Sterling (£) which is also the functional currency of the Company.

The principal activity of the Company is investment. The Company's investment strategy is that at least 70% of the Company's net assets are or will be invested in VCT qualifying unquoted companies. The remaining assets are exposed either to cash or cash-based similar liquid investments or investments originated in line with the Company's VCT Qualifying Investment Policy.

### **2. Basis of Preparation and Accounting Policies**

#### *Basis of Preparation*

After making the necessary enquiries, the Directors confirm that they are satisfied that the Company has adequate resources to continue in business for the foreseeable future. The Board receives regular reports from the Investment Manager and the Directors believe that, as no material uncertainties leading to significant doubt about going concern have been identified, it is appropriate to continue to apply the going concern basis in preparing the Financial Statements.

The Company entered into one loan agreement during the year and a further agreement after the year end to enhance short term liquidity. It is not anticipated that borrowings or banking facilities will be required in the future.

The Financial Statements of the Company for the year to 31 March 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted for use in the European Union and complied 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) in January 2009, in so far as this does not conflict with IFRS.

The Financial Statements are prepared on a historical cost basis except that investments are shown at fair value through profit or loss.

The preparation of Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these judgements.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities relate to:

- the valuation of unlisted financial investments held at fair value through profit or loss, which are valued on the basis noted below (in the section headed "non-current asset investments").
- the recognition or otherwise of accrued income on loan notes and similar instruments granted to investee companies which is assessed in conjunction with the overall valuation of unlisted financial investments as noted above.

## **Notes to the Financial Statements**

### **2. Basis of Preparation and Accounting Policies (continued)**

The key judgements made by Directors are in the valuation of unquoted investments. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects that period or in the period of revision and future periods if the revision affects both current and future periods. The carrying value of investments is disclosed in note 10 and 11.

The Directors do not believe that there are any further key judgements made in applying accounting policies or estimates in respect of the Financial Statements.

These Financial Statements have been prepared in accordance with the accounting policies set out below which are based on the recognition and measurement principles of IFRS in issue as adopted by the European Union (EU).

These accounting policies have been applied consistently in preparing these Financial Statements.

#### *Standards issued but not yet effective*

The following new standards, amendments to standards and interpretations are not yet effective for the year ended 31 March 2015, and have not been applied in preparing these Financial Statements.

- IFRS 9 Financial Instruments (effective 1 January 2018)
- IFRS 14 Regulatory Deferral Accounts (effective 1 January 2016)
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (effective 1 January 2016)
- Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38 (effective 1 January 2016)
- Annual Improvements to IFRSs 2010-2012 Cycle (effective 1 July 2014)
- Annual Improvements to IFRSs 2011-2013 Cycle (effective 1 July 2014)
- Annual Improvements to IFRSs 2012-2014 Cycle (effective 1 January 2016)
- Amendments to IAS 27: Equity Method in Separate Financial Statements (effective 1 January 2016)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (effective 1 January 2016)

All of these changes will be applied by the Company from the effective date but none of them are expected to have a significant impact on the Company's Financial Statements.

#### *Presentation of Statement of Comprehensive Income*

In order better to reflect the activities of a Venture Capital Trust, and in accordance with the guidance issued by the Association of Investment Companies, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Income Statement.

#### *Capital Management*

Capital management is monitored and controlled using the internal control procedures set out on page 29. The capital being managed includes equity and fixed interest VCT qualifying investments, cash balances and liquid resources including debtors and creditors.

The Company's objectives when managing capital are:

- to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders;
- to ensure sufficient liquid resources are available to meet the funding requirements of its investments and to fund new investments where identified.
- to enter into short term finance only to enhance short term liquidity.

## **Notes to the Financial Statements**

### **2. Basis of Preparation and Accounting Policies (continued)**

All capital is represented by the value of share capital, distributable and other reserves, except for £2.3 million of external debt. Total Shareholder equity at 31 March 2015 was £39.7 million (2014: £26.7 million).

#### *Non-Current Asset Investments*

The Company invests in financial assets with a view to profiting from their total return through income and capital growth. These investments are managed and their performance is evaluated on a fair value basis in accordance with the investment policy detailed in the Strategic Report on page 4 and information about the portfolio is provided internally on that basis to the Company's Board of Directors. Accordingly upon initial recognition the investments are designated by the Company as "at fair value through profit or loss" in accordance with IAS39 "Financial instruments recognition and measurement". They are included initially at fair value, which is taken to be their cost (excluding expenses incidental to the acquisition which are written off in the Statement of Comprehensive Income and allocated to "capital" at the time of acquisition). Subsequently the investments are valued at "fair value" which is the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. This is measured as follows:

- unlisted investments are fair valued by the Directors in accordance with the International Private Equity and Venture Capital Valuation Guidelines. Fair value is established by using measurements of value such as price of recent transactions, discounted cash flows, cost, and initial cost of investment.
- listed investments are fair valued at bid price on the relevant date.

Where securities are designated upon initial recognition as at fair value through profit or loss, gains and losses arising from changes in fair value are included in the Statement of Comprehensive Income for the year as capital items in accordance with the AIC SORP 2009. The profit or loss on disposal is calculated net of transaction costs of disposal.

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.

#### *Assets Held for Sale*

Current assets classified as held for sale are presented separately and measured at the value expected to be realised on disposal, which is equivalent to fair value.

#### *Income*

Investment income includes interest earned on bank balances and investment loans and includes income tax withheld at source. Dividend income is shown net of any related tax credit and is brought into account on the ex-dividend date.

Fixed returns on investment loans and debt are recognised on a time apportionment basis so as to reflect the effective yield, provided there is no reasonable doubt that payment will be received in due course.

#### *Expenses*

All expenses are accounted for on the accruals basis. Expenses are charged to revenue with the exception of the investment management fee, which has been charged 75% to the revenue account and 25% to the capital account (2014: 75% revenue, 25% capital) to reflect, in the Directors' opinion, the expected long term split of returns in the form of income and capital gains respectively from the investment portfolio.

#### *Taxation*

Corporation tax payable is applied to profits chargeable to corporation tax, if any, at the current rate in accordance with IAS 12 "Income Taxes". The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue on the "marginal" basis as recommended by the SORP.

## ***Notes to the Financial Statements***

### **2. Basis of Preparation and Accounting Policies (continued)**

In accordance with IAS 12, deferred tax is recognised using the balance sheet method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. The Directors have considered the requirements of IAS 12 and do not believe that any provision should be made.

#### *Financial Instruments*

The Company's principal financial assets are its investments and the accounting policies in relation to those assets are set out above. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

#### *Issued Share Capital*

Ordinary Shares are classified as equity because they do not contain an obligation to transfer cash or another financial asset. Issue costs associated with the allotment of shares have been deducted from the share premium account in accordance with IAS 32.

#### *Cash and Cash Equivalents*

Cash and cash equivalents representing cash available at less than 3 months' notice are classified as loans and receivables under IAS 39.

#### *Reserves*

The revenue reserve (retained earnings) and capital reserve reflect the guidance in the AIC SORP 2009. The capital reserve represents the proportion of Investment Management fees charged against capital and realised/unrealised gains or losses on the disposal/revaluation of investments. The capital reserve, share redemption reserve and share premium reserve are not distributable. The special distributable reserve was created on court cancellation of the share premium account. The revenue and special distributable reserve are distributable by way of dividend.

### **3. Segmental Reporting**

The Company only has one class of business, being investment activity. All revenues and assets are generated and held in the UK.

## Notes to the Financial Statements

### 4. Investment Income

	Year ended 31 March 2015					Year ended 31 March 2014			
	Ord. Shares	A Shares	C Shares	D Shares	Total	Ord. Shares	A Shares	C Shares	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Loan stock interest	690	121	458	20	1,289	833	105	-	938
Other investment income	-	-	-	-	-	-	-	-	-
Interest receivable on bank balances	12	3	9	-	24	32	3	-	35
	702	124	467	20	1,313	865	108	-	973

### 5. Investment Management Fees

TPIM provides investment management and administration services to the Company under an Investment Management Agreement effective 6 February 2008 and two deeds of variation to that agreement effective 21 November 2012 and 28 October 2014. The agreement provides for an administration and investment management fee of 1.75% per annum of net assets payable quarterly in arrear for both Ordinary Shares and A Ordinary Shares. For the Ordinary Shares issued under the 2007 offer the agreement ran until 6 February 2014 after which the management fee proportion of 1.5% has not been charged. For all other Ordinary Shares the appointment shall continue until at least 30 April 2018. For A Ordinary Shares the appointment shall continue until at least 30 April 2017. The agreement provides for an administration and investment management fee of 2.25% per annum of net assets payable quarterly in arrear for C Ordinary Shares and D Ordinary Shares. For C Ordinary Shares and D Ordinary Shares the appointment shall continue for a period of at least 6 years from the admission of those shares.

### 6. Legal and Professional Fees

Legal and professional fees include remuneration paid to the Company's auditor, Grant Thornton UK LLP as shown in the following table:

	Year ended 31 March 2015					Year ended 31 March 2014			
	Ord. Shares	A Shares	C Shares	D Shares	Total	Ord. Shares	A Shares	C Shares	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fees payable to the Company's auditor:									
- for the audit of the financial statements	11	3	8	1	23	19	2	1	22
- for taxation compliance services	1	-	1	-	2	5	-	-	5
	12	3	9	1	25	24	2	1	27

## Notes to the Financial Statements

### 7. Directors' Remuneration

The only remuneration received by the Directors was their Directors' fees. The Company has no employees other than the Non-Executive Directors. The average number of Non-Executive Directors in the year was three. Full disclosure of Directors' remuneration is included in the Directors' Remuneration report.

	Year ended 31 March 2015					Year ended 31 March 2014			
	Ord.	A	C	D	Total	Ord.	A	C	Total
	Shares £'000	Shares £'000	Shares £'000	Shares £'000		Shares £'000	Shares £'000	Shares £'000	
David Frank	9	2	7	-	18	13	2	-	15
Simon Acland	7	2	6	-	15	11	1	-	12
Michael Stanes	7	2	5	1	15	11	2	-	13
<b>Total</b>	<b>23</b>	<b>6</b>	<b>18</b>	<b>1</b>	<b>48</b>	<b>35</b>	<b>5</b>	<b>-</b>	<b>40</b>

### 8. Taxation

	Year ended 31 March 2015					Year ended 31 March 2014			
	Ord.	A	C	D	Total	Ord.	A	C	Total
	Shares £'000	Shares £'000	Shares £'000	Shares £'000		Shares £'000	Shares £'000	Shares £'000	
Profit/(loss) on ordinary activities before tax	1,327	576	127	(9)	2,021	778	141	(21)	898
Corporation tax @ 20%	265	115	26	(2)	404	156	28	(4)	180
Effect of: Capital gains not taxable	(185)	(108)	-	-	(293)	(67)	(17)	-	(84)
Prior year adjustment	6	1	-	-	7	3	-	-	3
Tax charge/credit for the period	86	8	26	(2)	118	92	11	(4)	99

Capital gains and losses are exempt from corporation tax due to the Company's status as a Venture Capital Trust.

### 9. Earnings/(loss) per Share

Earnings per Ordinary Share is based on the profit after tax of £1,241,000 (2014: £686,000) and on the weighted average number of shares in issue during the period of 19,573,483 (2014: 40,028,753). Earnings per A Ordinary Share are based on the profit after tax of £568,000 (2014: £130,000) and on the weighted average number of shares in issue during the period of 5,131,353 (2014: 5,131,353). The profit per C Ordinary Share is based on the profit after tax of £101,000 (2014: loss £17,000) and on the weighted average number of shares in issue during the period of 13,010,787 (2014: 740,933). The profit per D Ordinary Share is based on the loss after tax of £7,000 (2014: nil) and on the weighted average number of shares in issue during the period of 881,097 (2014: none).

## Notes to the Financial Statements

The weighted average number of shares in issue during the period for the Ordinary Shares, the A Ordinary Shares, the C Ordinary Shares and the D Ordinary Shares were:

	Ordinary Shares			A Shares		
	Shares Issued	No. Of Days	Weighted Average	Shares Issued	No. Of Days	Weighted Average
<b>Current Year</b>						
01-Apr-14	19,722,809	365	19,722,809	5,131,353	365	5,131,353
22-Jul-14	(35,291)	253	(24,462)	-	-	-
22-Aug-14	(117,635)	222	(71,548)	-	-	-
08-Sep-14	(80,000)	205	(44,932)	-	-	-
09-Sep-14	(15,000)	204	(8,384)	-	-	-
31-Mar-15	<u>19,474,883</u>		<u>19,573,483</u>	<u>5,131,353</u>		<u>5,131,353</u>

	C Shares			D Shares		
	Shares Issued	No. Of Days	Weighted Average	Shares Issued	No. Of Days	Weighted Average
<b>Current Year</b>						
01-Apr-14	6,986,522	365	6,986,522	-	-	-
04-Apr-14	3,949,046	362	3,916,588	-	-	-
29-May-14	2,505,870	307	2,107,677	-	-	-
20-Jan-15	-	-	-	4,000,001	71	778,082
03-Mar-15	-	-	-	1,296,573	29	103,015
31-Mar-15	<u>13,441,438</u>		<u>13,010,787</u>	<u>5,296,574</u>		<u>881,097</u>

There are no potentially dilutive capital instruments in issue and, therefore, no diluted return per share figures are included in these Financial Statements.

Since 31 March 2015 a further 4,132,670 D Ordinary Shares have been issued (see note 15), which will have a dilutive effect going forward on the earnings per share of the relevant share class.

## 10. Financial Assets at Fair Value through Profit or Loss

### Investments

Fair Value Hierarchy:

Level 1: quoted prices on active markets for identical assets or liabilities. The fair value of financial instruments traded on active markets is based on quoted market prices at the balance sheet date. A market is regarded as active where the market in which transactions for the asset or liability takes place with sufficient frequency and volume to provide pricing information on an ongoing basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: the fair value of financial instruments that are not traded on active markets is determined by using valuation techniques. These valuation techniques maximise the use of observable inputs including market data where it is available either directly or indirectly and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: the fair value of financial instruments that are not traded on an active market (for example, investments in unquoted companies) is determined by using valuation techniques such as discounted cash flows. If one or more of the significant inputs is based on unobservable inputs including market data, the instrument is included in level 3.

Assets held for Sale are measured at fair value through profit and loss at the price achieved through the expected sale after the year end.

There have been no transfers between these classifications in the period. Any change in fair value is recognised through the Statement of Comprehensive Income.

Further details of these investments are provided in the Investment Manager's Review and Investment Portfolio.

## Notes to the Financial Statements

### 10. Financial Assets at Fair Value through Profit or Loss (continued)

The Company's Investment Manager performs valuations of financial items for financial reporting purposes, including Level 3 fair values. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

Level 3 valuations include assumptions based on non-observable data with the majority of investments being valued on discounted cash flows or price of recent transactions.

Consideration has been given whether the effect of changing one or more inputs to reasonably possible alternative assumptions would result in a significant change to the fair value measurement. Each unquoted portfolio company has been reviewed in order to identify the sensitivity of the valuation methodology to using alternative assumptions. Where discount rates have been applied to 18% of the unquoted investments, alternative discount rates have been considered. Two alternative scenarios for each investment have been modelled, a more prudent assumption (downside case) and a more optimistic assumption (upside case). Applying the downside alternative, the aggregate value of the unquoted investment would be £0.2 million or 0.6 per cent lower. Using the upside alternative the aggregate value of the unquoted investments would be £0.2 million or 0.6 per cent higher.

Movements in investments held at fair value through the profit or loss during the year to 31 March 2015 were as follows:

#### Year ended 31 March 2015

	Level 3 Unquoted Investments				Total £'000
	Ord Shares £'000	A Shares £'000	C Shares £'000	D Shares £'000	
Opening cost	15,275	3,696	-	-	18,971
Opening investment holding losses	194	172	-	-	366
<b>Opening fair value</b>	<b>15,469</b>	<b>3,868</b>	<b>-</b>	<b>-</b>	<b>19,337</b>
Purchases at cost	199	-	13,276	7,432	20,907
Disposal proceeds	(150)	(220)	(150)	-	(520)
Realised gains	-	(1)	-	-	(1)
Investment holding gains	926	541	-	-	1,467
Reclassification as financial assets held for sale	(8,557)	(3,298)	-	-	(11,855)
<b>Closing fair value at 31 March 2015</b>	<b>7,887</b>	<b>890</b>	<b>13,126</b>	<b>7,432</b>	<b>29,335</b>
Closing cost	7,759	875	13,126	7,432	29,192
Closing investment holding gains	128	15	-	-	143

#### Year ended 31 March 2014

	Level 3 Unquoted Investments				Total £'000
	Ord Shares £'000	A Shares £'000	C Shares £'000	D Shares £'000	
Opening cost	29,285	4,000	-	-	33,285
Opening investment holding (losses)/gains	(217)	85	-	-	(132)
<b>Opening fair value</b>	<b>29,068</b>	<b>4,085</b>	<b>-</b>	<b>-</b>	<b>33,153</b>
Purchases at cost	2,508	-	-	-	2,508
Disposal proceeds	(16,442)	(304)	-	-	(16,746)
Realised gains/(losses)	111	-	-	-	111
Investment holding losses	224	87	-	-	311
<b>Closing fair value at 31 March 2014</b>	<b>15,469</b>	<b>3,868</b>	<b>-</b>	<b>-</b>	<b>19,337</b>
Closing cost	15,275	3,696	-	-	18,971
Closing investment holding losses	194	172	-	-	366

## Notes to the Financial Statements

### 10. Financial Assets at Fair Value through Profit or Loss (continued)

All investments are designated as fair value through the profit or loss at the time of acquisition and all capital gains or losses arising on investments are so designated. Given the nature of the Company's venture capital investments, the changes in fair values of such investments recognised in these Financial Statements are not considered to be readily convertible to cash in full at the balance sheet date and accordingly any gains or losses on these items are treated as unrealised.

#### Material disposals during the year

<u>Unquoted Investments</u>	<u>Cost</u>	<u>Opening Valuation</u> £'000	<u>Disposal</u>	<u>Realised Loss</u> £'000
Furnace Managed Services Ltd	150	150	150	-
Drumnahare Biogas Ltd	221	220	219	(1)
	371	370	369	(1)

### 11. Assets Held for Sale

On 22 March 2015, some of the assets owned by the solar PV investee companies were sold. These companies were previously treated as 'Financial Assets at Fair Value through Profit or Loss' but have been reclassified as 'Financial Assets Held for Sale' as of the 31 March 2015 following the Investment Manager's commitment to realise the investments. Prior to reclassification on 22 March 2015, the investments in the solar PV companies were valued at fair value of £7.7 million (derived from the value expected to be realised on disposal), giving rise to an unrealised gain at 31 March 2015 of £1.4 million. Subsequent to reclassification, in line with IFRS 5, the solar PV companies continue to be measured in line with IAS 39. Income for the year relating to these investments amount to £217,000 and expenses were £nil. These assets are fair value through profit and loss and are classified as Level 3 (2014: Level 3). There is no sensitivity in the assumptions.

#### Material Gains recognised during the Year

<u>Unquoted Investments</u>	<u>Opening Valuation</u> £'000	<u>Gain</u> £'000	<u>Closing Valuation</u> £'000
Arraze Ltd	651	149	800
Bandspace Ltd	1,353	297	1,650
Bridge Power Ltd	778	190	968
Campus Link Ltd	761	131	892
Convertibox Services Ltd	950	220	1,170
Core Generation Ltd	649	174	823
Green Energy for Education Ltd	979	149	1,128
Trym Power Ltd	213	61	274

Discussions for the sale of the Company's investments in Anaerobic Digestion businesses to a trade buyer are well advanced. These companies were previously treated as 'Financial Assets at Fair Value through Profit or Loss' but have been reclassified as 'Financial Assets Held for Sale' as of the 28 February 2015 following the Investment Manager's commitment to realise the investments. Subsequent to reclassification, in line with IFRS 5, the companies continue to be measured in line with IAS 39. Income for the year relating to these investments amount to £148,000 and expenses were £nil. These assets are fair value through profit and loss and are classified as Level 3 (2014: Level 3).

## Notes to the Financial Statements

### 12. Receivables

	31 March 2015					31 March 2014			
	Ord.	A	C	D	Total	Ord.	A	C	Total
	Shares £'000	Shares £'000	Shares £'000	Shares £'000		Shares £'000	Shares £'000	Shares £'000	
Receivables	-	-	64	62	126	160	6	-	166
Prepayments and accrued income	33	5	1	-	39	2	1	1	4
	<u>33</u>	<u>5</u>	<u>65</u>	<u>62</u>	<u>165</u>	<u>162</u>	<u>7</u>	<u>1</u>	<u>170</u>

### 13. Cash and Cash Equivalents

Cash and cash equivalents comprise deposits with The Royal Bank of Scotland plc.

### 14. Payables and Accrued Expenses

	31 March 2015					31 March 2014			
	Ord.	A	C	D	Total	Ord.	A	C	Total
	Shares £'000	Shares £'000	Shares £'000	Shares £'000		Shares £'000	Shares £'000	Shares £'000	
Payables	3	-	-	-	3	21	5	-	26
Loan	-	-	-	2,296	2,296	-	-	-	-
Accrued expenses	77	21	86	28	212	77	21	34	132
	<u>80</u>	<u>21</u>	<u>86</u>	<u>2,324</u>	<u>2,511</u>	<u>98</u>	<u>26</u>	<u>34</u>	<u>158</u>

The Company entered into a loan agreement with Triple Point Lease Partners on 18 March 2015 for £2,135,000, in order to facilitate investing in small scale hydro electric power projects in Scotland, so the companies could commence construction prior to shares being allotted under the D Share offer. The terms of the loan are interest charged at 8% only when drawn; and a repayment date of 20 February 2016 but the loan can be repaid early with a 3 day notice period. Since the year end the loan has been repaid in full.

### 15. Share Capital

	<u>Ordinary</u> <u>Shares</u>	<u>A</u> <u>Ordinary</u> <u>Shares</u>	<u>C</u> <u>Ordinary</u> <u>Shares</u>	<u>D</u> <u>Ordinary</u> <u>Shares</u>	<u>Total</u>
Issued & Fully Paid					
Number of Shares in issue at 1 April 2014	19,722,809	5,131,353	6,986,522	-	31,840,684
Movements during the period:					
Shares issued under the C share Offer			6,454,916		6,454,916
Shares issued under the D share Offer				5,296,574	5,296,574
Share buy backs		(247,926)			(247,926)
Number of Shares in issue at 31 March 2015	<u>19,474,883</u>	<u>5,131,353</u>	<u>13,441,438</u>	<u>5,296,574</u>	<u>43,344,248</u>
Movements after year end:					
Shares issued under the D share Offer	-	-	-	8,405,062	8,405,062
	<u>19,474,883</u>	<u>5,131,353</u>	<u>13,441,438</u>	<u>13,701,636</u>	<u>51,749,310</u>
<b>Nominal Value £'000 at 31 March 2015</b>	<b>195</b>	<b>51</b>	<b>134</b>	<b>137</b>	<b>517</b>

The rights attached to each class of share are disclosed in the Directors Report on page 23.

## Notes to the Financial Statements

### 15. Share Capital (continued)

On 17 July 2014 35,291 Ordinary shares were purchased by the Company for cancellation; on 12 August 2014 117,635 Ordinary shares were purchased by the Company for cancellation; on 8 August 2014 80,000 Ordinary shares were purchased by the Company for cancellation; on 28 August 2014 15,000 Ordinary shares were purchased by the Company for cancellation.

At 31 March 2015 a total of 13,441,438 C Shares had been issued under a new share offer.

At 31 March 2015 a total of 5,296,574 D Shares had been issued under a new share offer. Since the year end a further 8,405,062 D Shares were issued bringing the total D Shares issued to 13,701,636 at the date of this report.

### 16. Financial Instruments and Risk Management

The Company's financial instruments comprise VCT qualifying investments, cash balances and liquid resources including debtors and creditors. The Company holds financial assets in accordance with its investment policy detailed in the Strategic Report on page 4.

The following table discloses the financial assets and liabilities of the Company in the categories defined by IAS 39, "Financial Instruments; Recognition & Measurement."

	Total value	Loan and receivables	Financial liabilities held at amortised cost	Designated at fair value through profit or loss
<b>Year ended 31 March 2015</b>				
<b>Assets:</b>				
Financial assets at fair value through profit or loss	29,335	-	-	29,335
Assets held for Sale	11,855	-	-	11,855
Receivables	163	163	-	-
Cash and cash equivalents	993	993	-	-
	<b>42,346</b>	<b>1,156</b>	<b>-</b>	<b>41,190</b>
<b>Liabilities:</b>				
Other payables	2,299	-	2,299	-
Taxation payable	116	-	116	-
Accrued expenses	212	-	212	-
	<b>2,627</b>	<b>-</b>	<b>2,627</b>	<b>-</b>
<b>Year ended 31 March 2014</b>				
<b>Assets:</b>				
Financial assets at fair value through profit or loss	19,337	-	-	19,337
Receivables	166	166	-	-
Cash and cash equivalents	7,426	7,426	-	-
	<b>26,929</b>	<b>7,592</b>	<b>-</b>	<b>19,337</b>
<b>Liabilities:</b>				
Other payables	26	-	26	-
Taxation payable	100	-	100	-
Accrued expenses	132	-	132	-
	<b>258</b>	<b>-</b>	<b>258</b>	<b>-</b>

## Notes to the Financial Statements

### 16. Financial Instruments and Risk Management (continued)

Fixed Asset Investments (see note 10 and note 11) are valued at fair value. Unquoted investments are carried at fair value as determined by the Directors in accordance with current venture capital industry guidelines. The fair value of all other financial assets and liabilities is represented by their carrying value in the balance sheet. The Directors believe that where an investee company's enterprise value, which is equivalent to fair value, remains unchanged since acquisition, that investment should continue to be held at cost less any loan repayments received. Where they consider the investee company's enterprise value has changed since acquisition, that should be reflected by the investment being held at a value measured using a discounted cash flow model.

In carrying out its investment activities, the Company is exposed to various types of risk associated with the financial instruments and markets in which it invests. The Company's approach to managing its risks is set out below together with a description of the nature of the financial instruments held at the balance sheet date:

#### Market Risk

The Company's VCT qualifying investments are held in small and medium-sized unquoted companies which, by their nature, entail a higher level of risk and lower liquidity than investments in large quoted companies. The Directors and Investment Manager aim to limit the risk attached to the portfolio as a whole by careful selection and timely realisation of investments by carrying out rigorous due diligence procedures and by maintaining a spread of holdings in terms of industry sector and geographical location. The Board reviews the investment portfolio with the Investment Manager on a regular basis. Details of the Company's investment portfolio at the balance sheet date are set out on pages 15 to 21.

An increase of 1% in the value of investments would increase the capital profits for the period and the net asset value at 31 March 2015 by £412,000. A decrease of 1% would reduce the capital profits and net asset value by the same amount. A movement of 1% is used as a multiple to demonstrate the impact of varying changes on the capital profits and net asset value of the Company.

#### Interest Rate Risk

Some of the Company's financial assets are interest bearing, of which some are at fixed rates and some at variable rates. As a result, the Company is exposed to interest rate risk arising from fluctuations in the prevailing levels of market interest rates.

Investments made into VCT qualifying holdings are part equity and part loan. The loan element of investments totals £15,092,500 (2014: £10,229,000) and is subject to fixed interest rates for the five year loan terms and as a result there is no cashflow interest rate risk. As the loans are held in conjunction with equity and are valued in combination as part of the enterprise value, fair value risk is considered part of market risk.

The amounts held in variable rate investments at the balance sheet date are as follows:

	31 March 2015	31 March 2014
	£'000	£'000
Cash on deposit	993	7,426
	<u>993</u>	<u>7,426</u>

An increase in interest rates of 1% per annum would not have a material effect either on the revenue for the year or the net asset value at 31 March 2015. The Board believes that in the current economic climate a movement of 1% is a reasonable illustration.

#### Credit Risk

Credit risk is the risk that a counterparty will fail to discharge an obligation or commitment that it has entered into with the Company. The Investment Manager and the Board carry out a regular review of counterparty risk. The carrying value of the financial assets represent the maximum credit risk exposure at the balance sheet date.

	31 March 2015	31 March 2014
	£'000	£'000
Qualifying Investments - Loans	15,092	10,229
Cash on deposit	993	7,426
Receivables	163	166
	<u>16,248</u>	<u>17,821</u>

## **Notes to the Financial Statements**

### **16. Financial Instruments and Risk Management (continued)**

The Company's bank accounts are maintained with The Royal Bank of Scotland plc ("RBS") whose credit quality and financial position are monitored by the Investment Manager.

Credit risk arising on unquoted loan stock held within unlisted investments is considered to be part of market risk as disclosed above.

#### **Foreign Currency Risk**

The Company does not have exposure to material foreign currency risks.

#### **Liquidity Risk**

The Company's financial assets include investments in unquoted equity securities which are not traded on a recognised stock exchange and which are illiquid. As a result the Company may not be able to realise some of its investments in these instruments quickly at an amount close to their fair value in order to meet its liquidity requirements.

The Company's liquidity risk is managed on a continuing basis by the Investment Manager in accordance with policies and procedures laid down by the Board. The Company's overall liquidity risks are monitored by the Board on a quarterly basis.

The Board maintains a liquidity management policy where cash and future cash flows from operating activities will be sufficient to pay expenses. At 31 March 2015 cash amounted to £993,000 (2014: £7,426,000).

### **17. Net Asset Value per Share**

The calculation of net asset value per share for the Ordinary Shares is based on Net Assets of £16,649,000 (2014: £15,587,000) divided by the 19,474,883 (2014: 19,722,809) Ordinary Shares in issue.

The calculation of net asset value per share for the A Ordinary Shares is based on Net Assets of £4,465,000 (2014: £4,215,000) divided by the 5,131,353 (2014: 5,131,353) A Ordinary Shares in issue.

The calculation of net asset value per share for the C Ordinary Shares is based on Net Assets of £13,409,000 (2014: £6,873,000) divided by the 13,441,438 (2014: 6,986,522) C Ordinary Shares in issue.

The calculation of net asset value per share for the D Ordinary Shares is based on Net Assets of £5,198,000 (2014: £nil) divided by the 5,296,574 (2014: none) D Ordinary Shares in issue.

### **18. Commitments and Contingencies**

The Company has no outstanding commitments or contingent liabilities.

### **19. Relationship with Investment Manager**

During the period, TPIM received £612,188 which has been expensed (2014: £358,497) for providing management and administrative services to the Company. At 31 March 2015 £288,397 was owing to TPIM (2014: £100,453).

### **20. Related Party Transactions**

During the year the Company entered into a short term loan agreement with Triple Point Lease Partners ("TPLP"). TPIM is the Investment Manager of the Company and is the operator of TPLP.

## ***Notes to the Financial Statements***

### **21. Post Balance Sheet Events**

During the year the Company's Shareholders approved proposals for a new D Class Share Offer. At 31 March 2015 5,296,574 shares had been issued. Since 31 March 2015 a further 8,405,062 D Shares have been issued.

During April, a further £10.8 million was invested by the D Share Fund and the Ordinary Share Fund into companies investing in small scale hydro electric power projects in Scotland. The Company entered into a second loan agreement on 1 April 2015 to facilitate short term funding so the investee companies could commence construction prior to funds being available. Since then the loan facility has been partly repaid from allotments and loan repayments leaving £2.5 million outstanding at the date of this report.

### **22. Dividends**

The Board paid a dividend to A Class shareholders of £318,144 equal to 6.2p per share on 25 July 2014 to shareholders on the register on 11 July 2014.

The Board has resolved to pay a further dividend to A Class Shareholders of £256,568 equal to 5p per share which will be paid on 24 July 2015 to shareholders on the register on 10 July 2015.

The Board has resolved to pay a further dividend to Ordinary Class Shareholders of £973,744 equal to 5p per share which will be paid on 24 July 2015 to shareholders on the register on 10 July 2015.

## **Information**

### **Details of Advisers**

#### **Secretary and Registered Office:**

Triple Point Investment Management LLP  
18 St Swithin's Lane  
London  
EC4N 8AD

#### **Registered Number**

6421083

#### **FCA Registration number**

659457

#### **Investment Manager and Administrator**

Triple Point Investment Management LLP  
18 St Swithin's Lane  
London  
EC4N 8AD

Tel: 020 7201 8989

#### **Independent Auditor**

Grant Thornton UK LLP  
Chartered Accountants and Statutory Auditor  
30 Finsbury Square  
London  
EC2P 2YU

#### **Solicitors**

Howard Kennedy LLP  
No. 1 London Bridge  
London  
SE1 9BG

#### **Registrars**

Neville Registrars Limited  
Neville House  
18 Laurel Lane  
Halesowen  
West Midlands  
B63 3DA

#### **VCT Taxation Advisers**

Robertson Hare LLP  
First floor  
4-6 Staple Inn  
Holborn  
London  
WC1V 7QH

#### **Bankers**

The Royal Bank of Scotland plc  
54 Lime Street  
London  
EC3M 7NQ

## ***Shareholder Information***

### *The Company*

Triple Point Income VCT plc (formerly TP70 2008(I) VCT plc) is a Venture Capital Trust. The Investment Manager is Triple Point Investment Management LLP.

The Company's investment strategy is to offer combined exposure to cash or cash based funds and venture capital investments focused on companies with contractual revenues from financially secure counterparties. Initially investment exposure was intended to be predominantly to cash and cash based funds. By the end of the accounting period commencing no more than three years after VCT approval was given it was intended that at least 70% of the fund would be committed to VCT qualifying holdings with up to 30% remaining exposed to cash and cash based funds.

### *Financial Calendar*

The Company's financial calendar is as follows:

30 July 2015	Annual General Meeting
November 2015	Interim report for the six months ending 30 September 2015 despatched
June 2016	Results for the year to 31 March 2016 announced; Annual Report and Financial Statements published.

# Notice of Annual General Meeting

NOTICE is hereby given that the Annual General Meeting of Triple Point Income VCT plc will be held at 18 St. Swithin's Lane, EC4N 8AD at 9.45am on Thursday, 30 July 2015 for the following purposes:

## Ordinary Business

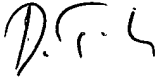
1. To receive, consider and adopt the Report of the Directors and Financial Statements for the year ended 31 March 2015 (*Ordinary Resolution*).
2. To approve the policy set out in the Directors' Remuneration Report for the year ended 31 March 2015 (*Ordinary Resolution*).
3. To approve the implementation report set out in the Directors' Remuneration Report for the year ended 31 March 2015 (*Ordinary Resolution*).
4. To re-elect Simon Acland as a Director (*Ordinary Resolution*).
5. To re-appoint Grant Thornton UK LLP as auditor and authorise the Directors to agree their remuneration (*Ordinary Resolution*).

## Special Business

6. That the Company be and is hereby authorised in accordance with s701 of the Companies Act 2006 (the "Act") to make one or more market purchases (as defined in section 693(4) of the Act) of Ordinary Shares, A Shares, C Shares and D Shares provided that:
  - (i) the maximum aggregate number of Ordinary Shares authorised to be purchased is an amount equal to 10% of the issued Ordinary Shares as at the date of this Resolution;
  - (ii) the maximum aggregate number of A Shares authorised to be purchased is an amount equal to 10% of the issued A Shares as at the date of this Resolution;
  - (iii) the maximum aggregate number of C Shares authorised to be purchased is an amount equal to 10% of the issued C Shares as at the date of this Resolution;
  - (iv) the maximum aggregate number of D Shares authorised to be purchased is an amount equal to 10% of the issued D Shares as at the date of this Resolution;
  - (v) the minimum price which may be paid for an Ordinary Share, an A Share, a C Share or a D Share is 1 pence;
  - (vi) the maximum price which may be paid for an Ordinary Share, an A Share, a C Share or a D Share is an amount, exclusive of expenses, equal to 105 per cent. of the average of the middle market prices for the Ordinary Shares, A Shares, C Shares and D Shares as derived from the Daily Official List of the UK Listing Authority for the five business days immediately preceding the day on which that Ordinary Share, A Share, C Share or D Share (as applicable) is purchased; and
  - (vii) this authority shall expire either at the conclusion of the next Annual General Meeting of the Company or 15 months following the date of the passing of this Resolution, whichever is the first to occur (unless previously renewed, varied or revoked by the Company in general meeting), provided that the Company may, before such expiry, make a contract to purchase its own shares which would or might be executed wholly or partly after such expiry, and the Company may make a purchase of its own shares in pursuance of such contract as if the authority hereby conferred had not expired. (*Special Resolution*).
7. That, subject to approval of the High Court of Justice, the amount standing to the credit of the share premium account of the Company at the date of the Court Order granting the cancellation is made, be approved (*Special Resolution*).

# Notice of Annual General Meeting

By Order of the Board



David Frank  
Director

Registered Office:  
18 St Swithin's Lane  
London  
EC4N 8AD

24 June 2015

Notes:

- (i) A member entitled to vote at the Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on his or her behalf. A proxy need not be a member of the Company.
- (ii) A form of proxy is enclosed. To be effective, the instrument appointing a proxy (together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority) must be deposited at or posted to the office of the registrars of the Company, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, so as to be received not less than 48 hours before the time fixed for the Meeting. Completion and return of the form of proxy will not preclude a member from attending or voting at the Meeting in person if he or she so wishes.
- (iii) Members who hold their shares in uncertificated form must be entered in the Company's register of Members 48 hours before the Meeting to be entitled to attend or vote at the Meeting. Such shareholders may only cast votes in respect of Ordinary Shares held by them at such time.
- (iv) Copies of the service contracts of each of the Directors, the register of Directors' interests in shares of the Company kept in accordance with the Listing Rules and a copy of the Memorandum and Articles of Association of the Company, will be available for inspection at the registered office of the Company during usual business hours on any week day (Saturdays, Sundays and public holidays excepted) from the date of this notice until the date of the Annual General Meeting and at the place of the Annual General Meeting from at least 15 minutes prior to and until the conclusion of the Annual General Meeting.

# Form of Proxy

Relating to the 2015 Annual General Meeting of Triple Point Income VCT plc

I/We.....

BLOCK CAPITALS PLEASE – Name in which shares registered

of.....

or failing him/her the Chairman of the meeting to be my/our proxy and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 9.45am on Thursday 30 July 2015, notice of which was sent to shareholders with the Directors' Report and the Accounts for the period ended 31 March 2015, and at any adjournment thereof. The proxy will vote as indicated below in respect of the resolutions set out in the notice of meeting:

Resolution number	For	Against	Withheld
1. To receive, consider and adopt the Report of the Directors and the Financial Statements for the year ended 31 March 2015.			
2. To approve the policy set out in the Directors' Remuneration Report for the year ended 31 March 2015.			
3. To approve the implementation of the report set out in the Directors' Remuneration Report for the year ended 31 March 2015.			
4. To re-elect Simon Acland as a Director.			
5. To re-appoint Grant Thornton UK LLP as auditor and authorise the Directors to agree their remuneration.			
6. To authorise the Directors to make market purchases of the Company's own shares (Special Resolution).			
7. To approve the cancellation of the share premium account (Special Resolution).			

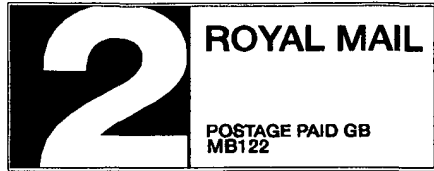
Signed: ..... Dated: .....2015

## Notes

1. A member wishing to appoint a person other than the Chairman of the meeting as proxy should insert the name and address of such person in the space provided.
2. Use of the proxy form does not preclude a member from attending and voting in person.
3. Where this form of proxy is executed by a corporation it must be either under its seal or under the hand of an officer or attorney duly authorised.
4. If the proxy form is signed and returned without any indication as to how the proxy shall vote, the proxy will exercise his/her discretion as to whether and how he/she votes.
5. To be valid, the proxy form must be received by Neville Registrars at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA no later than 48 hours before the commencement of the meeting.

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BUSINESS REPLY SERVICE  
Licence No



**Neville Registrars Limited**  
**Registrars for Triple Point Income VCT plc**  
**Neville House**  
**18 Laurel Lane**  
**Halesowen**  
**West Midlands B63 3DA**

First Fold

Second fold