



Triple Point

ANNUAL REPORT  
**TRIPLE POINT**  
INCOME VCT PLC

FOR THE YEAR ENDED  
31 MARCH  
**2020**



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## Financial Summary

Triple Point Income VCT plc ("the Company") is a Venture Capital Trust ("VCT"). The Investment Manager is Triple Point Investment Management LLP ("TPIM"). The Company was incorporated in November 2007.

- **C Ordinary Share Fund ("C Shares"):** these are the shares issued in the Offer that closed on 27 May 2014. A total of £14 million was raised and 13,441,438 C Shares were issued.
- **D Ordinary Share Fund ("D Shares"):** these are the shares issued in the Offer that closed on 30 April 2015. A total of £14.3 million was raised and 13,701,636 D Shares were issued.
- **E Ordinary Share Fund ("E Shares"):** these are the shares issued in the Offer that closed on 15 May 2017. Just under £30 million was raised and 28,949,575 E Shares were issued.

The Strategic Report on pages 9 to 53, the Directors' Report on pages 71 to 74, the Corporate Governance Statement on pages 56 to 60 and the Directors' Remuneration Report on pages 66 to 70 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 2020.

### YEAR ENDED 31 MARCH 2020

		Ord Shares	C Shares	D Shares	E Shares	Total
Net assets	£'000	-	11,406	8,559	29,442	49,407
Net asset value per share	Pence	-	84.87p	62.46p	101.69p	-
Net profit before tax	£'000	-	746	86	1,217	2,049
Earnings per share	Pence	-	5.29p	0.12p	4.13p	-

#### Cumulative return to Shareholders (p)

Net asset value per share	-	84.87	62.46	101.69	-
Dividends paid	-	70.00	65.00	5.00	-
Net asset value plus dividends paid	-	154.87	127.46	106.69	-

### YEAR ENDED 31 MARCH 2019

		Ord Shares	C Shares	D Shares	E Shares	Total
Net assets	£'000	-	18,088	16,077	29,691	63,856
Net asset value per share	Pence	-	134.58p	117.34p	102.56p	-
Net profit before tax	£'000	35	3,652	2,083	1,263	7,033
Earnings per share	Pence	0.07p	26.74p	14.36p	4.24p	-

#### Cumulative return to Shareholders (p)

Net asset value per share	-	134.58	117.34	102.56	-
Dividends paid	97.87	15.00	10.00	-	-
Net asset value plus dividends paid	97.87	149.58	127.34	102.56	-

## Key Highlights

### C Share Class

Dividend per C Share

**55.00p**

Year ended 31 Mar 2019: 5.00p

### D Share Class

Dividend per D Share

**55.00p**

Year ended 31 Mar 2019: 5.00p

### E Share Class

Dividend per E Share

**5.00p**

Year ended 31 Mar 2019: Nil

Net Asset Value  
per C Share

**84.87p**

Year ended 31 Mar 2019: 134.58p

Net Asset Value  
per D Share

**62.46p**

Year ended 31 Mar 2019: 117.34p

Net Asset Value  
per E Share

**101.69p**

Year ended 31 Mar 2019: 102.56p

Total Return per  
C Share\*

**154.87p**

Year ended 31 Mar 2019: 149.58p

Total Return per  
D Share\*

**127.46p**

Year ended 31 Mar 2019: 127.34p

Total Return per  
E Share\*

**106.69p**

Year ended 31 Mar 2019: 102.56p

Realisation Proceeds

**£7.07m**

Realisations of investments and  
loan repayments generated total  
proceeds for the Company of  
£7.07 million.

Ongoing Charges Ratio\*\*

**2.70%**

The ongoing charges ratio is a ratio  
of annualised ongoing charges  
expressed as a percentage of  
average net asset values throughout  
the year. (2019: 2.15%)

## Key Highlights

\*Total Return is made up by current Net Asset Value plus Dividends paid to date. More information on Total Return is on page 21.

Total Return and \*\*Ongoing Charges Ratio are defined as Alternative Performance Measures ("APM"). The Board considers Total Return to be the primary measure of shareholder value. The Ongoing Charges Ratio ("OCR") shows the drag on performance caused by operational expenses. This OCR shows the annual costs of the VCT as a percentage of its average asset value during the year.

The Annual Report contains a number of APMs. APMs are financial measures that are in addition to those defined or specified in the Company's reporting framework.

ALL OUR  
SHARE  
CLASSES ARE  
FULLY  
INVESTED,  
AND ALL  
COMPANIES  
ARE FULLY  
OPERATIONAL

# CHAIRMAN'S STATEMENT



## Chairman's Statement



**David Frank**  
Chairman

I am writing to present the Financial Statements for Triple Point Income VCT plc for the year ended 31 March 2020.

I am writing this at a time when we have all been facing unprecedented, uncertain and challenging times, as a result of the COVID-19 pandemic. Businesses, economies, supply chains and consumer habits in the UK and globally are unquestionably facing challenges greater than most will have seen before. Given the rapid and continuing evolution of the situation, it is difficult to know the full extent of the economic impact that the COVID-19 pandemic will have on the UK and businesses or how long it may last. Society and industry will of course recover, but now more than ever is the time to be grateful for stability.

In the short term many companies across the economy are facing varying degrees of pressure on their revenue lines. For some it will just be a slow-down in their sales growth as acquiring new customers becomes difficult in the next few months, while for others it will be an actual contraction in sales.

**Despite the current challenges that many businesses will be currently facing, discussed above, the Board and the Company believe that there has been minimal impact across all share classes as a result of COVID-19. We believe that the revenue lines of our investee companies are robust and will continue despite the pandemic.**

All of our share classes have exposure to hydroelectric companies. The companies currently benefit from inflation linked Feed in Tariff ("FiTs") Income and have all recently signed up to new 12-month fixed price power purchase agreements ("Export") with one of the "big six" energy providers. The revenue stack of our Hydro assets is currently weighted c.75% FiT and c.25% Export. Both the FiT element and the portion of the Export tariff, which is made up by embedded benefits, should not be affected by the fall in energy prices. Consequently, we do not expect the hydroelectric companies to be materially impacted by the current volatility we are witnessing in the energy markets.

Our E Share Class holds a gas power company, in a sector which has exposure to the recent decline in wholesale energy prices. Spark-spreads (the difference between the price of gas used to produce electricity and the electricity produced) have narrowed, reducing

# Chairman's Statement

gross margins, although despite the changing electricity demand profile, it still remains highly profitable for our gas power asset to run during the evening peak. Over the long term industry experts believe prices will revert to historical norms and therefore the recent volatility is expected to have only a negligible impact on this business.

The E Share Class also holds investments in several businesses which operate rooftop solar installations. These solar installations require a relatively low level of human presence and we therefore expect to be able to maintain normal operations without significant disruption and impairment to revenues. There are risks, albeit low, surrounding repair or maintenance work due to potential supply chain constraints. This risk is consistent across the portfolio but is considered minor.

The rooftop solar assets are the beneficiaries of inflation linked income through FITs or Renewable Obligation Certificates. The impact of COVID-19, and the Government's response to it, should therefore be relatively minor on these revenue streams and not materially impact the ongoing NAV of these businesses.

We continue to monitor the risk of disruption, particularly to international supply chains for spares, but to date neither site visits nor maintenance requirements have been significantly affected by the pandemic.

Around 50% of food in the UK is imported and the COVID-19 pandemic has highlighted the need for greater food security here in the UK. The UK food chain is changing rapidly and dramatically as a result. The UK currently is heavily reliant on imports of fresh fruit and vegetables, especially during March to May when food importing hits its annual peak. In addition to this, the farming industry is predominantly staffed by overseas workers and with both Brexit and COVID-19, seasonal workers are struggling to travel into the UK. The food system in the UK is under great strain and it is impossible to predict the time frame within which the food system will return to a stable footing.

The E Share Class investment into the vertical growing solution, Perfectly Fresh Cheshire Limited ("PFC"), is helping bridge this gap. The business continues to operate despite the obstacles provided by COVID-19; however, its high care nature does bring additional complications. The team have been working around the clock to ensure business continues as normal where possible. Through this period, PFC has liaised closely with its main customer in its response to COVID-19, and I am delighted to say that they have been able to greatly support them with the product continuing to be grown, delivered on time and as requested.

As the UK begins to return to a sense of normality, society and industry will of course recover from the crisis, but now is the time to look towards long-term opportunity.

**As the need for greater food security is increased and this issue becomes more prevalent on the Government agenda, we believe PFC is in a position to exploit these opportunities, as a solution that looks to offer a guaranteed food yield and a lower environmental impact.**

I am pleased to say that all our Share Classes are fully invested, and all companies are fully operational. We believe that these companies should continue to operate as normal.

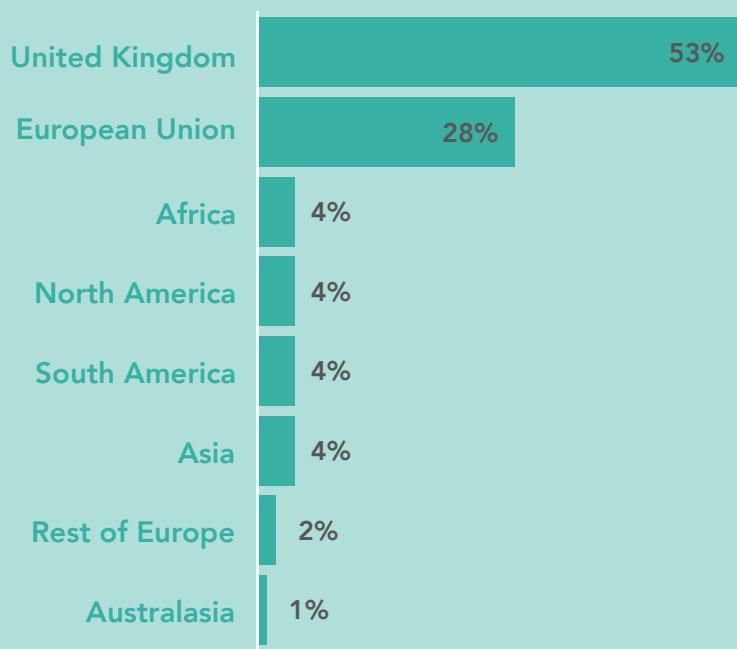
## Investment Portfolio

The Company's funds at 31 March 2020 are 99% invested in a portfolio of VCT qualifying and non-qualifying quoted and unquoted investments.

The Investment Manager's review on pages 31 to 44 gives an update on the portfolio of investments in 18 small unquoted businesses and one quoted Real Estate Investment Trust.



## Largest food suppliers to the United Kingdom by Location



The ongoing COVID-19 pandemic has highlighted the need for greater food security here in the UK. The food system in the UK is under great strain and it is impossible to predict the time frame within which the food system will return to a stable footing.

Our investment into the vertical growing solution, PFC, is helping bridge the gap, the business continues to operate despite the obstacles provided by COVID-19.

# Chairman's Statement

## C Share Class

The C Share Class has investments in three companies in the Hydroelectric Power sector which between them own six hydroelectric schemes in the Scottish Highlands. The C Share Class has also invested in companies which provide SME funding to the Hydroelectric Power sector.

**I am pleased to report the C Share Class portfolio continues to perform well and has recorded a profit over the period of 5.29 pence per share and as at 31 March 2020 the NAV per share stood at 84.87 pence per share.**

During the year C Class Shareholders were paid total dividends of 55 pence per share. This was enabled by a combination of investment realisations and a small amount of borrowing: more detail on the borrowing can be seen in the upcoming D Share Class Section.

In total during the year £7.39 million was returned to C Class Shareholders, taking total dividends paid to C Shareholders to date to 70 pence per share.

One of the core targets of the C Share Class was to deliver to investors a cash return of 100 pence per share by the end of year six. It was initially intended that this return would be derived from a combination of the initial income tax rebate, tax-free dividends in years two, three, four and five, followed by a substantial capital realisation in year six.

During the year, we achieved our goal of returning to C Share Shareholders (including the initial income tax relief) 100 pence per share. This is an excellent achievement and I would like to thank the Investment Manager for all their hard work in helping the Company reach this milestone for its C Class Shareholders.

Looking to the future, the C Share Class now moves into its income generation stage, where we are targeting an ongoing dividend of ~3.50p per annum. I am delighted to say we have achieved this target and can announce a further dividend of 3.5 pence per share will be paid on 30 June 2020.



Hydroelectric  
Companies

## Dividend Payments

5.00p	8 Jul 2016
5.00p	14 Jul 2017
5.00p	26 Jul 2018
5.00p	25 Jul 2019
21.00p	19 Dec 2019
29.00p	25 Mar 2020

**Total Dividends of  
70 Pence Per Share**

## Chairman's Statement

### D Share Class

The D Share Class has investments in five companies in the Hydroelectric Power sector which between them own six hydroelectric schemes in the Scottish Highlands.

I am pleased to report the D Share Class portfolio continues to perform and has recorded a profit over the period of 0.12 pence per share and as at 31 March 2020 the NAV per share stood at 62.46 pence per share.

During the year, the Company paid two dividends to Shareholders, its third 5 pence per share dividend along with a significant return of capital worth 50 pence per share.

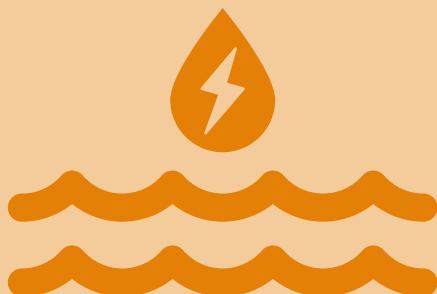
Along with the C Share Class, one of the core targets of the D Share Class was to deliver to Shareholders a cash return of 100 pence per share by the end of year six. It was initially intended that this return would be derived from a combination of the initial income tax rebate, tax-free dividends in years two, three, four and five, followed by a substantial capital realisation in year six.

I am delighted to say that with the declaration of the latest 5 pence per share dividend we have achieved this target. In order to help achieve the dividend and partial realisation target, the Company put in place a loan facility for £2.7 million. Of this facility £2.3 million was drawn during the period. The loan attracts interest at 4.5%, it is not envisaged the Company will draw the remaining funds available under the current facility.

Following the payment of the next 5 pence per share dividend, we will have achieved our goal of returning to Shareholders (including the initial income tax relief) 100 pence per share. This result has been achieved a year ahead of target and represents an excellent achievement. I would like to thank the Investment Manager for all their hard work in helping the Company reach this milestone for its D Class Shareholders.

Looking to the future, the D Share Class now moves into its income generation stage, where we are targeting an ongoing dividend of ~3.50p per annum.

Another highlight during the year for the D Share Class, in line with the way the investment was structured, was the sale of its holding in one of the hydroelectric schemes, Green Highland allt Garbh Limited. The D Share Class received net proceeds in excess of £2.71 million from the sale. This disposal helped to contribute significantly to the dividend and partial realisation target I discussed earlier.



Hydroelectric  
Companies

### Dividend Payments

5.00p	14 Jul 2017
5.00p	26 Jul 2018
5.00p	25 Jul 2019
50.00p	25 Mar 2020

Total Dividends of  
**65 Pence Per Share**

# Chairman's Statement

## E Share Class

The E Share Class benefits by being the owner of an established, income-producing portfolio of investments spanning Hydroelectric Power, Crematorium Management, Gas Fired Energy Centres, Solar PV, Vertical Growing and SME Lending.

The construction of a pioneering Vertical Growing facility by PFC is now complete. The company continues to work towards achieving full capacity and has the full support of its main customer. Vertical growing produces crops in a controlled environment ensuring optimal growing conditions all year round. PFC provides their customers with a sustainable, resource efficient premium product, which is helping reduce their carbon footprint, with distribution from within the UK. The business has seen an uplift of £1.28 million on its valuation. This represents a 10% annual return on the initial investment of £5 million. The investment is structured in such a way that the Company will benefit from a priority return up to 10% per annum and will share in any excess above this hurdle rate.

Further information on this investment is included in the Investment Manager's Review on pages 32 to 43.

**The E Share Class declared a second dividend of 6.5 pence per share on 4 June 2020. This dividend will be paid to Shareholders on 30 June 2020. This will take total dividends paid to E Shareholders of 11.5 pence per share.**

## Dividend Payments

5.00p

25 Mar 2020



Hydroelectric Power



Gas Fired Energy Centre



Solar PV



Vertical Growing

# Chairman's Statement

## Share buy-backs

The Company aims, subject to distributable reserves and liquidity, to be willing to buy back the Company's shares in the market at a 10% discount to NAV.

There were no Share buy-backs made during the year.

## VCT qualifying status

The Company has maintained its approved VCT status with HM Revenue & Customs. The Company's compliance with the VCT qualifying conditions is closely monitored by the Board, who receive regular reports from the Investment Manager and from our VCT taxation advisers Philip Hare & Associates LLP.

## VCT legislation and regulation

In previous communications with Shareholders we have highlighted changes to the VCT landscape with the government, through its "Financing Growth in Innovative Firms" consultation ("the Patient Capital Review") emphasising the importance of VCTs in helping to provide investments into SMEs.

As part of the Patient Capital Review, several changes were introduced, including increasing a VCT's minimum qualifying percentage threshold from 70% to 80%. This change came into effect for the Company from 1 April 2020. The Investment Manager has been monitoring this target very closely since it was announced and I am pleased to say that the Company complied fully during the year and now also continues to comply with the updated rules since the year end.

A number of other measures have also applied to the Company for the first time in the current financial year. From 1 April 2020, the Company benefited from an increased disregard period available before the proceeds of investment disposals become non-qualifying. This disregard period was increased from six months to twelve months.

This additional time may prove helpful in the event of any future significant disposals.

In the case of the D Share class disposal of Green Highland Allt Garbh Limited, the proceeds of this disposal were paid out to Shareholders during the year, within six months of disposal.

We will continue to work closely with the Investment Manager to ensure the Company maintains compliance with the VCT scheme rules.

## Outlook

The future has never been more uncertain. The Company is very mindful that the economic disruption in the next few months will be severe and many small companies, including those across the UK and beyond, will have to assume that sales opportunities could be greatly diminished.

The recovery from COVID-19 may be slow, depending on how policies associated with virus containment evolve. We are fortunate that our portfolio of electricity generating assets can continue to produce electricity and should give the Company stability in turbulent times.

We will also be focusing on the positives that will come from this crisis. An economic shock like this will no doubt change some behaviours permanently and may lead many to think hard about how they run their businesses. We believe that through our investment in PFC we will be in a position to capitalise on the positives to emerge from this crisis.

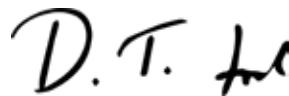
We are optimistic that PFC can play an important part, during what we expect to be a paradigm shift from industrial agriculture to diversified agroecological and enhanced technological systems as this becomes prominent and on the agenda of governments.

## Brexit

Whilst it would seem that Brexit has taken a back seat in the UK, along with COVID-19, the political and economic environment continues to remain uncertain. Despite this, it is still very unclear as to what the eventual result of the ongoing negotiations between Britain and the rest of the EU will look like. Given the UK focus of the Company and the sectors the Company operates within, we do not expect that Brexit will have a significant impact on the current operations of the Company.

I would like to take this opportunity to thank Shareholders for your continued support, and our Investment Manager for their support and commitment during the year.

If you have any questions about your investment, please do not hesitate to contact the Investment Manager on 020 7201 8990.



David Frank

Chairman

15 June 2020

# COMPANY STRATEGY AND BUSINESS MODEL



# Company Strategy and Business Model

The Strategic Report 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.

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

## Investment Policy

### Investment Objectives

The Company's main focus is to generate returns from a portfolio of investments in companies based in the UK in order to make regular tax-free dividends.

The Company's Investment Policy was adopted and approved by Shareholders before recent changes to the rules for VCT-qualifying investments and applies to the existing investment portfolio. The Company recognises that it is likely that any new Qualifying Investments would require amendment to the Investment Policy. In order for the Company to amend the Investment Policy, any amendments would require Shareholder approval. As the Company is fully invested and has no intention, at present, to raise additional funds, it is unlikely that the Investment Policy will be amended in the medium term.

The key objectives of the Company are to:

- a. Pay regular tax-free dividends to investors;
- b. Maintain VCT status to enable investors to benefit from the associated tax reliefs;
- c. Reduce the volatility normally associated with early stage investments by applying its Investment Policy;
- d. In respect of the C Shares and the D Shares, provide investors with the opportunity to exit shortly after 16 years following investment with a partial return of funds to Shareholders after 6 years; and
- e. In respect of the E Shares, provide investors with the opportunity to exit between 10 and 12 years following investment with a possible early partial return of funds to Shareholders if market conditions present such an opportunity.

The Company will not vary these objectives to any material extent without the approval of the Shareholders.

The Company's Investment Policy has been designed to satisfy the legislative requirements of the VCT scheme and to provide stable and readily realisable returns. The Company's Investment Policy is directed towards new investments into cash generative businesses which are operating in stable or mature fields with a high-quality customer base and which can provide a positive return to investors. The Board may on occasion, where deemed appropriate, invest in less mature or stable fields where there is the opportunity for substantial growth and development. The investments will be made with the intention of growing and developing the revenues and profitability of the target businesses to enable them to be considered for traditional forms of bank finance and other funding. This, in turn, should enable the Company to benefit from refinance gains or from a favourable sale to a third party.

As identified in the Chairman's Statement, the outcome of the Government's Patient Capital Review was announced in the Autumn Budget in 2017. Although the landscape of VCTs has been affected the Investment Policy of the Company will continue to aim for regular tax-free dividends, maintenance of the VCT qualifying status and to minimise the volatility associated with early stage investments.

In respect of Qualifying Investments, the Company will seek:

- a. Investments on which robust due diligence has been undertaken;
- b. Investments where there is access to regular material financial and other information;
- c. Investments where it may be possible to mitigate capital losses through careful analysis of the collateral available; and
- d. Investments where there is a strong relationship with the key decision makers.

### Target Asset Allocation

The Company aims to invest its capital fully in VCT Qualifying Investments. Where this is not practicable, the long-term investment profile of the Company is expected to be:

- At least 80% in VCT Qualifying Investments; and
- A maximum of 20% in permitted Non-Qualifying Investments, cash or cash-based similar liquid investments.

# Company Strategy and Business Model

## Qualifying Investments

The key ongoing objective of the Company is to generate an attractive return for investors, through a combination of tax-free income and capital appreciation.

The Company will pursue investments in a range of industries but the type of business being targeted is subject to the specific investment criteria discussed below. The objective is to build a portfolio of unquoted companies which are cash generative and, therefore, capable of producing income and capital repayments to the Company prior to their disposal by the Company.

Although invested in diverse industries, it is intended that the Company's portfolio will comprise companies with certain characteristics, for example clear commercial and financial objectives, strong customer relationships and, where possible, tangible assets with value. TPIM will focus on identifying businesses typically with contractual revenues from financially sound counterparties or a stream of predictable transactions with multiple clients.

Businesses with assets providing valuable security may also be considered. The objective is to reduce the risk of losses through reliability of cash flows or quality of asset backing and to provide investors with tax-free income. The criteria against which investment targets would be assessed will include the following:

- a. An attractive valuation at the time of the investment;
- b. Managed risk of capital losses;
- c. The quality of the company's cash flows;
- d. The quality of the businesses' counterparties, suppliers and market position;
- e. The sector in which the business is active;
- f. The quality of the company's assets;
- g. The opportunity to structure an investment that can produce distributable income;
- h. The potential for growing and developing the revenues and profitability of the company to enable it to be considered for traditional forms of bank finance and other funding; and
- i. The ability to facilitate an exit which enables the Company to meet its key investment objective of returning funds in line with shareholder expectations.

As the value of investments increase the Company's Investment Manager will monitor opportunities for the Company to realise capital gains to enable the Company to make tax-free distributions to Shareholders.

## Non-Qualifying Investments

The Non-Qualifying Investments will be managed with the intention of generating a positive return. The Non-Qualifying Investments will comprise from time to time a variety of assets including (a) short-term deposits of money, shares or units in alternative investment funds (which have the meaning given by regulation 3 of the Alternative Investment Fund Managers Regulations 2013) or in undertakings for the collective investment in transferable securities (which have the meaning given by Section 363A(4) of the Taxation (International and Other Provisions) Act 2010), which may be repurchased, redeemed, or paid out on no more than seven days' notice; and (b) ordinary shares or securities in a company which are acquired on a regulated market (defined in Section S274(4) ITA 2007).

## Borrowing Powers

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 NAV at the time of any borrowing.

During the year, the Company entered into a short-term facility agreement with Triple Point Lease Partners ("TPLP"). TPLP is a business that specialises in leasing, lending and infrastructure financing with the public sector (Local Authorities and the NHS) and corporates and is also managed by the Investment Manager.

The secured facility was for £2.7 million at a fixed rate of 4.5% per annum. The facility was put in place to refinance a portfolio of the hydroelectric assets to enable the C and D Share Classes to pay a dividend. This was in line with the original mandate of both share classes. At the year-end there was £2.3 million outstanding, with a further £0.4m of the facility still in place. More information on this can be found on page 95 in the notes to the financial statements. The facility is a short-term facility, and the Company will maintain an active dialogue with the lender surrounding the timing of future repayment of the facility. While the Company may not currently have sufficient resources to repay the loan without realising investments, the Board and the Investment Manager believe that the risk around the facility not being extended is extremely low. As a precautionary measure, the Company has entered into a similar facility agreement with a different lender on the same key terms, but which includes a two year availability period and a three year term. This agreement was put in place to mitigate the risk of the existing loan facility not being extended by the existing lender.

# Company Strategy and Business Model

## Risk Diversification

The Company aims to invest in a number of different businesses within different industry sectors but may focus investments in a single sector where appropriate to do so. No single investment by the Company will represent more than 15% of the aggregate NAV of the Company at the time the investment is made.

## Valuation Policy

All unquoted investments will be valued in accordance with BVCA or similar guidelines under which investments are not normally re-valued above cost within twelve months of acquisition unless third party funding has occurred. A brief summary of the BVCA guidelines as it applies to investments is as follows:

- Investments should be reported at fair value where this can be reliably determined by the Board on the recommendation of the Investment Manager;
- That this price is a proxy for fair value;
- In estimating fair value for an investment, the valuation methodology applied should be the most appropriate for a particular investment. Such methodologies, including the price of the recent investment, earnings multiples, net assets, discounted cash flows or earnings and industry valuation benchmarks, should be applied consistently; and
- If fair value cannot be reliably measured, transaction price is used for valuing investments where it is believed that this price is a proxy for fair value.

The December 2018 update to the IPEV Guidelines discourages the use of cost or price of a recent investment as a primary methodology for valuation. That change has had little impact on the portfolio's valuation as we have calibrated the valuation basis used to the recent investment round.

We would only usually expect significant adjustments to recent investment values where an investment is significantly under- or over-performing compared to our expectation at the time of investment.

Any quoted investments, if made, will be valued at prevailing bid prices.

## Co-Investment Policy

The Company may invest alongside other funds or entities managed or advised by the Investment Manager which would help the Company to broaden its range of investments or the scale of opportunities more than if it were investing on its own.

It is possible that conflicts may arise in these circumstances between different funds or between the Company and the Investment Manager. The Investment Manager maintains robust conflict of interest procedures to manage potential conflicts and issues are resolved at the discretion of the independent Board of the Company.

## Dividend Policy

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

The Company's ability to pay dividends is subject to the existence of realised profits, legislative requirements, and the available cash reserves.

## Share Realisation Policy

After an anticipated holding period of between five and seven years, which may include follow-on investments into investee companies as appropriate, TPIM intends to identify opportunities to realise investments in order to exit investors in the most efficient way possible.

Exits will typically be realised through sales to businesses, acquisitions by private equity or other investment funds. The proceeds of any realisation will be used to repay borrowings if applicable and to pay dividends to Investors.

# Company Strategy and Business Model

## Key Performance Indicators ("KPIs")

As a VCT, the Company's objectives are to provide Shareholders with up front tax relief, an attractive income and returns through capital appreciation and the payment of dividends. The Company aims to meet these criteria by investing its funds in line with the Company's Investment Policy, more detail of which can be found on pages 17 to 19.

The Board expects the Investment Manager to deliver a performance which meets the objectives of providing Shareholders with an attractive income and capital return. The Board has identified four KPIs that it uses in its own assessment of the Company's performance.

These are intended to provide Shareholders with sufficient information to assess how the Company has performed against its objectives in the year to 31 March 2020, and over the longer term, through the application of its investment and other principal policies:

The primary KPIs in meeting these objectives are:

**Net Asset Value ("NAV") plus dividends paid ("Total Return")**

**Compliance with VCT Legislation**

**Ongoing Charges Ratio**

**Earnings per Share**

# Company Strategy and Business Model

## C Share Class

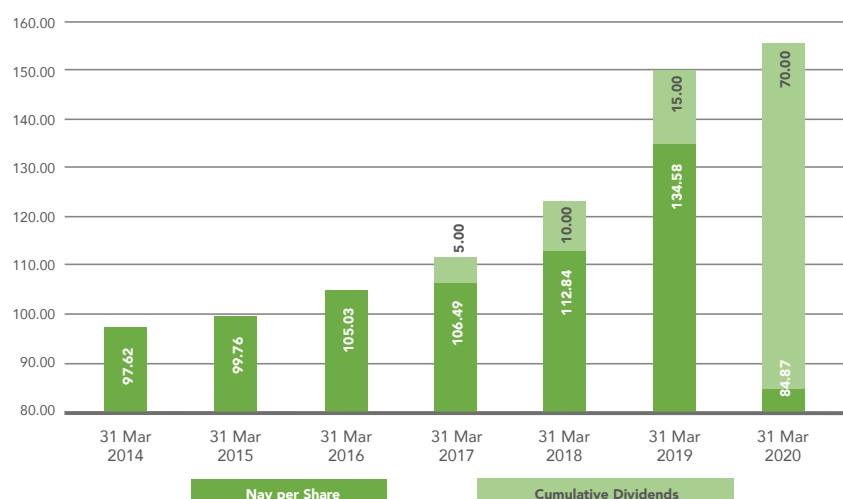
The Net Asset Value per C Share has decreased from 134.58 pence per share at 31 March 2019 to 84.87 pence per share at the reporting date. After making an adjustment for dividends paid during the year the C Shares Total Return has increased from 149.58 pence per share at 31 March 2019 to 154.87 pence per share at the reporting date. This represents an increase of 3.54%.

Whilst Net Asset Value has fallen, Total Shareholder Return has continued to increase.

The increase in the Total Return for the C Shareholders is in line with the Company's long-term objectives to achieve both capital growth and pay dividends to Shareholders. The Board is pleased with this performance.

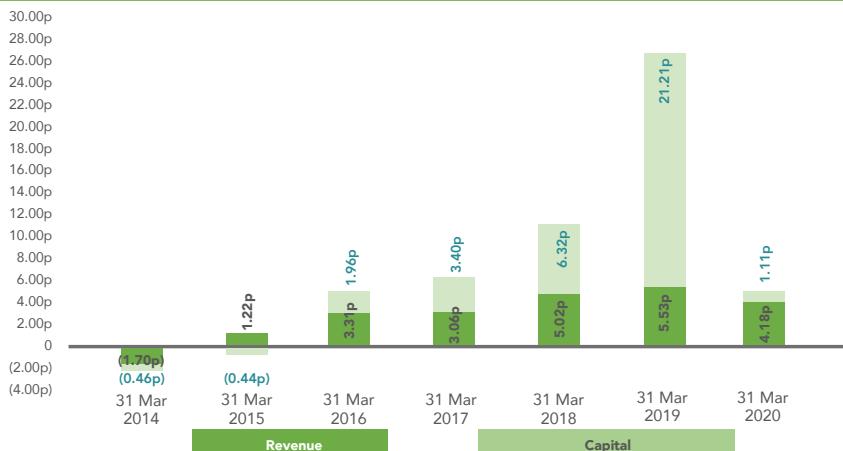
## Total Return

NAV plus dividends paid is a measure of shareholder value that includes the current NAV plus cumulative dividends paid to Shareholders to date. The Charts show how the Total Return of each Share Class has developed since launch. Total Return is deemed an alternative performance measure.

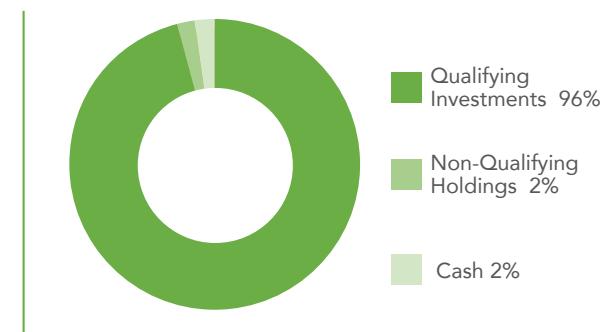
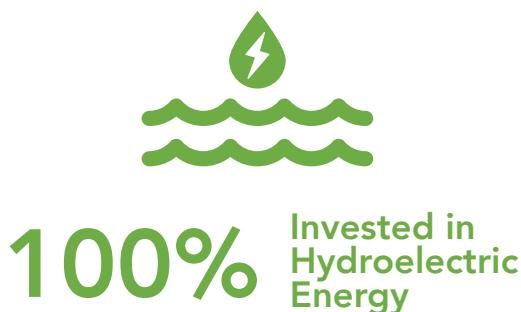


## Earnings per Share

The Chart shows the Company's earnings per share by share class for the year ended 31 March 2020. The longer-term trend of performance on this measure is shown in the charts below. This also shows the distinction between earnings generated by revenue and earnings generated by capital movements.



Investment classification for the C Share Class by asset value and sector value:



# Company Strategy and Business Model

## D Share Class

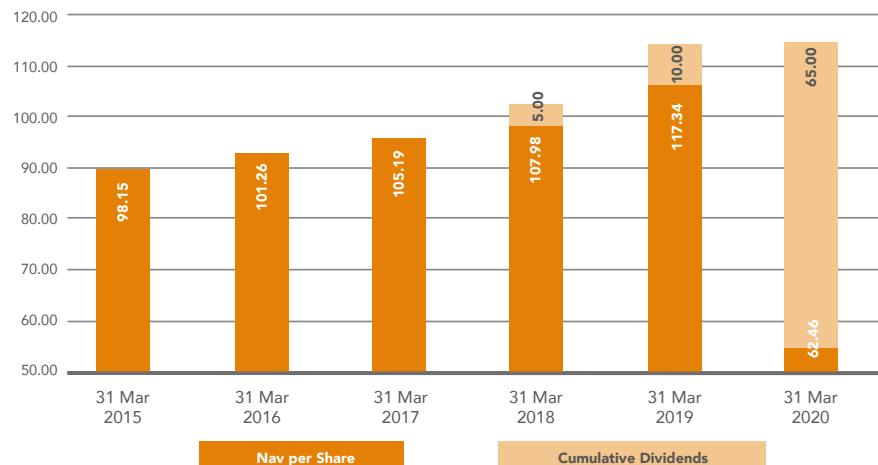
The Net Asset Value per D Share has decreased from 117.34 pence per share at 31 March 2019 to 62.46 pence per share at the reporting date. After making an adjustment for dividends paid during the year the D Shares Total Return has increased from 127.34 pence per share at 31 March 2020 to 127.46 pence per share at the reporting date. This represents an increase of 0.09%.

Whilst Net Asset Value has fallen, Total Shareholder Return has continued to increase, albeit at a slightly slower rate.

The increase in the Total Return for the D Shareholders is in line with the Company's long-term objectives to achieve both capital growth and pay dividends to Shareholders. The Board is pleased with this performance.

## Total Return

NAV plus dividends paid is a measure of Shareholder value that includes the current NAV plus cumulative dividends paid to Shareholders to date. The Charts show how the Total Return of each Share Class has developed since launch. Total Return is deemed an alternative performance measure.

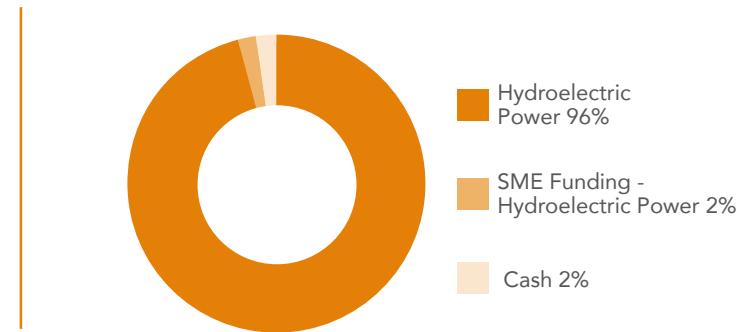
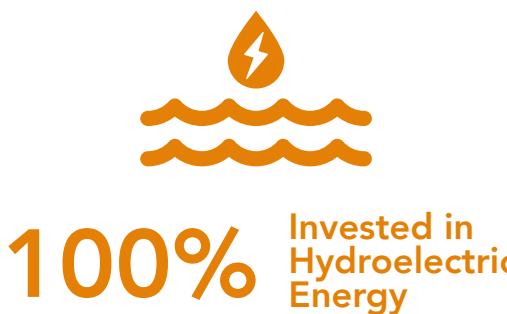


## Earnings per share

The Chart shows the Company's earnings per share by share class for the year ended 31 March 2020. The longer-term trend of performance on this measure is shown in the charts below. This also shows the distinction between earnings generated by revenue and earnings generated by capital movements.



Investment classification for the D Share Class by asset value and sector value:



# Company Strategy and Business Model

## E Share Class

The Net Asset Value per E Share has decreased from 102.56 pence per share at 31 March 2019 to 101.69 pence per share at the reporting date. After making an adjustment for dividends paid during the year the E Shares Total Return has increased from 102.56 pence per share at 31 March 2020 to 106.69 pence per share at the reporting date. This represents an increase of 3.96%.

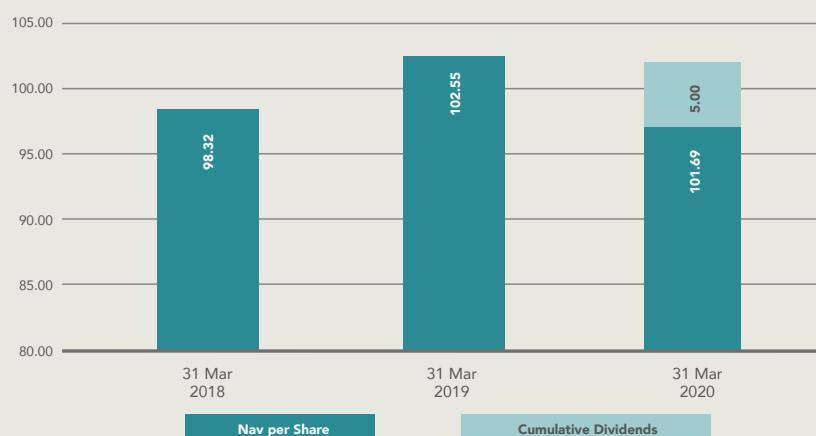
The Net Asset Value of the E Share Class decreased due to the payment of dividends in the sum of 5 pence per share. Whilst Net Asset Value has fallen, Total

Shareholder Return has continued to increase. A large part of the increase can be attributed to the valuation increase of Perfectly Fresh Cheshire Limited. This is the first year that the company has been valued above cost.

The increase in the Total Return for the E Shareholders is in line with the Company's long-term objectives to achieve both capital growth and pay dividends to Shareholders. The Board is pleased with this performance.

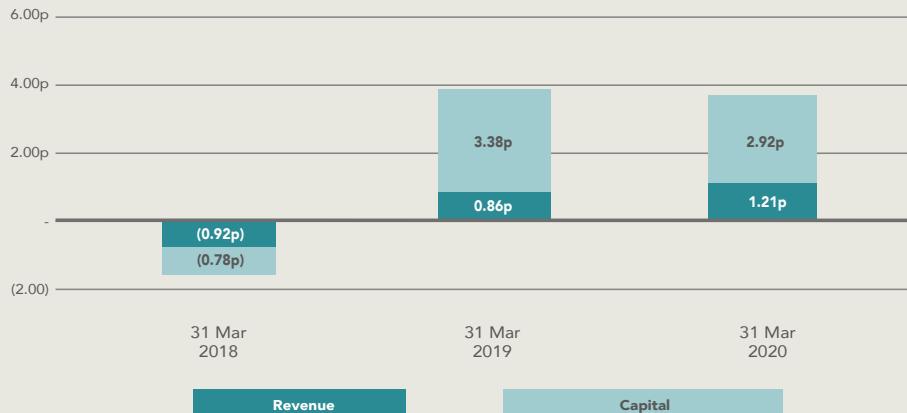
### Total Return

NAV plus dividends paid is a measure of Shareholder value that includes the current NAV plus cumulative dividends paid to Shareholders to date. The Charts show how the Total Return of each Share Class has developed since launch. Total Return is deemed an alternative performance measure.

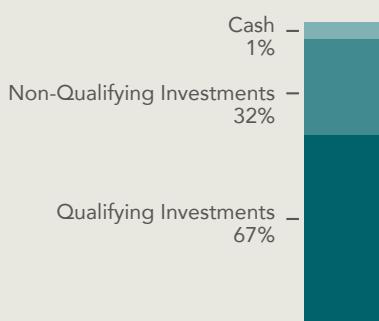


### Earnings per Share

The Chart shows the Company's earnings per share by Share class for the year ended 31 March 2020. The longer-term trend of performance on this measure is shown in the charts below. This also shows the distinction between earnings generated by revenue and earnings generated by capital movements.



Investment classification for the E Share Class by asset value and sector value:



- Vertical Growing 22%
- Quoted Investments 10%
- Hydroelectric Power 22%
- SME Funding - Hydroelectric Power 11%
- SME Funding - Other 8%
- Electricity Generation - Other 27%
- Crematorium Management 0%

# Company Strategy and Business Model

## Compliance with VCT legislation

By making an investment in a VCT, Shareholders become eligible for several tax benefits under VCT tax legislation. This is, however, contingent on the Company complying with VCT tax legislation.

The Board is of the opinion that the main business risk facing the Company at present is the retention of VCT qualifying status. In order to mitigate this risk, the Board receives regular updates and reports on compliance with the VCT legislative tests from the Investment Manager. In addition, the Board receives formal reports from its VCT Tax Compliance Adviser, Philip Hare & Associates LLP, once a year.

When making new investments, the Company seeks advice from our Tax Compliance Adviser and other Legal Advisers to ensure all new investments made are in compliance with the VCT legislative tests.

The Board can confirm that throughout the year ended 31 March 2020, the Company continued to meet these tests.

To achieve compliance, the Company must meet a number of tests set by HMRC. A summary of these steps is set out on page 73 under "VCT Regulation".

## Ongoing Charges Ratio

The Ongoing Charges Ratio is a ratio of annualised ongoing charges expressed as a percentage of the average Net Asset Value throughout the period. The annual running costs of the Company are capped at 3.5% of the Company's NAV, above which, the Investment Manager will bear any excess costs.

The ongoing charges of the Company for the financial year under review represented 2.70% (2019: 2.15%) of the average net assets. The increase during the year is due to an increase in general administration costs of the Company.

This ratio is calculated using the AIC's "Ongoing Charges" methodology which can be found on their website. The Ongoing Charges Ratio is deemed an alternative performance measure.

## Tax Benefits

The Company's objective is to provide Shareholders with an attractive income and capital return by investing its funds in a broad spread of unlisted UK companies which meet the relevant criteria for investment by VCTs.

Investing in a VCT brings the benefit of tax-free dividends, as well as up-front income tax relief. The Company continues to meet the VCT qualification requirements which are continuously monitored by the Investment Manager and reviewed by the Directors.

## VCT Regulation

VCTs were first 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 current tax benefits available to eligible investors in VCTs include:

- Up-front income tax relief of 30% on a maximum investment of £200,000 per tax year on newly issued shares;
- Exemption from income tax on dividends received; and
- Exemption from capital gains tax on disposals of shares in VCTs.

Since the Finance Act 2004, the VCT rules have subsequently been amended under the Finance Act 2014 and The Finance (No 2) Act 2015. The Investment Manager, utilising advice from Philip Hare & Associates LLP, ensures continued compliance with any legislative changes.

As referred to in the Chairman's Statement on pages 9 to 15, further changes have been introduced with effect from 6 April 2019. The Company will continue to ensure its compliance with the qualification requirements.

# Company Strategy and Business Model

The Company has been approved as a VCT by Her Majesty's Revenue and Customs. In order to maintain this 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 80% (from 1 March 2020, the percentage of the Company's investments held in "qualifying holdings" increased to 80% from 70%) of the Company's investments must comprise "qualifying holdings" of which at least 30% must be in eligible Ordinary Shares. This investment criterion continues to be met.

## FCA Regulation

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

## Exit Programme

During the year the Company successfully secured a partial realisation for both the C and D Share Classes.

The Company benefitted from economies of scale in refinancing the hydro investments for both share classes at the same time, both share classes intend to retain their investment in the Hydro companies until 2030.

The declaration of the latest dividend for the D Share Class holders takes total distributions to Shareholders to 70 pence per share in each of the share classes. These distributions, along with initial tax relief, equates to a return to both sets of Shareholders of 100 pence per share.

In relation to the E Share Class the Company is intending to return funds to the E Shareholders as soon as practicable after their ten to twelve year holding period.

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 Risks and Uncertainties

The Directors seek to mitigate the Company's principal risks by regularly reviewing performance and monitoring progress and compliance. In the mitigation and management of these risks, the Directors carry out a robust assessment of the Company's emerging and principal risks, including those that would threaten its business model, future performance, solvency or liquidity.

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 on page 26.

Details of the Company's internal controls are contained in the Corporate Governance Report on pages 56 and 60 and further information on exposure to risks including those associated with financial instruments is given in note 19 of the financial statements.

# Company Strategy and Business Model

Risk	Overview	Mitigation
VCT Qualifying Status	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 Philip Hare & Associates LLP to undertake an independent VCT status monitoring role.
Investment	The Company's VCT qualifying investments will be held in small and medium-sized unquoted investments which, by their nature, entail a higher level of risk and lower liquidity than investments in large quoted companies. This could make it difficult to realise investments in line with the relevant strategy.	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.
Financial	As a VCT the Company is exposed to market price risk, credit risk, fair value risk, liquidity risk and interest rate 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, other than for short-term liquidity.	The key elements of financial risk are discussed in more detail in note 19.
Failure of Internal Controls	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.	The Board maintains a risk register which sets out the risks affecting both the Company and the investee companies in which the Company is invested. This risk register is reviewed and updated at least annually to ensure that procedures are in place to identify the principal risks which may affect the Company and its portfolio companies, mitigate and minimise the impact of those risks should they crystallise and to identify emerging risks and to determine whether any actions are required. This enables the Board to carry out a robust assessment of the risks facing the Group, including those risks that would threaten its business model, future performance, solvency or liquidity.
Liquidity	In line with the Company's initial mandate for the C and D Share Classes the Company has entered into a short-term loan facility of £2.3 million which has repayment terms of 364 days. The Company currently has £700k of cash. This therefore poses a slight risk to the Company's liquidity and cash flow prospects.	The Company and the lender have reviewed longer-term cash flow forecasts and the Company is comfortable that it will generate sufficient cash flow from its current investments to service and repay the borrowing. The Company keeps an open dialogue with the lender and will continue to update the lender on the outlook for its loan and on the performance of the Company's investment portfolio. The lender has indicated its willingness to extend the facility if required. The Company has entered into a similar facility agreement with a different lender which includes the same key terms, but also has a two year availability period. This agreement was put in place to mitigate the risk of the existing loan facility not being extended by the existing lender.

# Company Strategy and Business Model

## Emerging Risks

### Investee companies

The risks of Brexit and COVID-19 are relevant to not just the Company, but also the companies in which we invest.

The risks to the portfolio companies are discussed in more detail in the Investment Manager's Review on pages 32 to 44.

### COVID-19

The impact of COVID-19 is discussed at length in both the Chairman's Statement on pages 9 to 10 and the Investment Manager's Review on pages 32 to 33.

### Brexit

Following the United Kingdom's withdrawal from the European Union ("EU") on 31 January 2020, the Investment Manager and the Board continue to keep the impact of Brexit on the Company under review. Despite the UK having now left the EU the current economic outlook and potential impact from Brexit is relatively unknown as the terms of the UK's exit has not been finalised with the EU. Any potential impact of the UK's withdrawal is difficult to quantify.

The Company's strategy of investing in small UK-based businesses, however, means that it is unlikely to be directly exposed to the terms of any future deals negotiated with the EU. We are, however, going through a period of some political and economic uncertainty.

We believe that by investing carefully, monitoring our portfolio rigorously and providing support to the businesses in which we have invested, we can minimise the effects of this uncertainty.

### Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Investment Manager's Report. The Company faces a number of risks and uncertainties, as set out above.

The financial risk management objectives and policies of the Company, including exposure to price risk, interest rate risk, credit risk and liquidity risk are discussed in note 19 to the financial statements.

Liquidity risk in relation to the loan facility is also discussed further in the principal risks and uncertainties section above.

The Company entered into a loan facility during the period. More detail on this can be found in the Strategic Report on page 18. The borrowing was in line with the original mandate for the C and D Shareholders. The Company continues to meet day-to-day liquidity needs through its cash resources and income from its investment portfolio, although, at present it does not have sufficient cash to repay the facility other than through a realisation of investments in the hydro portfolio. More information surrounding this is included in the principal risks section on page 27.

As highlighted in the Chairman's Statement, the Company's revenue comes from predominantly secure and reliable counterparties across all three of its share classes. The Hydro portfolio is contractual, with inflation linked FiT income and export income from a recently signed 12-month power purchase agreement. The rooftop solar business also benefits from contractual and inflation linked income through the government FiT and ROC scheme. We expect minimal disruption to these revenue streams as a result of COVID-19.

As highlighted in the Chairman's Statement we expect the pandemic to highlight the need for greater food security here in the UK. PFC continues to refine its operation and increase its output. We expect the heightened scrutiny of the food and farming sector following the crisis to lead to potentially improved valuations in the vertical growing sector.

The Company had net current liabilities of £1.35 million (2019: net current assets of £1.25 million) and had cash balances of £700k (2019: £6.18m) (this does not include cash balances held within investee companies), which the Board believes are sufficient to meet current obligations as they fall due. Further detail on liquidity risk can be found in the principal risks and uncertainties section.

The major cash outflows of the Company are the payment of dividends and costs relating to the acquisition of new assets, both of which are discretionary and can be scaled back if required. The interest on the loan facility amount is payable quarterly and has been factored into cash flow projections produced by the Company.

The Directors have reviewed cash flow projections which cover a period of at least 12 months from the date of approval of this report, which show that the Company has sufficient financial resources to continue to meet its day to day commitments for at least the next 12 months. Further information on this can be found in the notes to the financial statements on page 95. The Company has an existing 364 day loan facility in place. Due to the

# Company Strategy and Business Model

short term nature of the loan agreement, the Company has entered into a similar facility agreement with a different lender which includes a 2 year availability period. This agreement was put in place to mitigate the risk of the existing loan facility not being extended. The Directors therefore continue to adopt the going concern basis in preparing these financial statements.

## Viability Statement

The Association of Investment Companies Code of Corporate Governance 2019 requires the Board to assess the Company's viability over an appropriate period, the Directors have assessed the prospect of the Company over a longer period than 12 months required by the Going Concern provision.

The Board conducted this review for a period of five years, which was considered to be an appropriate time horizon, as investors are required to hold their investment for a period of five years in order to benefit from the associated tax reliefs.

The Board has determined that five years up to 31 March 2025 is the maximum timescale over which the future position of the Company can be forecast with a material degree of accuracy and therefore is the appropriate period over which to consider its viability. During the next five years both the C and D Share Class will reach their income generation phase and look to pay investors c3.5 pence per annum. The E Share Class will also reach its five year holding period. Based on this the Directors believe it is reasonable to make their assessment over five years.

In order to assess this requirement, the Board regularly considers the Company's strategy and takes into account the Company's current position and carries out a robust assessment of the principal risks, including future performance and liquidity. Consideration has also been given to the Company's reliance on, and close working relationship with, the Investment Manager. This has enabled the Directors to state that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment. The Board has considered both the Company's long-term and short-term cash flow projections and considers these to be realistic and reasonable.

More information on the principal risks of the Company is set out on page 26 and above.

To provide this assessment the Board has considered the Company's financial position and ability to meet its expenses as they fall due as well as considering longer-term viability:

- The expenses of the Company are predictable and modest in comparison with the assets and there are no capital commitments foreseen which would alter that position other than the loan facility which is in place and is described in detail in the going concern section above;
- The Company has no employees, only Non-Executive Directors, and consequently does not have redundancy or other employment related liabilities or responsibilities;
- Most of the Company's investments will involve a medium to long-term commitment and will be relatively illiquid but the Board reduces the risk as a whole by careful selection and timely realisation of investments;
- The Directors will continue to monitor closely changes in the VCT legislation and adapt to any changes to ensure the Company maintains approval. The Directors have appointed an independent adviser to undertake the VCT status monitoring role; and
- The Directors have considered the ongoing and future effects of the COVID-19 pandemic on the Company and its longer-term viability. More detail on this is included in the Principal Risks and Uncertainties section on page 25.

Based on the results of this review, the Directors have a reasonable expectation that the Company will be able to continue its operations and meet its expenses and liabilities as they fall due over the period of their assessment. This is discussed further in note 2 on pages 95 to 97.

# Company Strategy and Business Model

## Section 172(1) Statement

The following disclosure describes how the Directors have had regard to the matters set out in section 172(1) (a) to (f) when performing their duty under section 172 and forms the directors' statement required under section 414CZA of the Act.

This section describes how the Board engages with its key stakeholders, and how it considers their interests when making its decisions. Further, it demonstrates how the Board takes into consideration the long-term impact of its decisions, and its desire to maintain a reputation for high standards of business conduct.

The Company's objective is to provide the potential for a strong, positive, risk-adjusted return to investors by making investments with the intention of growing and developing the revenues and profitability of the target businesses and adhering to HMRC's VCT qualification rules. By making an investment in a VCT, Shareholders are eligible for several tax benefits under VCT tax legislation and therefore encourage investment indirectly in a range of unquoted smaller, higher risk trading companies.

All Share Classes are fully invested in companies spanning hydroelectric power, gas power, rooftop solar and vertical growing. Such investment increases the resources and capital dedicated to the development of renewable energy and contributes to the reduction of greenhouse gas emissions or in the case of gas power, bridges the gap between environmentally unfriendly fossil fuels and more irregular solar and wind power helping to solve these short-term peaks in the electricity demand profile. Vertical growing aims to reduce the risk to food security in the UK along with reducing emissions from the distribution process as vertical farms can be based in and around our cities.

## Section 172(1) Principal Decisions

Below are the principal decisions made or approved by the Directors during the year. In taking these decisions, the Directors considered their duties under section 172 of the Act. Principal decisions have been defined as those that have a material impact to the Company and its key stakeholders, as defined on pages 59 to 60.

## Dividends

The Company declared dividends during the year to all of its Shareholders, 55 pence per C share, 55 pence per D share and 5 pence per E share. This decision represented a significant return of capital for C and D Share Class holders and the first payment of an annual dividend for E Share Class holders.

## Sale of Green Highland allt Garbh Limited

The Company completed the sale of its holding in Green Highland allt Garbh Limited. Following recommendation from the Investment Manager, the Directors considered the sale in the context of the Company's Investment Policy, availability of financing and the potential returns to investors.

The D Share Class received net proceeds in excess of £2.71 million from the sale and it contributed significantly to the dividend and partial realisation target which were paid out to Shareholders within six months of the disposal. In considering the need to treat all members fairly, the Directors also considered the qualifying investment requirement of the Company following the disposal and the likely consequence of any decision in the long term.

## Facility Agreement

During the year, the Company entered into a facility agreement with TPLP. The secured facility was for £2.7 million at a fixed rate of 4.5% per annum. The Board believed that the facility was in the best interest of those Shareholders and followed the initial mandate of the C and D Share Classes to refinance the hydro portfolio.

The Company utilised £2.3 million of this facility in March 2020 which enabled the Company to return in excess of £12.2 million to Shareholders and meet the initial target set by the Company for all share classes. The Company maintained an active dialogue for the lender to appraise the Company's business model and its portfolio.

Alongside this existing facility, the company has entered into a similar facility agreement with a different lender which includes the same key terms, but also has a two year availability period. This agreement was put in place to mitigate the risk of the existing 364 day loan facility not being extended by the existing lender.

# INVESTMENT MANAGER'S

## REVIEW



# Sector Analysis

Industry Sector	Electricity Generation				SME Funding				Total Investments £'000
	Crematorium Management	Vertical Growing	Hydroelectric Power	Other Electric Power	Hydroelectric Power	Other	Quoted Investments		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
<b>Investments at 31 March 2019</b>									
<b>C Shares</b>	-	-	14,527	-	2,888	-	-	17,415	
<b>D Shares</b>	-	-	13,529	-	1,206	-	-	14,735	
<b>E Shares</b>	103	5,000	2,512	7,820	796	2,717	5,901	24,788	
<b>Total</b>	<b>103</b>	<b>5,000</b>	<b>30,568</b>	<b>7,820</b>	<b>4,890</b>	<b>2,717</b>	<b>5,901</b>	<b>56,938</b>	
<b>Investments made during the period</b>									
<b>C Shares</b>	-	-	(3,013)	-	(2,888)	-	-	(5,901)	
<b>D Shares</b>	-	-	(325)	-	(1,206)	-	-	(1,531)	
<b>E Shares</b>	-	-	3,338	-	4,094	-	-	7,432	
<b>Total additions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Investments realised during the period</b>									
<b>C Shares</b>	-	-	(230)	-	-	-	-	(230)	
<b>D Shares</b>	-	-	(2,781)	-	-	-	-	(2,781)	
<b>E Shares</b>	(10)	-	(51)	-	(1,559)	-	(2,681)	(4,301)	
<b>Total disposals</b>	<b>(10)</b>	<b>-</b>	<b>(3,062)</b>	<b>-</b>	<b>(1,559)</b>	<b>-</b>	<b>(2,681)</b>	<b>(7,312)</b>	
<b>Investments revalued during the period</b>									
<b>C Shares</b>	-	-	218	-	-	-	-	218	
<b>D Shares</b>	-	-	(277)	-	-	-	-	(277)	
<b>E Shares</b>	4	1,282	73	52	17	-	(293)	1,135	
<b>Total revaluations</b>	<b>4</b>	<b>1,282</b>	<b>14</b>	<b>52</b>	<b>17</b>	<b>-</b>	<b>(293)</b>	<b>1,076</b>	
<b>Investments at 31 March 2020</b>									
<b>C Shares</b>	-	-	11,502	-	-	-	-	11,502	
<b>D Shares</b>	-	-	10,146	-	-	-	-	10,146	
<b>E Shares</b>	97	6,282	5,872	7,872	3,348	2,717	2,927	29,115	
<b>Total</b>	<b>97</b>	<b>6,282</b>	<b>27,520</b>	<b>7,872</b>	<b>3,348</b>	<b>2,717</b>	<b>2,927</b>	<b>50,763</b>	
<b>Total investments %</b>	<b>0.19%</b>	<b>12.38%</b>	<b>54.21%</b>	<b>15.51%</b>	<b>6.60%</b>	<b>5.34%</b>	<b>5.77%</b>	<b>100.00%</b>	

## Investment Manager's Review



**Ben Beaton**  
Managing Partner  
Triple Point Investment Management LLP

We have pleasure in presenting our annual review for the year ended 31 March 2020.

As the Chairman highlighted in his statement to Shareholders on pages 9 to 15 we are all currently facing unprecedented, uncertain and challenging times as a result of the ongoing COVID-19 pandemic.

At Triple Point Investment Management, we believe we are well equipped to deal with this challenging situation. The majority of our revenues are recurring, giving us a high level of predictability in our income streams. TPIM can operate effectively with remote, or home working, and as such we do not depend heavily on the regular physical presence of staff in one specific location though, of course, the sales process is often impacted by the lack of face-to-face meetings. We are well positioned to continue managing the Company efficiently and effectively.

Like many businesses we are facing unprecedented circumstances. Many of our ongoing projects and work streams will no doubt face delays, and whilst this may be challenging, we believe, fundamentally that the types of assets and businesses we fund, the predictable returns we generate, and the impact we have, will never be more attractive to investors.

We are confident that the investee companies invested in by the Company will be resilient and be minimally affected by the COVID-19 pandemic. All Share Classes remain fully invested in companies providing electricity generation in the hydroelectric power, gas power, rooftop solar and vertical growing sectors. Despite the ongoing COVID-19 crisis, investments across all share classes continue to generate electricity and produce output.

As many of the working population are now getting used to working from home, the electricity demand pattern is expected to take a new shape. It is widely anticipated that the electricity demand in the coming weeks and months will largely resemble the consumption pattern on the weekends as more adjust to life working at home.

While we expect the electricity generating companies to be minimally affected by the COVID-19 pandemic, it is inevitable that they may suffer some minor operational delays, as a result of the crisis. Global supply chain disruptions could potentially lead to delays in the sourcing of key components for both the hydroelectric and gas power projects. Key manufacturing hubs are in China, where previous quarantines slowed production to a halt, though some are beginning to reopen, with lower production rates. We continue to liaise with our

## Investment Manager's Review

Operation and Maintenance contractors across all companies to try and avert any potential future delays in the procurement process.

The E Share Class is also invested in a vertical growing business PFC, which we believe is well-placed to contribute in a revised future. The COVID-19 crisis is not only a health crisis, but also an economic crisis and a food crisis. Major governance gaps have emerged, first and foremost in regard to insufficient investment in public health, but also in food security.

While extraordinary steps have been taken by some public authorities to secure food provisioning, the crisis has also seen many people left wholly reliant on the charity and solidarity of their neighbours.

What started as a crisis response must be transposed into the new foundations of public governance. Billions of pounds are now being injected into the economy through bailouts, stimulus packages, and quantitative easing. The opportunity cannot be missed to use this money to transform the economy, not simply bail it out. Already, ambitious policy reforms are being devised in the EU and the US to spark the shift towards sustainable food and agricultural systems. These reform packages are now more relevant than ever and should be the vehicle for delivering resilience.

Given supply chain uncertainties and an unpredictable future, many smaller and middle-sized agri-food companies may be on the edge of bankruptcy or under considerable shareholder pressure to act. PFC is able to capitalise on this with its existing strong customer relationships and short growing cycle, enabling it to reliably produce crops for its customers with little disruption and year-round crop production.

When it comes to food production, the last-mile delivery is usually the most expensive part of the supply chain. And it's not uncommon for crops to be shipped across continents and oceans. Growing food closer to where the consumer lives is a substantial vertical growing benefit as it can significantly reduce transportation costs, CO2 emissions and reduce the need for refrigerated storage – making produce fresher and more profitable.

**Looking back over the year the net cash outflows to Shareholders for the year were £16.4 million. This represents a significant return of funds to investors. We are proud of this achievement.**

# Review and Future Developments

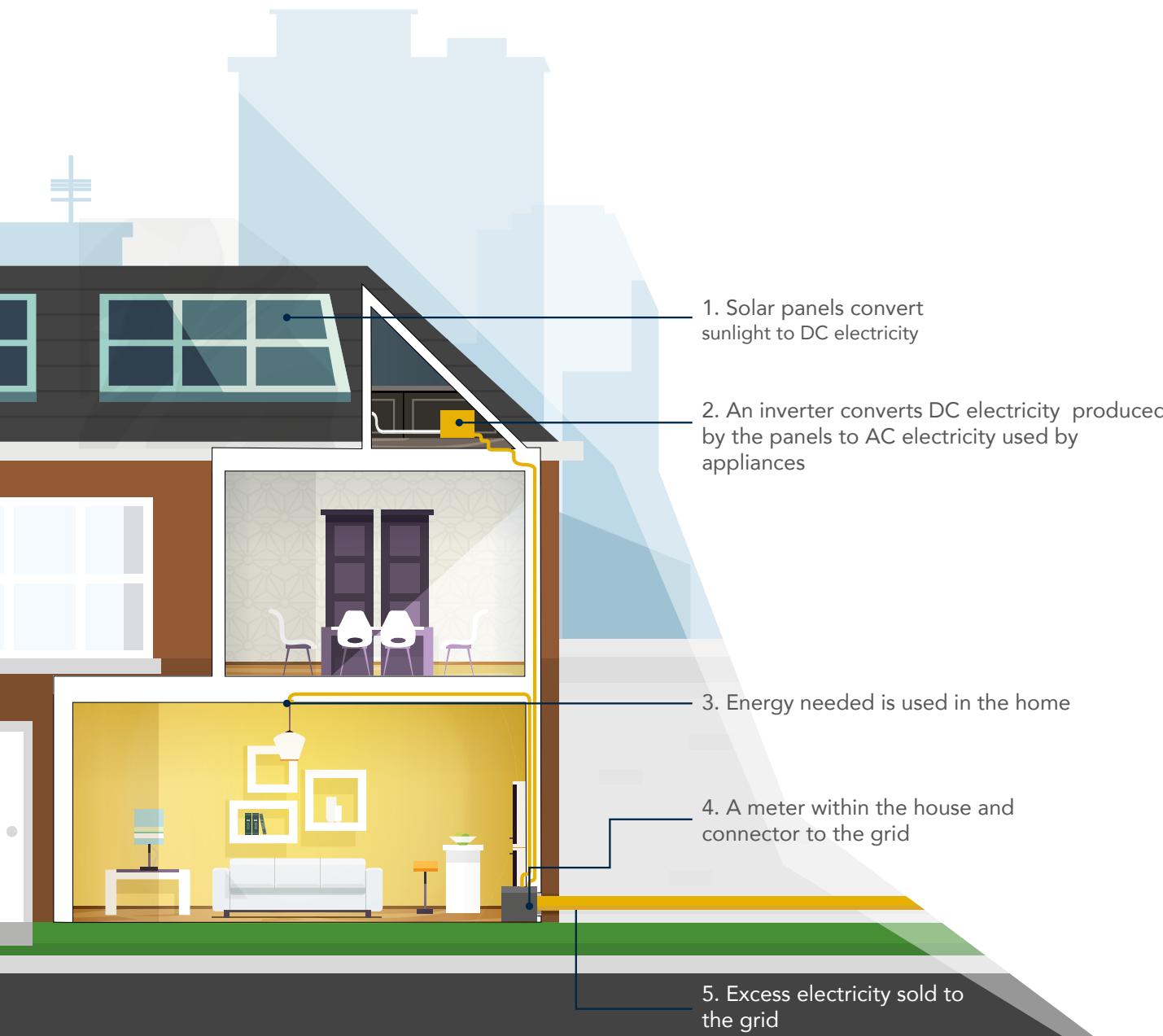
## Crematorium Management

The Company has an investment in a business called Furnace Managed Services Limited ("FMS") that provides crematory and mercury abatement services for the crematoria of a London Borough. This investment receives revenues from local authorities and has consistently generated a steady return over the years it has been held. Looking ahead, the Company is expected to receive dividends from FMS.

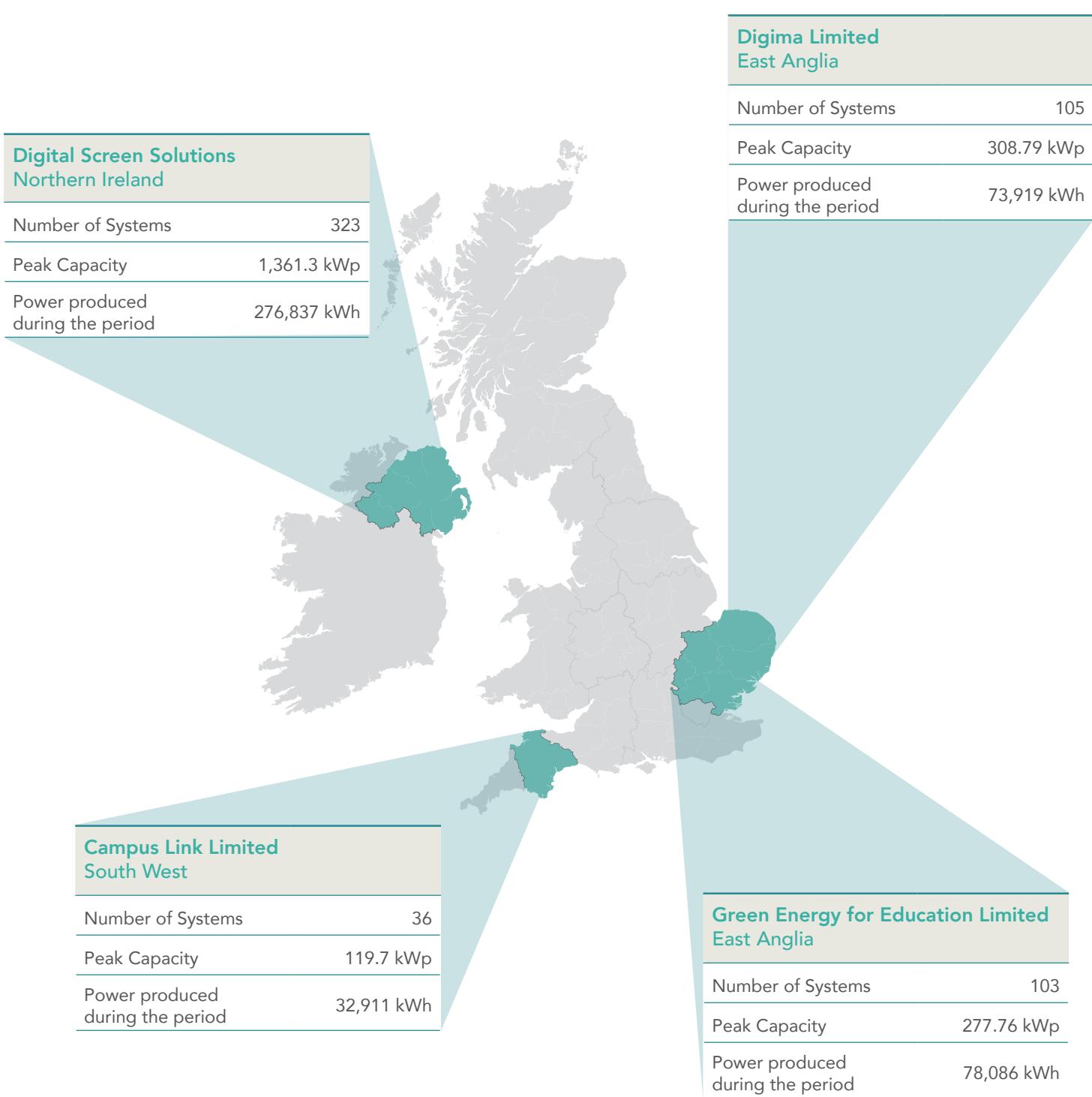
## Solar

The Company holds an investment in four portfolios of rooftop solar PV systems through the following investee companies:

- Green Energy for Education Limited ("GEFE"), which owns a portfolio of 103 systems on residential rooftops in East Anglia;
- Campus Link Limited ("CMP"), which owns a portfolio of 36 systems on residential rooftops in South West England;
- Digima Limited ("DIG") , which owns a portfolio of 105 systems on residential rooftops in East Anglia; and
- Digital Screen Solutions Limited ("DSS"), which owns a portfolio of 323 systems on residential rooftops in Northern Ireland.



# Solar Energy



The GEFE, CMP and DSS portfolios are currently performing in line with, or slightly above, expectations. The DIG portfolio is performing slightly below expectations, and DIG is working closely with its Operations & Maintenance provider in an effort to improve this performance going forward.

## Hydroelectric Power

The eleven hydroelectric schemes are “Run of River” plants which capture river flow agreed above a certain level as determined by the Scottish Environment Protection Agency (SEPA). Water flow is generally captured before a descent and flows down the penstock (pipe) to a turbine engine which produces electricity. The water is then returned to the river.

Run of River systems have the advantage of a long operational lifetime, with minimal maintenance. Also, these systems tend to generate the most electricity in the colder months when the demand is greater for electrical heating and extra lighting.

During the period to 31 March 2020, the hydroelectric companies generated 23,038 MWh of electricity. Based on an average of 3.8 MWh annual use per household, the companies generated enough electricity for 6,062 homes during the period.

The hydro companies benefit from government backed Feed-in Tariff (FiT) payments based on output and from the sale of the electricity produced to utilities or other power companies under Power Purchase Agreements (PPAs).

The last 12 months have seen lower than expected rainfall across the Scottish Highlands. Rainfall variability is to be expected over the 40 year period of generation which our investee companies are expected to experience overall, and we continue to be pleased with the efficiency of the hydro plants owned by them. The hydroelectric companies remain highly focused on improving efficiencies and maximising output and continue working alongside hydro experts to further enhance performance where possible.



# Powering 6,062 homes

with electricity generated during the year.



# Hydroelectric Power

## Industry Update

As we highlighted in our Interim Report the hydroelectric companies, together with other industry members and the British Hydropower Association, had been lobbying the Scottish Government to recognise the concern on business rates in the hydro sector. As a result of this, the Tretton Review report was published in January 2020, which unfortunately found that no changes to business rates would be applied.

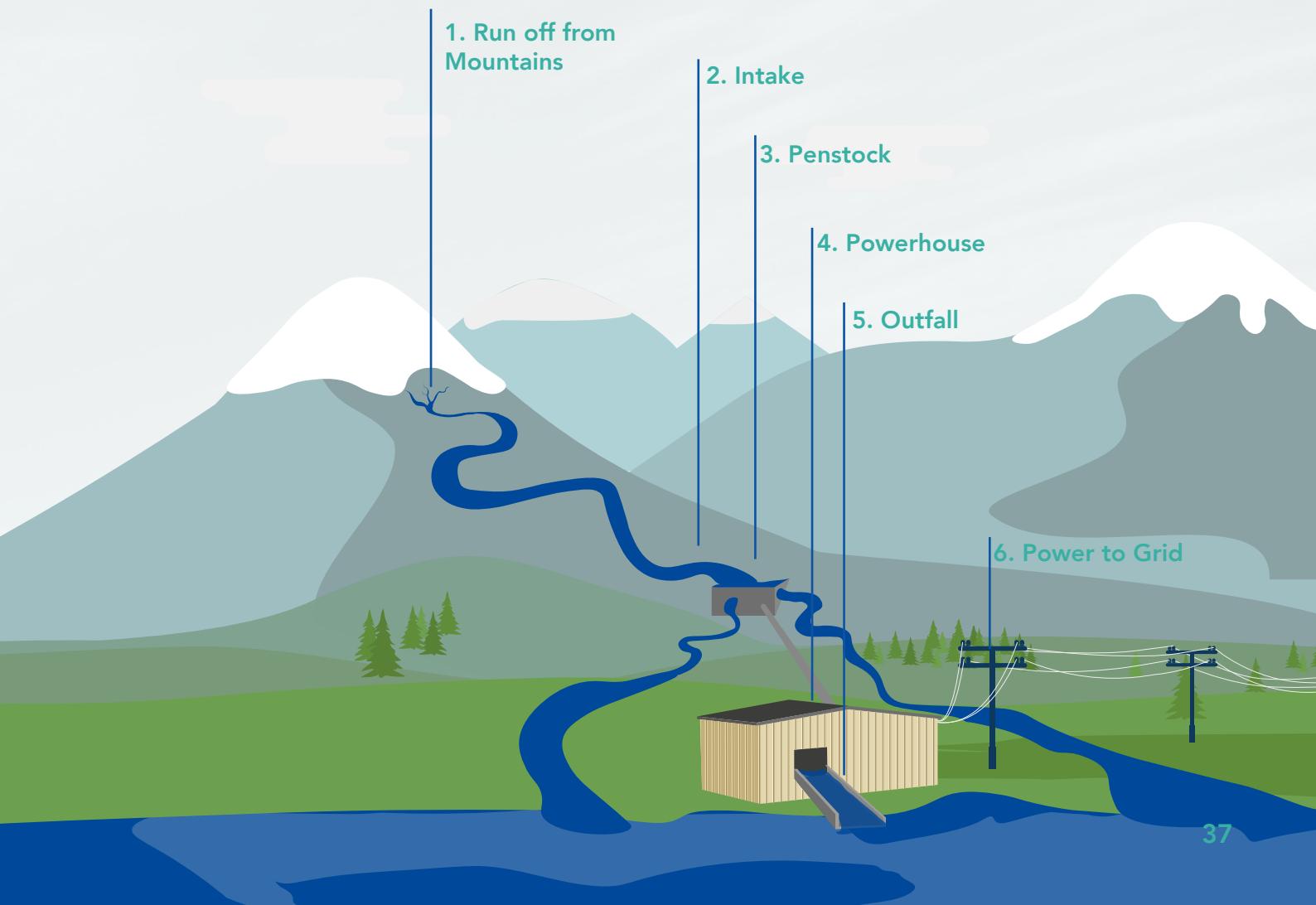
This was very disappointing news for us and the Hydro Companies.

The report suggests temporary government reliefs, which don't apply equally across the sector and are not guaranteed, should continue, rather than recommending an industry-preferred permanent solution to the unfair rateable value increase in 2017 which far outstripped that faced by other businesses.

The British Hydropower Association along with other industry members continues to pursue this matter and is putting forward different ideas to the Scottish Government.

Solutions put forward by the sector, but which were not mentioned by the Tretton Review include rateable values of 8-10% being prescribed for the small hydro sector, or the wording in current legislation being changed to ensure key components of plant and machinery in hydro construction – the turbine, generator and penstock – are not rateable.

Whilst this is obviously not the outcome that we hoped for, for the financial year 2019/20, the hydroelectric companies received a 60% relief and it is expected that this relief will continue to be applied for the financial year 2020/21.



# Gas Fired Energy Centre

The Company has an investment which has constructed a gas fired energy centre which will provide a reliable and secure energy supply. The energy centre was commissioned during May 2018 and it consists of containerised gas combustion engines that generate electricity for onward sale, especially at times when there is high demand for power.

In June 2019 the UK Government became the first major economy in the world to pass laws to end its contribution to global warming by 2050. The target will require the UK to bring all greenhouse gas emissions to net zero by 2050, compared with the previous target of at least 80% reduction from 1990 levels.

As a result of this, the UK is aiming to close its coal-fired power plants by 2025, and it is therefore expected that there will be increased pressure on the supply of energy in the UK during periods of peak demand. Although renewable energy makes an increasing contribution, the irregular nature of its production means that other baseload sources will also be required to help make up the deficit.

The UK still experiences significant peaks and troughs in energy consumption. From unexpected cold snaps that prompt consumers to turn up their heating, to the mass switching on of televisions between 4-7pm when people return home from work.

Gas fired energy centres help to solve these short-term peaks in the electricity demand profile. These are small power plants fuelled by gas, and generally run only when there is a high demand for electricity. They bypass the nationwide transmission system to deliver power direct to local distribution networks. Natural gas neatly bridges the gap between environmentally unfriendly fossil fuels and more irregular solar and wind power.

The companies have taken advantage of a gap in the market by constructing and operating gas fired energy centres to produce and sell electricity to customers. The energy centres utilise established technology, provided by Rolls Royce, to deliver a reliable and secure energy supply.

Gas fired energy centres play an important role in balancing the UK electricity network, which is growing ever more reliant on renewable energy sources, as the nation shifts towards a low-carbon economy. The National Grid is keen to develop a smart, easily accessible flexible system of supplementary services, which make optimum use of the peaks and troughs of energy demand. With gas fired energy centres fitting the bill for reliable and environmentally friendly energy solutions, the popularity and usage of these plants is significantly increasing around the UK.

This enables greater solar, hydro and wind power generation overall, as the gas fired energy centres are an important facilitator of green energy base load.

## How does it work?

Gas is purchased from the National Transmission System and combusted in the engines. The electricity is then exported to the National Grid and sold under a power purchase agreement. The companies receive revenues from the sale of electricity and additional income from embedded benefits.

Embedded benefits cover a range of payments available to small electricity generators connected to the distribution network, rather than the transmission grid. Benefits can be earned for generating at peak times and for local distribution.

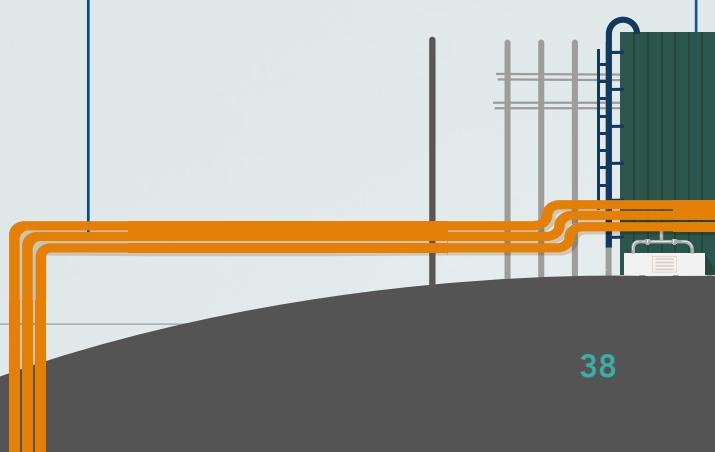
In addition, generators can earn additional revenues by operating outside the peak 4-7pm hours to take advantage of "intraday" and "post-gate closure" price volatility.

## Highlights

During the period to 31 March 2020, Green Peak Generation Limited generated 15,150 MWh of electricity. Based on an average of 3.8 MWh annual use per household, the energy centre generated enough electricity for 3,986 homes during the period.

## 2. The Gas Engine

### 1. Gas supply in



# Gas Fired Energy Centre

During the period, the company contracted with a market leading Operation & Maintenance ("O&M") provider. The new service provider currently manages a large fleet of the same engines. Following their appointment, both the operational performance and quality of maintenance have significantly improved. We are hopeful that this improved service quality will result in a longer useful life of the equipment.

Historical performance of the asset versus the technical expectations has been modest. Since moving to the new O&M provider there has been an uptick in availability and therefore generation. This is through faster response and repair times with the O&M provider having a greater depth of experience. There has been a reduction in number of faults through better preventative maintenance procedures. Looking forward, we hope to continue working closely with the new provider to continue to improve operational efficiencies and performance across both companies.

## Industry Update

In our interim update, we reported on the current status of the Capacity Market. The Capacity Market was originally introduced to provide an insurance policy against the possibility of future blackouts – for example,

during periods of low wind and high demand this was to ensure that consumers continued to benefit from reliable electricity supplies at an affordable price.

The Capacity Market is designed to ensure sufficient reliable capacity is available by providing payments to encourage investment in new capacity or for existing capacity to remain open.

On 15 November 2018, the European Court of Justice unexpectedly announced that it did not believe that sufficient work had been undertaken when the European Commission ("EC") approved the UK's Capacity Market scheme. This led to a halt of all payments under the scheme.

On 24 October 2019, the UK reinstated the capacity market scheme following approval by the EC under state aid rules. Following a lengthy and in-depth investigation, the EC found that the scheme is necessary to guarantee security of electricity supply in the UK and is in line with EU energy policy objectives.

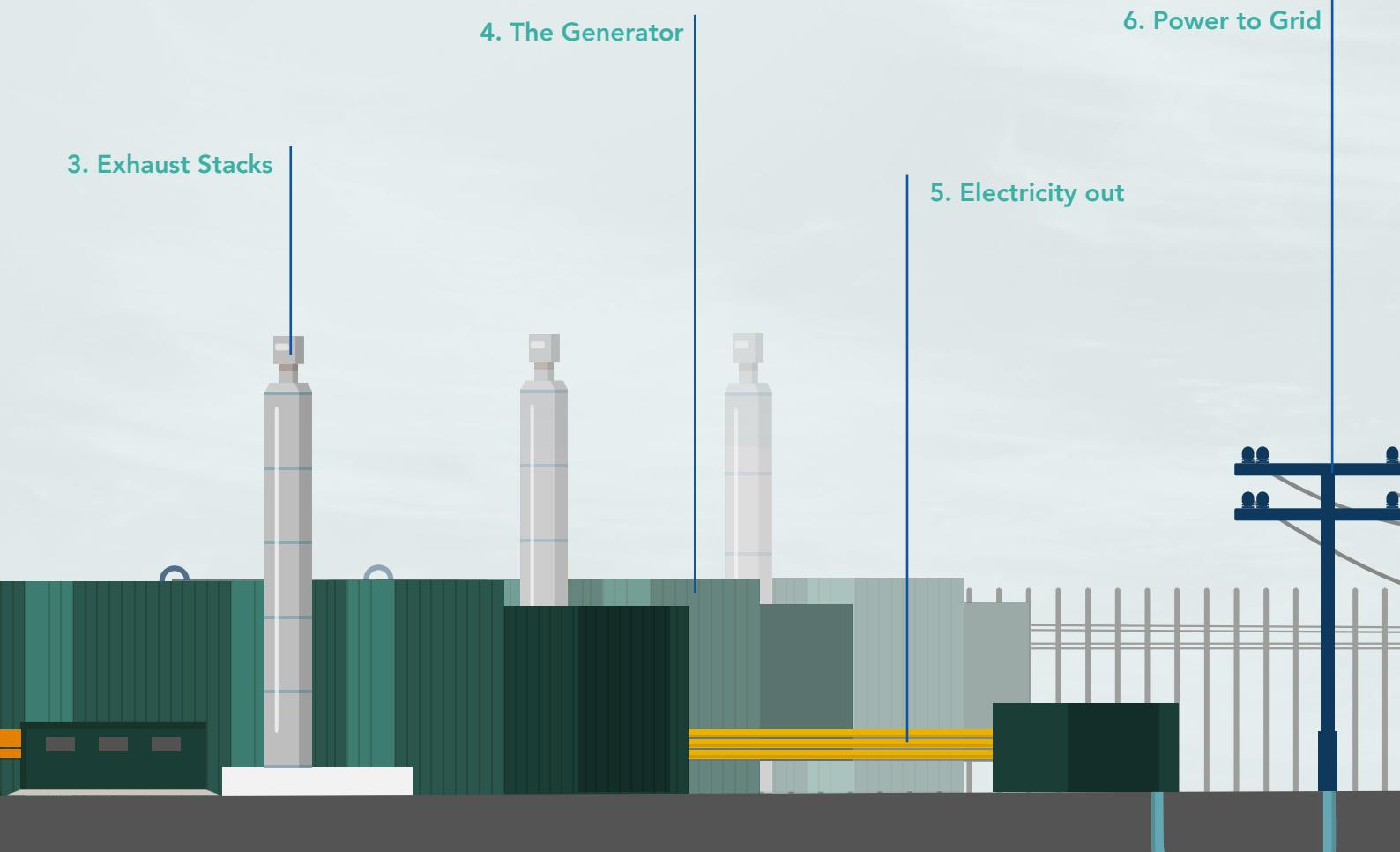
We are pleased to announce that Green Peak Generation Limited won a one-year agreement in the recent auctions for the 2022/23 and 2023/24 delivery years.

## 4. The Generator

## 3. Exhaust Stacks

## 6. Power to Grid

## 5. Electricity out



## Vertical Growing

Vertical Growing is the practice of producing food in an indoor growing facility where all inputs (water, light, and nutrients) meet the optimum needs of the crop. Farming indoors is not a new concept, as greenhouse-based agriculture has been in existence for some time.

What PFC is aiming to achieve here that differs radically from what now exists is to scale up the concept of indoor farming, in which a wide variety of produce is harvested in quantity enough to sustain even the largest of cities without significantly relying on resources beyond the city limits. Currently, in traditional farming, maximising the crop production takes place over an annual growth cycle that is wholly dependent upon what happens outside – climate and local weather conditions.

Vertical Growing promises to eliminate external natural processes as confounding elements in the production of

food, since crops will be grown indoors under carefully selected and well-monitored conditions, ensuring an optimal growth rate for each type of crop year-round. It is estimated that one acre of vertical farm could be equivalent to as many as ten to twenty traditional soil-based acres, depending upon which crop species is considered. Growing food close to home will lower significantly the amount of fossil fuels needed to deliver them to the consumer, and will eliminate forever the need for fossil fuels during the act of farming (i.e., ploughing, applying fertilizer, seeding, weeding, harvesting).

Our Vertical Growing facility is designed to have a sealed environment, meaning that the product is grown under controlled conditions, with positive air pressure to prevent any pests entering the facility. This ensures that insects and other pests cannot attack the crop,

Crops are held in vertical racks to optimise use of space.



## Vertical Growing

removing both the need to use pesticides and to wash the crop before distribution therefore increasing its shelf life. A large variety of produce can be grown using this method including herbs, salad leaves, and beyond. By combining flexible designs and short growing cycles, vertical growing facilities enable the grower to quickly respond to the demands of customers, switching between different products with minimal notice.

As highlighted above, following the COVID-19 pandemic, it is expected that food security will be an item high on the government agenda. This is backed up by the fact that the government is planning to introduce a legal requirement to measure and report on "food security", meaning how much food is available in the UK. The landmark Agriculture Bill currently going through Parliament is the first new legislation on British food and farming post-Brexit. One of the provisions

of the Agriculture Bill puts a legal requirement on the government to measure and report on "food security". We believe that PFC is poised to capitalise on this changing landscape while it could see an active increase in valuations across the sector.

We believe PFC is one of the front-runners in the industry and boasts significant technology and know-how developed within its first facility. The construction of the first facility presented many challenges, which was to be expected when considering the innovative and high-tech nature of the build. The initial construction challenges have now been rectified and the facility is up and running and regularly distributing crops to its main customer. The PFC team are now looking towards operational improvements and increasing yield.



**A controlled environment means that the crops are not exposed to birds and insects removing the need for harmful pesticides and increasing the quality of produce.**

Crops are produced in an enclosed environment with carefully controlled conditions which means crops are not subject to seasonal changes in weather and can be produced all year round.

## Perfectly Fresh Cheshire Limited

**Our mission is to grow the best quality, highly nutritious produce, whilst improving food security in times of economic and political uncertainty.**

**Everything we grow is produced in optimum conditions for that specific crop, without compromise. We strive for zero carbon, producing close to the point of supply, harvesting more, wasting less, with sustainable resource efficient year-round production.**

**Ultimately, we are producing food that tastes great, that you can feel good about eating.**

Phill Davies, Chief Agronomist, Perfectly Fresh Cheshire

# Perfectly Fresh Cheshire Limited

## CHALLENGES SOLVED BY VERTICAL GROWING



### Land use

A remarkable opportunity from, or advantage of Vertical Growing over, traditional field agriculture is that it can help increase agricultural outputs by maximising the use of lands.



### Climate change & resources

Vertical Growing also aims to address environmental issues associated with the use of limited natural resources and land areas. Because this practice involves maximising the use of a limited land area, it can eliminate deforestation and desertification due to agricultural encroachment. It also eliminates farming practices that lead to soil erosion and nutrient runoff.



### Around 50% of food in the UK is imported

Vertical Growing tackles the issues mentioned above. This benefit translates further to more specific opportunities and benefits such as the promotion of sustainable or self-sufficient cities, encouragement of urban growth, and the delivery of fresh and inexpensive food products.



### Agriculture irrigation accounts for 70% of water use worldwide

Vertical Growing depends on the effective and efficient use of different technologies and practices such as hydroponic systems, aeroponics, aquaponics, greenhouse design, environmental control, and energy sustainability to collectively implement a controlled-environment agriculture or CEA technology.



### Unemployment

There is also an opportunity or benefit centred on the creation of different types of jobs from different fields or disciplines. Promoting Vertical Growing means promoting high-tech green industry. It would lead to the generation of new careers for professionals in the fields of civil engineering and agriculture, information technology, project management, business and management, and marketing and retail, among others.

**The investment in PFC has been valued this year at £6.28 million, a £1.28 million increase on the initial £5 million cost of this investment. This represents an equivalent compounded annual return of 10%.**

# Investment Manager's Review

## C Share Class

The Company and the Investment Manager will monitor the ongoing operation and efficiency of the C Share Class investments. The C Share Class has investments in three companies which between them own six hydroelectric schemes in the Scottish Highlands.

Further updates on this sector are detailed in the Hydroelectric Power section on pages 36 to 37.

## D Share Class

The Company and the Investment Manager will monitor the ongoing operation and efficiency of the D Share Class investments. The D Share Class has investments in three companies which between them own five hydroelectric schemes in the Scottish Highlands.

Further updates on this sector are detailed in the Hydroelectric Power section on pages 36 to 37.

## E Share Class

The E Share Class has a diverse portfolio consisting of hydroelectric power, rooftop solar, crematoria, vertical growing and social housing through its investment in a REIT.

TPIM is paid an annual management fee as Investment Manager to the REIT and consequently has agreed to rebate a corresponding part of its management fee relating to this investment, to ensure VCT Investors are not bearing additional fees.

## Brexit

While it may seem that Brexit has taken a back seat due to recent circumstances, the Investment Manager and the Board continue to keep the possible impact of Brexit on the Company under review. The Company's strategy of investing in small UK based businesses means that it is unlikely to be directly exposed to the terms of an exit from the EU. We are, however, going through a period of some political and, potentially, economic uncertainty. This has now been exacerbated by the ongoing COVID-19 pandemic.

If you have any questions, please do not hesitate to call us on 020 7201 8990.



Ben Beaton  
Managing Partner  
Triple Point Investment Management LLP  
15 June 2020

# Responsible Investing

## UN Sustainable Development Goals

Never before have environmental and social considerations played such a prominent role in the world of finance and investing. This mirrors the shift we are observing in the investment community towards applying an ESG lens to capital allocation.

Triple Point's investment ethos is based on the 17 UN Sustainable Development Goals ("SDGs") and focuses on the four themes of health, environment, children & young people and inequality. We invest in companies that meet our impact threshold and measure their impact on an ongoing basis. Our aim is to provide an estimate of a company's impact that is measurable, comparable and is delivered at an appropriate level of resource.

## What are the SDGs?

The 17 UN SDGs sit at the heart of the 2030 Agenda for Sustainable Development. Adopted by all United Nations Member States in 2015, the SDGs provide the blueprint for a more sustainable future by tackling some of the biggest and most urgent global challenges we face, such as poverty, inequality, climate change and environmental degradation.

Climate change will influence the achievement of most, if not all, of the SDGs.

The SDGs were agreed by all UN Member States as the blueprint to achieve a better and more sustainable future for all.

The SDGs can be broadly grouped into five overarching elements: people, planet, prosperity, peace and partnership and are made up of 17 inter-related and mutually supporting goals.

The SDGs are emerging as a global framework for investors and corporations to prioritise agendas, and report on their impact. 72% of respondents to the Global Impact Investing Network ("GIIN") investor survey use the SDGs to measure and report on their impact.

The UN Sustainable Development Goals lists the need for achieving food security, improved nutrition and promoting sustainable agriculture globally. The organisation aims to seek sustainable solutions to end hunger by 2030. With declining arable land, retreating quality of existing farmland, soil erosion, erratic climate and rainfall, vertical growing techniques with low dependence on climate are being looked at as solutions to improve quality of life. With progressive solutions and implementation, the European vertical growing market holds the largest demand, with over one-third of the entire global share. This is due to the presence of extensive R&D centres and availability of funding.



# Investment Portfolio Summary

	31 March 2020				31 March 2019			
	Cost		Valuation		Cost		Valuation	
	£'000	%	£'000	%	£'000	%	£'000	%
<b>Unquoted qualifying holdings</b>	30,980	73.62	41,144	79.95	33,704	61.90	42,523	67.37
<b>Quoted non-qualifying holdings</b>	3,319	7.89	2,927	5.69	6,001	11.02	5,901	9.35
<b>Unquoted non-qualifying holdings</b>	7,082	16.83	6,692	13.00	8,563	15.72	8,513	13.48
<b>Financial assets at fair value through profit or loss</b>	41,381	98.34	50,763	98.64	48,268	88.64	56,937	90.20
<b>Cash and cash equivalents</b>	701	1.66	701	1.36	6,188	11.36	6,188	9.80
	42,082	100.00	51,464	100.00	54,456	100.00	63,125	100.00

## Qualifying Holdings - Unquoted

<b>Digima Limited</b>	1,262	3.00	1,661	3.23	1,262	2.32	1,612	2.55
<b>Digital Screen Solutions Limited</b>	2,020	4.80	2,586	5.02	2,020	3.71	2,658	4.21
<b>Green Energy for Education Limited</b>	475	1.13	1,260	2.45	475	0.87	1,127	1.79
<b>Elementary Energy Limited</b>	2,060	4.90	2,461	4.78	2,060	3.78	2,409	3.82
<b>Green Highland Allt Choire A Bhalachain (255) Limited</b>	3,130	7.44	3,763	7.31	3,130	5.75	3,642	5.77
<b>Green Highland Allt Garbh Limited</b>	-	-	-	-	2,710	4.98	2,710	4.29
<b>Green Highland Allt Ladaidh (1148) Limited</b>	3,500	8.32	4,771	9.27	3,500	6.43	5,010	7.94
<b>Green Highland Allt Luaidhe (228) Limited</b>	1,995	4.74	2,425	4.71	1,995	3.66	2,407	3.81
<b>Green Highland Allt Phocachain (1015) Limited</b>	3,932	9.34	4,989	9.69	3,932	7.22	4,871	7.72
<b>Green Highland Shenvale Limited</b>	1,120	2.66	739	1.44	1,120	2.06	797	1.26
<b>Achnacarry Hydro Ltd</b>	4,286	10.18	7,841	15.24	4,300	7.90	7,857	12.45
<b>Green Peak Generation Limited</b>	2,200	5.23	2,366	4.60	2,200	4.04	2,423	3.84
<b>Perfectly Fresh Cheshire Limited</b>	5,000	11.88	6,282	12.21	5,000	9.18	5,000	7.92
	30,980	73.62	41,144	79.95	33,704	61.90	42,523	67.37

## Non-qualifying Holdings - Quoted

<b>Triple Point Social Housing REIT plc Equity</b>	3,319	7.89	2,927	5.69	6,001	11.02	5,901	9.35
	3,319	7.89	2,927	5.69	6,001	11.02	5,901	9.35

## Non-qualifying Holdings - Unquoted

<b>Furnace Managed Services Limited</b>	486	1.15	97	0.19	496	0.91	103	0.16
<b>Elementary Energy Limited</b>	200	0.48	199	0.39	248	0.46	248	0.39
<b>Green Highland Allt Choire A Bhalachain (255) Limited</b>	223	0.53	223	0.43	289	0.53	289	0.46
<b>Green Highland Allt Luaidhe (228) Limited</b>	109	0.26	110	0.21	180	0.33	180	0.29
<b>Green Highland Allt Phocachain (1015) Limited</b>	-	-	-	-	122	0.22	122	0.19
<b>Achnacarry Hydro Ltd</b>	-	-	-	-	26	0.05	27	0.04
<b>Broadpoint 2 Limited</b>	1,335	3.17	1,334	2.59	2,834	5.20	2,834	4.49
<b>Broadpoint 3 Limited</b>	2,010	4.78	2,010	3.91	2,010	3.69	2,010	3.18
<b>Aeris Power Limited</b>	519	1.23	519	1.01	158	0.29	500	0.79
<b>Funding Path Limited</b>	2,200	5.23	2,200	4.27	2,200	4.04	2,200	3.49
	7,082	16.83	6,692	13.00	8,563	15.72	8,513	13.48

# Investment Portfolio Summary

**SOLAR**

**HYDROELECTRIC POWER**

**GAS POWER**

**VERTICAL GROWING**

**INVESTMENT PROPERTY**

**CREMATORIUM MANAGEMENT**

**HYDROELECTRIC POWER**

**SME FUNDING**

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.

For accounting periods commencing 1 January 2019 onwards, updated International Private Equity and Venture Capital Valuation ("IPEV") guidelines no longer allow "cost" and "price of a recent investment" to be used as the primary valuation technique when valuing investments. This is discussed further in note 10.

# 10 Largest Investments

## Achnacarry Hydro Ltd

Achnacarry Hydro Ltd is operating three separate Run of River hydroelectric power plants located adjacent to Loch Arkaig near Fort William. Having reached financial close in August 2014, the Allt Dubh site (722kw) was commissioned in November 2015 with the Loch Blair site (1,250kw) and the Cheanna Mhuir site (500kw) both successfully commissioned in December 2015. The company earns Feed in Tariffs and other revenues from the generation and export of electricity to the National Grid.

Date of first investment	13-Aug-2014
Cost (£)	4,300,000
Valuation (£)	7,841,000
Valuation Method	Discounted Cash Flow
Income recognised by TP Income for the year (£'000)	435
Equity Held by TP Income (%)	40.65
Equity Held by TPIM managed funds (%)	40.65

### Summary of Information from Investee Company Financial Statements ending in 2019 (£'000)

Turnover	2,016
Earnings before interest, tax, amortisation and depreciation (EBITDA)	1,477
Profit before tax	832
Net assets before VCT loans	4,358
Net assets	3,068

## Perfectly Fresh Cheshire Limited

Perfectly Fresh Cheshire Limited has constructed a pioneering vertical growing facility. This facility is producing premium quality fresh salads and herbs in indoor, laboratory-like conditions.

Date of first investment	27-Nov-2017
Cost (£)	5,000,000
Valuation (£)	6,282,000
Valuation Method	Asset multiple
Income recognised by TP Income for the year (£'000)	43
Equity Held by TP Income (%)	49.97
Equity Held by TPIM managed funds (%)	49.97

### Summary of Information from Investee Company Financial Statements ending in 2019 (£'000)

Turnover	-
Earnings before interest, tax, amortisation and depreciation (EBITDA)	(534)
Loss before tax	(532)
Net assets before VCT loans	4,477
Net assets	2,976

## 10 Largest Investments

### Green Highland Allt Phocachain (1015) Limited

Green Highland Allt Phocachain (1015) Limited operates two separate 500 KW Run of River hydraulic power plants located in Glen Moriston, in the Scottish Highlands. The company earns Feed in Tariffs from generation and export of electricity to the National Grid.

Date of first investment	13-Nov-2014
Cost (£)	3,932,000
Valuation (£)	4,989,000
Valuation Method	Discounted Cash Flow
Income recognised by TP Income for the year (£'000)	331
Equity Held by TP Income (%)	42.70
Equity Held by TPIM managed funds (%)	100

#### Summary of Information from Investee Company Financial Statements ending in 2019 (£'000)

Turnover	803
Earnings before interest, tax, amortisation and depreciation (EBITDA)	467
Loss before tax	(68)
Net assets before VCT loans	3,823
Net assets	2,386

### Green Highland Allt Ladaidh (1148) Limited

Green Highland Allt Ladaidh (1148) Limited operates a 1,350 KW Run of River hydroelectric power plant near Loch Garry, Invergarry in the Scottish Highlands. The company earns Feed in Tariffs and other revenues from the generation and export of electricity to the National Grid.

Date of first investment	20-Mar-2015
Cost (£)	3,500,000
Valuation (£)	4,771,000
Valuation Method	Discounted Cash Flow
Income recognised by TP Income for the year (£'000)	295
Equity Held by TP Income (%)	35.17
Equity Held by TPIM managed funds (%)	50.25

#### Summary of Information from Investee Company Financial Statements ending in 2019 (£'000)

Turnover	669
Earnings before interest, tax, amortisation and depreciation (EBITDA)	512
Loss before tax	(68)
Net assets before VCT loans	4,383
Net assets	2,884

# 10 Largest Investments

## Green Highland Allt Choire A Bhalachain (255) Limited

Green Highland Allt Choire a Bhalachain (255) Limited is currently operating a 740kw Run of River hydroelectric power plant located at Tomdoun, Invergarry in the Scottish Highlands. The project started construction in July 2014 and was commissioned on schedule in November 2015. The company earns Feed in Tariffs and other revenues from the generation and export of electricity to the National Grid.

Date of first investment	18-Jul-2014
Cost (£)	3,130,000
Valuation (£)	3,763,000
Valuation Method	Discounted Cash Flow
Income recognised by TP Income for the year (£'000)	282
Equity Held by TP Income (%)	49.90
Equity Held by TPIM managed funds (%)	100.00

### Summary of Information from Investee Company Financial Statements ending in 2019 (£'000)

Turnover	397
Earnings before interest, tax, amortisation and depreciation (EBITDA)	195
Loss before tax	(167)
Net assets before VCT loans	2,307
Net assets	1,089

## Triple Point Social Housing REIT plc

Triple Point Social Housing REIT plc is a UK Real Estate Investment Trust ("REIT") investing in UK Social Housing assets, in particular homes in the Supported Housing sector which have been adapted to provide care and support to vulnerable tenants. Following the year end, the Company disposed of part of its holding in Triple Point Social Housing REIT plc. Please see note 23 to the Financial Statements for further information.

Date of first investment	17-Nov-2017
Cost (£)	3,319,000
Valuation (£)	2,927,000
Valuation Method	Bid Price
Income recognised by TP Income for the year (£'000)	263
Equity Held by TP Income (%)	0.92
Equity Held by TPIM managed funds (%)	0.92

### Summary of Information from Investee Company Financial Statements ending in 2019 (£'000)

Turnover	21,112
Earnings before interest, tax, amortisation and depreciation (EBITDA)	26,936
Profit before tax	23,717
Net assets	369,733

## 10 Largest Investments

### Digital Screen Solutions Limited

Digital Screen Solutions Limited is a VCT qualifying investment, which owns and operates a portfolio of rooftop solar PV assets.

Date of first investment	12-Feb-2015
Cost (£)	2,020,000
Valuation (£)	2,586,000
Valuation Method	Discounted Cash Flow
Income recognised by TP Income for the year (£'000)	69
Equity Held by TP Income (%)	35.36
Equity Held by TPIM managed funds (%)	98.00

#### Summary of Information from Investee Company Financial Statements ending in 2019 (£'000)

Turnover	453
Earnings before interest, tax, amortisation and depreciation (EBITDA)	420
Profit before tax	343
Net assets before VCT loans	2,190
Net assets	776

### Elementary Energy Limited

Elementary Energy Limited is currently operating a 500kw Run of River hydroelectric power plant situated at Abhainn Shalachain river at Fiunary, Morven, Scotland. The plant was commissioned in January 2015 and is operating successfully earning Feed in Tariffs and other revenues from the generation and export of electricity to the National Grid.

Date of first investment	18-Mar-2015
Cost (£)	2,060,000
Valuation (£)	2,461,000
Valuation Method	Discounted Cash Flow
Income recognised by TP Income for the year (£'000)	196
Equity Held by TP Income (%)	49.93
Equity Held by TPIM managed funds (%)	99.22

#### Summary of Information from Investee Company Financial Statements ending in 2019 (£'000)

Turnover	332
Earnings before interest, tax, amortisation and depreciation (EBITDA)	241
Loss before tax	(15)
Net assets before VCT loans	1,851
Net assets	311

# 10 Largest Investments

## Green Highland Allt Luaidhe (228) Limited

Green Highland Allt Luaidhe (228) Limited operates a 500 KW Run of River hydroelectric power plant located in Knockie, Whitebridge near Inverness in the Scottish Highlands. The company earns Feed in Tariffs from the generation and export of electricity to the National Grid.

Date of first investment	18-Mar-2015
Cost (£)	1,995,000
Valuation (£)	2,425,000
Valuation Method	Discounted Cash Flow
Income recognised by TP Income for the year (£'000)	178
Equity Held by TP Income (%)	35.18
Equity Held by TPIM managed funds (%)	100

### Summary of Information from Investee Company Financial Statements ending in 2019 (£'000)

Turnover	424
Earnings before interest, tax, amortisation and depreciation (EBITDA)	250
Loss before tax	(75)
Net assets before VCT loans	1,977
Net assets	1,122

## Green Peak Generation Limited

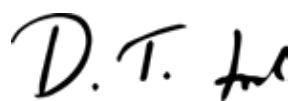
Green Peak Generation Limited constructed a 7.5 MW gas power plant in Bedford. The 3 x 2.5 MW gas fired MTU Rolls Royce Engines were installed and construction was completed in May 2018. The plant generates revenues through the sale of electricity to the National Grid, when electricity prices are at their highest.

Date of first investment	02-Apr-2015
Cost (£)	2,200,000
Valuation (£)	2,366,000
Valuation Method	Discounted Cash Flow
Income recognised by TP Income for the year (£'000)	-
Equity Held by TP Income (%)	48.26
Equity Held by TPIM managed funds (%)	90

### Summary of Information from Investee Company Financial Statements ending in 2019 (£'000)

Turnover	1,402
Earnings before interest, tax, amortisation and depreciation (EBITDA)	418
Profit before tax	136
Net assets before VCT loans	3,843
Net assets	2,613

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



**David Frank**

Chairman

15 June 2020

A scenic coastal landscape featuring a large, light-colored sandy beach in the center-left. To the left, a steep, dark grey rock face rises. To the right, a grassy hillside with patches of pink flowers slopes down towards the beach. The sky is a clear, pale blue.

# GOVERNANCE

## Board of Directors



### Michael Stanes

**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.

### David Frank

**David Frank** is the Chairman of the Board. He was a partner in Slaughter and May for 22 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.

### Simon Acland

**Simon Acland** has over 30 years' experience in venture capital, primarily at Quester, where he became Managing Director. When Quester was sold in 2007 it had £200 million 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 currently a director of several private companies, including the Satellite Applications Catapult, and is a member of the investment committee of the Angel Co-Fund. Simon is a Founder and Director of Green Angel Syndicate, the UK's only business angel group focused on investing in the green economy. He also acts as an Adviser to the Triple Point Impact EIS Fund.

# Corporate Governance Report

## Compliance Statement

The Board of Triple Point Income VCT plc has considered the Principles and Provisions of the Association of Investment Companies Code of Corporate Governance 2019 (AIC Code). The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the UK Code), as well as setting out additional Provisions on issues that are of specific relevance to Triple Point Income VCT plc.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council and will provide improved reporting to Shareholders.

The Company has complied with the Principles and Provisions of the AIC Code except as set out below:

AIC Code of Corporate Governance	Explanation
The appointment of a Senior Independent Director (Provision 14)	As there are only two independent Non-Executive Directors, excluding the Chairman, it is not considered appropriate to identify a member of the Board as senior independent Director. Both independent Non-Executive Directors, as appropriate, will act as a sounding board for the Chairman, serve as intermediaries between Directors and Shareholders, and evaluate the Chairman's performance as part of the Board's annual evaluation.
Chairman of the Audit Committee (Provision 29)	The Chairman of the Board is the Chairman of the Audit Committee. The Board considers this appointment appropriate given the size and complexity of the Company.

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

# Corporate Governance Report

## Board of Directors

The Board comprises three Non-Executive Directors.

The Board's role is to promote the long-term sustainable success of the Company, generating value for its Shareholders and contributing to wider society.

All Directors are considered independent and day-to-day management responsibilities are delegated to the Investment Manager. The Directors have a combination of skills, experience and knowledge which are relevant to the Company. Biographies of each director are presented on page 55 of this report.

The Directors are provided with key operational information on the Company's activities, including regulatory and statutory requirements, by the Investment Manager and Company Secretary.

The Board has direct access to the Company Secretary and may also take independent professional advice at the Company's expense where necessary in the performance of their duties. During the year, the Board was satisfied that all Directors were able to commit sufficient time to discharge their responsibilities effectively having given due consideration to their other significant commitments. The Directors were advised on appointment of the expected time required to fulfil their roles and have confirmed that they remain able to make that commitment. No external appointments accepted during the year were considered to be significant for the relevant Directors, taking into account the expected time commitment and nature of these roles.

All Directors have sufficient time to meet their Board responsibilities and provide constructive challenge, strategic guidance, offer specialist advice and hold third party service providers to account.

The Chairman, David Frank, leads the Board and is responsible for its overall effectiveness in directing the Company. The Chairman leads the process in determining its strategy and the achievement of its objectives. The Chairman is responsible for setting the Board agenda focusing on strategy, performance, value creation, culture, stakeholders and ensuring that issues relevant to these areas are reserved for Board decision. The Chairman facilitates constructive Board relations and the effective contribution of all Directors, encouraging a culture of openness and debate and ensures the Directors receive accurate, timely and clear information. The Chairman does not have significant commitments which conflict with his Board responsibilities.

## Appointment of New Directors

Any appointment to the Board is subject to a formal, rigorous and transparent procedure and is based on merit and objective criteria which promotes diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

## Company's Operations

The Investment Manager has authority over the management of the investment portfolio, the organisation of custodial services, accounting and administrative services. The Investment Manager makes investment recommendations for the Board's approval.

The Board meets regularly in person or via conference call at least four times a year, 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 schedule of matters reserved for the Board which includes:

- Review investment performance and monitor compliance with the Investment Policy;
- 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 and the Company Secretary;
- The performance of the Company, including monitoring the Net Asset Value per share;
- Monitoring shareholder profiles and considering shareholder communications; and
- Approving major investments.

The Company Secretary, Hanway Advisory Limited, is responsible for ensuring that Board procedures are complied with, advising the Board on all governance matters, supporting the Chairman and helping the Board and its Committees to function effectively. The Company Secretary will also provide the Board with support in ensuring that it has the policies, processes, information, time and resources it needs in order to function effectively.

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 Board reviews the performance of the Investment Manager annually taking into consideration the contractual arrangements and scrutinises their performance. The Board as a whole carries out this review and due to the size of the Board, does not consider it appropriate to establish a separate Management Engagement Committee.

## Re-election of Directors

Directors' retirement and re-election is subject to the Company's articles of association and the AIC Code. The AIC Code requires that all Directors should be subject to an annual re-election. The Directors have therefore agreed to submit themselves for annual re-election at the next Annual General Meeting.

# Corporate Governance Report

## Independence of Directors

The Board has a Non-Executive Chairman and two other Non-Executive Directors, all of whom were considered independent on their appointment. A majority of the Directors are independent of the Investment Manager.

Simon Acland acts as an Adviser to the Triple Point Impact EIS Service that is an Alternative Investment Fund managed by the Investment Manager. He therefore has a business relationship with the Investment Manager. The Board nonetheless considers Simon Acland to be independent as the Triple Point Impact EIS Service is an area of the Investment Manager's business which is not directly related to that of the Company and as such does not create a conflict between his interests as an Adviser and that of the Company. Furthermore, the Board do not consider that such relationship is material both with regards to remuneration or time and would therefore be unlikely to impair his judgement.

The AIC Code outlines further circumstances that are likely to impair a Director's independence including whether a Director has served on the Board for more than nine years from the date of their first appointment. Two of the three Non-Executive Directors have served on the Board for nine years or more. Length of service is currently one of several indicators the Board considers when assessing independence. The Board is of the view that a term of service in excess of nine years does not in itself compromise independence and notes the positive contribution that their long service offers. In particular that they are better able to serve the needs of the Company and its Shareholders by providing experience across the business/economic cycle. The nature of the Company's business is such that the Directors' experience and continuity is critical to promote the long-term sustainable success and future viability of the Company. The Board regularly reviews the independence of its Directors and is satisfied that the Board as a whole are independent, including in character and judgement.

As part of the annual evaluation, the Directors considered length of service of the Board as a whole and agreed to implement a succession plan that addresses the regular refreshment of Board membership whilst maintaining continuity.

## Policy on Tenure of the Chairman

The Board considers that the length of time each Director, including the Chairman, serves on the Board should not be limited and has not set a finite tenure policy. Continuity, self-examination and ability to do the job are the relevant criteria on which the Board assesses a Director's independence. Length of service of current Directors and future succession planning will be reviewed each year as part of the Board evaluation process.

## Board Committees

The Board only has one committee which is the Audit Committee. The Directors consider that due to the size of the Board, there being no employees or executive directors, it is not necessary to appoint a separate Remuneration Committee or Nomination Committee. The Remuneration Report is detailed on pages 66 to 70.

## Board Meeting Attendance

During the period the following Board meetings were held and the number attended by each Director compared with the maximum possible attendance:

Directors	Board Meetings
David Frank, Chairman	7/7
Simon Acland	6/7
Michael Stanes	5/7

The Board holds four meetings during the year on a quarterly basis. These meetings are arranged in advance of the start of the financial year, however, from time to time further ad hoc meetings are scheduled to deal with transactional and specific events for which arrangements are put in place on shorter notice and subject to the availability of those directors available at the time.

The attendance of the Audit Committee is detailed in the Audit Committee report on pages 62 to 64.

## Performance Evaluation

The Board, led by the Chairman, established a formal process for a formal and rigorous annual evaluation of the performance of the Board, individual Directors and the Audit Committee. The evaluation considered the composition, diversity, investment matters, development and how effectively each member works together to achieve its objectives.

During the period, the Board conducted its first performance evaluation by completing a written questionnaire to appraise and gather useful learnings on the functioning of the Board, the Audit Committee and individual Directors.

The Chairman, supported by the Company Secretary, acted on the results of the evaluation. The results of the questionnaire demonstrated that there is a consensus that the performance and functioning of the Board remains effective. However, the following areas of improvement were identified with the appropriate action approved by the Board:

- Greater focus should be given to the tenure of the Board to ensure that membership is regularly refreshed. The Board agreed that a clear succession plan in the immediate and longer term be established that considers diversity of gender, social and ethnic backgrounds with the intention to gradually refresh Board membership.
- Further training on an ongoing basis and regular updates on legal, regulatory and governance matters should be provided to the Board. The Board agreed that additional governance and compliance reports and training be provided at future Board meetings.
- The feedback and views of Shareholders be further understood. The Board agreed that additional reporting from the Investment Manager be provided and engagement increased where applicable.

# Corporate Governance Report

## Corporate Social Responsibility

The Board is committed to integrating social, environmental and governance matters in the Company's business operations, including the Company itself and the companies it invests in. The Board is actively seeking ways to interact with their stakeholders. The Board seeks to avoid investing in companies which do not operate within ethical, environmental and social legislation. Details on the Company's responsible investing can be found on page 45.

## Internal Control and Risk Management

The Board has overall responsibility for establishing procedures to manage risk, overseeing the internal control framework, determining the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives, and identifying emerging risks. The purpose of an internal control framework 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. Emerging risks are regularly monitored, and to the extent possible or practicable, mitigating actions are implemented.

The system of risk management and internal control 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 risk management and internal control systems is carried out. The review covers all material controls including financial, operational and compliance controls.

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 the significant and emerging risks to which it 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 reviewed bi-annually. The principal risks and uncertainties including emerging risks identified from the risk register and a description of the Group's risk management procedures can be found on pages 26 to 27.

TPIM is engaged to provide accounting services, and Hanway Advisory Limited is engaged to provide secretarial 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.

Capital management is monitored and controlled by the Investment Manager. The capital being managed includes equity and fixed

interest VCT qualifying investments, cash balances and liquid resources including debtors and creditors. The Investment Manager's procedures are subject to internal compliance checks.

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; and
- To ensure sufficient liquid resources are available to meet the funding requirements of its investments and to fund new investments where identified.

## Stakeholder Engagement

The Company continuously interacts with a variety of stakeholders important to its success. This includes regular engagement with the Company's Shareholders and other stakeholders by the Board and the Investment Manager. The Directors are responsible for acting in a way that they consider, in good faith, is the most likely to promote the success of the Company for the benefit of its members. In doing so, they have regard for the needs of stakeholders and the wider society along with the matters set out in the Section 172 statement on page 29.

The Company is committed to understanding the views of its stakeholders and maintaining effective dialogue with its key stakeholders of which include:

- Shareholders;
- Investee companies;
- the Investment Manager;
- lenders; and
- the wider communities in which the Company and its investee companies operate.

## Shareholders

In addition to the formal business of the Annual General Meeting where Shareholders have an opportunity to question the Board and the Investment Manager on matters relating to the Company's operation and performance, formal updates are provided to Shareholders on a quarterly basis. The Board and the Investment Manager will also respond to any written queries made by Shareholders during the course of the year. The Chairman provides feedback to the Board and is responsible for providing a clear understanding of the views of Shareholders to the Board. The Board recognises the importance of providing strong financial returns to Shareholders and the eligible tax benefits under VCT tax legislation and takes this into consideration when making investments into and from investee companies, approving offers for subscription and declaring declarations.

# Corporate Governance Report

## Investee Companies

The Company via its Investment Manager has important relationships with individuals responsible for the maintenance and performance of its investee companies. This includes monthly operational reports from the Operation & Maintenance ("O&M") providers. Site visits are undertaken at least annually by representatives from the Investment Manager including the Investor Directors and portfolio management team. The Investment Manager is in regular contact with the O&M providers.

Management accounts and performance reports are provided to the directors of investee companies on a quarterly basis.

As part of achieving its investment objectives, the Company provides funding to a number of investee companies and as such, has debtor relationships with several companies. Should issues arise with payment deadlines, the Investment Manager, on behalf of the Company will consider appropriate measures to engage with any debtors and take into consideration their circumstances, with the aim of not causing detriment to the Company's long term sustainable success.

## Investment Manager

The Company maintains a good relationship with the Investment Manager, Triple Point Investment Management LLP and regularly considers its performance. The Investment Manager attends every Board meeting and presents a detailed portfolio analysis and reports on key issues such as VCT compliance, investment pipeline and valuations.

## Community

The Directors recognise that the long term success of the Company is linked to the success of the communities in which the Group, and its investee companies, operate. The Board encourages the responsible investment ethos of the Investment Manager that is based on the 17 UN Sustainable Development Goals. The Board is cognisant of the impact of the Company's operations and of the companies in which it invests and believes that its investment activities have many positive benefits beyond the returns delivered for Shareholders.

## Directors Share Interests

All of the Directors' share interests were held beneficially and they are actively encouraged to own shares. The Company has not set out any formal requirements or guidelines to Directors concerning their ownership of shares in the Company.

On behalf of the Board.



**DAVID FRANK**

**Chairman**

15 June 2020

A large, industrial-grade pump unit, likely a submersible pump, is the central focus. It is a vibrant blue color with a textured, ribbed surface. A prominent feature is a rectangular label on the upper right side that reads "GILKES" in a bold, red, sans-serif font. The pump has several functional components: a circular access panel on the left side, a vertical support arm in the center, and a large, ribbed cylindrical section on the right. The background shows a plain, light-colored wall and a fluorescent light fixture on the ceiling.

# AUDIT COMMITTEE REPORT

# Audit Committee Report

The Audit Committee consists of the Chairman, David Frank, and the Non-Executive Directors, Simon Acland and Michael Stanes. The Audit Committee deals with matters relating to audit, financial reporting and internal control systems. The Committee meets at least twice a year and as required. The Audit Committee also has direct access to BDO LLP, the Company's auditor.

## Audit Committee Role and Responsibilities

In respect of the year ended 31 March 2020, the Audit Committee discharged its responsibilities by:

- Reviewing the external auditor's plan for the audit of the financial statements, including identification of key risks and confirmation of auditor independence;
- Monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance, and reviewing significant financial reporting judgements contained in them;
- Reviewing the Company's internal financial controls and internal control and risk management systems 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;
- Providing advice on whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy;
- Reviewing the Company's half-yearly results and draft annual financial statements prior to Board approval;
- Making recommendations to the Board regarding the reappointment of the external auditor and approving their remuneration;
- Reviewing and monitoring the external auditor's independence and objectivity;
- Reviewing the effectiveness of the external audit process, taking into consideration relevant UK professional and regulatory requirements;
- Reviewing the Company's going concern status; and
- Reviewing the external auditor's findings document.

## Financial Reporting

The primary role of the Audit Committee in relation to financial reporting is to review with the Investment Manager and the Auditor the appropriateness of the half year report and Annual Report and financial statements, concentrating on, amongst other matters:

- Compliance with financial reporting standards and relevant financial and governance reporting requirements;
- Amendments to legislation and corporate governance reporting requirements;
- The impact of any new and proposed amendments to accounting standards which affect the Company;
- Material areas in which significant judgements have been applied;
- Whether the Committee believes that proper and appropriate processes and procedures have been followed in the preparation of the Annual Report; and
- Considering and recommending the contents of the Annual Report for approval.

## Significant Matters Considered by the Audit Committee in Relation to Financial Reporting

The Audit Committee is responsible for considering and reporting on any significant issues that arise in relation to the Financial Statements and how they have been addressed.

The following key issues were discussed:

- Compliance with HM Revenue & Customs conditions for maintenance of approved VCT status;
- Valuation and existence of unquoted investments; and
- Net asset value projections of the C, D and E Share classes.

## Compliance with HMRC Conditions

The Investment Manager provides the Board with monthly qualifying investment updates. This report shows the current qualifying percentage position of the Company and highlights actions which may be required to maintain this position in the future. The qualifying position of the Company is a recurring agenda item at Board meetings and is often discussed by the Board at length.

The Company also has in place an engagement with Philip Hare and Associates LLP, the Board seek their opinion before undertaking any material transaction which may affect the qualifying status of the Company.

## Valuation & Net Asset Value Projections

The Company's unquoted Investment portfolio is valued in line with the International Private Equity Valuation guidelines. The Company's accounting policy is to designate investments at fair value through profit or loss. Therefore, the most significant risk in the financial statements is whether its investments are fairly valued. Being unquoted there is uncertainty and estimation involved in determining the investment valuations.

# Audit Committee Report

There is also an inherent risk of management override as the Investment Manager's fee is calculated based on NAV as disclosed in note 5 to the financial statements. The Investment Manager is responsible for calculating the NAV, prior to approval by the Board.

On a quarterly basis, the Investment Manager provides a detailed analysis of the NAV highlighting any movements and assumption changes from the previous quarter's NAV. This analysis and the rationale for any changes made is considered and challenged by the Chairman of the Audit Committee and subsequently considered and approved by the Board.

## External Audit

It is the Audit Committee's responsibility to monitor the performance, objectivity, and independence of the external auditors and this is assessed by the Committee each year. In evaluating BDO's performance the Committee examines the effectiveness of the audit process, independence and objectivity of the auditor, taking into consideration the length of tenure of the external auditors, the non-audit services undertaken during the year and relevant UK professional and regulatory requirements, and the quality of delivery of its services.

BDO LLP attended 1 of the 2 formal Audit Committee meetings held during the year. Matters typically discussed include the Auditor's assessment of the transparency and openness of the Investment Manager, confirmation that there has been no restriction in scope placed on them, the independence of their audit and how they have exercised professional scepticism.

When considering whether to recommend the reappointment of the external auditor, the Audit Committee takes into account their current fee compared to the external audit fees paid by other similar companies. The quality and competence of the external auditor is also taken into consideration. The Audit Committee will then recommend to the Board the appointment of an external auditor which is approved by Shareholders at the Annual General Meeting.

The FRC's Ethical Standard requires the audit partner to rotate every five years. The first audit engagement for BDO LLP was for the year ended 31 March 2018.

The independence and effectiveness of the external audit process 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 auditor and the discussions then held on topics raised. The Audit Committee will challenge the auditor at the Audit Committee meeting if appropriate.

The Audit Committee's terms of reference include the following roles and responsibilities:

- Periodically considering the need for an internal audit function;
- 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 the Committee as a whole has competence relevant to the sector in which it operates.

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.

## Non-Audit Services

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. Details of fees paid to BDO LLP during the year are disclosed in note 8 to the financial statements.

There were no non-audit services performed during the year.

## Independence

The Audit Committee is required to consider the independence of the external auditor. In fulfilling this requirement, the Audit Committee has considered the Audit Strategy report from BDO LLP which describes their arrangements to identify, report and manage any conflict of interest and their independence.

# Audit Committee Report

## Audit Committee Meeting Attendance

During the period, the following Audit Committee meetings were held, and the number attended by each director compared with the maximum possible attendance:

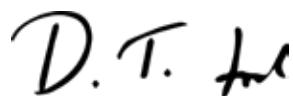
Directors	Audit Committee Meetings
David Frank, Chairman	2/2
Simon Acland	2/2
Michael Stanes	2/2

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 their assessment of 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 VCT had been complied with throughout the year. The position has been reviewed by Philip Hare & Associates LLP in its capacity as adviser to the Company on taxation matters.

The Audit Committee has considered the whole Annual Report for the year ended 31 March 2020 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 position, performance, business model and strategy.

On behalf of the Board.



**DAVID FRANK**  
Audit Committee Chairman

15 June 2020

# DIRECTORS' REMUNERATION REPORT



# Directors' Remuneration Report

## Statement of the Chairman

I am pleased to present the Remuneration Report on behalf of the Board for the year ended 31 March 2020.

This report is submitted in accordance with schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) (amendment) Regulations 2013 and The Companies (Miscellaneous Reporting) Regulations 2018, in respect of the year ended 31 March 2020. This report also meets the Financial Conduct Authority's Listing Rules and describes how the Board has applied the Principles and Provisions relating to Directors' remuneration set out in the AIC Code. The reporting requirements require two sections to be included:

- Directors' Remuneration Policy - This sets out our Remuneration Policy for Directors of the Company for the future and will be subject to a binding shareholder vote at our 2020 AGM. There have been no changes to the policy since its approval by Shareholders at the 2017 AGM other than presentational amendments to display the policy in a simple and transparent manner.
- Annual Remuneration Report - This sets out how our Directors were paid for the period ended 31 March 2020. There will be an advisory shareholder vote on this section of the report at our 2020 AGM.

The Company's auditor, BDO LLP, is required to give their opinion on certain information included in this report, comprising the Directors' emoluments section and their shareholdings below. Their report on these and other matters is set out on pages 76 to 81.

During the period, as part of the performance evaluation undertaken by the Board, the remuneration of the Directors was reviewed, taking into account the Company and individual performance.

The Board agreed that the fees of the Non-Executive Directors and the Chairman should be increased to reflect the time commitment and responsibilities of the role. The fee for the Non-Executive Directors (excluding the chairman) was increased from £17,500 to £21,000 and the fee for the Chairman was increased from £20,000 to £24,000.

This fee increase took effect from 1 April 2020. The increased remuneration of the Directors reflects the findings of a benchmarking exercise undertaken by the Company Secretary in which the remuneration of directors of comparable VCT of a similar size, objective and structure were evaluated against those of the Company's Directors.

We value engagement with our Shareholders and for the constructive feedback we receive and look forward to your support at the forthcoming AGM.

**DAVID FRANK**  
**Chairman**

15 June 2020

# Directors' Remuneration Report

## Directors' Remuneration Policy

### Approval of Remuneration Policy

The Company's Remuneration Policy was last approved on 24 August 2017 at the Annual General Meeting. In accordance with section 439A of the Companies Act 2006, a resolution to approve this Directors' Remuneration Policy will be proposed at the Annual General Meeting of the Group to be held on 23 July 2020. If the resolution is passed, the provisions of the policy will apply until they are next put to Shareholders for renewal of that approval, which must be at intervals of not more than three years, or if the Remuneration Policy is varied, in which event Shareholder approval for the new Remuneration Policy will be sought.

### Remuneration Policy Overview

The Board currently comprises three Directors, all of whom are Non-Executive. 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 VCT 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 are 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.

### Consideration of Remuneration

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. As such, the Board as a whole will consider the remuneration of the Directors, however no Director is involved in determining their own remuneration. 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 responsibilities is likely to incur a change in remuneration of any one Director or the Remuneration Policy itself.

### Directors' Service Contracts

The Directors are engaged under letters of appointment and do not have service contracts with the Company.

### Directors' Term of Office

The Directors' letters of appointment provide for an appointment of 12 months', after which three months written notice must be given by either party. Each Director will be subject to annual re-election by Shareholders at the Company's Annual General Meeting in each financial year.

### Policy on Payment for Loss of Office

A Director who ceases to hold office is not entitled to receive any payment other than accrued fees (if any) for past services.

### Consideration of Shareholder Views

The Company is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. Where there are substantial votes against resolutions in relation to directors' remuneration, the Group will seek the reasons for any such vote and will detail any resulting actions in the Directors' Remuneration Report. 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.

### Future Policy Table

The Directors are entitled only to the fees as set out in the table below. No element of Directors' remuneration is subject to performance factors. There are no other fees payable to the Directors for additional services outside of their contracts.

Component	How it Operates	Maximum Fee	Link to Strategy	Provisions to Recover or Withhold Sums
Annual Fee	Each Director receives a basic fee which is paid on a quarterly basis.	The total aggregate fees that can be paid to the Directors is calculated in accordance with the articles of association.	The level of the annual fee has been set to attract and retain high calibre Directors with the skills and experience necessary for the role. The fee has been benchmarked against companies of a similar size	There are no provisions to recover or withhold sums.
Other Benefits	The Directors shall be entitled to be repaid expenses.	Article 89 of the Company's Articles of Association permits for any director to be repaid reasonable expenses incurred in attending or returning from meetings of the Board, Committees of the Board or Shareholder meetings or otherwise in connection with the performance of their duties as Directors of the Company.	In line with market practice, the Company will reimburse the Directors for expenses to ensure that they are able to carry out their duties effectively.	

# Directors' Remuneration Report

## Annual Remuneration Report

### Directors' Fees

Details of each Director's contract is shown below. The Chairman is paid more than the other Directors to reflect the additional responsibilities of the role.

	Date of Contract	Unexpired Term of Contract	Annual Rate of Directors' Fees £	Policy on Payment For Loss of Office
David Frank, Chairman	11-Nov-10	none	20,000	none
Simon Acland	12-Mar-09	none	17,500	none
Michael Stanes	21-Nov-12	none	17,500	none

### Single Total Figure (audited information)

The fees paid to Directors in respect of the year ended 31 March 2020 and the prior year are shown below:

	Emoluments for the Year ended 31 March 2020	Emoluments for the Year ended 31 March 2019
David Frank, Chairman	20,000	20,000
Simon Acland	17,500	17,500
Michael Stanes	17,500	17,500
Employers' NI contributions	55,000	55,000
Total Emoluments	1,016	1,102
	56,016	56,102

None of the Directors are 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 and employees has been omitted because the Company has neither and therefore it is not relevant.

Directors' emoluments compared to payments to Shareholders:

Unaudited	31 March 2020	31 March 2019
Total Dividends paid:	£'000	£'000
Directors' emoluments	16,376	13,972
	56	56

### Directors' Share Interests (audited information)

At 31 March 2020, the Directors held no shares in the Company (2019: Nil).

At 31 March 2020, Simon Acland's wife held 48,750 D Class Shares (2019: 48,750).

There are no other connected parties to the Directors that held any shares at 31 March 2020. There are no requirements or restrictions on Directors holding shares in the Company.

# Directors' Remuneration Report

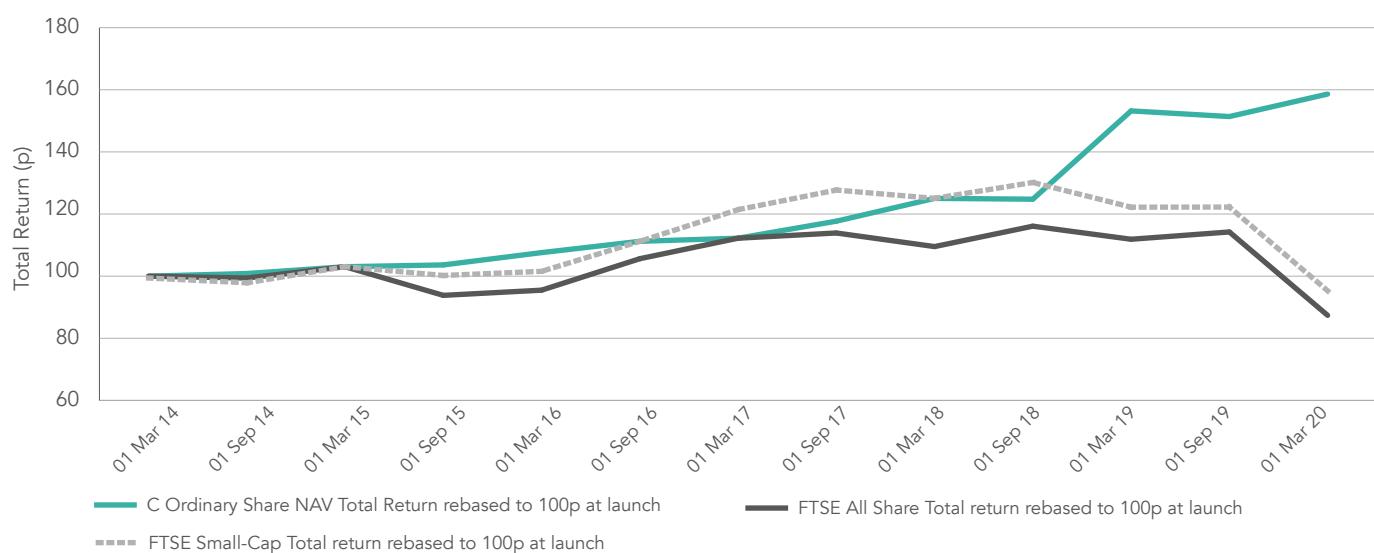
## Company Performance

The following performance charts compare the Total Return of the Company's C, D and E Share Classes over the period from admission to 31 March 2020 with the Total Return from notional investments in the FTSE Small-Cap index and FTSE All Share index over the same period.

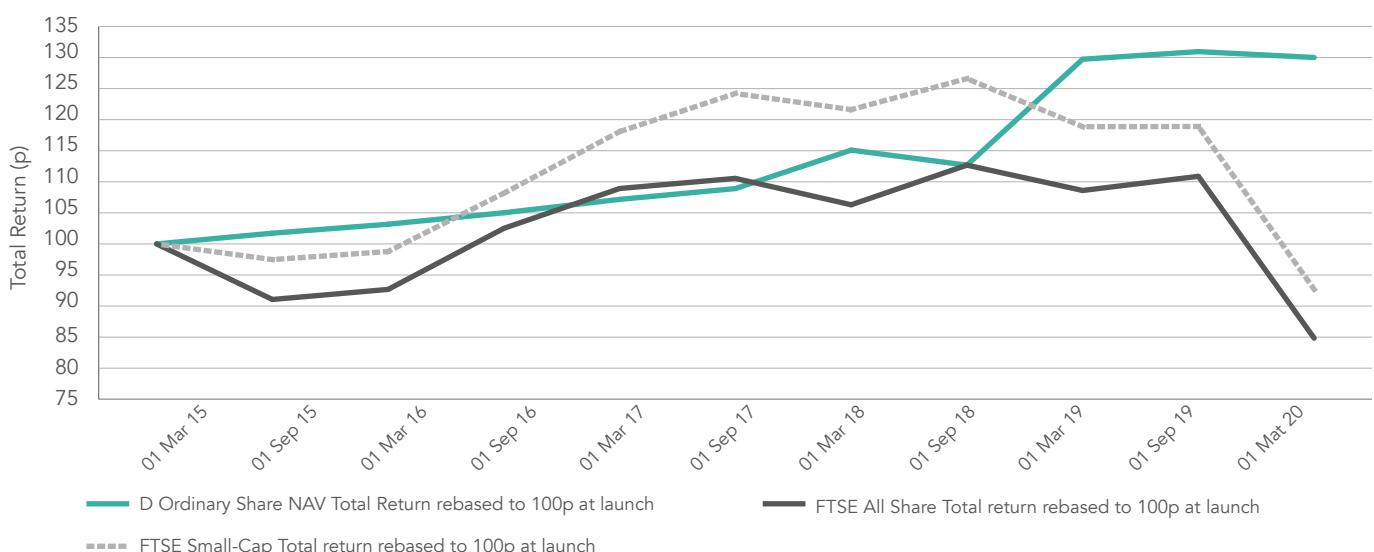
Shareholders should be reminded that shares in VCT generally continue to trade at a discount to the NAV of the Company.

The Total Return does not include the initial 30% tax relief available to Shareholders.

**C Ordinary Share Net Asset Value total return since launch against the FTSE Small-Cap Index & FTSE All Share total return**

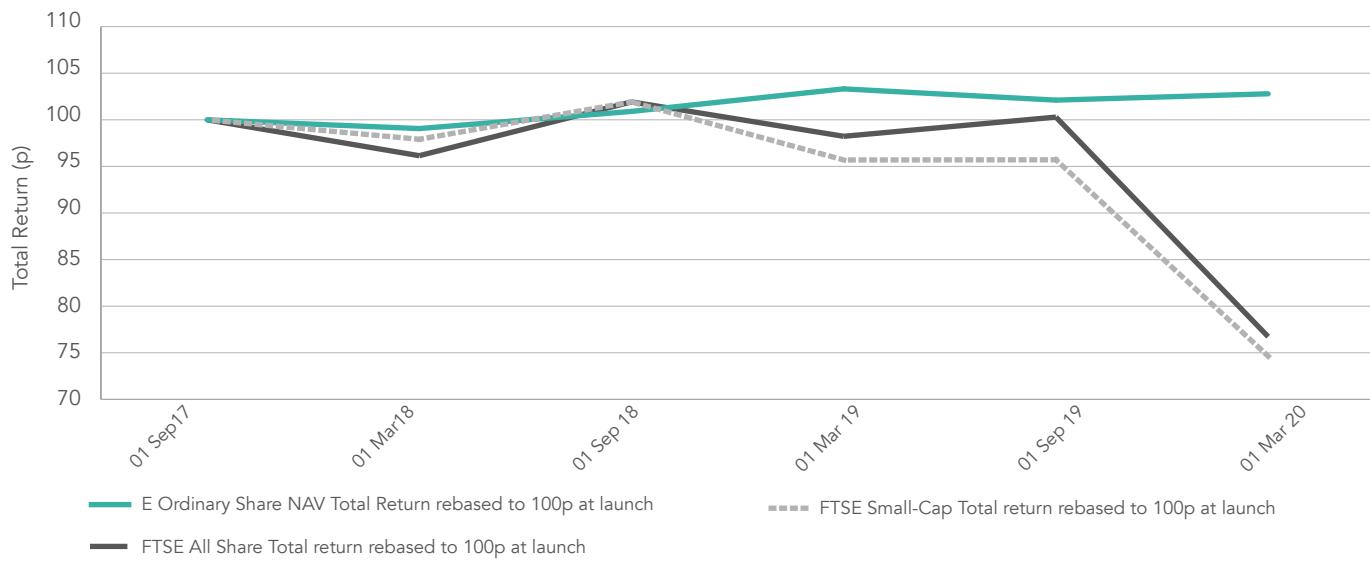


**D Ordinary Share Net Asset Value total return since launch against the FTSE Small-Cap & FTSE All Share Index total return**



# Directors' Remuneration Report

E Ordinary Share Net Asset Value total return since launch against the FTSE Small-Cap & FTSE All Share Index total return



These charts have been prepared in accordance with Part 3 to Schedule 8 of the Companies Act 2006. The Company measures its performance against its target returns as detailed in the Strategic Report on page 20.

The charts do not take into account the tax benefit of investing in a VCT.

## Statement of Voting at the Annual General Meeting

The resolutions to approve the Directors' Remuneration Report were passed at the Annual General Meeting on 26 July 2019 and the Directors' Remuneration Policy was passed at the Annual General Meeting on 24 August 2017 on a show of hands. Details of the proxy votes in respect of the resolutions are as set out below:

	Voting for	Voting Against	Votes Withheld
Remuneration Report	99.9%	0.1%	14,723
Remuneration Policy	99.1%	0.9%	30,143

During the year, the Company did not receive any communications from Shareholders specifically regarding Directors' pay.

On behalf of the Board.

**DAVID FRANK**  
Chairman

15 June 2020

The Directors are pleased to present the Directors' Report for the year ended 31 March 2020.

The information that fulfils the requirements of the Corporate Governance Statement in accordance with rule 7.2 of the DTR can be found in this Directors' Report and in the Governance section on pages 56 to 60 all of which is incorporated into this Directors' Report by reference.

## Directors

The Directors of the Company during the period were David Frank, Simon Acland and Michael Stanes.

## Principal Activity and Status

The principal activity of the Company is that of a VCT and its main activity is investing in companies involved in renewable energy, energy production, innovative vertical growing and SME funding.

The Company has been approved as a VCT by HMRC, in accordance with Section 274 of the Income Tax Act 2007 and, in the opinion of the Directors, has conducted its affairs so as to enable it to continue to obtain such approval. In order to maintain its status under VCT legislation, a VCT must comply on a continuing basis with the provisions of Section 274 and further details can be found on page 73.

The Company is registered in England as a Public Limited Company (Registration number 06421083) and its shares are listed on the main market of the London Stock Exchange.

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

Following the Company's year-end, the country continued to be in lockdown as a result of the COVID-19 pandemic which has affected the UK and the world.

The effect on the Company as a result of COVID-19 is discussed at length in both the Chairman's Statement and the Investment Manager's Review.

## Directors' and Officers' Liability Insurance

The Company has, as permitted by Section 233 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.

## Research and Development

No expenditure on research and development was made during the year (2019: Nil).

## Management

TPIM acts as Investment Manager to the Company and has done since incorporation. 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 no disclosures of major shareholdings had been made to the Company under Disclosure and Transparency rule 5 (Vote Holder and Issuer Notification Rules).

## Share Price 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.

## Purchase of Own Shares

The Directors may exercise on behalf of the Company its powers to purchase its own shares to the extent permitted by Shareholders and the articles of association.

## Global Greenhouse Gas Emissions, Energy Consumption and Energy Efficiency

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

It is worth highlighting that the Company has invested in renewable energy, through its portfolio of hydroelectric, rooftop solar and gas

# Directors' Report

power companies. Natural gas neatly bridges the gap between environmentally unfriendly fossil fuels and more irregular solar and wind power. Gas fired energy centres play an important role in balancing the UK electricity network, which is growingly ever more reliant on renewable energy sources, as the nation shifts towards a low-carbon economy.

The Company also has an investment in a vertical growing business. Vertical growing is beneficial for the environment because it massively reduces the amount of fossil fuels needed for farming equipment which is not required to sow, fertilise, weed or harvest crops. A vertical growing facility offers the opportunity to completely eliminate the need for pesticides as pests cannot enter the controlled environment to cause crop damage and fungal diseases struggle to develop. When it comes to food production, the last-mile delivery is usually the most expensive part of the supply chain and it is not uncommon for crops to be shipped across continents and oceans. Growing food closer to where the consumer lives is a massive vertical growing benefit as it can massively reduce transportation costs, CO2 emissions and reduce the need for refrigerated storage.

More information on the Company's hydro portfolio, gas fired energy centres, rooftop solar panels and the vertical growing facility can be found in the Investment Manager's review on pages 34 to 43.

## Share Capital

As at 31 March 2020 the Company's issued share capital amounted to 56,092,649 consisting of 13,441,438 C Shares of 1p each, 13,701,636 D Shares of 1p each and 28,949,575 E Shares of 1p each.

As at that date none of the issued shares were held by the Company as treasury shares.

There are no restrictions on the transfer of securities in the Company other than the Group's Share Dealing Code and other certain restrictions which may be imposed by law, for example, the Market Abuse Regulations.

The Company is not aware of any agreements between holders of securities that may result in restrictions on transferring securities in the Company. There are no securities of the Company carrying special rights with regards to the control of the Company in issue.

## Annual General Meeting

Notice of the 2020 Annual General Meeting to be held on 23 July 2020 is set out at the end of the Annual Report to Shareholders along with the explanatory notes on the resolutions.

## 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. Thereafter all Directors are subject to re-election at each Annual General Meeting of the Company.

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 2006, 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.

## Conflicts of Interest

The Directors review the disclosure of conflicts of interest quarterly, with changes reviewed and noted at the beginning of each Board meeting. A Director who has a potential conflict of interest has the interest authorised and acknowledged by the Board. Procedures to disclose and authorise conflicts have been adhered to throughout the year.

## Directors' Responsibilities

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.

## Auditor

BDO LLP is the appointed auditor of the Company and offer themselves for reappointment. In accordance with section 489 (4) of the Companies Act 2006 a resolution to reappoint BDO LLP as auditor and to authorise the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

## 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 at least the next 12 months. However, as discussed further in note 1, during the year the Company entered into a 364 day loan facility which is repayable within the next 12 months. To mitigate the risk of the loan not being extended, the Company entered into a separate facility agreement with similar key terms which includes a 2 year availability period. As a result, the Directors continue to apply the going concern basis in preparing the financial statements.

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.

## Annual Report

The Board is of the opinion that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the position, performance, strategy and business model of the Company.

The Board recommends that the Annual Report, the Directors' Report and the Independent Auditor's Report for the year ended 31 March 2020 are received and adopted by the Shareholders. A resolution concerning this will be proposed at the forthcoming Annual General Meeting.

## VCT Regulation

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

- (1) The Company's income must be derived wholly or mainly from shares and securities;
- (2) At least 80% of the HMRC value of its investments must have been represented throughout the year by shares or securities that are classified as "qualifying holdings". This increased from 70% from 1 March 2020;
- (3) At least 70% by HMRC value of its total qualifying holdings must have been represented throughout the year by holdings of "eligible share". Investments made before 6 April 2018 from funds raised before 6 April 2011 are excluded from this requirement;
- (4) At least 30% of funds raised in accounting periods beginning on or after 6 April 2018 must be invested in qualifying holdings by the anniversary of the end of the accounting period in which funds were raised;
- (5) At the time of investment, or addition to an investment, the Company's holdings in any one company must not have exceeded 15% by HMRC value of its investments;
- (6) The Company must not have retained greater than 15% of its income earned in the year from shares and securities;
- (7) The Company's shares, throughout the year, must have been listed on a regulated European market;
- (8) An investment in any company must not cause that company to receive more than £5 million in State aid risk finance in the 12 months up to date of the investment, nor more than £12 million in total (the limits are £10 million and £20 million respectively for a "knowledge intensive" company);
- (9) The Company must not invest in a company whose trade is more than seven years old (ten years for a "knowledge intensive" company) unless the company previously received State and risk finance in its first seven years, or the company is entering a new market and a turnover test is satisfied;
- (10) The Company's investment in another company must not be used to acquire another business, or shares in another company; and
- (11) The Company may only make qualifying investments or certain non-qualifying investments permitted by section 274 of the Income Tax Act 2007.

# Directors' Report

## Environment

The management and administration of the Company is undertaken by the Investment Manager. TPIM recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by its activities. Initiatives designed to minimise the Company's impact on the environment include recycling and reducing energy consumption.

## Anti-Bribery Policy

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

TPIM reviews the anti-bribery policies and procedures of all portfolio companies.

## Environmental, Social, Employee and Human Rights Issues

As an externally managed investment company with no employees the Company does not maintain specific policies in relation to these matters. Due to the nature of the Company's activities, there being no employees and only three Non-Executive Directors, there are no Human Rights issues to report. Its investment in companies engaged in energy generation from renewable sources means it will contribute to the reduction in carbon emissions.

More information can be found in the section on responsible investing on page 45.

## Diversity

The Company is an externally managed investment company which does not have any employees or office space. As such the Company does not operate a diversity policy with regards to any administrative, management and supervisory functions.

## Employees

The Company has no employees and accordingly no requirement to separately report on this area.

The Investment Manager is an equal opportunities employer who respects and seeks to empower each individual and the diverse cultures, perspectives, skills and experiences within its workforce. The Investment Manager places great importance on Company culture and the wellbeing of its employees and considers various initiatives and events to ensure a positive work environment.

## Investment and Co-Investment

The Company co-invests with one other VCT and funds managed by TPIM.

## Matters Covered in the Strategic Report

The information that fulfils the reporting requirements relating to the following matters can be found on the pages identified.

Matter	Page Reference
Future Developments	34 to 39

On behalf of the Board.



**DAVID FRANK**  
Chairman

15 June 2020

# 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; and
- 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 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 position, 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 IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- 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

15 June 2020

A scenic coastal landscape featuring a large, dark, layered rock cliff on the right. Above the cliff, a green hillside covered in dense vegetation and small trees slopes down towards the sea. In the foreground, a rocky beach with patches of green and purple vegetation leads towards the ocean. The sky is overcast and light.

# INDEPENDENT AUDITOR'S REPORT

# Independent auditor's report

to the members of Triple Point Income VCT Plc

## Opinion

We have audited the financial statements of Triple Point Income VCT Plc (the 'Company') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Shareholders' Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the Directors' confirmation set out on page 25 in the annual report that they have carried out a robust assessment of the Company's emerging and principal risks and the disclosures in the annual report that describe the principal risks and the procedures in place to identify emerging risks and explain how they are being managed or mitigated;
- the Directors' statement set out on page 73 in the financial statements about whether the Directors considered it

appropriate to adopt the going concern basis of accounting in preparing the financial statements and the Directors' identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;

- whether the Directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the Directors' explanation set out on page 28 in the annual report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

## Key audit matters

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

# Independent auditor's report

to the members of Triple Point Income VCT Plc

## Key audit matter

### *Valuation of investments*

The valuation of investments is a highly subjective accounting estimate where there is an inherent risk of management override arising from the investment valuations being prepared by the Investment Manager, who is remunerated based on the net asset value of the company.

94% of the underlying investment portfolio is represented by unquoted equity and loan stock. The majority of loan investments are held alongside an equity investment in the same company. These investments are therefore valued on a unit of account basis. information is disclosed in notes 12 and 19 to the financial statements.

### How our audit addressed the key audit matter in the audit

In respect of the investments valued using discounted cash flow models ("DCF") (representing 81% of the portfolio), we performed the following specific procedures:

- Challenged the appropriateness of the key assumptions including discount factors, inflation, asset life, energy yield and power price applied by benchmarking to available industry data and consulting with our internal valuations specialists where appropriate;
- Vouched significant inputs to independent evidence where appropriate;
- Utilised spreadsheet analysis tools to assess the integrity of the model;
- Vouched cash and other net assets to bank statements and investee company management accounts;
- Considered the accuracy of forecasting by comparing previous forecasts to actual results with regards to the power generation assumptions included in the model.
- Formed an expectation of the acceptable range of valuations based on the range of reasonably alternative inputs and considered whether the valuations were appropriate and within the acceptable range.

For the other relevant unquoted valuations, representing 13% of the portfolio we have:

- Considered the appropriateness of the methodology adopted with reference to the IPEV guidelines
- Considered the available information surrounding comparable transactions used to benchmark the valuation and considered the comparability of this business
- Reperformed the waterfall calculation provided by the Investment Manager showing the returns upon the sale of this investment and vouched the rights of different instruments to relevant agreements
- Sensitised the valuation where appropriate by applying a range of multiples and recalculating the attributable value through the waterfall.

For quoted equity investments, representing 6% of the portfolio we have performed the following procedures:

- Agreed the closing bid price to independent sources and reviewed post year end trade volumes for indicators of lack of liquidity

Key Observations:

Based on the procedures performed we concluded that the valuation of the investments was not materially misstated.

# Independent auditor's report

to the members of Triple Point Income VCT Plc

## Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. For planning, we consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below this level will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

We also determined that for items impacting revenue return, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users.

The application of these key considerations gives rise to three levels of materiality, the quantum and purpose of which are tabulated below.

Materiality measure	Purpose	Basis and Key considerations	Quantum 2019 (£)	Quantum 2020 (£)
Financial statement materiality <i>(2% of the value of non-current asset investments)</i>	Assessing whether the financial statements as a whole present a true and fair view	Based on the nature of the portfolio and the subjective nature of the valuation of unquoted investments.	£1,140,000	£990,000
Performance materiality <i>(75% of materiality)</i>	Lower level of materiality applied in the performance of the audit when determining the nature and extent of testing applied to individual balances and classes of transactions.	Based on financial statement materiality, taking into consideration the risk and control environment and history of prior errors (if any)	£855,000	£740,000
Specific materiality – classes of transactions and balances which impact on the realised return <i>(10% of revenue return before tax)</i>	Assessing those classes of transactions, balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	Based on revenue returns being a key indicator of performance to investors.  Level of revenue return before tax.	£180,000	£145,000

We agreed with the Audit Committee that we would report to the Audit Committee all audit differences in excess of £22,000, (2019: £11,000) as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

## An overview of the scope of our audit

Our audit approach was developed by obtaining an understanding of the Company's activities and the overall control environment. Based on this understanding we assessed those aspects of the Company's transactions and balances which were most likely to give rise to a material misstatement.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of the valuation of investments which have a high level of estimation uncertainty involved in determining the unquoted investment valuations.

## How the audit was considered capable of detecting irregularities, including fraud

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006, the FCA listing and DTR rules, the principles of the UK Corporate Governance Code, industry practice represented by the SORP and IFRS accounting standards as adopted by the EU. We also considered the Company's qualification as a VCT under UK tax legislation as any breach of this would lead to the company losing various deductions and exemptions from corporation tax.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud

# Independent auditor's report

to the members of Triple Point Income VCT Plc

may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the company financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- review of minutes of board meetings throughout the period; and
- considering the effectiveness of control environment in monitoring compliance with laws and regulations

There are inherent limitations in the audit procedures described above and the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

## Other information

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

the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable** – the statement given by the Directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or

- **Audit committee reporting** – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or
- **Directors' statement of compliance with the UK Corporate Governance Code** – the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

# Independent auditor's report

to the members of Triple Point Income VCT Plc

## Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

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

*BDO LLP*

**PETER SMITH**  
(Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor  
London, United Kingdom  
15 June 2020

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

## Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed by the board in November 2017 to audit the financial statements for the year ended 31 March 2018 and subsequent financial periods. The period of total uninterrupted engagement is 3 years, covering the years ended 31 March 2018 to 31 March 2020.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.



# FINANCIAL STATEMENTS

# Statement of Comprehensive Income

For the year ended 31 March 2020

		Year ended 31 March 2020			Year ended 31 March 2019		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Income</b>							
Investment income	4	2,743	–	2,743	2,923	–	2,923
(Loss)/gain arising on the disposal of investments during the year		–	(181)	(181)	–	420	420
Gain arising on the revaluation of investments at the year end	12	–	1,076	1,076	–	5,049	5,049
<b>Investment return</b>		<b>2,743</b>	<b>895</b>	<b>3,638</b>	<b>2,923</b>	<b>5,469</b>	<b>8,392</b>
Investment management fees	5	896	297	1,193	771	257	1,028
Other expenses	6	393	–	393	331	–	331
Finance costs	7	3	–	3			
		1,292	297	1,589	1,102	257	1,359
<b>Profit before taxation</b>		<b>1,451</b>	<b>598</b>	<b>2,049</b>	<b>1,821</b>	<b>5,212</b>	<b>7,033</b>
Taxation	10	(180)	57	(123)	(264)	35	(229)
<b>Profit after taxation</b>		<b>1,271</b>	<b>655</b>	<b>1,926</b>	<b>1,557</b>	<b>5,247</b>	<b>6,804</b>
Other comprehensive income		–	–	–	–	–	–
<b>Total comprehensive income</b>		<b>1,271</b>	<b>655</b>	<b>1,926</b>	<b>1,557</b>	<b>5,247</b>	<b>6,804</b>
<b>Basic and diluted earnings/(loss) per share (pence)</b>							
Ordinary Share	11	–	–	–	0.13p	(0.06p)	0.07p
C Share	11	4.18p	1.11p	5.29p	5.53p	21.21p	26.74p
D Share	11	2.61p	(2.49p)	0.12p	3.93p	10.43p	14.36p
E Share	11	1.21p	2.92p	4.13p	0.86p	3.38p	4.24p
		8.00p	1.62p	9.63p	10.45p	34.96p	45.41p

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 EU. The supplementary revenue return and capital columns have been prepared in accordance with the Association of Investment Companies Statement of Recommended Practice (AIC SORP).

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 2020

		31 March 2020	31 March 2019
	Note	£'000	£'000
<b>Non-current assets</b>			
Financial assets at fair value through profit or loss	12	50,763	56,937
<b>Current assets</b>			
Receivables	13	785	1,250
Cash and cash equivalents	14	701	6,188
		1,486	7,438
<b>Total assets</b>		<b>52,249</b>	<b>64,375</b>
<b>Current liabilities</b>			
Payables and accrued expenses	16	430	327
Current taxation payable		112	193
Short-term debt facility	17	2,300	-
		2,842	520
<b>Net assets</b>		<b>49,407</b>	<b>63,855</b>
<b>Equity attributable to equity holders of the parent</b>			
Share capital	18	561	561
Share redemption reserve		-	-
Share premium		28,661	28,661
Special distributable reserve		12,960	26,887
Capital reserve		6,845	6,189
Revenue reserve		380	1,557
<b>Total equity</b>		<b>49,407</b>	<b>63,855</b>
<b>Shareholders' funds</b>			
C Share	20	84.87p	134.58p
D Share	20	62.46p	117.34p
E Share	20	101.69p	102.56p

The statements were approved by the Directors and authorised for issue on 15 June 2020 and are signed on behalf of the Board by:



**DAVID FRANK**  
Chairman

15 June 2020

The accompanying notes on pages 94 to 109 are an integral part of this statement.

# Statement of Changes in Shareholders' Equity

For the year ended 31 March 2020

	Issued Capital	Share Redemption Reserve	Share Premium	Special Distributable Reserve	Capital Reserve	Revenue Reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Year ended 31 March 2020</b>							
Opening balance	561	–	28,661	26,887	6,189	1,557	63,855
Issue of new shares	–	–	–	–	–	–	–
Purchase of own shares	–	–	–	–	–	–	–
Cancellation of share premium	–	–	–	–	–	–	–
Dividends paid	–	–	–	(13,927)	–	(2,447)	(16,374)
Transfer on share redemption	–	–	–	–	–	–	–
Transactions with owners	–	–	–	(13,927)	–	(2,447)	(16,374)
Profit for the year	–	–	–	–	655	1,271	1,926
Other comprehensive income	–	–	–	–	–	–	–
Profit and total comprehensive income for the year	–	–	–	–	655	1,271	1,926
Balance at 31 March 2020	561	–	28,661	12,960	6,844	381	49,407

Capital reserve consists of:

Investment holding gains	9,379
Other realised losses	(2,535)
	6,844

**Year ended 31 March 2019**

	756	2	44,968	23,968	942	582	71,218
Opening balance	756	2	44,968	23,968	942	582	71,218
Cancellation of shares	(195)	195	–	–	–	–	–
Cancellation of share premium	–	–	(16,307)	16,307	–	–	–
Dividend paid	–	–	–	(13,390)	–	(582)	(13,972)
Transfer on share redemption	–	(2)	–	2	–	–	–
Repayment of capital	–	(195)	–	–	–	–	(195)
Transactions with owners	(195)	(2)	(16,307)	2,919	–	(582)	(14,167)
Profit for the year	–	–	–	–	5,247	1,557	6,804
Other comprehensive income	–	–	–	–	–	–	–
Profit and total comprehensive income for the year	–	–	–	–	5,247	1,557	6,804
Balance at 31 March 2019	561	–	28,661	26,887	6,189	1,557	63,855

Capital reserve consists of:

Investment holding gains	8,303
Other realised losses	(2,114)
	6,189

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 unrealised element of the capital reserve is not distributable. The special distributable reserve was created on court cancellation of the share premium account. The revenue, special distributable and realised capital reserves are distributable by way of dividend.

At 31 March 2020 the total reserves available for distribution are £10,806,000. This consists of the distributable revenue reserve net of the realised capital loss and the special distributable reserve.

# Statement of Cash Flows

For the year ended 31 March 2020

	Year ended 31 March 2020	Year ended 31 March 2019
	£'000	£'000
<b>Cash flows from operating activities</b>		
Profit before taxation	2,049	7,033
Loss/(gain) arising on the disposal of investments during the period	181	(420)
(Gain) arising on the revaluation of investments at the period end	(1,076)	(5,049)
Cashflow generated by operations	1,154	1,564
Decrease in receivables	465	126
Increase/(decrease) in payables	103	(332)
Cash flows from operating activities	1,722	1,358
Tax paid	(204)	(127)
Net cash flows from operating activities	1,518	1,231
<b>Cash flow from investing activities</b>		
Proceeds of sale of financial assets at fair value through profit or loss	7,069	676
Net cash flows from investing activities	7,069	676
<b>Cash flow from financing activities</b>		
Repayment of capital	–	(195)
Dividends paid	(16,374)	(13,972)
Drawdown on loan facility	2,300	–
Net cash flows from financing activities	(14,074)	(14,167)
Net decrease in cash and cash equivalents	(5,487)	(12,260)
<b>Reconciliation of net cash flow to movements in cash and cash equivalents</b>		
Opening cash and cash equivalents	6,188	18,448
Net decrease in cash and cash equivalents	(5,487)	(12,260)
<b>Closing cash and cash equivalents</b>	<b>701</b>	<b>6,188</b>

The accompanying notes are an integral part of these statements.



# UNAUDITED NON-STATUTORY ANALYSIS

# Unaudited Non-Statutory Analysis of

The C Ordinary Share Fund

## Statement of Comprehensive Income

	Year ended 31 March 2020			Year ended 31 March 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment income	988	-	988	1,127	-	1,127
Unrealised gain on investments	-	218	218	-	2,913	2,913
Investment return	988	218	1,206	1,127	2,913	4,040
Investment management fees	(316)	(86)	(402)	(273)	(76)	(349)
Other expenses	(58)	-	(58)	(39)	-	(39)
Profit before taxation	614	132	746	815	2,837	3,652
Taxation	(53)	17	(36)	(72)	14	(58)
Profit after taxation	561	149	710	743	2,851	3,594
Profit and total comprehensive income for the period	561	149	710	743	2,851	3,594
Basic and diluted earnings per share	4.18p	1.11p	5.29p	5.53p	21.21p	26.74p

## Balance Sheet

	Year ended 31 March 2020	Year ended 31 March 2019
	£'000	£'000
<b>Non-current assets</b>		
Financial assets at fair value through profit or loss	11,502	17,415
<b>Current assets</b>		
Receivables	66	83
Cash and cash equivalents	193	759
	259	842
<b>Current liabilities</b>		
Payables	(17)	(103)
Corporation tax	(38)	(66)
Short-term debt facility	(300)	-
Net assets	11,406	18,088
<b>Equity attributable to equity holders</b>	11,406	18,088
Net asset value per share	84.87p	134.58p

## Statement of Changes in Shareholders' Equity

	Year ended 31 March 2020	Year ended 31 March 2019
	£'000	£'000
Opening Shareholders' funds	18,088	15,166
Profit for the period	710	3,594
Dividends paid	(7,392)	(672)
Closing Shareholders' funds	11,406	18,088

## Unaudited Non-Statutory Analysis of

The C Ordinary Share Fund

## Investment Portfolio

	31 March 2020				31 March 2019			
	Cost		Valuation		Cost		Valuation	
	£'000	%	£'000	%	£'000	%	£'000	%
Unquoted qualifying holdings	7,682	94.86	11,279	96.44	9,430	69.78	14,089	77.52
Unquoted non-qualifying holdings	223	2.75	223	1.91	3,325	24.60	3,326	18.30
Financial assets at fair value through profit or loss	7,905	97.61	11,502	98.35	12,755	94.38	17,415	95.82
Cash and cash equivalents	193	2.39	193	1.65	759	5.62	759	4.18
	8,098	100.00	11,695	100.00	13,514	100.00	18,174	100.00

**Qualifying Holdings****Unquoted***Hydroelectric Power*

	31 March 2020	31 March 2019		
	Cost	Valuation	Cost	Valuation
	£'000	%	£'000	%
Green Highland Allt Choire A Bhalachain (255) Limited	2,466	30.45	2,965	25.35
Green Highland Allt Phocachain (1015) Limited	1,576	19.46	2,136	18.26
Achnacarry Hydro Ltd	3,640	44.95	6,178	52.83
	7,682	94.86	11,279	96.44
			9,430	69.78
			14,089	77.52

	31 March 2020				31 March 2019			
	Cost		Valuation		Cost		Valuation	
	£'000	%	£'000	%	£'000	%	£'000	%
<b>Non-Qualifying Holdings</b>								
<b>Unquoted</b>								
<i>Hydroelectric Power</i>								
Green Highland Allt Choire A Bhalachain (255) Limited	223	2.75	223	1.91	289	2.14	289	1.59
Green Highland Allt Phocachain (1015) Limited	–	–	–	–	122	0.90	122	0.67
Achnacarry Hydro Ltd	–	–	–	–	26	0.19	27	0.15
<i>SME Funding:</i>								
<i>Hydroelectric Power</i>								
Broadpoint 2 Limited	–	–	–	–	2,084	15.42	2,084	11.47
Broadpoint 3 Limited	–	–	–	–	804	5.95	804	4.42
	223	2.75	223	1.91	3,325	24.60	3,326	18.30

# Unaudited Non-Statutory Analysis of

The D Ordinary Share Fund

## Statement of Comprehensive Income

	Year ended 31 March 2020			Year ended 31 March 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment income	780	–	780	919	–	919
Unrealised (loss)/gain on investments	–	(277)	(277)	–	1,475	1,475
Investment return	780	(277)	503	919	1,475	2,394
Investment management fees	(286)	(79)	(365)	(215)	(58)	(273)
Other expenses	(52)	–	(52)	(38)	–	(38)
Profit/(loss) before taxation	442	(356)	86	666	1,417	2,083
Taxation	(83)	15	(68)	(126)	11	(115)
Profit after taxation	359	(341)	18	540	1,428	1,968
Profit and total comprehensive income for the period	359	(341)	18	540	1,428	1,968
Basic and diluted earnings/(loss) per share	2.61p	(2.49p)	0.12p	3.93p	10.43p	14.36p

## Balance Sheet

	Year ended 31 March 2020	Year ended 31 March 2019
	£'000	£'000
<b>Non-current assets</b>		
Financial assets at fair value through profit or loss	10,146	14,735
<b>Current assets</b>		
Receivables	378	821
Cash and cash equivalents	173	719
	551	1,540
<b>Current liabilities</b>		
Payables	(69)	(82)
Corporation tax	(69)	(116)
Short-term debt facility	(2,000)	–
Net assets	8,559	16,077
<b>Equity attributable to equity holders</b>	8,559	16,077
Net asset value per share	62.46p	117.34p

## Statement of Changes in Shareholders' Equity

	Year ended 31 March 2020	Year ended 31 March 2019
	£'000	£'000
Opening shareholders' funds	16,077	14,794
Profit for the period	18	1,968
Dividends paid	(7,536)	(685)
Closing Shareholders' funds	8,559	16,077

# Unaudited Non-Statutory Analysis of

## The D Ordinary Share Fund

### Investment Portfolio

	31 March 2020				31 March 2019			
	Cost £'000	%	Valuation £'000	%	Cost £'000	%	Valuation £'000	%
Unquoted qualifying holdings	8,248	96.69	10,036	97.25	11,240	84.23	13,349	86.39
Unquoted non-qualifying holdings	109	1.28	110	1.07	1,386	10.39	1,386	8.96
Financial assets at fair value through profit or loss	8,357	97.97	10,146	98.32	12,626	94.62	14,735	95.35
Cash and cash equivalents	173	2.03	173	1.68	719	5.38	719	4.65
	8,530	100.00	10,319	100.00	13,345	100.00	15,454	100.00

#### Qualifying Holdings

##### Unquoted

###### Hydroelectric Power

Elementary Energy Limited	337	3.95	380	3.68	342	2.56	400	2.59
Green Highland Allt Garbh Limited	–	–	–	–	2,710	20.31	2,710	17.54
Green Highland Allt Ladaidh (1148) Limited	3,374	39.55	4,622	44.79	3,500	26.23	5,010	32.42
Green Highland Allt Luaidhe (228) Limited	1,918	22.49	2,341	22.69	1,995	14.95	2,407	15.58
Green Highland Allt Phocachain (1015) Limited	1,858	21.78	2,191	21.23	1,932	14.48	2,281	14.76
Green Highland Shenvall Limited	761	8.92	502	4.86	761	5.70	541	3.50
	8,248	96.69	10,036	97.25	11,240	84.23	13,349	86.39

#### Non-Qualifying Holdings

##### Unquoted

###### Hydroelectric Power

Green Highland Allt Luaidhe (228) Limited	109	1.28	110	1.07	180	1.35	180	1.16
SME Funding	–	–	–	–	1,206	9.04	1,206	7.80
Hydroelectric Power:					1,386	10.39	1,386	8.96
Broadpoint 3 Limited	–	–	–	–				
	109	1.28	110	1.07				

# Unaudited Non-Statutory Analysis of

The E Ordinary Share Fund

## Statement of Comprehensive Income

	Year ended 31 March 2020			Year ended 31 March 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment income	975	—	975	855	—	855
Realised gain on investments	—	(181)	(181)	—	420	420
Unrealised loss on investments	—	1,135	1,135	—	660	660
Investment return	975	954	1,929	855	1,080	1,935
Investment management fees	(485)	(132)	(617)	(460)	(126)	(586)
Other expenses	(95)	—	(95)	(86)	—	(86)
Profit before taxation	395	822	1,217	309	954	1,263
Taxation	(44)	25	(19)	(59)	24	(35)
Profit after taxation	351	847	1,198	250	978	1,228
Profit and total comprehensive income for the period	351	847	1,198	250	978	1,228
Basic and diluted earnings per share	1.21p	2.92p	4.13p	0.86p	3.38p	4.24p

## Balance Sheet

	Year ended 31 March 2020		Year ended 31 March 2019	
	£'000	£'000	£'000	£'000
<b>Non-current assets</b>				
Financial assets at fair value through profit or loss	29,115		24,787	
<b>Current assets</b>				
Receivables	341		346	
Cash and cash equivalents	335		4,711	
	676		5,057	
<b>Current liabilities</b>				
Payables	(344)		(143)	
Corporation tax	(5)		(10)	
Net assets	29,442		29,691	
<b>Equity attributable to equity holders</b>	29,442		29,691	
Net asset value per share	101.69p		102.56p	

## Statement of Changes in Shareholders' Equity

	Year ended 31 March 2020		Year ended 31 March 2019	
	£'000	£'000	£'000	£'000
Opening Shareholders' funds	29,691		28,463	
Profit for the period	1,198		1,228	
Dividends paid	(1,447)		—	
Closing Shareholders' funds	29,442		29,691	

## Unaudited Non-Statutory Analysis of

The E Ordinary Share Fund

## Investment Portfolio

	31 March 2020				31 March 2019			
	Cost		Valuation		Cost		Valuation	
	£'000	%	£'000	%	£'000	%	£'000	%
Unquoted qualifying holdings	15,315	59.55	19,829	67.34	13,034	47.23	15,085	51.13
Quoted non-qualifying holdings	3,319	12.90	2,927	9.94	6,001	21.74	5,901	20.00
Unquoted non-qualifying holdings	6,750	26.25	6,359	21.60	3,852	13.96	3,801	12.89
Financial assets at fair value through profit or loss	25,384	98.70	29,115	98.88	22,887	82.93	24,787	84.02
Cash and cash equivalents	335	1.30	335	1.12	4,711	17.07	4,711	15.98
	25,719	100.00	29,450	100.00	27,598	100.00	29,498	100.00

## Qualifying Holdings

## Unquoted

<i>Solar</i>								
Digima Limited	1,262	4.91	1,661	5.64	1,262	4.57	1,612	5.46
Digital Screen Solutions Limited	2,020	7.85	2,586	8.78	2,020	7.32	2,658	9.01
Green Energy for Education Limited	475	1.85	1,260	4.28	475	1.72	1,127	3.82
<i>Hydroelectric Power</i>								
Elementary Energy Limited	1,723	6.70	2,081	7.07	1,718	6.23	2,009	6.81
Green Highland Sherval Limited	359	1.40	237	0.80	359	1.30	256	0.87
Green Highland Allt Choire A Bhalachain (255) Limited	664	2.58	798	2.71	—	—	—	—
Green Highland Allt Ladaidh (1148) Limited	126	0.49	149	0.51	—	—	—	—
Green Highland Allt Luaidhe (228) Limited	77	0.30	84	0.29	—	—	—	—
Green Highland Allt Phocachain (1015) Limited	498	1.94	662	2.25	—	—	—	—
Achnacarry Hydro Ltd	911	3.54	1,663	5.65	—	—	—	—
<i>Gas Power</i>								
Green Peak Generation Limited	2,200	8.55	2,366	8.03	2,200	7.97	2,423	8.21
<i>Vertical Growing</i>								
Perfectly Fresh Cheshire Limited	5,000	19.44	6,282	21.33	5,000	18.12	5,000	16.95
	15,315	59.55	19,829	67.34	13,034	47.23	15,085	51.13

## Non-Qualifying Holdings

## Quoted

<i>Investment Property</i>								
Triple Point Social Housing REIT plc Equity	3,319	12.90	2,927	9.94	6,001	21.74	5,901	20.00
	3,319	12.90	2,927	9.94	6,001	21.74	5,901	20.00

## Unquoted

<i>Crematorium Management</i>								
Furnace Managed Services Limited	486	1.89	97	0.33	496	1.80	103	0.35
<i>Hydroelectric Power</i>								
Elementary Energy Limited	200	0.78	199	0.68	248	0.90	248	0.84
<i>SME Funding</i>								
<i>Hydroelectric Power:</i>								
Broadpoint 2 Limited	1,335	5.19	1,334	4.53	750	2.72	750	2.54
<i>Other:</i>								
Funding Path Limited	2,200	8.55	2,200	7.47	2,200	7.97	2,200	7.46
Aeris Power Limited	519	2.02	519	1.76	158	0.57	500	1.70
Broadpoint 3 Limited	2,010	7.82	2,010	6.83	—	—	—	—
	6,750	26.25	6,359	21.60	3,852	13.96	3,801	12.89



# NOTES TO THE FINANCIAL STATEMENTS

# Notes to the Financial Statements

## 1. Corporate Information

The Financial Statements of the Company for the year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Directors on 15 June 2020.

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

The Company is incorporated and domiciled in the United Kingdom and registered in England and Wales. The address of its registered office, which is also its principal place of business, is 1 King William Street, London EC4N 7AF.

The Company is required to nominate a functional currency, being the currency in which the Company predominantly operates. The functional and reporting currency is sterling, reflecting the primary economic environment in which the Company operates.

The principal activity of the Company is investment. 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.

## 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 to meet its day to day commitments for at least 12 months from the date of approval of the financial statements. During the year the Company entered into a 364 day loan facility of £2.7 million from TPLP, a separate fund which is managed by the Investment Manager £2.3 million was drawn during the year.

The current key loan terms are a length of 364 days and an interest rate of 4.5%. The loan is due for repayment on 17 March 2021. At the reporting date, the Company does not have sufficient liquid resources to enable repayment of the outstanding loan balance. While the board are confident the lender will extend the current loan term, to mitigate this risk the Company has entered into a separate facility agreement with an alternative lender. The facility has the same key terms and includes a two year availability period. This enables the Company to draw on this facility should the existing loan not be extended by the existing lender.

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 impact of COVID-19 has been considered, more detail on these considerations can be found under the Principal Risks and Uncertainties section on page 25. This is also discussed in the Chairman's Statement on pages 9 to 15, the Going Concern statement on pages 27 to 28 and note 23 to financial statements.

The Financial Statements of the Company for the year to 31 March 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted for use in the European Union and comply 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 October 2019.

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

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 judgements, 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 (under the heading Non-Current Asset Investments) and in note 10; and
- The recognition or otherwise of accrued income on loan notes and similar instruments granted to investee companies, which are assessed in conjunction with the overall valuation of unlisted financial investments as noted above.

The key judgements made by Directors are in the valuation of non-current assets and the assessment of realised losses. 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 12.

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.

### New and amended standards and interpretations applied

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2019 that had a significant effect on the Company's financial statements. Furthermore, none of the amendments to standards that are effective from that date had a significant effect on the financial statements.

IFRS 16 "Leases" was issued and became effective for accounting periods beginning on or after 1 January 2019. As the Company's investments are held at fair value through profit or loss and any operating leases are held at SPV level, the introduction of IFRS 16 has had no impact on the reported results and financial position of the Company.

# Notes to the Financial Statements

## New and amended standards and interpretations not applied

Other accounting standards and interpretations have been published and will be mandatory for the Company's accounting periods beginning on or after 1 January 2020 or later periods. The impact of these standards is not expected to be material to the reported results and financial position of the Company.

## Presentation of Statement of Comprehensive Income

In order better to reflect the activities of a VCT, 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.

## 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 pages 17 to 19 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 classified by the Company as "at fair value through profit or loss" in accordance with IFRS 9.

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.

- 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; and
- Listed investments are fair valued at bid price on the relevant date.

The Board believes that those investments valued based on the transaction price are done so because the transaction price is still representative of fair value.

Where securities are classified upon initial recognition 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 2019. 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.

The Company has taken the exemption permitted by IAS 28 "Investments in Associates and Joint Ventures" and IFRS11 "Joint Arrangements" for entities similar to investment entities and measures its investments in associates and joint ventures at fair value. The Directors consider an associate to be an entity over which the Group has significant influence,

through an ownership of between 20% and 50%. The Company's Subsidiary, associates and joint ventures are disclosed in note 15.

## 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.

Property income includes tax which is withheld at source.

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 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.

The Company's general expenses are split between the Share Classes using the Net Asset Value of each Share Class divided by the total Net Asset Value of the Company.

## Finance costs

Borrowing costs are recognised in the Statement of Comprehensive Income in the period to which they relate on an accruals basis.

## 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 AIC SORP 2019.

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.

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.

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company

# Notes to the Financial Statements

becomes a party to the contractual provisions of the instrument. At 31 March 2020 and 31 March 2019 the carrying amounts of cash and cash equivalents, receivables, payables, accrued expenses and short-term borrowings reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the original instruments and their expected realisation.

## Financial Assets

The classification of financial assets at initial recognition depends on the purpose for which the financial asset was acquired and its characteristics. All financial assets are initially recognised at fair value. All purchases of financial assets are recorded at the date on which the Company became party to the contractual requirements of the financial asset.

The Company's financial assets principally comprise of investments held at fair value through profit or loss and financial assets held at amortised cost.

Investments are designated upon initial recognition as held at fair value through profit or loss. Gains or losses resulting from the movement in fair value are recognised in the Statement of Comprehensive Income at each valuation date.

The Company's loan and equity investments are held at fair value through profit or loss. Gains or losses resulting from the movement in fair value are recognised in the Company's Statement of Comprehensive Income at each valuation date.

Financial assets are recognised/derecognised at the date of the purchase/disposal. Investments are initially recognised at cost, being the fair value of consideration given. Transaction costs are recognised in the Consolidated Statement of Comprehensive Income as incurred.

Fair value is defined as the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. Fair value is calculated on an unlevered, discounted cash flow basis in accordance with IFRS 13 and IFRS 9.

Derecognition of financial assets (in whole or in part) takes effect:

- When the Group has transferred substantially all the risks and rewards of ownership; or
- When it has neither transferred or retained substantially all the risks and rewards and when it no longer has control over the assets or a portion of the asset; or
- When the contractual right to receive cash flow has expired.

## Financial Liabilities

Financial liabilities are classified according to the substance of the contractual agreements entered into and are recorded on the date on which the Company becomes party to the contractual requirements of the financial liability.

All loans and borrowings are initially recognised at cost, being fair value of the consideration received, less issue costs where applicable. After initial recognition, all interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Although not appropriate for this reporting date, loan balances at the year-end would not usually be discounted to reflect amortised cost, as the amounts would not usually be materially different from the outstanding balances.

The Company's other financial liabilities measured at amortised cost include trade and other payables which are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

A financial liability (in whole or in part) is derecognised when the Group has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on derecognition is taken to the Consolidated Statement of Comprehensive Income.

## Performance fees due to the Investment Manager

TPIM provides investment management and administration services to the Company under an Investment Management Agreement effective 6 February 2008 and deeds of variation to that agreement effective 21 November 2012, 28 October 2014, 7 October 2016 and 27 April 2020. The agreement allows for performance fees to be payable to the manager upon successful realisation of the hurdle applicable to each class of shares. More information is disclosed in note 5 to the financial statements.

Performance fees will begin to be accrued following distributions from the Company to investors exceeding 100 pence per share in each share class. For the avoidance of any doubt, this does not include the initial tax relief available to investors and relates solely to distributions from the Company to investors.

## Issued Share Capital

C Shares, D Shares and E 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 comprise cash balances, deposits held on call with banks and other short-term highly liquid deposits with original maturities of 3 months or less, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

## Reserves

The revenue reserve (retained earnings) and capital reserve reflect the guidance in the AIC SORP 2019. 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 unrealised 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, special distributable and realised capital reserves are distributable by way of dividend.

## Consolidated Financial Statements

The Directors have concluded that the Company has control over one Company in which it has invested, as prescribed by IFRS 10 "Consolidated Financial Statements". The Company continues to satisfy the criteria to be regarded as an investment entity as defined in IFRS 10.

Subsidiaries are therefore measured at fair value through profit or loss, in accordance with IFRS 13 "Fair Value measurement" and IFRS 9 "Financial Instruments".

# Notes to the Financial Statements

## Dividends

Dividends payable are recognised as distributions in the financial statements when the Company's obligation to make payment has been established.

## 3. Segmental Reporting

The Directors are of the opinion that the Company only has a single operating segment of business, being investment activity.

All revenues and assets are generated and held in the UK.

## 4. Investment Income

	Ord Shares	C Shares	D Shares	E Shares	Total
	£'000	£'000	£'000	£'000	£'000
<b>Year ended 31 March 2020</b>					
Loan stock interest	–	655	771	637	2,063
Dividends receivable	–	331	–	40	371
Interest receivable on bank balances	–	2	9	35	46
Other Investment Income	–	–	–	63	63
Property Income	–	–	–	200	200
	–	988	780	975	2,743

Disclosure by share class is unaudited

	Ord Shares	C Shares	D Shares	E Shares	Total
	£'000	£'000	£'000	£'000	£'000
<b>Year ended 31 March 2019</b>					
Loan stock interest	4	733	918	531	2,186
Dividends receivable	–	393	–	–	393
Interest receivable on bank balances	19	1	1	42	63
Other Investment Income	–	–	–	123	123
Property Income	–	–	–	158	158
	23	1,127	919	854	2,923

Disclosure by share class is unaudited

## 5. Investment Management Fees

TPIM provides investment management and administration services to the Company under an Investment Management Agreement effective 6 February 2008 and deeds of variation to that agreement effective 21 November 2012, 28 October 2014, 7 October 2016 and 27 April 2020.

**C Shares:** The agreement provides for an administration and investment management fee of 2% per annum of net assets payable quarterly in arrear for an appointment of at least six years from the admission of those shares. Subject to distributions to the C Shareholders exceeding the C Share hurdle of 100 pence per share, the Investment Manager will be entitled to a performance incentive fee of 20%. This does not include the initial tax relief available to investors.

**D Shares:** The agreement provides for an administration and investment management fee of 2% per annum of net assets payable quarterly in arrear for an appointment of at least six years from the admission of those shares. Subject to distributions to the D Shareholders exceeding the D Share hurdle of 100 pence per share, the Investment Manager will be entitled to a performance incentive fee of 20%. This does not include the initial tax relief available to investors.

**E Shares:** The agreement provides for an administration and investment management fee of 2% per annum of net assets payable quarterly in arrear for an appointment of at least six years from the admission of those shares. Subject to distributions to the E Shareholders exceeding the E Share hurdle of 100 pence per share, the Investment Manager will be entitled to a performance incentive fee of 20%. This does not include the initial tax relief available to investors.

To date there have been no performance fees paid. No provision has been made as the Board believes any performance fees will not fall due for the foreseeable future.

# Notes to the Financial Statements

An administration fee equal to 0.25% per annum of the Company's net assets is payable quarterly in arrears.

Fees paid to the Investment Manager for administrative and other services during the year were £188,000 (2019: £177,000). During the year TPIM waived management fees in the sum of £Nil (2019: £84,849) in relation to the Company's investment in Green Highland Shenvale Limited.

	Ord Shares	C Shares	D Shares	E Shares	Total
	£'000	£'000	£'000	£'000	£'000
<b>Year ended 31 March 2020</b>					
Investment Management Fees	–	347	317	529	1,193
	–	347	317	529	1,193
<b>Year ended 31 March 2019</b>					
Investment Management Fees	(12)	305	231	504	1,028
	(12)	305	231	504	1,028

*Disclosure by share class is unaudited*

## 6. Operating Expenses

All expenses are accounted for on an accruals basis.

Expenses are charged wholly to revenue, apart from management fees which are charged 25% to capital and 75% to revenue, any performance fees incurred are charged wholly to capital. Transaction costs incurred when selling assets are written off to the Income Statement in the period that they occur.

	Year ended 31 March 2020			Year ended 31 March 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Financial and regulation costs	48	–	48	37	–	37
General administration	222	–	222	190	–	190
Fees payable to the Company's auditor for audit services	32	–	32	29	–	29
Company secretarial services	9	–	9	9	–	9
Other professional fees	27	–	27	11	–	11
Directors fees	55	–	55	55	–	55
	393	–	393	331	–	331

The Ongoing Charges Ratio for the Company for the year to 31 March 2020 was 2.70% (2019: 2.15%). Total annual running costs are capped at 3.5% of the Company's net assets.

The Company annual running costs will continue to be capped at 3.5% of NAV (excluding any performance fees payable to Triple Point). Any excess will be met by the Investment Manager by way of a reduction in future management fees.

VAT has been removed from the Audit fees and allocated to General Administration expenses.

# Notes to the Financial Statements

## 7. Finance Costs

During the year the Company entered into a loan facility with TPLP. On 20 March 2020 £2.3 million was drawn on the facility. The loan attracts interest at a rate of 4.5%.

Interest of £3,119 was charged on the loan for the year ending 31 March 2020.

## 8. Legal and Professional Fees

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

	C Shares	D Shares	E Shares	Total
	£'000	£'000	£'000	£'000
<b>Year ended 31 March 2020</b>				
Fees payable to the Company's auditor:				
- for the audit of the financial statements	9	8	15	32
	9	8	15	32
<b>Year ended 31 March 2019</b>				
Fees payable to the Company's auditor:				
- for the audit of the financial statements	6	7	16	29
	6	7	16	29

VAT has been removed from the Audit fees and allocated to General Administration expenses.

*Disclosure by share class is unaudited*

## 9. Directors' Remuneration

	C Shares	D Shares	E Shares	Total
	£'000	£'000	£'000	£'000
<b>Year ended 31 March 2020</b>				
David Frank	5	5	10	20
Simon Acland	5	5	8	18
Michael Stanes	5	4	8	17
	15	14	26	55
<b>Year ended 31 March 2019</b>				
David Frank	5	4	10	19
Simon Acland	4	4	10	18
Michael Stanes	4	4	10	18
	13	12	30	55

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.

*Disclosure by share class is unaudited*

# Notes to the Financial Statements

## 10. Taxation

	Ord Shares	C Shares	D Shares	E Shares	Total
	£'000	£'000	£'000	£'000	£'000
<b>Year ended 31 March 2020</b>					
Profit on ordinary activities before tax	–	746	86	1,217	2,049
Corporation tax @ 19%	–	142	15	231	388
Effect of:					
Capital (gains) not taxable	–	(41)	53	(181)	(169)
Income received not taxable	–	(63)	–	(8)	(71)
Unrelieved tax losses arising in the year	–	(2)	–	–	(2)
Prior year adjustment	–	–	–	(23)	(23)
Tax charge/(credit)	–	36	68	19	123
<b>Year ended 31 March 2019</b>					
Profit/(loss) on ordinary activities before tax	35	3,652	2,083	1,263	7,033
Corporation tax @ 19%	7	694	396	240	1,337
Effect of:					
Capital (gains) not taxable	–	(553)	(280)	(205)	(1,038)
Income received not taxable	–	(75)	–	–	(75)
Unrelieved tax losses arising in the year	–	–	–	(1)	(1)
Prior year adjustment	13	(7)	–	–	6
Tax charge	20	59	116	34	229

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

*Disclosure by share class is unaudited*

## 11. Earnings/(loss) per Share

Earnings per C Share are 5.29p (2019: 26.74p) based on the profit after tax of £710,000 (2019: £3,593,000) and on the weighted average number of shares in issue during the period of 13,441,438 (2019: 13,441,438).

Earnings per D Share are 0.12p (2019: 14.37p) based on the profit after tax of £16,000 (2019: £1,967,000) and on the weighted average number of shares in issue during the period of 13,701,636 (2019: 13,701,636).

Earnings per E Share are 4.13p (2019: 4.24p) based on the profit after tax of £1,197,000 (2019: £1,226,000) and on the weighted average number of shares in issue during the period of 28,949,575 (2019: 28,949,575).

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

## 12. 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.

# Notes to the Financial Statements

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

The portfolio of the Company is classified as level 3, with the exception of the investment in Triple Point Social Housing REIT plc which is classified as level 1. Further details of the types of investments are provided in the Investment Manager's Review on pages 32 to 44.

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.

Unconsolidated subsidiaries consist of Aeris Power Limited, included in investments as per the company's accounting policy. The Company has a loan investment totalling £157,500 in this company. The loan has an interest rate of 11.66%.

## Valuation techniques and unobservable inputs:

Sector	Valuation Techniques	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value measurement  Estimated fair value would increase/(decrease) if:
Hydroelectric Power	<ul style="list-style-type: none"> <li>Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.</li> </ul>	<ul style="list-style-type: none"> <li>Discount rate 6.75% (2019: 7.25%)</li> <li>Inflation rate: OBR 5-year forecast, 2.75% long term (2019: OBR 5-year forecast, 2.75% long term).</li> </ul>	<ul style="list-style-type: none"> <li>The discount rate was lower/(higher)</li> <li>The inflation rate was higher/(lower)</li> </ul>
Gas Power	<ul style="list-style-type: none"> <li>Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.</li> </ul>	<ul style="list-style-type: none"> <li>Discount rate 10% (2019: 8.5%)</li> <li>Inflation rate: OBR 5-year forecast, 2.75% long term (2019: Inflation rate: OBR 5-year forecast, 2.75% long term).</li> </ul>	<ul style="list-style-type: none"> <li>The discount rate was lower/(higher)</li> <li>The inflation rate was higher/(lower)</li> </ul>
Solar	<ul style="list-style-type: none"> <li>Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.</li> </ul>	<ul style="list-style-type: none"> <li>Discount rate 6.25% (2019: 6.75%)</li> <li>Inflation rate: OBR 5-year forecast, 2.75% long term (2019: Inflation rate: OBR 5-year forecast, 2.75% long term).</li> </ul>	<ul style="list-style-type: none"> <li>The discount rate was lower/(higher)</li> <li>The inflation rate was higher/(lower)</li> </ul>

The Company's Vertical Growing investment in Perfectly Fresh Cheshire Limited has been valued on a gross asset multiple. Valuation data on the sector is difficult to source as this is a new and developing industry, the Company has used data available to it and knowledge of comparable transactions in the sector and the Board believes the valuation methodology to be reasonable.

The Board considers the discount rates used reflect the current levels of risk and life expectancy of the investments and to be in line with Market expectations. However, consideration has been given as to 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.

On this basis, where discount rates have been applied to the unquoted investments, alternative discount rates have been considered, an upside case and a downside case. For the upside case, the assumptions were flexed 1% and for the downside scenarios the assumptions were flexed by 1%. No sensitivity has been performed on other key assumptions such as asset life and P50 because the Directors believe the asset life assumptions and discount rate applied interact appropriately with one another to give an appropriate valuation.

The two alternative scenarios for each investment have been modelled with the resulting movements as follows:  
Applying the downside alternative, the aggregate change in value of the unquoted investments would be a reduction in the value of the

# Notes to the Financial Statements

portfolio of £2.974 million or 8.4%. Using the upside alternative, the aggregate value of the unquoted investments would be an increase of £3.47 million or 9.90%.

Due to the nature and structure of the investment in Perfectly Fresh Cheshire Limited, there has been no sensitivity performed on any inputs into the valuation. There are limited data points to reference in the vertical growing sector making alternative inputs difficult to apply. The potential future returns on the investment are calculated in accordance with agreements between the Company and Perfectly Fresh Cheshire Limited.

It is considered that, due to the prudent selection of discount rates by the Board, the sensitivity discussed above provides the most meaningful potential impact of the possible changes across the portfolio.

Movements in investments held at fair value through the profit or loss during the year to 31 March 2020 were as follows:

Year ended 31 March 2020	Level 1 Quoted Investments				
	Ord Shares	C Shares	D Shares	E Shares	Total
	£'000	£'000	£'000	£'000	£'000
Opening cost	–	–	–	6,001	6,001
Opening investment holding gains	–	–	–	(100)	(100)
<b>Opening fair value</b>	–	–	–	5,901	5,901
Transfers between share classes	–	–	–	–	–
Purchases at cost	–	–	–	–	–
Disposal proceeds	–	–	–	(2,500)	(2,500)
Realised loss	–	–	–	(181)	(181)
Investment holding losses	–	–	–	(293)	(293)
<b>Closing fair value at 31 March 2020</b>	–	–	–	2,927	2,927
Closing cost	–	–	–	3,319	3,319
Closing investment holding gains	–	–	–	(392)	(392)
Level 3 Unquoted Investments					
	Ord Shares	C Shares	D Shares	E Shares	Total
	£'000	£'000	£'000	£'000	£'000
Opening cost	–	12,755	12,626	16,883	42,264
Opening investment holding gains	–	4,659	2,109	2,003	8,771
<b>Opening fair value</b>	–	17,414	14,735	18,886	51,035
Transfers between share classes	–	(5,901)	(1,531)	7,432	–
Purchases at cost	–	–	–	–	–
Disposal proceeds	–	(229)	(2,781)	(1,559)	(4,569)
Realised gains	–	–	–	–	–
Investment holding gains	–	218	(277)	1,428	1,369
<b>Closing fair value at 31 March 2020</b>	–	11,502	10,146	26,187	47,835
Closing cost	–	7,640	8,357	22,065	38,062
Closing investment holding gains	–	3,862	1,789	4,122	9,773
Year ended 31 March 2019					
Level 1 Quoted Investments					
	Ord Shares	C Shares	D Shares	E Shares	Total
	£'000	£'000	£'000	£'000	£'000
Opening cost	–	–	–	6,001	6,001
Opening investment holding gains	–	–	–	(117)	(117)
<b>Opening fair value</b>	–	–	–	5,884	5,884
Investment holding gains	–	–	–	17	17
<b>Closing fair value at 31 March 2019</b>	–	–	–	5,901	5,901
Closing cost	–	–	–	6,001	6,001
Closing investment holding gains	–	–	–	(100)	(100)

# Notes to the Financial Statements

Year ended 31 March 2019

## Level 3 Unquoted Investments

	Ord Shares	C Shares	D Shares	E Shares	Total
	£'000	£'000	£'000	£'000	£'000
Opening cost	10,081	12,844	13,089	6,875	42,889
Opening investment holding gains	1,017	1,746	634	(26)	3,371
<b>Opening fair value</b>	<b>11,098</b>	<b>14,590</b>	<b>13,723</b>	<b>6,849</b>	<b>46,260</b>
Transfers between share classes	(11,098)	-	(457)	11,555	-
Disposal proceeds	-	(89)	(6)	(581)	(676)
Realised gains	-	-	-	420	420
Investment holding gains	-	2,913	1,475	643	5,032
<b>Closing fair value at 31 March 2019</b>	<b>-</b>	<b>17,414</b>	<b>14,735</b>	<b>18,886</b>	<b>51,035</b>
Closing cost	-	12,755	12,626	16,883	42,264
Closing investment holding gains	-	4,659	2,109	2,001	8,771

All investments are designated at fair value through 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.

Further details of the types of investments are provided in the Investment Manager's review and investment portfolio on pages 32 to 44 and 46 to 47, and details of entities over which the VCT has significant influence are included in note 15.

*Disclosure by share class is unaudited*

## 13. Receivables

	C Shares	D Shares	E Shares	Total
	£'000	£'000	£'000	£'000
<b>31 March 2020</b>				
Other debtors	63	376	301	740
Prepayments and accrued income	3	2	40	45
	66	378	341	785
<b>31 March 2019</b>				
Other debtors	78	816	270	1,164
Prepayments and accrued income	5	5	76	86
	83	821	346	1,250

Other debtors relate to interest receivable on investment loans.

## 14. Cash and Cash Equivalents

Cash and cash equivalents comprise deposits with The Royal Bank of Scotland plc ("RBS") and Cater Allen Private Bank.

# Notes to the Financial Statements

## 15. Unconsolidated, subsidiaries, associates and joint ventures

The following table shows subsidiaries, associates and joint ventures of the Company which have been recognised at fair value as permitted by IAS 28 "Investments in Associates and Joint Ventures".

As the Company is regarded as an Investment Entity as referred to in note 2, the Company's only subsidiary Aeris Power Limited has not been consolidated in the preparation of the financial statements.

The principal undertakings in which the Company's interest at the year-end is 20% or more are as follows:

Name	Registered address	Holding
Aeris Power Limited	30 Camp Road, Farnborough, Hampshire, GU14 6EW	100.00%
Broadpoint 2 Limited	1 King William Street, London, EC4N 7AF	49.00%
Digima Limited	30 Camp Road, Farnborough, Hampshire, GU14 6EW	30.87%
Digital Screen Solutions Limited	30 Camp Road, Farnborough, Hampshire, GU14 6EW	35.36%
Elementary Energy Limited	1 King William Street, London, EC4N 7AF	49.93%
Funding Path Limited	1 King William Street, London, EC4N 7AF	49.00%
Furnace Managed Services Limited	30 Buckland Gardens, Ryde, Isle of Wight, PO33 3AG	40.05%
Green Energy for Education Limited	1 King William Street, London, EC4N 7AF	50.00%
Green Highland Allt Choire A Bhalachain Limited	Q Court, 3 Quality Street, Edinburgh, EH4 5BP	49.90%
Green Highland Allt Ladaidh (1148) Limited	Q Court, 3 Quality Street, Edinburgh, EH4 5BP	35.17%
Green Highland Allt Luaidhe (228) Limited	Q Court, 3 Quality Street, Edinburgh, EH4 5BP	35.18%
Green Highland Allt Phochachain (1015) Limited	Q Court, 3 Quality Street, Edinburgh, EH4 5BP	42.70%
Achnacarry Hydro Ltd	Inveralmond Road, Inveralmond Industrial Estate, Perth, PH1 3TW	40.65%
Green Highland Shenval Limited	Q Court, 3 Quality Street, Edinburgh, EH4 5BP	28.16%
Green Peak Generation Limited	Q Court, 3 Quality Street, Edinburgh, EH4 5BP	48.26%
Perfectly Fresh Cheshire Limited	1 King William Street, London, EC4N 7AF	49.97%

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

## 16. Payables and Accrued Expenses

	C Shares	D Shares	E Shares	Total
	£'000	£'000	£'000	£'000
<b>31 March 2020</b>				
Payables	3	56	320	379
Other taxes and SS	3	2	3	8
Accrued expenses	11	11	21	43
	17	69	344	430
<b>31 March 2019</b>				
Payables	91	72	123	286
Other taxes and SS	2	2	3	7
Accrued expenses	10	8	16	34
	103	82	142	327

Disclosure by share class is unaudited

# Notes to the Financial Statements

## 17. Borrowings

In line with the Company's initial mandate for the C and D Share Classes the Company has entered into a short-term loan facility of £2.3 million which has repayment terms of 364 days. The loan attracts interest at a rate of 4.5% per annum.

The loan and liquidity risk surrounding this loan is discussed in more detail in the Principal Risks and Uncertainties section on page 25

## 18. Share Capital

	31 March 2020	31 March 2019
<b>C Shares of £0.01 each</b>		
Issued & Fully Paid		
Number of shares	13,441,438	13,441,438
Par Value £'000	135	135
<b>D Shares of £0.01 each</b>		
Issued & Fully Paid		
Number of shares	13,701,636	13,701,636
Par Value £'000	137	137
<b>E Shares of £0.01 each</b>		
Issued & Fully Paid		
Number of shares	28,949,575	28,949,575
Par Value £'000	290	290
<b>Total Shares of £0.01 each</b>		
Issued & Fully Paid		
Number of shares	56,092,649	56,092,649
Par Value £'000	562	562

The rights attached to each class of share are disclosed in the Directors' Report on pages 71 and 75.

## 19. Financial Instruments and Risk Management

The Company's financial instruments comprise VCT qualifying investments and non-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 pages 17 and 19.

The following table discloses the financial assets and liabilities of the Company in the categories defined by IFRS 9, "Financial Instruments".

Fixed Asset Investments (see note 12) 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 on 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 or a recent transaction price.

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.

# Notes to the Financial Statements

	Total value	Financial assets held at amortised cost	Financial liabilities held at amortised cost	Designated at fair value through profit or loss
<b>31 March 2020</b>				
<b>Assets:</b>				
Financial assets at fair value through profit or loss	50,763	–	–	50,763
Receivables	740	–	–	740
Cash and cash equivalents	701	701	–	–
	52,204	701	–	51,503
<b>Liabilities:</b>				
Other payables	379	–	379	–
Taxation payable	112	–	112	–
Loan facility	2,300	–	2,300	–
Accrued expenses	43	–	43	–
	2,834	–	2,834	–
<b>31 March 2019</b>				
<b>Assets:</b>				
Financial assets at fair value through profit or loss	52,144	–	–	52,144
Assets held for Sale	–	–	–	–
Receivables	1,336	–	–	1,336
Cash and cash equivalents	6,188	6,188	–	–
	59,668	6,188	–	53,480
<b>Liabilities:</b>				
Other payables	286	–	286	–
Accrued expenses	210	–	210	–
	496	–	496	–

## Market Risk

The Company's VCT qualifying investments are held in small and medium-sized unquoted investments 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.

Sensitivity analysis surrounding inputs such as inflation and discount rates is included in note 12.

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 46 and 47.

## 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 qualifying holdings are part equity and part loan. The loan element of investments totals £11,519,000 (2019: £12,239,000) and is subject to fixed interest rates of between 21.6% and 29.5% for between 5 - 20 years and, as a result, there is no cash flow 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 Company also has non-qualifying loan investments of £6,232,000 (2018: £8,067,000) which carry interest rates between 7.75 and 13.5% for between 5 – 15 years.

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

	31 March 2020	31 March 2019
	£'000	£'000
Cash on deposit	701	6,188
	701	6,188

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 2020. The Board believes that in the current economic climate a movement of 1% is a reasonable illustration.

The Company currently has a loan facility in place with TPLP, the loan attracts interest at fixed rate of 4.5%. The length of this agreement is 364 days, therefore there is a risk that the facility may be renewed at a higher interest rate, should interest rates increase in the wider market. The Board are of the opinion that this risk is low.

# Notes to the Financial Statements

## 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 2020	31 March 2019
	£'000	£'000
Qualifying Investment loans	11,519	26,215
Non-Qualifying Investment loans	6,232	14,411
Cash on deposit	701	6,188
Receivables	740	1,164
	<b>19,192</b>	<b>47,969</b>

The Company's loan to Broadpoint 3 Limited of £2.01 million was due for repayment on 31 March 2019. After discussions between the Board of the Company and that of Broadpoint 3 Limited, it was agreed to extend the due date on a rolling basis to be repayable on demand. Any impact of this extension has been considered in deriving the fair value of the instrument.

No other issues have been identified which would be cause for concern with regards the quality of credit for any other investee company.

The Company's bank accounts are maintained with RBS and Cater Allen Private Bank. Should the credit quality or financial position of RBS or Cater Allen deteriorate significantly, the Investment Manager will move the cash holdings to another bank.

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

## 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.

Further information surrounding going concern and liquidity can be found in note 2 to the financial statements on pages 95 to 98.

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. During the year, the Company entered into a loan facility with TPLP, the loan facility is secured against the portfolio of Hydroelectric investments. While the loan facility falls due within 12 months, the Board and the Investment Manager continue to maintain an open dialogue with the lender and believe the loan facility will be extended if the requirement is needed. The Company's ongoing cash flows are sufficient to meet the ongoing liquidity needs and therefore the Board believe liquidity risk is minimal. The cash position at the reporting date reflects the timing of dividends paid to investors on 25 March 2020.

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 2020 cash amounted to £701,000 (2019: £6,188,000).

## Foreign Currency Risk

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

## 20. Net Asset Value per Share

The Net Asset Value per C Share is 84.87p (2019: 134.58p) and is based on Net Assets of £11,406,000 (2019: £18,088,000) divided by the 13,441,438 (2019: 13,441,438) C Shares in issue.

The Net Asset Value per D Share is 62.46p (2019: 117.34p) and is based on Net Assets of £8,559,000 (2019: £16,077,000) divided by the 13,701,636 (2019: 13,701,636) D Shares in issue.

The Net Asset Value per E Share is 101.69p (2019: 102.56p) and is based on Net Assets of £29,442,000 (2019: £29,610,000) divided by the 28,949,575 (2019: 28,949,575) E Shares in issue.

## 21. Relationship with Investment Manager

During the period, TPIM received £1,193,478 which has been expensed (2019: £1,195,410) for providing management and administrative services to the Company. At 31 March 2020 £369,339 was owing to TPIM (2019: £284,451). During the year TPIM waived management fees in the sum of £Nil (2019: £84,849) in relation to the Company's investment in Green Highland Sherval Limited.

During the year, the Company entered into a facility agreement with another entity managed by the Investment Manager, TPLP. The facility, secured over the Hydroelectric portfolio, is for £2.7 million at a fixed rate of 4.5% per annum. To date, the Company has drawn £2.3 million against the facility.

The facility was put in place to aid in the refinancing of the hydro investments and enable the Company to pay dividends to Shareholders in line with the original mandate of the Company.

Interest of £3,119 was charged on amounts drawn during the period.

## 22. Related Party Transactions

The Directors' Remuneration Report on pages 66 to 70 discloses the Directors' remuneration and shareholdings.

There were no other related party transactions during the period.

# Notes to the Financial Statements

## 23. Post Balance Sheet Events

The Company has considered the COVID-19 pandemic, and the ongoing impact that this will have on the investment portfolio. While the Company acknowledges the fact that COVID-19 and the economic impact was underway before the Company's year end the Company continues to monitor the ongoing economic uncertainty caused by the virus.

Following the Balance Sheet date, the Company has disposed of a further 2.6 million shares of its E Share Class investment in Triple Point Social Housing REIT plc. The sale realised proceeds for the Company of £2.55 million, the Company continues to hold 552,000 shares.

After the Balance Sheet date the Company entered into a facility agreement with TP Leasing Limited, a fund which is also managed by the Investment Manager. The purpose of this facility was to eliminate the risk that the existing 364 day loan facility was not extended by the lender. The terms of this facility include a 2 year availability period with a 3 year loan term. The interest rate on the facility is 4.5%, in line with the terms of the existing loan.

## 24. Dividends

### C Shares:

During the year, the Company paid dividends to C Class Shareholders of £7,392,791 equal to 55p per share. The Board has resolved to pay a dividend of £470,450 equal to 3.5p per share on 30 June 2020 to Shareholders on the register on 12 June 2020.

### D Shares:

During the year, the Company paid a dividend to D Class Shareholders of £7,535,900 equal to 55p per share. The Board has resolved to pay a third dividend of £685,082 equal to 5p per share 30 June 2020 to Shareholders on the register on 12 June 2020.

### E Shares:

The Company paid a dividend to E Class Shareholders of £1,447,479, equal to 5p per share, on 25 March 2020 and also declared a further dividend of 6.5p per share to be paid on 30 June 2020 to Shareholders on the register on 12 June 2020.

This takes total dividends paid to E Share Class holders to 11.5p per share.

# Shareholder Information

## Company Secretary and Registered Office:

Hanway Advisory Limited  
1 King William Street  
London  
EC4N 7AF

## Registered Number

06421083

## FCA Registration number

659457

## Investment Manager

Triple Point Investment Management LLP  
1 King William Street  
London  
EC4N 7AF  
Tel: 020 7201 8989

## Independent Auditor

BDO LLP  
150 Aldersgate Street  
London  
EC1A 4AB

## Solicitors

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

## Registrars

Computershare Investor Services plc  
The Pavilions  
Bridgwater Road  
Bristol  
BS99 6ZY

## VCT Taxation Advisers

Philip Hare & Associates LLP  
First floor  
4-6 Staple Inn  
Holborn  
London  
WC1V 7QH

## Bankers

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

## Financial Calendar

Key events	Dates
Record Date for C, D and E Share Dividend	12 June 2020
Payment of C, D and E Share Dividend	30 June 2020
Annual General Meeting	23 July 2020
Financial Half Year End	31 August 2020
Announcement of Half-yearly Results	16 November 2020
Financial Year End	31 March 2021

## Forward Looking Statements

The Front Section of this report (including but not limited to the Chairman's Statement, Strategic Report, Investment Manager's Review and Directors' Report) has been prepared to provide additional information to Shareholders to assess the Company's strategies and the potential for those strategies to succeed. These should not be relied on by any other party or for any other purpose.

The Review Section may include statements that are, or may be deemed to be, "forward looking statements". These forward looking statements can be identified by the use of forward looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology.

These forward looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Directors and the Investment Manager concerning, amongst other things, the investment objectives and Investment Policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects, and distribution policy of the Company and the markets in which it invests.

By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward looking statements are not guarantees of future performance. The Company's actual investment performance, results of operations, financial condition, liquidity, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward looking statements contained in this document.

Subject to their legal and regulatory obligations, the Directors and the Investment Manager expressly disclaim any obligations to update or revise any forward looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

In addition, the Review Section may include target figures for future financial periods. Any such figures are targets only and are not forecasts. This Annual Report has been prepared for the Company as a whole and therefore gives greater emphasis to those matters which are significant in respect of Triple Point Income VCT plc.

# Notice of Annual General Meeting

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO WHAT ACTION TO TAKE YOU ARE RECOMMENDED TO CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000.**

**GOVERNMENT RESTRICTIONS ON MOVEMENT AND GATHERINGS IMPOSED AS A RESULT OF THE COVID-19 PANDEMIC IN FORCE AT THE DATE OF THIS NOTICE PROHIBIT PUBLIC GATHERINGS WHERE SHAREHOLDERS ARE NOT ALLOWED TO ATTEND SUCH MEETINGS IN PERSON.**

**PLEASE SEE THE FURTHER NOTES ON THE MEETING AT THE END OF THIS NOTICE CONCERNING THE VENUE AND FORMAT OF THE MEETING.**

If you have sold or transferred all of your shares in Triple Point Income VCT plc, you should pass this document, together with the accompanying Form of Proxy, to the person through whom the sale or transfer was made for transmission to the purchaser or transferee.

## Notice of Annual General Meeting

NOTICE is hereby given that the Annual General Meeting (the **Meeting**) of Triple Point Income VCT plc (the Company: registered in England and Wales with registered number 06421083) will be held at 1 King William Street, London, EC4N 7AF at 10.00am on 23 July 2020 for the purposes of considering and, if thought fit, passing the following Resolutions:

### Ordinary Resolutions

1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended 31 March 2020 and the reports of the Directors and Auditors on those Financial Statements (**Annual Report and Accounts**).
2. To approve the Directors' Remuneration Report (excluding the part containing the Director's Remuneration Policy) contained within the Annual Report and Accounts for the financial year ended 31 March 2020.
3. To approve the Directors' Remuneration policy, contained in Annual Report and Accounts for the financial year ended 31 March 2020 (the **Policy**).
4. To re-elect David Frank as a Director.
5. To re-elect Michael Stanes as a Director.
6. To re-elect Simon Acland as a Director.
7. To re-appoint BDO LLP as Auditors of the Company, to hold office until the conclusion of the next General Meeting at which accounts are laid before the Company, and to authorise the Audit Committee to determine the Auditor's remuneration.

### Special Resolutions

8. That the Company be and is hereby authorised in accordance with section 701 of the Companies Act 2006 (the "Act") to make one or more market purchases (as defined in section 693(4) of the Act) of fully paid C Shares, D Shares or E Shares of 1 pence provided that:
  - (i) the maximum aggregate number of C Shares authorised to be purchased is an amount equal to 10% of the issued

C Shares (equated to 1,344,143 C Shares) as at the date of this Resolution;

- (ii) the maximum aggregate number of D Shares authorised to be purchased is an amount equal to 10% of the issued D Shares (equated to 1,370,163 D Shares) as at the date of this Resolution;
- (iii) the maximum aggregate number of E Shares authorised to be purchased is an amount equal to 10% of the issued E Shares (equated to 2,894,957 E Shares) as at the date of this Resolution;
- (iv) the minimum price which may be paid for a C Share or D Share or E Share is 1 pence;
- (v) the maximum price which may be paid for a C Share, a D Share or an E Share is an amount, exclusive of expenses, equal to 105% of the average of the middle market prices for the C Shares, D Shares and E Shares as derived from the Daily Official List of the UK Listing Authority for the five business days immediately preceding the day on which the C Shares, D Shares or E Shares (as applicable) are purchased; and
- (vi) 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 a 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.

9. That a general meeting, other than an Annual General Meeting, may be called on not less than 14 clear days' notice.

The Board considers that all resolutions contained in this Notice of Meeting are in the best interests of the Company and its Shareholders as a whole and are most likely to promote the success of the Company for the benefit of its Shareholders as a whole. The Board unanimously recommends that members vote in favour of the proposed resolutions.

### By Order of the Board

**Hanway Advisory Limited  
Company Secretary**

Registered Office:  
1 King William Street  
London EC4N 7AF  
15 June 2020

# Notice of Annual General Meeting

## Explanatory Notes

An explanation of each of the resolutions is set out below. Resolutions 1 to 7 (inclusive) are proposed as ordinary resolutions. This means that for each of these resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 8 and 9 are proposed as special resolutions. This means that for this resolution to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

### Resolution 1 – Annual Report and Accounts

The Directors of the Company are required to present the Annual Report and Accounts to the Meeting.

### Resolution 2 – Directors' Remuneration Report (excluding the Policy)

The Directors' Remuneration Report provides details of the remuneration paid to the Directors during the year ended 31 March 2020.

In line with current legislation, the resolution is an advisory vote only and will not affect the way in which the pay has been implemented or the future remuneration that is paid to any Director. The Remuneration Report can be found on pages 66 to 70 of the Annual Report and Accounts.

### Resolution 3 – Directors' Remuneration Policy

The current Directors' Remuneration Policy was approved by the majority of Shareholders at the Company's AGM held on 24 August 2017, and under the usual three year cycle, the Board seeks approval of the new Policy applicable for up to three years effective from conclusion of the Meeting. Shareholders will be asked to approve the policy again at the Company's 2023 AGM. If the Company believes it is necessary to introduce a new remuneration policy or make changes to the existing approved policy before this date, the Remuneration Policy will be submitted to the Shareholders for approval at either an AGM or General Meeting. The Policy is set out in the Annual Report and Accounts on page 67.

There have been no changes to the Policy since its approval by Shareholders at the 2017 AGM other than presentational amendments to display the policy in a simple and transparent manner.

The vote on the Policy is binding and that from the conclusion of the Meeting, in compliance with section 226B of the Act, the Company may not make a remuneration payment to a person who is, is to be, or has been a director of the Company unless that payment is consistent with the approved Policy, or has otherwise been approved by a shareholder resolution.

### Resolution 4 to 6 – Directors

The Board seeks approval of the re-election of the Directors of the Board. In accordance with provision 23 of the AIC Code of Corporate Governance (published in February 2019), all Directors will be subject to annual re-election. Those willing to serve again will retire and submit themselves for re-election. The Directors believe that the Board offers a combination of skills, experience and knowledge and that all the Non-Executive Directors are independent in character and judgement.

The Board considers that the performance of each Director continues to be effective and demonstrates the commitment required to

continue in their present roles, and that each Director's contribution continues to be important to the Company's long-term sustainable success and future viability. This consideration is based on, amongst other things, the business skills and industry experience of each of the Directors, as well as their knowledge and understanding of the Company's business model and economic cycle.

The Board has also considered the other contributions which individual Directors may make to the work of the Board, with a view to ensuring that:

- the Board maintains a diverse balance of skills, knowledge, backgrounds and capabilities leading to effective decision-making;
- each Director is able to commit the appropriate time necessary to fulfilling their roles; and
- each Director provides constructive challenge, strategic guidance, offers specialist advice and holds third party service providers to account.

Biographies of each of the Directors are as follows:

#### *David Frank – Independent Non-Executive Chairman*

David is the Chairman of the Board. He was a partner in Slaughter and May for 22 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.

#### *Michael Stanes – Independent Non-Executive Director*

Michael 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.

#### *Simon Acland – Independent Non-Executive Director*

Simon has over 30 years' experience in venture capital, primarily at Quester, where he became Managing Director. When Quester was sold in 2007 it had £200 million 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 currently a director of several private companies, including the Satellite Applications Catapult, and is a member of the investment committee of the Angel Co-Fund. Simon is a Founder and Director of Green Angel Syndicate, the UK's only business angel group focused on investing in the green economy. He also acts as an Adviser to the Triple Point Impact EIS Fund.

# Notice of Annual General Meeting

## Resolution 7 – Re-appointment and remuneration of Auditor

The Company must appoint an auditor at each general meeting at which the accounts are presented to Shareholders, to hold office until the conclusion of the next such meeting. This resolution seeks approval to re-appoint BDO LLP as the Company's Auditor and authorise the Audit Committee to determine the remuneration of the Auditors.

## Resolution 8 – Purchase of own shares

The Company's members are being asked to renew the Directors authority to make market purchases of up to 5,609,263 C, D and E Shares (excluding shares held in treasury) of the Company (which represents 30% of the issued share capital of the Company as at 15 June 2020) and the Resolution sets out the minimum and maximum process that can be paid, exclusive of expenses. Any C, D, and E Ordinary Shares in the Company purchased pursuant to the authority sought under the Resolution may either be cancelled, and not be available for reissue, or held in treasury. Once held in treasury, such shares may be cancelled or sold for cash. At the date of this Annual Report, the Company does not hold any Ordinary Shares in the capital of the Company in treasury. The authority conferred will expire at the conclusion of the next annual general meeting of the Company or on the expiry of 15 months from the passing of the Resolution whichever is the first to occur (unless previously renewed, varied or revoked by the Company in general meeting).

The Board intends to use this authority to continue its share buy-back policy.

## Resolution 9 – Notice of general meetings

This resolution is to allow the Company to hold general meetings (other than an AGM) on 14 clear days' notice. The notice period required by the Act for general meetings of the Company is 21 clear days unless:

- Shareholders approve a shorter notice period, which cannot be less than 14 clear days; and
- the Company offers the facility for all Shareholders to vote by electronic means.

AGMs must always be held on at least 21 clear days' notice. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed.

The Company intends to give as much notice as is practicable when calling a general meeting. The 14 clear days' notice period will not be used as a matter of routine, but only in circumstances where it would clearly be to the advantage of shareholders as a whole, the business of the meeting is time-sensitive, or flexibility is merited by the nature of the business of the meeting.

## Further notes on the Meeting

### Coronavirus (COVID-19)

The Board is closely monitoring the impact of the COVID-19 pandemic in the United Kingdom. At the date of this notice there is uncertainty as to the UK Government Measures (if any) that will be in effect as at the date of the Meeting but, if restrictions such as those in force at the date of this notice still apply on that date, Shareholders will not be permitted to attend the Meeting, and the Meeting will proceed at the Company's offices as set out in the notice in line with

the UK Government Measures and the Company's Articles of Association. If this is the case, or should it become necessary to make alternative arrangements for the Meeting, for example a change of venue, postponement or any additional safety measures, Shareholders will be given as much notice as practically possible. To minimise this impact, the Board actively encourages Shareholders to vote by proxy, and where possible, to vote by proxy online.

### Entitlement to attend and vote

Only those members registered in the Company's register of members at close of business on 21 July 2020 (or in the event of an adjournment, at close of business on the date which is two working days prior to the adjourned meeting), or their duly appointed proxy, shall be entitled to attend or vote at the Meeting. Changes to the register of members after the deadline shall be disregarded in determining the rights of the persons to attend and vote at the Meeting.

### Attending in person

A form of identification should be presented if you wish to attend the Meeting in person.

### Right to appoint proxy

A member entitled to vote at the Meeting is entitled to appoint one or more proxies to exercise all or any of the rights to attend and speak. More than one proxy can be appointed provided each proxy is appointed to exercise rights attached to different shares. More than one proxy may not be appointed to exercise rights attached to any one share. A proxy can be appointed by using the procedures set out in these notes and the notes to the proxy form. A proxy need not be a member of the Company but must attend the Meeting to represent the member. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against a resolution. If no voting indication is given, the proxy will vote or abstain from voting at their discretion.

### Appointment of proxy in hard copy form

A hard copy form of proxy is sent to all members. 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, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, so as to be received by 10.00am on 21 July 2020 or, if the Meeting is adjourned, 48 hours (excluding non-working days) before the time fixed for the adjourned 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. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the time for delivery of proxies, no account has been taken of any part of a day that is not a working day.

### Appointment of proxy online

A proxy may be submitted electronically using [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). Members can use this service to vote or appoint a proxy on-line. The same voting deadline of 48 hours before the timing of

# Notice of Annual General Meeting

the Meeting applies as if you were using a personalised proxy form to vote or appoint a proxy by post to vote for you.

## Appointment of proxy through CREST

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

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy, or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID [3RA50]) by the latest time(s) for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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

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

## Joint holder of shares

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding, the first-named being the most senior.

## Right of corporate shareholder to appoint corporate representatives

A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercise powers over the same shares.

## Methods of communication

Except as previously provided above, members who have general queries about the Meeting should contact the Company's Registrar, Computershare, at [www.investorcentre.co.uk/contactus](http://www.investorcentre.co.uk/contactus) or the Company Secretary at the Company's registered office or by emailing [contact@hanwayadvisory.com](mailto:contact@hanwayadvisory.com). You may not use the electronic address provided either in this notice or any related documents, to communicate with the Company for any purposes other than those expressly stated.

## Shareholders right to ask questions

Under Section 319A of the Act, the Company must answer any question you ask relating to the business being dealt with at the Meeting unless, answering the question would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information, the answer has already been given on a website in the form of an answer to a question or it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

## Nominated Persons

If you are a person who has been nominated under Section 146 of the Act to enjoy information rights (Nominated Person):

- you may have a right under an agreement between you and the member of the Company who has nominated you to have Information Rights (Relevant Member) to be appointed or to have someone else appointed as a proxy for the Meeting;
- if you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to exercise of voting rights; and
- your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

## Website publication of audit concerns

Pursuant to Chapter 5 of Part 16 of the Act (Sections 527 to 531), where requested by a member or members having a right to vote at the Meeting and holding at least 5% of total voting rights of the Company, or at least 100 members having a right to vote at the Meeting and holding, on average, at least £100 of paid up share

# Notice of Annual General Meeting

capital, the Company must publish on its website a statement setting out any matter that such members propose to raise at the Meeting relating to audit of the Company's accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the Meeting. The request:

- may be in hard copy form signed by the member, stating the full members' name and address and is sent to the Company Secretary, Hanway Advisory Limited, 1 King William Street, London, EC4N 7AF or in electronic form stating the member's full name, address, and shareholder reference and is sent to contact@hanwayadvisory.com stating "AGM" in the subject field;
- must identify the statement to which it relates, either set out the statement in full or, if supporting a statement sent by another member, clearly identify the statement which is being supported;
- must be authenticated by the person or persons making it; and
- must be received by the Company at least one week before the Meeting.

Where the Company is required to publish such a statement on its website, it may not require the members making the request to pay any expenses incurred by the Company in complying with the request, it must forward the statement to the Company's Auditor no later than the time the statement is made available on the Company's website and the statement may be dealt with as part of the business of the Meeting.

## Shareholders' right to give notice of a resolution

Shareholders meeting (in aggregate) the threshold under sections 338 and 338A of the Act may instruct the Company:

- to give Shareholders (entitled to receive notice of the AGM) notice of a resolution which may properly be proposed and is intended to be proposed at the meeting and is intended to be proposed at the meeting; and/or
- to include in the business to be dealt with at the AGM any matter (other than a proposed resolution) which may be properly included in the business.

A resolution may properly be proposed or a matter may properly be included in the business unless:

- (In the case of a resolution only) it would, if passed, be ineffective;
- It is defamatory of any person; or
- It is frivolous or vexatious.

Such a request:

- may be in hard copy form or in electronic form;
- must identify the resolution of which notice is to be given or the matter to be included in the business;
- must be authorised by the person or persons making it, must be received by the Company not later than 9 June 2020, being the date six clear weeks before the meeting; and

- (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

## *Total number of shares and voting rights and the rights of Shareholders to participate in meetings*

As at 15 June 2020 (being the last practicable day prior to the publication of this notice) the Company's issued share capital comprised of 13,441,438 C Share of 1p each, 13,701,636 D Share of 1p each and 28,949,575 E Shares of 1p each. Each C, D and E Share of 1p each carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company on 15 June 2020 is 56,092,649.

## *Documents available for inspection*

Copies of the letters of appointment of each of the Directors and 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 weekday 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.

## *Website publication*

Information regarding the Meeting, including the information required by Section 311A of the Companies Act 2006, is available from  
<https://www.triplepoint.co.uk/current-vcts/triple-point-income-vct-plc-s1238/>





Triple Point

**Triple Point Income VCT plc**

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