

Issued 20th May 2015

Key Facts

Manager

Albion Ventures LLP

Launch date

Crown Place was formed through the merger of Murray VCT PLC, Murray VCT 2 PLC and Murray VCT 3 PLC in January 2006. Albion Ventures LLP took over the management of these VCTs in April 2005.

Share classes

Ordinary shares

Company Year End

30 June

Approximate date of dividend payments

March & November

Current dividend target

Ordinary shares 2.5p per share per year

LSE mnemonic

CRWN

Directors

Richard Huntingford (Chairman)
Karen Brade (Chairman of the Audit Committee)
Rachel Beagles
Penny Freer

Investment strategy

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

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

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

Venture Capital Trust status

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

- (1) The Company's income must be derived wholly or mainly from shares and securities;
- (2) At least 70 per cent. of the HMRC value of its investments must have been represented throughout the year by shares or securities that are classified as 'qualifying holdings';
- (3) At least 30 per cent. by HMRC value of its total qualifying holdings must have been represented throughout the year by holdings of 'eligible shares'. For funds raised after 5 April 2011, the figure is 70 per cent;
- (4) At the time of investment, or addition to an investment, the Company's holdings in any one company (other than another VCT) must not have exceeded 15 per cent. by HMRC value of its investments;
- (5) The Company must not have retained greater than 15 per cent. of its income earned in the year from shares and securities; and
- (6) The Company's shares, throughout the year, must have been listed in a regulated European market.

These tests drive a spread of investment risk through disallowing holdings of more than 15 per cent. in one portfolio company.

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

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

This factsheet is issued in the UK by Albion Ventures LLP

Investment in the Company will involve certain risks, including:

- The Company will invest in unquoted investments which are, or may be, illiquid and difficult to realise;
- The Company will invest in shares of companies that may be subject to transfer restrictions;
- The performance of the Company is dependent on the availability of appropriate tax reliefs relating to venture capital trust status.

The value of investments can fall as well as rise and an investor may not get back the original amount invested.

The tax treatment depends on the individual circumstances of each investor and may be subject to change in the future.

Albion Ventures does not provide advice to, or ensure suitability in respect of any of its investment funds. An authorised investment adviser should be consulted in all circumstances where advice on an investment product is required. Albion Ventures, authorised and regulated by the FCA, cannot comment on the individual circumstances of each investor. The information relating to tax on this website is based on current law and practice and should not be construed as tax advice in respect of which investors should consult their own tax adviser. The market value of, and the income derived from shares can fluctuate and there is no guarantee that the market price of shares will fully reflect their underlying net asset value. There can be no guarantee that the investment objectives will be met.

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Gearing

As defined by the Articles of Association, the Company's maximum exposure in relation to gearing is restricted to the amount of the adjusted share capital and reserves of the latest published audited consolidated balance sheet. The Directors do not currently have any intention to utilise long term gearing.

Management agreement

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

Under the terms of the management agreement, the Manager is paid an annual fee equal to 1.75 per cent of the net asset value of the Company, plus £50,000 fee per annum for administrative and secretarial services.

The fee is payable quarterly in arrears. Under the terms of the management agreement, total annual expenses, including the management fee, are limited to 3.0 per cent. of net asset value.

In line with common practice, the manager is also entitled to an arrangement fee, payable by each portfolio company, of approximately 2 per cent. on each investment made, plus fees payable by portfolio companies for providing non-executive directors to those companies.

Management performance incentive

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

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

As at 30 June 2014, the cumulative shortfall of the target return was 7.42 pence per share and this amount needs to be made up before an incentive fee becomes payable.

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

Share buy-back policy

The Board's policy is to buy back shares in the market, subject to the overall constraint that such purchases are in the Company's best interest. This includes the maintenance of sufficient resources for investment in new and existing portfolio companies and the continued payment of dividends to shareholders. It is the Board's intention for such buy-backs to be in the region of a 5 per cent. discount to net asset value, so far as market conditions and liquidity permit.

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